BPER: Banca

PRESS RELEASE

Consolidated results for H1 2018 approved

Net profit for the half year of € 307.9 million, almost three times what it was in the first half of last year

The Group's high financial solidity is confirmed with a Phased In[1] CET1 ratio of 14.72%, well above the SREP 2018 requirement set by the ECB at 8.125%. Fully Phased CET1 ratio of 11.63%, much the same as in the first quarter, despite the impact of the rise in yields on the equity reserve for the securities in portfolio

Further significant reduction in the gross NPE stock of € 1.7 billion, also thanks to the "4Mori Sardegna" securitisation of bad loans concluded last June:

- **Gross NPE ratio at 17.4% from 19.9% at 1 January 2018 (-2.5 p.p.) down for the eighth consecutive quarter;**
- **Net NPE ratio at 8.4% from 9.2% at 1 January 2018;**
- **Improvement in annualised credit quality metrics with a default rate of 2% and a cure rate[2] of 13.8%[3]**
- **Texas ratio[4] of 95.5% (-6.0 p.p. on 1 January 2018)**

Coverage of NPE of 56.9% at the highest levels of the Italian banking sector. The considerable increase in coverage was favoured, in particular, by the provision made in conjunction with the introduction of the new accounting standard IFRS 9 on 1 January 2018. In detail:

- **coverage of bad and unlikely to pay loans at 64.9% and 41.9% respectively at 30 June 2018**

Net result from operations of € 476.7 million, supported in particular by the very positive trend in net commissions and the net profit from financial activities, also thanks to gains realised on debt securities. The annualised cost of credit comes in at a distinctly low level (36 bps)

***METHODOLOGICAL NOTE** The entry into force of the new standard IFRS 9 from 1 January 2018, first-time application of which took place under the transition rules, and the recent update of Bank of Italy Circular 262, which revised, among other things, the separate and consolidated financial statement schedules in order to implement the new standard, have led to inconsistencies in the figures compared with the previous year. It is also worth reiterating that 2017 for the BPER Group featured a change in the scope of consolidation following the acquisition of 100% of Nuova Carife, which was completed on 30 June 2017; this entity was subsequently absorbed by the parent company BPER Banca on 20 November 2017. In this context, in order to allow a comparison of the figures in the income statement as homogeneous as possible with respect to the previous year, the figures are shown on a consolidated basis as at 30 June 2018, estimating their values according to the previous rules, with the best approximation possible. It should also be noted that as a result of the acquisition of Nuova Carife, these figures are comparable with the same scope of consolidation only for the second half of 2017, which already included their effects. It should also be noted that the consolidated results at 30 June 2017 included significant non-recurring items, including the "badwill" generated by the acquisition of Nuova Carife amounting to € 130.7 million and the write-downs on the Atlante Fund quotas and the share of the contribution to the FITD-SV for CariCesena for a total of € 61.5 million. On the other hand, the consolidated balance sheet at 31 December 2017 was recalculated as of 1 January 2018 and restated according to the new schedules in line with the new IFRS 9 classification, thereby becoming directly comparable with the balance sheet figures at 30 June 2018. The figures subject to these interventions are specifically defined, in the context of this document if not explained otherwise, as pro-forma and/or pro-formatted.*

The Board of Directors of BPER Banca today reviewed and approved the separate results of the Bank and the consolidated results of the Group at 30 June 2018.

Alessandro Vandelli, Chief Executive Officer of BPER Banca, at the end of the board meeting commented: *"The Board of Directors has approved the results of the first half of the year, which closed with a net profit for the period of about € 308 million, almost three times what it was in the first half of last year. Asset quality continues to improve for the eighth consecutive quarter, recording a sharp decline in the gross stock of NPLs for approximately € 1.7 billion since the beginning of the year, also thanks to the "4Mori Sardegna" securitisation of bad loans for € 900 million carried out by Banco di Sardegna last June; the total stock has fallen below the € 9 billion threshold and the NPE ratio has dropped by 2.5 percentage points to 17.4% from 19.9% at the start of the year. At the same time, NPE coverage remains at the maximum levels of the system and BPER's capital solidity is still high with a CET1 ratio of 14.7% on a transitional basis, compared with a minimum SREP requirement set by the ECB at 8.125%. In addition, consistent with the planned stock reduction targets for this year, activities relating to the second securitisation of the Group's bad loans of approximately € 2 billion are expected to be completed by the end of the year. So we are very satisfied with the results achieved so far, especially as regards the significant improvement in both credit quality and profitability. On these solid bases we are now building a new wide-ranging Business Plan, which should be approved after the summer."*

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Income statement: key figures (see Methodological Note on page 1)

Net interest income comes to € 573.5 million[5]. The second quarter result is equal to € 280.3 million, down from € 293.2 million in the first quarter of the year, mainly due to the "IFRS 9 reclassification" effect[6] and to a lower contribution from the financial margin.

Net commission income amounted to € 389.1 million, the highest it has ever been for the Group. This positive performance was achieved mainly thanks to the resilience of net commission income on the commercial business and the increase in net commission income on inflows to asset management schemes and "bancassurance", up on the same period of last year (+27.7% y/y), bearing in mind that the scope is not entirely comparable. The figure for the second quarter stands at € 190.9 million (-3.6% q/q): the component relating to managed funds decreased by 6.2%, mainly due to a lower contribution from up-front commissions on placements and a decrease in the component relating to loans and guarantees; net commission income on the bancassurance business continues to show a good performance, posting an increase of 16.1% q/q.

The **net result from trading activities** (including dividends of € 13.5 million) amounts to € 183.5 million. This comprises net profits realised on securities and derivatives for € 172.9 million, net losses on securities and derivatives for € 7.9 million and other positive elements for € 5.0 million.

Operating profit amounts to € 1,165.7 million. The figure for the second quarter comes in at € 508.7 million, with a positive performance by the net financial result despite the strong tensions on Italian sovereign risk and the good performance of net commissions, compared with a lower contribution from net interest income.

Operating costs amounted to € 689.0 million. In detail, payroll costs amount to € 420.4 million, other administrative expenses to € 212.3 million and depreciation/amortisation to € 56.3 million. Operating costs for the second quarter amounted at € 357.9 million, up from € 331.2 million in the first quarter of the year, mainly due to net non-recurring adjustments to tangible assets, administrative expenses relating to projects completed during the quarter and higher charges for the variable portion of staff remuneration.

The **net result from operations** (operating profit, net of operating costs) comes to € 476.7 million, whereas it was € 150.8 million in the second quarter.

Net adjustments to loans and other financial assets amount to € 84.2 million, almost entirely related to net adjustments to financial assets valued at amortized cost, which are down considerably compared with the same period last year. The figure for the second quarter was € 59.8 million. The **annualised cost of credit** amounts to 36 bps (18 bps in the half-year) with a sharp reduction compared with 112 bps for the whole of 2017.

Net provisions for risks and charges came in at € 37.0 million in the half-year.

The first half includes the contribution of the BPER Group to the **Single Resolution Fund ("SRF") for 2018 of € 29.0 million**, made up of an ordinary part of € 20.3 million already recorded in the first quarter (€ 18.1 million in the first quarter 2017) and an extraordinary part of € 8.7 million related to 2016 in the second quarter. Note that in the reclassified income statement, these contributions are shown on a separate line in the interests of clarity, whereas in the Bank of Italy format they are included in caption 180 b) "Other administrative expenses".

The **profit from current activities before tax** amounted to € 331.9 million, a strong increase compared with € 109.0 million of 2017. **Income taxes** amount to € 9.8 million, made up essentially of deferred taxes. With respect to tax losses accrued during the course of 2017/2018, amounting to € 1,465.1 million (including the impact from FTA) deferred tax assets have not been recorded.

Total net profit for the period comes to € 322.2 million (€ 119.2 million in the first half of 2017), including the net profit pertaining to minority interests of € 14.3 million. **The profit pertaining to the Parent Company** therefore comes to € 307.9 million (€ 119.1 million in the first half of 2017).

Balance sheet: key figures (see Methodological Note on page 1)

Direct borrowing from customers (amounts due to customers, outstanding securities and financial liabilities designated at fair value) amounted to € 49.9 billion (€ 50.2 billion at 1 January 2018), down by € 0.3 billion mainly due to seasonal effects and to the continuation of the policy of transforming such borrowing into "indirect" deposits. Ordinary customer deposits amounted to € 44.8 billion, down by € 0.3 billion from 1 January 2018, recording a fall in the component of time deposits (- € 0.6 billion) and bonds and certificates of deposit (- € 1.0 billion), almost entirely offset by the increase in current accounts and free deposits (+€ 1.3 billion). Institutional funding amounted to € 5.1 billion, substantially stable from 1 January 2018. Direct borrowing is made up principally of current accounts, demand deposits and short-term restricted deposits (77.1%) and bonds (9.5%).

Indirect customer deposits, marked to market, amount to € 36.3 billion (€ 35.9 billion at the end of 2017). In particular, **assets under management** come to € 19.8 billion with a net inflow for the period of more than € 0.8 billion (€ 1.2 billion in the first half of last year). **Assets under administration** amount to € 16.4 billion (€ 16.1 billion at the end of 2017). The **life insurance policy portfolio**, which is not included in indirect borrowing, comes to € 4.8 billion (€ 4.7 billion at the end of 2017).

Net loans to customers amount to € 45.8 billion, down by 0.7 billion compared with € 46.5 billion at 1 January 2018, but up by € 0.4 billion in the second quarter compared with 31 March 2018, also including the effects of the "4Mori Sardegna" securitisation by Banco di Sardegna, completed in June.[7] Net performing loans amount to € 42.0 billion (- € 0.2 billion from 1 January 2018), while net non-performing expeosures (bad loans, unlikely to pay and past due loans) amount to € 3.8 billion (- € 0.5 billion compared with 1 January 2018), with a total coverage ratio of 56.9%, a significant increase of 8.2% from 48.7% at 31 December 2017 and slightly down from 57.4% at 31 March 2018 thanks to the sales mentioned above. In detail, **net bad loans** amount to € 2.1 billion, a significant decrease of 0.2 billion (-10.6%) on 1 January 2018, with coverage of 64.9%; **Net unlikely-to-pay loans** amount to € 1.7

billion, a decline of € 0.2 billion compared with 1 January 2018 (-11.8%), with coverage of 41.9%; **net past due loans** amount to € 0.1 billion with coverage of 12.7%.

Gross loans to customers amount to € 51.0 billion and decrease by € 2.0 billion on € 53.0 billion at 1 January 2018 and by € 0.2 billion on 31 March 2018, also including the effect of the "4Mori Sardinia" securitisation of bad loans by Banco di Sardegna, completed in June[8]. Gross performing loans total € 42.1 billion, gross non-performing loans (bad loans, unlikely to pay loans and past due loans) total € 8.9 billion with an incidence of 17.4% on total gross loans, sharply down by 2.5% from 19.9% on 1 January 2018, also thanks to the "4Mori Sardinia" securitisation of bad loans. In detail, **gross bad loans** amount to € 5.9 billion, a decrease of € 1.2 billion (-16.9%) on 1 January 2018; **gross unlikely to pay loans** amount to € 2.8 billion, down by € 0.5 billion (-14.2%) compared with 1 January 2018; **gross past due loans** amount to € 0.1 billion.

The **net interbank position**, which is negative for € 9.5 billion compared with € 10.0 billion at 1 January 2018, is the difference between the amounts due from banks of € 3.1 billion and the amounts due to banks of € 12.6 billion. The BPER Group's total amount of refinancing with the European Central Bank (ECB) amounted to € 9.3 billion, entirely attributable to participation in the second round of longer term refinancing operations called TLTRO 2 with a four year maturity[9]. Financial instruments, which can be used as collateral for refinancing operations on the market, amount to € 17.0 billion net of the haircut, of which € 4.3 billion are available, to which have to be added more than € 2.5 billion of available deposits at the ECB.

Financial assets amount in total to € 16.3 billion (€ 15.7 billion at the end of 2017), representing 23.2% of total assets. Debt securities amount to € 15.4 billion and represent 94.5% of the total portfolio: of these, € 6.5 billion relate to government securities, of which € 5.6 billion represented by Italian government bonds.

Total equity ("own funds") at 30 June 2018 amounts to € 4.7 billion (€ 4.6 billion at 1 January 2018), with minority interests of € 0.5 billion (unchanged versus 1 January 2018). Consolidated shareholders' equity of the Group, including the result for the period, comes to € 4.3 billion (€ 4.2 billion at 1 January 2018).

The **LCR** ("Liquidity Coverage Ratio") and **NSFR** ("Net Stable Funding Ratio") liquidity ratios are over 100%; in particular, at 30 June 2018, the LCR ratio was equal to 146.9%, while the NSFR ratio was estimated at over 100% (compared with 106.4% at 31 March 2018).

Capital ratios

The capital ratios at 30 June 2018, calculated taking into account the AIRB methodology for the credit risk requirement, consider the value of Own Funds including the share of profit realised during the period, net of the expected dividend in application of the new standard IFRS 9[10]:

- *Common Equity Tier 1 (CET1)* Ratio *Phased in*[11] of 14.72% (14.61% at 31 March 2018 and 13.89% at 31 December 2017). This ratio calculated on a fully phased basis comes to 11.63% (11.71% at 31 March 2018 and 13.68% at 31 December 2017);
- *Tier 1 ratio Phased in* of 14.81% (14.70% at 31 March 2018 and 13.97% at 31 December 2017);
- *Own Funds ratio (phased in)* of 17.63% (17.50% at 31 March 2018; 16.69% at 31 December 2017).

The capital ratios, as described above, do not include the recognition of deferred tax assets on tax losses.

Key figures at 30 June 2018

The Group has a presence in eighteen Regions of Italy with 1,219 branches (1,218 at the end of 2017), as well as the head office of BPER (Europe) International s.a. in Luxembourg.

Group's employees are 11,655, 15 person less than at 31 March 2018 (at the end of 2017 employees were 11,653).

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Outlook for operations

During the second half of the year, the pressure on net interest income due to the persistence of market rates at all-time lows should be offset by an expected increase in volumes and an easing of competitive pressures on the return on commercial assets. Important support for revenues is expected to come from commissions, particularly from the asset management and bancassurance sector, while the core banking business should remain substantially stable. A significant contribution to the Group's profitability is expected to come from the substantial reduction in the cost of credit that began in the first half of the year, as a result of a further improvement in asset quality. All of these factors should help support the Group's profitability prospects for the current year.

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The Half-year Report of the BPER Group at 30 June 2018, together with the limited audit report of the independent auditors, will be available at the head office, at Borsa Italiana S.p.A. and on the websites of the Bank and the Group (www.bper.it and www.gruppobper.it) in the next few days, as required by law. Note that the Independent Auditors have not yet finished their audit work. The pro-forma figures are not subject to audit by Deloitte & Touche S.p.A.

To complete the information provided, we attach:

- *the consolidated balance sheet and income statement (split into quarters with comparative figures and reclassified) at 30 June 2018, as well as a summary of the main indicators;*
- *the IFRS 9 transition schedules.*

Modena, 7 August 2018

Chief Executive Officer
Alessandro Vandelli

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The Manager responsible for preparing the Company's financial reports, Marco Bonfatti, declares in accordance with art. 154-bis, para. 2, of Legislative Decree 58/1998 (Consolidated Finance Act) that the accounting information contained in this press release agrees with the books of account, accounting entries and supporting documentation.

Modena, 7 August 2018

Manager responsible for preparing the Company's financial reports Marco Bonfatti

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A conference call has been organised for **7 August 2018 at 6.00 p.m. (CET)** to explain the BPER Group's results at 30 June 2018.
The conference call, in English, will be chaired by **Alessandro Vandelli**, **the Chief Executive Officer**.

To join the conference call, key in the following number:

ITALY: +39 02 8020911
UK: +44 1212 818004
USA: +1 718 7058796

A *set* of slides supporting the presentation will be available the same day before the start of the presentation and conference call in the Investor Relations section of the website of the Bank and of the Group www.bper.it and https://istituzionale.bper.it/.

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This press release is also available in the 1INFO storage device.
This is a translation into English of the original in Italian. The Italian text shall prevail over the English version.

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Notes:

[1] Reg. 2395/2017 "Transitional provisions to mitigate the impact of introducing IFRS 9 on Own Funds" introduced the "phased-in" relating to the impacts on Own Funds of the new standard IFRS 9, which offers banks the possibility to mitigate the impact on Own Funds in a transitional period of 5 years (from March 2018 to December 2022) by sterilizing the effect in CET1 with the application of decreasing percentages over time. The BPER Banca Group has chosen to adopt the so-called "static approach", to be applied to the impact resulting from comparison between the IAS 39 adjustments at 31/12/2017 and the IFRS 9 adjustments at 1/1/2018

[2] Calculated as a inflow from performing exposures of the period/stock of performing loans at the beginning of the period (annualized gross values)

[3] Calculated as an outflow from unlikely to pay and past due loans to performing loan exposures for the period/stock of unlikely to pay and past due loans at the start of the period (annualized gross values)

[4] The Texas ratio is defined as gross NPE/(tangible equity + provisions)

[5] Net interest income in the first half of 2018 includes the benefit of participating in emissions of TLTRO 2 - Targeted Longer Term Refinancing Operations-II for € 18.6 million of which € 9.3 million in the first quarter of the year. This benefit for the whole of 2017 was € 33.7 million (€ 10.0 million in the fourth quarter of 2017, € 9.3 million in the third quarter of 2017, € 9.3 million in the second quarter of 2017 and € 5.1 million in the first quarter of 2017).

[6] Following application of the 5th update of Bank of Italy Circular 262/2005, the value of this item at 30 June 2018 includes € 51.7 million (€ 29.1 million in the first quarter 2018, € 22.6 million in the second quarter 2018) relating to interest on the time value of money on non-performing loans, which in the comparative period were included under "Impairment adjustments to loans". Furthermore, application of this Circular envisages not including in this item a portion of the interest on exposures classified as non-performing referring to loans to customers which amounted to € 5.3 million in the period (€ 3.5 million in the first quarter of 2018, € 1.8 million in the second quarter of 2018). Overall, the impact on the margin in the second quarter of 2018 was € 20.8 million, whereas in the first quarter it was € 25.6 million.

[7] For details of the transaction, see the press releases published on 22 and 29 June 2018.

[8] For details of the transaction, see the press releases published on 22 and 29 June 2018.

[9] The details of the Group's participation in the second series of longer-term refinancing operations called "TLTRO 2" is as follows: € 4.1 billion subscribed in June 2016, partly used for full repayment of the “TLTRO 1” transaction; € 1.0 billion at the end of December 2016 and € 4.2 billion at the end of March 2017.

[10] The figures recalculated at 1 January 2018 are respectively CET1 ratio Phased In of 13.62%; CET1 ratio Fully Phased of 11.06%; Tier 1 ratio Phased In of 13.63% and Total Capital Ratio Phased In of 16.14%.

[11] See note 1

Reclassified financial statement as at 30 June 2018

For greater clarity in the presentation of the results for the period the accounting schedules envisaged by the 5th update of Bank of Italy Circular 262/2005 have been reclassified.
In the balance sheet:

- Debt securities valued at amortised cost (caption 40 "Financial assets valued at amortised cost") have been reclassified under caption *"Financial assets"*.
- *"Other assets"* include captions 110 "Tax assets" and 130 "Other assets".
- "*Other liabilities and shareholders' equity"* include captions 60 "*Tax liabilities"*, 80 "*Other liabilities"*, and 90 " *Provision for termination indemnities"* and 100 "*Provisions for risks and charges"*.

In the income statement:

- "*Net result from financial activities"* includes items 80, 90, 100 and 110 in the standard reporting format;
- Indirect tax recoveries, allocated for accounting purposes to item 230 *"Other operating charges/income"*, have been reclassified as a reduction in the related costs under *"Other administrative expenses"* (Euro 63,452 thousand at 30 June 2018 and Euro 60,982 thousand at 30 June 2017);
- *"Net adjustments to property, plant and equipment and intangible assets"* include captions 210 and 220 in the standard reporting format;
- *"Gains (losses) on equity investments, disposal of investments and adjustments to goodwill"* include captions 250, 270 and 280 in the reporting format;
- "Contributions to the DGS, SRF and IDGF-VS funds" has been shown separately from the specific accounting technical forms to give a better and clearer representation, as well as to leave the "Other administrative costs" as a better reflection of the trend in the Group's operating costs. In particular, at 30 June 2018, this caption represents the component allocated for accounting purposes to administrative costs in relation to:
  - the 2018 contribution to the SRF (European Single Resolution Fund) for Euro 20,347 thousand;
  - additional contribution requested by the SRF (European Single Resolution Fund) for 2016 from Italian banks for Euro 8,593 thousand;
  - the 2018 contribution to the DGS (Deposit Guarantee Schemes) for Euro 12 thousand, representing only the amount required of Bper (Europe) International s.a. for the half-year.

In the comparative figures at 30 June 2017, the "Adjustments to other financial assets" have been reclassified to "Net provisions for risks and charges" to comply with the 5th update of Bank of Italy Circular 262/2005.

Pro-forma reclassified accounting schedules as at 30 June 2018

The income statement is also presented in a pro-forma version, in which the effects deriving from application of IFRS 9 have been reallocated to the various captions according to the instructions in the 4th update of Circular 262/2005, to allow a homogeneous comparison with the results of the previous year.

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Reclassified consolidated balance sheet as at 30 June 2018

(in thousand of Euro)

Assets	30.06.2018	31.03.2018	01.01.2018	31.12.2017	Change 30.06.2018-01.01.2018	Change %
Cash and balance with central banks	353,774	337,394	420,299	420,299	(66,525)	-15.83
Financial assets	16,331,689	15,148,485	15,802,589	15,665,299	529,100	3.35
a) Financial assets held for trading	350,388	411,047	425,424	425,424	(75,036)	-17.64
b) Financial assets designated at fair value	221,625	224,689	223,192	223,192	(1,567)	-0.70
c) Ohter financial assets mandatorily at fair value through profit or loss	849,430	610,305	644,466	677,985	204,964	31.80
d) Financial assets at fair value through other comprehensive income	9,295,682	9,864,136	13,550,694	13,398,757	(4,255,012)	-31.40
e) Debt securities valued at amortised cost	5,614,564	4,038,308	958,813	939,941	4,655,751	485.57
- banks	1,075,460	736,722	196,713	193,334	878,747	446.72
- customers	4,539,104	3,301,586	762,100	746,607	3,777,004	495.61
Loans	48,948,599	48,899,198	49,468,903	50,621,645	(520,304)	-1.05
a) loans to banks	3,146,234	3,495,614	3,000,199	3,012,515	146,035	4.87
b) loans to customers	45,802,365	45,403,584	46,468,704	47,609,130	(666,339)	-1.43
Hedging derivatives	50,066	51,075	54,061	54,061	(3,995)	-7.39
Equity invesments	448,990	456,075	454,367	454,367	(5,377)	-1.18
Property, plant and equipment	1,056,260	1,057,326	1,063,483	1,063,483	(7,223)	-0.68
Intangible assets	497,340	499,403	506,627	506,627	(9,287)	-1.83
- of which; goodwill	327,084	327,084	327,084	327,084	-	-
Other asset captions	2,610,017	2,489,238	2,550,510	2,553,026	59,507	2.33
Total assets	**70,296,735**	**68,938,194**	**70,320,839**	**71,338,807**	**(24,104)**	**-0.03**

(in thousand of Euro)

Liabilities and shareholders' equity	30.06.2018	31.03.2018	01.01.2018	31.12.2017	Change 30.06.2018-01.01.2018	Change %
Due to banks	12,622,968	12,626,209	12,984,226	12,984,226	(361,258)	-2.78
Direct deposit	49,879,284	48,919,211	50,246,932	50,246,417	(367,648)	-0.73
a) Due to customers	43,291,051	41,900,213	42,694,078	42,694,078	596,973	1.40
b) Debt securities in issue	6,588,233	7,018,998	7,552,854	7,552,339	(964,621)	-12.77
Financial liabilities held for trading	241,013	315,365	170,046	170,046	70,967	41.73
Hedging derivatives	42,918	18,898	23,795	23,795	19,123	80.37
Other liabilities captions	2,772,599	2,223,795	2,262,970	2,197,592	509,629	22.52
Minority interests	474,358	493,872	451,825	653,010	22,533	4.99
Shareholders' equity pertaining the Parent Company	4,263,595	4,340,844	4,181,045	5,063,721	82,550	1.97
a) Valuation reserves	60,974	140,229	204,422	75,089	(143,448)	-70.17
b) Reserves	1,527,996	1,582,852	1,433,445	2,445,454	94,551	6.60
c) Share premium reserve	930,073	930,073	930,073	930,073	-	-
d) Share capital	1,443,925	1,443,925	1,443,925	1,443,925	-	-
e) Treasury shares	(7,258)	(7,258)	(7,258)	(7,258)	-	-
f) Profit (loss) for the period pertaining to the Parent Company	307,885	251,023	176,438	176,438	131,447	74.50
Total liabilities and shareholder's equity	**70,296,735**	**68,938,194**	**70,320,839**	**71,338,807**	**(24,104)**	**-0.03**

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Reclassified consolidated income statement as at 30 June 2018

Item		30.06.2018	30.06.2017	Change	Change %
10+20	Net interest income	573,502	570,119	3,383	0.59
40+50	Net commission income	389,056	359,224	29,832	8.30
70	Dividends	13,461	11,124	2,337	21.01
80+90+100+110	Net trading income	170,065	50,533	119,532	236.54
230 (*)	Other operating charges/income	19,659	24,608	(4,949)	-20.11
	Operating income	**1,165,743**	**1,015,608**	**150,135**	**14.78**
190 a)	Payroll	(420,434)	(385,676)	(34,758)	9.01
190 b) (*) (**)	Other administrative expenses	(212,266)	(201,492)	(10,774)	5.35
210+220	Net adjustments to property, plant, equipment and intangible assets	(56,325)	(40,697)	(15,628)	38.40
	Operating costs	**(689,025)**	**(627,865)**	**(61,160)**	**9.74**
	Net operating income	**476,718**	**387,743**	**88,975**	**22.95**
130 a)	Net impairment adjustments to Financial assets at amortised cost	(84,934)	(323,232)	238,298	-73.72
130 b)	Net impairment adjustments fo Finacial assets at fair valut through other comprehensive income	1,904	(71,617)	73,521	-102.66
140	Profit/loss from contract changes without derecognition	(1,183)	-	(1,183)	n.s.
	Net impairment adjustments to credit risk	**(84,213)**	**(394,849)**	**310,636**	**-78.67**
200	Net provisions for risks and charges	(37,039)	(5,168)	(31,871)	616.70
###	Contributions to SRF, DGS, IDGF - VS	(28,952)	(15,947)	(13,005)	81.55
250+270+280	Gains (Losses) on disposal of investments and adjustments to goodwill	5,418	6,548	(1,130)	-17.26
###	Negative goodwill	-	130,722	(130,722)	-100.00
290	**Profit from current operations before tax**	**331,932**	**109,049**	**222,883**	**204.39**
300	Income taxes on current operations	(9,768)	10,183	(19,951)	-195.92
330	**Profit (Loss) for the period**	**322,164**	**119,232**	**202,932**	**170.20**
340	Profit (Loss) for the periodo pertaining to minority interests	(14,279)	(170)	(14,109)	--
350	**Profit (Loss) for the period pertaining the Parent Company**	**307,885**	**119,062**	**188,823**	**158.59**

	Captions net of:				
(*)	Recovery of indirect taxs	63,452	60,982	2,470	4.05
(**)	Contributions to SRF, DGS, IDGF - VS	(28,952)	(15,947)	(13,005)	81.55

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Reclassified consolidated income statement by quarter as at 30 June 2018

Captions		1st quarter 2018	2nd quarter 2018	1st quarter 2017	2nd quarter 2017	3rd quarter 2017	4th quarter 2017
10+20	Net interest income	293,234	280,268	288,114	282,005	280,218	274,142
40+50	Net commission income	198,120	190,936	177,373	181,851	184,802	196,602
70	Dividends	584	12,877	312	10,812	507	785
80+90+100+110	Net trading income	153,634	16,431	24,664	25,869	20,489	32,112
230 (*)	Other operating charges/income	11,485	8,174	10,310	14,298	23,565	10,017
	Operating income	**657,057**	**508,686**	**500,773**	**514,835**	**509,581**	**513,658**
190 a)	Payroll	(207,534)	(212,900)	(194,125)	(191,551)	(191,656)	(206,146)
190 b) (*) (**)	Other administrative costs	(102,285)	(109,981)	(96,628)	(104,864)	(107,465)	(116,654)
210+220	Net adjustments to property, plant and equipment and intangible assets	(21,339)	(34,986)	(18,685)	(22,012)	(20,653)	(26,079)
	Operating costs	**(331,158)**	**(357,867)**	**(309,438)**	**(318,427)**	**(319,774)**	**(348,879)**
	Net operating income	**325,899**	**150,819**	**191,335**	**196,408**	**189,807**	**164,779**
130 a)	Net impairment adjustments to Financial assets at amortised cost	(26,141)	(58,793)	(133,573)	(189,659)	(89,722)	(123,021)
130 b)	Net impairment adjustments to Financial assets at fair value through other comprehensive income	1,763	141	(17,381)	(54,236)	(29,383)	(3,628)
140	Profit/loss from contract changes without derecognition	-	(1,183)	-	-	-	-
	Net impairment adjustments tocredit risk	**(24,378)**	**(59,835)**	**(150,954)**	**(243,895)**	**(119,105)**	**(126,649)**
200	Net provisions for risks and charges	(11,663)	(25,376)	(1,014)	(4,154)	(2,822)	(37,901)
###	Contributions to SRF, DGS, IDGF - VS	(20,282)	(8,670)	(18,061)	2,114	(20,205)	(1,569)
250+270+280	Gains (Losses) on disposal of investments and adjustments to goodwill	2,827	2,591	3,705	2,843	4,885	(21,319)
###	Negative goodwill	-	-	-	130,722	-	60,170
290	**Profit from current operations before tax**	**272,403**	**59,529**	**25,011**	**84,038**	**52,560**	**37,511**
300	Income taxes on current operations	(6,918)	(2,850)	(7,743)	17,926	(23,696)	(8,725)
330	**Profit (loss) for the period**	**265,485**	**56,679**	**17,268**	**101,964**	**28,864**	**28,786**
340	Profit (loss) for the period pertaining to minority interests	(14,462)	183	(2,710)	2,540	1,032	(1,306)
350	**Profit (Loss) for the period pertaining to the Parent Company**	**251,023**	**56,862**	**14,558**	**104,504**	**29,896**	**27,480**

	Captions net of:						
(*)	Recovery of indirect taxes	31,823	31,629	29,981	31,001	31,382	33,811
(**)	Contributions to SRF, DGS, IDGF - VS	(20,282)	(8,670)	(18,061)	2,114	(20,205)	(1,569)

Reclassified consolidated income statement pro-forma as at 30 June 2018

(in thousand of Euro)

Captions		30.06.2018	Pro-forma reclassifications	30.06.2018 pro-forma	30.06.2018	Change	Change %
10+20	Net interest income	573,502	(46,394)	527,108	570,119	(43,011)	-7.54
40+50	Net commission income	389,056	-	389,056	359,224	29,832	8.30
70	Dividends	13,461	-	13,461	11,124	2,337	21.01
80+90+100+110	Net trading income	170,065	-	170,065	50,533	119,532	236.54
230	Other operating charges/income	19,659	-	19,659	24,608	(4,949)	-20.11
	Operating income	**1,165,743**	**(46,394)**	**1,119,349**	**1,015,608**	**103,741**	**10.21**
190 a)	Payroll	(420,434)	-	(420,434)	(385,676)	(34,758)	9.01
190 b)	Other administrative costs	(212,266)	-	(212,266)	(201,492)	(10,774)	5.35
210+220	Net adjustments to property, plant and equipment and intangible assets	(56,325)	-	(56,325)	(40,697)	(15,628)	38.40
	Operating costs	**(689,025)**	**-**	**(689,025)**	**(627,865)**	**(61,160)**	**9.74**
	Net operating income	**476,718**	**(46,394)**	**430,324**	**387,743**	**42,581**	**10.98**
130 a)	Net impairment adjustments to Financial assets at amortised cost	(84,934)	45,211	(39,723)	(323,232)	283,509	-87.71
130 b)	Net impairment adjustments to Financial assets at fair value through other comprehensive income	1,904	-	1,904	(71,617)	73,521	-102.66
	Net impairment adjustments to other financial assets	-	11,923	11,923	6,434	5,489	85.31
	Profit/loss from contract changes without derecognition	(1,183)	1,183	-	-	-	n.s.
	Net impairment adjustments tocredit risk	**(84,213)**	**58,317**	**(25,896)**	**(388,415)**	**362,519**	**-93.33**
200	Net provisions for risks and charges	(37,039)	(11,923)	(48,962)	(11,602)	(37,360)	322.01
###	Contributions to SRF, DGS, IDGF - VS	(28,952)	-	(28,952)	(15,947)	(13,005)	81.55
250+270 +280	Gains (Losses) on disposal of investments and adjustments to goodwill	5,418	-	5,418	6,548	(1,130)	-17.26
###	Negative goodwill	-		-	130,722	(130,722)	-100.00
290	**Profit from current operations before tax**	**331,932**	**-**	**331,932**	**109,049**	**222,883**	**204.39**
300	Income taxes on current operations	(9,768)	-	(9,768)	10,183	(19,951)	-195.92
330	**Profit (loss) for the period**	**322,164**	**-**	**322,164**	**119,232**	**202,932**	**170.20**
340	Profit (loss) for the period pertaining to minority interests	(14,279)	-	(14,279)	(170)	(14,109)	--
350	**Profit (Loss) for the period pertaining to the Parent Company**	**307,885**	**-**	**307,885**	**119,062**	**188,823**	**158.59**

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Reclassified consolidated income statement by quarter pro-forma as at 30 June 2018

(in thousand of Euro)

Voci		1st quarter 2018 pro-forma	2nd quarter 2018 pro-forma	1st quarter 2017	2nd quarter 2017	3rd quarter 2017	4th quarter 2017
10+20	Net interest income	267,597	259,511	288,114	282,005	280,218	274,142
40+50	Net commission income	198,120	190,936	177,373	181,851	184,802	196,602
70	Dividends	584	12,877	312	10,812	507	785
80+90+100+110	Net trading income	153,634	16,431	24,664	25,869	20,489	32,112
230 (*)	Other operating charges/income	11,485	8,174	10,310	14,298	23,565	10,017
	Operating income	**631,420**	**487,929**	**500,773**	**514,835**	**509,581**	**513,658**
190 a)	Payroll	(207,534)	(212,900)	(194,125)	(191,551)	(191,656)	(206,146)
190 b) (*) (**)	Other administrative costs	(102,285)	(109,981)	(96,628)	(104,864)	(107,465)	(116,654)
210+220	Net adjustments to property, plant and equipment and intangible assets	(21,339)	(34,986)	(18,685)	(22,012)	(20,653)	(26,079)
	Operating costs	**(331,158)**	**(357,867)**	**(309,438)**	**(318,427)**	**(319,774)**	**(348,879)**
	Net operating income	**300,262**	**130,062**	**191,335**	**196,408**	**189,807**	**164,779**
130 a)	Net impairment adjustments to Financial assets at amortised cost	(504)	(39,219)	(133,573)	(189,659)	(89,722)	(123,021)
130 b)	Net impairment adjustments to Financial assets at fair value through other comprehensive income	1,763	141	(17,381)	(54,236)	(29,383)	(3,628)
	Net impairment adjustments to other financial assets	13,964	(2,041)	4,647	1,787	6,446	(28,193)
	Net impairment adjustments tocredit risk	**15,223**	**(41,119)**	**(146,307)**	**(242,108)**	**(112,659)**	**(154,842)**
200	Net provisions for risks and charges	(25,627)	(23,335)	(5,661)	(5,941)	(9,268)	(9,708)
###	Contributions to SRF, DGS, IDGF - VS	(20,282)	(8,670)	(18,061)	2,114	(20,205)	(1,569)
250+270 +280	Gains (Losses) on disposal of investments and adjustments to goodwill	2,827	2,591	3,705	2,843	4,885	(21,319)
###	Negative goodwill	-	-	-	130,722	-	60,170
290	**Profit from current operations before tax**	**272,403**	**59,529**	**25,011**	**84,038**	**52,560**	**37,511**
300	Income taxes on current operations	(6,918)	(2,850)	(7,743)	17,926	(23,696)	(8,725)
330	**Profit (loss) for the period**	**265,485**	**56,679**	**17,268**	**101,964**	**28,864**	**28,786**
340	Profit (loss) for the period pertaining to minority interests	(14,462)	183	(2,710)	2,540	1,032	(1,306)
350	**Profit (Loss) for the period pertaining to the Parent Company**	**251,023**	**56,862**	**14,558**	**104,504**	**29,896**	**27,480**

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Consolidated balance sheet as at 30 June 2018

	Balance sheet - Assets	30.06.2018	31.12.2017	Change	Change
10.	Cash and balance with central banks	353,774	420,299	(66,525)	-15.83
20.	Financial assets at fair value through profit or loss	1,421,443	1,326,601	94,842	7.15
	a) Financial assets held for trading	350,388	425,424	(75,036)	-17.64
	b) Financial assets designated at fair value	221,625	223,192	(1,567)	-0.70
	c) Ohter financial assets mandatorily at fair value through profit or loss	849,430	677,985	171,445	25.29
30.	Financial assets at fair value through other comprehensive income	9,295,682	13,398,757	(4,103,075)	-30.62
40.	Financial assets at amortised cost	54,563,163	51,561,586	3,001,577	5.82
	a) Loans to banks	4,221,694	3,205,849	1,015,845	31.69
	a) Loans to customers	50,341,469	48,355,737	1,985,732	4.11
50.	Hedging derivatives	50,066	54,061	(3,995)	-7.39
70.	Equity investments	448,990	454,367	(5,377)	-1.18
90.	Property, plant and equipment	1,056,260	1,063,483	(7,223)	-0.68
100.	Intangible assets	497,340	506,627	(9,287)	-1.83
	- goodwill	327,084	327,084	-	-
110.	Tax assets	1,734,961	1,848,127	(113,166)	-6.12
	a) current	454,139	575,441	(121,302)	-21.08
	b) deferred	1,280,822	1,272,686	8,136	0.64
130.	Other assets	875,056	704,899	170,157	24.14
	Total Assets	**70,296,735**	**71,338,807**	**(1,042,072)**	**-1.46**

	Liabilities and Shareholders' equity	30.06.2018	31.12.2017	Change	Change %
10.	Financial liabilities at amortised cost	62,502,252	63,230,643	(728,391)	-1.15
	a) Due to banks	12,622,968	12,984,226	(361,258)	-2.78
	b) Due to customers	43,291,051	42,694,078	596,973	1.40
	c) Debt securities in issue	6,588,233	7,552,339	(964,106)	-12.77
20.	Financial liabilities held for trading	241,013	170,046	70,967	41.73
30.	Financial liabilities designated at Fair Value	-	-	-	n.s.
40.	Hedging derivatives	42,918	23,795	19,123	80.37
60.	Tax liabilities	90,764	106,218	(15,454)	-14.55
	a) current	3,724	2,258	1,466	64.92
	b) deferred	87,040	103,960	(16,920)	-16.28
70.	Liabilities included in disposal groups classified as held for sale	-	-	-	n.s.
80.	Other liabilities	1,963,775	1,416,660	547,115	38.62
90.	Provision for termination indemnities	186,444	187,536	(1,092)	-0.58
100.	Provisions for risks and charges	531,616	487,178	44,438	9.12
	a) Commitments and guarantees given	67,420	46,793	20,627	44.08
	b) pensions and similar commitments	132,104	137,148	(5,044)	-3.68
	c) other provisions	332,092	303,237	28,855	9.52
120.	Valuation reserves	60,974	75,089	(14,115)	-18.80
150.	Reserves	1,527,996	2,445,454	(917,458)	-37.52
160.	Share premium reserve	930,073	930,073	-	-
170.	Share capital	1,443,925	1,443,925	-	-
180.	Treasury shares (-)	(7,258)	(7,258)	-	-
190.	Minority interests (+/-)	474,358	653,010	(178,652)	-27.36
200.	Net Profit (Loss) for the period (+/-)	307,885	176,438	131,447	74.50
	Total liabilities and Shareholders' Equity	**70,296,735**	**71,338,807**	**(1,042,072)**	**-1.46**

Consolidated income statement as at 30 June 2018

Item		30.06.2018	30.06.2017	Change	Change %
10.	Interest and similar income	720,379	706,601	13,778	1.95
20.	Interest and similar expense	(146,877)	(136,482)	(10,395)	7.62
30.	**Net interest income**	**573,502**	**570,119**	**3,383**	**0.59**
40.	Commission income	406,708	376,627	30,081	7.99
50.	Commission expenses	(17,652)	(17,403)	(249)	1.43
60.	**Net commission income**	**389,056**	**359,224**	**29,832**	**8.30**
70.	Dividends and similar income	13,461	11,124	2,337	21.01
80.	Net trading income	16,482	19,989	(3,507)	-17.54
90.	Net hedging gains (losses)	2,410	(259)	2,669	-
100.	Gains/losses on disposal or repurchase of:	147,978	30,386	117,592	386.99
	a) Financial assets at amortised cost	(11,447)	(7,852)	(3,595)	45.78
	b) Financial assets at fair value through other comprehensive income	159,255	38,160	121,095	317.33
	c) Financial liabilities at amortised cost	170	78	92	117.95
110.	Net results on financial assets and liabilities at fair value	3,195	417	2,778	666.19
	a) financial assets and liabilities at fair value through profit or loss	(2,943)	417	(3,360)	-805.76
	b) other financial assets mandatorily at fair value through profit or loss	6,138	-	6,138	-
120.	**Net interest and other banking income**	**1,146,084**	**991,000**	**155,084**	**15.65**
130.	Net impairment adjustments to:	(83,030)	(394,849)	311,819	-78.97
	a) Financial assets at amortised cost	(84,934)	(323,232)	238,298	-73.72
	b) Financial assets at fair value through other comprehensive income	1,904	(71,617)	73,521	-102.66
140.	Profit/loss from contract changes without derecognition	(1,183)	-	(1,183)	-
150.	**Net profit from financial activities**	**1,061,871**	**596,151**	**465,720**	**78.12**
190.	Administrative costs:	(725,104)	(664,097)	(61,007)	9.19
	a) payroll	(420,434)	(385,676)	(34,758)	9.01
	b) other administrative costs	(304,670)	(278,421)	(26,249)	9.43
200.	Net provisions for risks and charges	(37,039)	(5,168)	(31,871)	616.70
	a) Commitments and guarantees given	11,923	6,434	5,489	85.31
	b) Other provisions	(48,962)	(11,602)	(37,360)	322.01
210.	Net adjustments to property, plant and equipment	(33,354)	(21,124)	(12,230)	57.90
220.	Net adjustments to intangible assets	(22,971)	(19,573)	(3,398)	17.36
230.	Other operating charges/income	83,111	85,590	(2,479)	-2.90
240.	**Operating costs**	**(735,357)**	**(624,372)**	**(110,985)**	**17.78**
250.	Profit (loss) of equity investments	5,339	137,254	(131,915)	-96.11
280.	Gains (losses) on disposal of investments	79	16	63	393.75
290.	**Profit (loss) from current operations before tax**	**331,932**	**109,049**	**222,883**	**204.39**
300.	Income taxes on current operations	(9,768)	10,183	(19,951)	-195.92
310.	**Profit (loss) from current operations after tax**	**322,164**	**119,232**	**202,932**	**170.20**
330.	**Net profit (loss)**	**322,164**	**119,232**	**202,932**	**170.20**
340.	Net profit (loss) pertaining to minority interests	(14,279)	(170)	(14,109)	--
350.	**Profit (loss) for the period pertaining to the Parent Company**	**307,885**	**119,062**	**188,823**	**158.59**

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Performance ratios

Financial ratios	30.06.2018	01.01.2018 (*)
Structural ratios		
net loans to customers/total assets	65.16%	66.08%
net loans to customers/direct deposits from customers	91.83%	92.48%
financial assets/total assets	23.23%	22.47%
fixed assets/total assets	2.14%	2.16%
goodwill/total assets	0.47%	0.47%
direct deposits/total assets	88.91%	89.92%
deposits under management/indirect deposits	54.70%	55.08%
financial assets/tangible equity[1]	3.85	3.83
total tangible assets[2]/tangible equity	16.46	16.92
net interbank lending/borrowing (in thousands of Euro)	(9,476,734)	(9,984,026)
number of employees[3]	11,655	11,653
number of national bank branches	1,219	1,218
Profitability ratios		
ROE[4]	14.04%	3.62%
ROTE[5]	15.84%	4.04%
ROA (net profit/total assets)	0.46%	0.17%
Cost/income ratio[6]	59.11%	61.82%
Net adjustments to loans/net loans to customers	0.18%	0.69%
Basic EPS	0.640	0.248
Diluted EPS	0.640	0.248
Risk ratios		
net non-performing exposures/net loans to customers	8.35%	9.21%
net bad loans/net loans to customers	4.53%	4.99%
net unlikely to pay loans/net loans to customers	3.61%	4.03%
net past due loans/net loans to customers	0.22%	0.19%
adjustments to non-performing exposures/gross non-performing exposures	56.85%	59.34%
adjustments to bad loans/gross bad loans	64.89%	67.37%
adjustments to unlikely to pay loans/gross unlikely to pay loans	41.94%	43.55%
adjustments to past due loans/gross past due loans	12.71%	14.09%
adjustments to performing exposures/gross performing exposures	0.40%	0.58%
texas ratio[7]	95.53%	101.50%

(*) The comparative figures have been appropriately recalculated at 1 January 2018 to take account of the impact of first-time application of IFRS 9, with the exception of those relating to profitability ratios for which reference is made to the figures at 30 June 2017, as per the Consolidated Half-Yearly Report at 30 June 2017 (figures at 31 December 2017 in the Consolidated Financial Statements at 31 December 2017 only for ROE and ROTE).

[1] *Tangible equity = total shareholders' equity net of intangible assets.*
[2] *Total tangible assets = total assets net of intangible assets.*
[3] *The number of employees does not include the expectations.*
[4] *ROE is calculated on an annual basis, replicating the result for the period for the remaining periods of the year.*
[5] *ROTE is calculated on an annual basis, replicating the result for the period for the remaining periods of the year.*
[6] *The cost/income ratio has been calculated on the basis of the layout of the reclassified income statement (operating expenses/operating income); when calculated on the basis of the layouts provided by Circular no. 262 of the Bank of Italy the cost/income ratio is at 64.16% (63.65% at 30 June 2017, as per the Consolidated Half-Yearly Report at 30 June 2017).*
[7] *The texas ratio is calculated as the relationship between total gross non-performing loans and net tangible equity, including minority interests, increased by total provisions for non-performing loans.*

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(cont.)

Financial ratios	30.06.2018	01.01.2018 (**)
Own Funds (Phased in)[8]		
Common Equity Tier 1 (CET1)	4,581,483	4,410,721
Own Funds	5,486,878	5,227,226
Risk-weighted assets (RWA)	31,130,491	32,394,482
Capital and liquidity ratios		
Common Equity Tier 1 Ratio (CET1 Ratio) - Phased in	14.72%	13.62%
Tier 1 Ratio (T1 Ratio) - Phased in	14.81%	13.63%
Total Capital Ratio (TC Ratio) - Phased in	17.63%	16.14%
Common Equity Tier 1 Ratio (CET1 Ratio) - Fully Phased	11.63%	11.06%
Leverage Ratio - Phased in[9]	6.3%	6.1%
Leverage Ratio - Fully Phased[10]	4.9%	6.0%
Liquidity Coverage Ratio (LCR)	146.9%	113.7%
Net Stable Funding Ratio (NSFR)[11]	n.a.	105.2%

Non-financial ratios	30.06.2018	01.01.2018 (**)
Productivity ratios (in thousands of Euro)		
direct deposits per employee	4,279.65	4,311.93
loans to customers per employee	4,319.30	4,053.10
assets managed per employee	1,701.53	1,695.21
assets administered per employee	1,408.96	1,382.51
core revenues[12] per employee	82.59	77.36
net interest and other banking income per employee	98.33	82.49
operating costs per employee	63.09	52.51

(**) The comparative figures have been appropriately recalculated at 1 January 2018 to take account of the impact of first-time application of IFRS 9, with the exception of those relating to the Leverage Ratio (Phased In and Fully Phased), the LCR and the NSFR, for which reference is made to the figures at 31 December 2017, as per the Consolidated Financial Statements at 31 December 2017, and to the productivity ratios calculated on economic data for which reference is made to the figures at 30 June 2017, as per the Consolidated Half-Yearly Report at 30 June 2017.

[8] *The ratio is calculated according to the provisions of Regulation (EU) 575/2013 (CRR), as amended by the Commission Delegated Regulation (EU) 2395/2017.*

[9] *The ratio is calculated according to the provisions of Regulation (EU) 575/2013 (CRR), as amended by the Commission Delegated Regulation (EU) 62/2015.*

[10] *See previous note.*

[11] *The NSFR, not yet available, is in any case estimated to exceed 100% (105.2% as at 31 December 2017).*

[12] *Core revenues = net interest income + net commission income.*

BPER:
Gruppo

Consolidated balance sheet reflecting the effects of the first-time application of IFRS 9

(in thousand of Euro)

Assets		31.12.2017	Impact IFRS 9	01.01.2018
10.	Cash and balance with central banks	420,299	-	420,299
20.	Financial assets at fair value through profit or loss	1,326,601	(33,519)	1,293,082
	a) Financial assets held for trading	425,424	-	425,424
	b) Financial assets designated at fair value	223,192	-	223,192
	c) Other financial assets mandatorily at fair value through profit or loss	677,985	(33,519)	644,466
30.	Financial assets at fair value through other comprehensive income	13,398,757	151,937	13,550,694
40.	Financial assets at amortised cost	51,561,586	(1,133,870)	50,427,716
	a) Loans to banks	3,205,849	(8,937)	3,196,912
	b) Loans to customers	48,355,737	(1,124,933)	47,230,804
50.	Hedging derivatives	54,061	-	54,061
70.	Equity investments	454,367	-	454,367
90.	Property, plant and equipment	1,063,483	-	1,063,483
100.	Intangible assets	506,627	-	506,627
	of which:		-	
	- goodwill	327,084	-	327,084
110.	Tax assets	1,848,127	(2,516)	1,845,611
	a) current	575,441	-	575,441
	b) deferred	1,272,686	(2,516)	1,270,170
130.	Other assets	704,899	-	704,899
	Total assets	**71,338,807**	**(1,017,968)**	**70,320,839**

(in thousand of Euro)

Liabilities and shareholders' equity		31.12.2017	Impact IFRS 9	01.01.2018
10.	Financial liabilities at amortised cost	63,230,643	515	63,231,158
	a) Due to banks	12,984,226	-	12,984,226
	b) Due to customers	42,694,078	-	42,694,078
	c) Debt securities in issue	7,552,339	515	7,552,854
20.	Financial liabilities held for trading	170,046	-	170,046
40.	Hedging derivatives	23,795	-	23,795
60.	Tax liabilities:	106,218	51,038	157,256
	a) current	2,258	378	2,636
	b) deferred	103,960	50,660	154,620
80.	Other liabilities	1,416,660	-	1,416,660
90.	Provision for termination indemnities	187,536	-	187,536
100.	Provisions for risks and charges	487,178	14,340	501,518
	a) Commitments and guarantees given	46,793	14,340	61,133
	b) pensions and similar commitments	137,148	-	137,148
	c) other provisions	303,237	-	303,237
120.	Valuation reserves	75,089	129,333	204,422
150.	Reserves	2,445,454	(1,012,009)	1,433,445
160.	Share premium reserve	930,073	-	930,073
170.	Share capital	1,443,925	-	1,443,925
180.	Treasury shares	(7,258)	-	(7,258)
190.	Minority interests	653,010	(201,185)	451,825
200.	Profit (loss) for the period pertaining to the Parent Company	176,438	-	176,438
	Total liabilities and shareholders' equity	**71,338,807**	**(1,017,968)**	**70,320,839**