BPER:
Banca

PRESS RELEASE

BPER Group's preliminary 2015 consolidated results approved

Total net profit for the period of € 219.2 million (€ 29.8 milion in 2014) combined with an approach of further prudence in the provisioning policy with a significant increase in the coverage ratio on non-performing exposures from 40.7% to 44.2%;
this profit is significantly up compared with 2014, even net of non-recurring items[1]

Dividend of € 0.10 per share proposed for the Parent Company BPER Banca (€ 0.02 in 2014)

Significant increase in net commission income during the year (+5.2%), which largely offset the decrease in interest income y/y (-5%), but which showed a slight increase compared with the previous quarter (+0.3%)

Activities to improve cost efficiency continued, confirmed by the decrease in personnel costs and administrative expenses (on a comparable basis, -1.4% and -0.9% respectively versus 2014)

The trend in asset quality has continued to improve:

- **Significant decrease in transfers to bad and "unlikely to pay" loans compared with the previous year (-30.8% and -41.3% respectively)**

- **Loan loss provisions down by 13.2% y/y in spite of a significant increase in the coverage ratio of non-performing exposures and bad loans, 44.2% and 58.2% respectively (+356 bps and +161 bps since the end of 2014), among the highest compared with direct competitors**

- **Net non-performing exposures down by 3.6% compared with September 2015 and by 2.6% from the end of 2014, the first significant signal of a trend reversal since the beginning of the crisis**

Gross loans up compared with both September 2015 (+1.0%) and the end of 2014 (+0.7%), confirming the recovery in lending to customers after about two years of consecutive declines, with evidence of a strong increase in new disbursements exceeding 50% y/y

Strong capital solidity with a Fully Phased CET1 ratio[2] of 11.2% (Phased in 11.5%) well over the 9.25% minimum required by the Supervisory Review and Evaluation Process (SREP), without considering the effects of the validation of internal models[3],

Fully Phased Basel 3 Leverage Ratio[4] of 6.9% (Phased In 7.2%), among the best of the system with LCR and NSFR liquidity indices well over 100%[5]

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 31 December 2015.

At the end of the Board meeting, Alessandro Vandelli, CEO of BPER, declared: *"I am extremely satisfied with the results that we have achieved this year, with profit reaching Euro 220 million, though it was affected by significant non-recurring income and expenses; in any case, this profit marks a sharp increase compared with last year, even if we consider it net of non-recurring items. In light of this positive economic result, the excellent capital solidity and confidence in the Group's growth prospects, the Board also approved the distribution of a dividend of Euro 0.10 per share in order to demonstrate to the Bank's members and shareholders a return to an adequate and rising return on capital. The continuous improvement in asset quality has further strengthened the Group's fundamentals as well, with at least three elements worth highlighting: the first is the significant reduction in inflows to non-performing exposures recorded in 2015 compared with the previous; yearthe second positive factor is the sizeable increase in the level of coverage of non-performing exposures, up from 40.7% at the end of 2014 to over 44%, one of the highest percentages among our direct competitors; lastly, there is the significant drop in net non-performing exposures, the first major sign of a trend reversal since the beginning of the crisis. To complete a picture that is already positive, encouraging signs have also come from lending to customers, which finally showed a 0.7% increase in the gross stock for the first time after about two years of consecutive declines, thanks to the strong acceleration in new loan disbursements to households and businesses, an increase of over 50% compared with last year. In a nutshell, all of these factors are converging to present to customers, members and shareholders a banking group characterized by good profitability, a strong capital position, liquidity, leverage and credit management profiles that are among the best of the Italian banking system. At the same time, as regards the Bank, implementation of the measures envisaged in the 2015-2017 Business Plan continues after 12 months from its presentation to the market. Among the main activities, worth remembering is the signing in August of the agreement with the trade unions for redundancy incentives and the Solidarity Fund relating to personnel and the reorganisation of the distribution network with the closure of about 60 out of 130 branches envisaged by the plan. Moreover, in the current delicate market environment, worth noting is the fact that the new Group company "BPER Credit Management" became operational on 1 January 2016, in line with schedule; this company has a workforce of over 170 specialists who manage bad loans. Lastly, we confirm that the transfer of the branches from Banca di Sassari to Banco di Sardegna will be completed in the first half of the year, with Banca di Sassari being transformed into the Group's consumer finance company.*

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Income statement: key figures

Net interest income comes to € 1,227.5 million and is down by 5% compared with 2014, primarily because of changed market conditions and interest rates, which have led to pressures on asset yields that are not sufficiently offset by the decrease in the cost of funding, however significant it may be. Comparison with the previous quarter shows a slight increase (-0.3%) in net interest income, with growth in gross and net commercial loans (+1% and +0.6%) and stability in the overall spread.

Net commission income of € 726.7 million is showing an increase of 5.2% over last year (a strong increase of 6.3% also compared with the previous quarter due to the usual seasonal factors), mainly because of the combined effect of a very positive trend in fees and commissions on indirect deposits, asset management and *bancassurance* in particular(+42% y/y and +27% q/q) and a decrease in fees and commissions on traditional commercial banking, which is still conditioned by the current weak state of the economy. Positive signs come from the trend in commissions relating to loans and guarantees, which while showing a decrease of 4% y/y, recorded the first positive increase over the previous quarter (+2.8%) after nearly two years of negative quarterly changes.

The **net result from trading activities** (including dividends of € 16 million) amounts to € 363.8 million, an increase of 94.5% compared with 2014, including significant non-recurring income[6] for a total of € 243.3 million which comes from the sale of a stake in Istituto Centrale delle Banche Popolari Italiane (ICBPI) (€ 174.3 million) and the purchase of a significant interest in ARCA SGR, which involved the transfer from the "Available for sale - AFS" portfolio to "Equity investments", with a positive impact on the income statement for the release of the existing valuation reserve (€ 69 million); even net of these components, the result is still very positive at € 120.6 million compared with € 187.1 million in 2014, though this is a decrease of 35.5% on an annual basis. This result was achieved with the help of net realised gains of € 79.8 million, net capital gains of € 10.1 million and the negative contribution of the fair value option on financial liabilities for € 3.1 million (negative for € 19.7 million at 31 December 2014), which has now largely exhausted its effects. The "AFS" reserve for government securities is showing gains for an amount (net of taxes) of € 90.2 million (€ 97.9 million at 31 December 2014), up by over € 6 million compared with September 2015 (€ 84.1 million).

Operating profit[7] comes to € 2,370.6 million, 6.9% up compared with the prior year (+51.1% q/q); net of the non-recurring items mentioned above[8], this caption shows a decrease of 4.1% (an increase, however, of 3.7% in the q/q comparison), due to the positive trend in net commission income (+5.2%) and other operating charges/income (+9.7%), which could only partially offset the drop in net interest income (-5%), the profit from financial activities (-37.6%) and dividends collected (-17.7%).

Operating costs[9] amounted to € 1,367.5 million; on a like-for-like basis, so net of non-recurring charges in the two periods[10] and ordinary contributions to the Deposit Guarantee Fund and the Single Resolution Fund (€ 21.5 million), which did not exist in 2014, they are down by 1% y/y. **Payroll costs** amounted to € 825.1 million and include extraordinary costs, already contained in the 2015-2017 Business Plan, for redundancy incentives and the Solidarity Fund, accounted for during the year for an amount of € 58.6 million; excluding these non-recurring expenses, payroll costs amount to € 766.4 million which compare with € 777.0 million in 2014, also net of extraordinary costs of the same nature for € 9.6 million, resulting in a decrease of 1.4%. **Other administrative expenses** amounted to € 462.2 million, including: 1) the extraordinary contribution to the Single Resolution Fund ("SRF") of € 40 million; 2) the expenses relating to the ordinary contributions for 2015 to the DGS and SRF for a total of € 21.5 million (made up of € 2.4 million allocated in the fourth quarter and € 19.1 million already assessed at 30 September 2015 and shown under "Net provisions for risks and charges "). On a comparable basis, administrative expenses have decreased by 0.9% since 2014. **Depreciation on tangible and intangible assets** amount to € 80.2 million (+14% y/y); the fourth quarter has been affected, in particular, by the impairment of investment property of € 10.5 million.

Net adjustments to loans and other financial assets amount to € 737.8 million, 14% down on the previous year. The adjustments related to the credit sector amount to € 705.8 million compared with € 812.7 in 2014 (-13.2%): this figure includes an impairment adjustment to a subordinated bank bond included in "Loans and Receivables" for a total nominal amount of € 10 million (already written down in the first nine months for € 7.8 million). The total cost of credit at 31 December 2015 comes to 162 bps, down from 185 bps in 2014, against which there has been a significant increase in coverage for non-performing exposures to 44.2% from 40.7% at the end of 2014. Net adjustments to other financial assets total € 32 million, largely attributable to AFS securities for € 27.3 million (€ 45.5 million in 2014, of which € 40.3 million relating to AFS securities).

The level of **coverage of non-performing exposures** comes to 44.2%, an increase of more than 350 bps compared with 40.7% at the end of 2014, while **bad loans coverage** amounts to 58.2%, a significant increase compared with 56.6% at the end of 2014 (not including the value of secured and personal guarantees); in addition, taking into account the direct write-offs of NPL still outstanding of € 1.2 billion, total coverage comes to 64.4%. The

coverage of "unlikely to pay" loans[11] is showing significant growth to 21.9% compared with the pro-forma level [12] of 18.3% (+360 bps) at the end of 2014. The **coverage of past due loans** amounts to 10%, also well up on 31 December 2014 (+195 bps).

Net provisions for risks and charges amount to € 52.1 million (€ 38.8 million in 2014) after the reallocation to "Other administrative expenses" of the estimated contributions to the DGS and SRF funds for 2015 of € 19.1 million, made in the first nine months[13]. This item also includes the extraordinary provisions amounting to € 4.8 million for the estimated contributions that are expected to be due to the Solidarity Fund established by the Stability Law 2016 enacted at the end of the year and for the voluntary scheme established under the Interbank Deposit Guarantee Fund to finance the new intervention in favour of Banca Tercas, already carried out in 2014 then recently identified as state aid, and now totally revised[14].

The **profit from current operations before tax** amounts to € 213.5 million (€ 58.2 million in 2014). **Income taxes for the period** are positive for € 5.7 million (having been negative for € 28.4 million at 31 December 2014).

Total net profit for the period comes to € 219.2 million (€ 29.8 million in 2014) and includes a loss pertaining to minority interests of € 1.4 million (versus a profit of € 15 million at 31 December 2014); the **profit pertaining to the Parent Company** therefore comes to € 220.7 million (€ 14.8 million at 31 December 2014).

Balance sheet: key figures

Direct borrowing from customers (due to customers, debt securities in issue and financial liabilities designated at fair value through profit and loss) amounts to € 47.3 billion, 2.3% up on the end of 2014, with a significant rise in current accounts and demand deposits (+€ 1.5 billion; +5.6%) and repurchase agreements (+€ 0.8 billion; +75.3%) and the simultaneous decrease in time deposits (-€ 0.5 billion; -18.4%) and bonds (-€ 0.5 billion; -6.0%); bonds subscribed by retail customers have fallen by € 2.0 billion, largely substituted by those placed with institutional customers, which are up by € 1.5 billion. Direct deposits consist 66.5% of current accounts and demand deposits and short-term restricted deposits.

Indirect customer deposits, marked to market, amount to € 30.4 billion, an increase of 7.7% in the year. In particular, funds under administration have risen by 3.0% in the year, while assets under management have grown strongly by 13.2% since the end of 2014, with a net inflow of € 1.8 billion in the period, an increase of more than 60% compared with last year (€ 1.1 billion)[15]. The **insurance policy portfolio**, which is not included in indirect borrowing, comes to € 3.8 billion, a substantial increase since the start of the year (+23.6%), almost entirely for life insurance.

Loans to customers, net of adjustments, amount to € 43.7 billion which, while showing a decrease of 0.5% compared with the end of 2014, have increased compared with both September 2015 (+0.6%) and June 2015 (+0.6%) for the first time after some two years of consecutive declines; this trend reversal, which still has to be confirmed over the coming quarters, is also the consequence of a certain upswing in lending to customers, which is showing good results for new production during the year (+53.5% on the previous year), with a particularly positive trend in the "individuals" segment (+96.7%) and in the "corporate" segment (+26.1%). Looking at the various types of loans, there has again been a positive performance on the part of residential mortgages, which saw new loans rising by 73.2% on 2014.

Net non-performing exposures (bad, "unlikely to pay" and past due loans) amount to € 6.4 billion, significantly down year on year (-2.6%), posted the first significant drop in stock since the crisis began, confirming a reversal of the previous trend which saw a constant deterioration in credit quality. In detail, bad loans amount to € 3.0 billion (+5.5% since the end of last year) with coverage of 58.2% (56.5% at 31 December 2014; +161 bps), "unlikely to pay" loans[16] net amount to € 3.1 billion, falling sharply by 11.1% from the end of 2014 with 21.9% coverage (18.3% at 31 December 2014; +360 bps) and net past due loans amount to € 0.3 billion (+32.9% since the end of last year) with coverage of 10%. As we said previously, all of these items have good levels of coverage, with a total coverage ratio of 44.2%, compared with 40.7% at the end of last year, not including the value of secured and personal guarantees.

The **net interbank position**, which is negative for € 4.4 billion compared with € 4.8 billion at the end of 2014, is the difference between amounts due from banks of € 1.1 billion and amounts due to banks of € 5.5 billion. The total amount of refinancing with the European Central Bank amounts to € 3 billion, including € 1 billion of short-term repos and € 2 billion from TLTRO (Targeted Longer Term Refinancing Operations). Financial instruments eligible for use as collateral for refinancing transactions on the market amount to € 11.9 billion, net of the haircut, of which € 5.2 billion is available.

Financial assets amount in total to € 11.5 billion, an increase of 12.2% on the end of 2014, representing 18.9% of total assets. Debt securities represent 92.5% of the total portfolio and amount to € 10.7 billion: of these, € 6.7 billion relate to government securities (mostly represented by Italian government bonds) and € 3.2 billion to banks and supranational entities.

Against assets available for sale (AFS) of € 8 billion, there are positive valuation reserves for a total of € 161.8 million, net of the related tax effect, which is the net result of positive reserves for debt securities, equities and UCITS of € 182.6 million, less negative reserves of € 20.8 million. Moreover, with regard to the portfolio of financial assets held to maturity (HTM) of € 2.7 billion, the difference between their fair value and book value is positive, net of the related tax effect, resulting in a gross implicit reserve of € 130 million.

Total equity ("own funds") at 31 December 2015 amounts to € 5.7 billion (+2.6% on the end of 2014), with minority interests of € 0.6 billion. Consolidated shareholders' equity of the Group, including the result for the period, comes to € 5 billion, +3.2% since the end of 2014.

Capital ratios

The **capital ratios**, still determined using the standardised approach for the requirements to cover credit[17] and market risk, have been calculated on a pro-forma basis[18], as follows:

- Phased In Common Equity Tier 1 ratio of 11.54% (11.62% at 30 September 2015 and 11.26% at 31 December 2014). On a fully phased basis, it is estimated at 11.21%;
- Phased In Tier 1 ratio of 11.65% (11.71% at 30 September 2015 and 11.29% at 31 December 2014);
- Own Funds ratio (Phased In) of 12.80% (13.10% at 30 September 2015 and 12.24% at 31 December 2014).

Key figures at 31 December 2015

The Group has a presence in 18 Italian regions with 1,216 branches, in addition to the Luxembourg offices of BPER (Europe) International sa; this reflects a decrease of 57 branches during the period (there were 1,273 at the end of 2014) in implementation of the 2015-17 Industrial Plan, which provides for the closure of 130 branches in three years.

The Group currently has 11,447 employees, a decrease of 146 (11,593 at the end of 2014).

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Banca popolare dell’Emilia Romagna (Parent Company)

The Bank's financial statements at 31 December 2015, which have been approved on a preliminary basis by the Board of Directors, show the financial and economic values reported below (including various kinds of extraordinary income and expenses), compared directly with those of 2014.

Balance sheet:

direct deposits amount to € 34.8 billion (+1.2%);

indirect deposits come to € 26.8 billion (+6.3%);

net loans to customers amount to € 33.9 billion (-1.1%), with non-performing exposures of € 4.3 billion (-3.3%), representing 12.7% of the total (12.9%) and coverage of 46.1% (41.9%); bad loans amount to € 1.9 billion (+3.8%), which is 5.6% of total net loans, with coverage of 60.9% (58.6%);

shareholders' equity, including the result for the year, comes to € 4.8 billion (2.6%).

Income statement:

net interest income comes to € 898.2 million (-3.8%);

net commission income amounts to € 545.6 million (6.0%);

net interest and other banking income comes to € 1,717.2 million (+7.3%);

net profit from financial activities comes to € 1,132.1 million (+22.2%);

operating costs, including operating income, amount to € 973.5 million (+9.4%);

The **result of current operations before income taxes** for the year is positive for € 153.7 million (€ 28.7 million);

The **net result for the period**, considering the positive impact of tax of € 8.2 million, is a net profit of € 162 million (€ 15.4 million).

Proposed allocation of the net profit of Banca Popolare dell'Emilia Romagna

The Board approved the proposed allocation of the profit made by the Bank (for an amount of € 161,962,354), with the distribution of a dividend in cash of Euro 0.10 for each of the 481,308,435 shares representing the share capital (net of those held in portfolio at the ex-dividend date: 455,458 at 31 December 2015), for a total of € 48,130,843.50.

Payment of the dividend, which will be submitted to the Shareholders' Meeting for approval, is scheduled from 25 May 2016 onwards, according to the calendar of Borsa Italiana S.p.A. As regards its market price, BPER's stock will go ex-coupon on Monday, 23 May 2016, while the record date is scheduled for Tuesday, 24 May 2016.

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Outlook for operations

The Italian economy's recovery that began last year seems able to continue in 2016 as well. The first signs of improvement in lending have materialized, both for individuals and for the corporate sector. In 2016, the dynamics of loans to customers should improve and consolidate thanks to economic factors and a particularly favourable monetary policy. The still very low level of market interest rates and high competition in the field of traditional lending to customers will continue to exert pressure on the return on assets, albeit with a gradual reduction in intensity; at the same time, the repricing of liabilities will allow a further decline in the cost of funding aimed at limiting pressure on margins. A positive contribution to revenue is expected to come from fee income, especially in asset management. Payroll costs are expected to decline slightly, while administrative expenses will feel the effects of implementing various projects in the business plan. The sharp slowdown in the flows of new problem loans recorded in the period should continue in 2016 as well, helping to improve the cost of credit considerably compared with 2015. All of these factors should bolster the Group's profitability prospects for the current year (before considering any extraordinary items).

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Approval of the BPER's draft separate and consolidated financial statements for 2015 by the Board of Directors is scheduled for 1 March 2016.

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To complete the information provided, we attach the consolidated and separate balance sheets and income statements (split into quarters with comparative figures, the latter also in a reclassified format) at 31 December 2015, as well as a summary of the main indicators.

PricewaterhouseCoopers is still doing its audit and will issue a report by the legal deadline on the draft separate and consolidated financial statements at 31 December 2015, due to be approved by the Board of Directors on 1 March 2016, as mentioned previously.

Modena, 11 February 2016

Chief Executive Officer
Alessandro Vandelli

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The Manager responsible for preparing the Company's financial reports, Emilio Annovi, 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, 11 February 2016

Manager responsible for preparing the
Company's financial reports
Emilio Annovi

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A conference call has been organised for **11 February 2016 at 6 p.m. (CET)** to explain the BPER Group's results at 31 December 2015.
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 www.gruppobper.it.

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The 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] ***Non-recurring* income** includes: **1)** € 174.3 million gross of the tax effect (€ 162.2 million net of taxes) relating to the sale of a 9.1422% stake in Istituto Centrale delle Banche Popolari Italiane (ICBPI), completed on 18 December 2015; **2)** € 69 million (neutral tax effect) relating to the transfer of the interest in ARCA Sgr from the "Available for sale - AFS" portfolio (asset caption 30) to "Equity investments" (asset caption 100), with an impact on the consolidated financial statements only and not on the separate financial statements of BPER, following the increase of the interest in the company from 19.998% to 32.752% completed on 22 December 2015. ***Non-recurring* costs** include: **3)** € 58.6 million before taxes relating to extraordinary costs for redundancy incentives and the Solidarity Fund at 31 December 2015 (of these, € 54.3 million had been already recognized in the first nine months of the year in accordance with the agreement signed with the Trade Unions on 14 August 2015 in full compliance with the guidelines of the 2015-17 Business Plan; **4)** € 10 million for the total writedown of the bank subordinated bond issued; **5)** € 40 million before taxes (€ 26.8 after taxes) for the extraordinary contribution to the Single Resolution Fund ("SRF") required by Directive 2014/49/EU in force since 1 January 2015, recorded under caption 180 b) "Other administrative expenses"; **6)** € 4.8 million before taxes (€ 3.2 million after taxes) relating to the estimate of the extraordinary contribution to the Solidarity Fund provided by the 2016 Stability Law for a total amount of € 100 million (BPER Group's share estimated at approximately € 4 million) and for the planned intervention by the Interbank Deposit Guarantee Fund - voluntary scheme for the rescue of Banca Tercas carried out in 2014 and now revived because of the European Commission's definition of the original intervention (€ 0.8 million) as State aid; **7)** impairment of investment property for € 10.5 million (€ 2.8 million in 2014) and impairment of property held for resale for € 3 million. **8)** The normalized net profit at 31 December 2015, taking into account the effects of the extraordinary items mentioned above and detailed in the table below, amounts to 76.1 million (+98.8% compared with 2014)

2015: Non-recurring income and costs (€/million)

Description	Caption Income statement	1Q15	2Q15	3Q15	4Q15	Total year 2015
1) Sale of the investment in ICBPI	100 b) – Gain on disposal of AFS financial assets				+174.3	+174.3
2) Transfer of the investment in ARCA SGR to Equity investments from the AFS portfolio	100 b) – Gain on disposal of AFS financial assets				+69.0	+69.0
3) Extraordinary costs for redundancy incentives and the Solidarity Fund (2015-17 Business plan)	180 a) - Payroll costs		-1.8	-52.5	-4.3	-58.6
4) Total writedown of the bank subordinated bond issued	130 a) – Net adjustments to loans		-6.6	-1.2	-2.2	-10.0
5) Extraordinary contributions to the single resolution fund (SRF)	180 b) - Other administrative expenses				-40.0	-40.0
6) Extraordinary contributions to the Solidarity Fund and Interbank Deposit Guarantee Fund voluntary scheme (Tercas)	190- Net provisions for risks and charges				-4.8	-4.8
7) Impairment of investment property	200 - Net adjustments to property, plant and equipment				-10.5	-10.5
8) Impairment of other properties (held for resale)	220 - Other charges/income				-3.0	-3.0
Total						+116.4
Total tax effect	290 - Income taxes					+26.7

2014: Non-recurring income and costs (€/million)

Extraordinary costs for redundancy incentives and the Solidarity Fund (absorption of Group banks)	180 a) - Payroll costs				-9.7	-9.7
Impairment of other properties	200 - Net adjustments to property, plant and equipment				-2.8	-2.8
Total						-12.5
Total tax effect	290 - Income taxes					+4.0

Worth noting are the transfers between accounts that took place in the fourth quarter of 2015 compared with the previous quarters:

1) 2015 contribution to the Deposit Guarantee Schemes (DGS) required by Directive 2014/59/EU in force since 3 July 2015, calculated for the third quarter of 2015 in € 8.5 million under caption 190 "Net provisions for risks and charges", redefined and reallocated for accounting purposes to caption 180 b) "Other administrative expenses" on payment and recognition of the actual amount due (€ 8.2 million).
2) 2015 contribution to the "Single Resolution Fund ("SRF") required by Directive 2014/49/EU in force since 1 January 2015 (€ 10.6 million) recognized in the second quarter of 2015 under caption 190" Net provisions for risks and charges", reallocated for accounting purposes to caption 180 b) "Other administrative expenses" in the fourth quarter of 2015 on payment and recognition of the actual amount due (€ 13.3 million).

[2] The Fully Phased Common Equity Tier 1 ("CET1") ratio, estimated in January 2019 in accordance with the new Basel 3 regulations, and the Phased In CET1 ratio have been calculated on a pro-forma basis taking into account the profit for the second half of the year allocable to equity (€ 118.6 million, corresponding to about 30 bps), having already included for regulatory purposes (as authorised by the ECB) the portion of net profit realised in the first half of the year (€ 54 million corresponding to approximately 13 bps) that could be allocated to equity.

[3] Pre-validation of the AIRB models with the European Central Bank and the Bank of Italy, which officially commenced at the end of January, continued in 2015. A formal validation request was sent to the Supervisory Authorities in August, followed by the planned on-site inspection, which was completed at the end of October.

[4] Determined in accordance with changes to the law in force since 2015, introduced by the 575/2013 Regulations (CRR).

[5] The LCR index at 31 December 2015 stands at 136%, whereas the NSFR index is estimated at well over 100% (at 30 September 2015 it was 115.6%).

[6] See note 1

[7] "Operating profit" as shown in the attached reclassified income statement and represented by the sum of the following income statement captions: Net interest and other banking income and Other operating charges/income (caption 220) net of indirect taxes recharged to customers (€ 123.3 million in 2015 and € 125.4 million in 2014).

[8] See note 1

[9] "Operating costs" defined as reported in the attached reclassified income statement and represented by the sum of the following income statement captions: payroll costs (caption 180-a), other administrative expenses (caption 180-b) net of indirect taxes recovered from customers, depreciation and amortisation (captions 200 and 210).

[10] See note 1

[11] With reference to the new supervisory rules that took effect on 1 January 2015, and in particular the 7th update of Bank of Italy Circular 272/2008, which redefined the categories of impaired financial assets known as "non-performing exposures", with the creation of a new category of probable defaults known as "unlikely to pay" and the elimination of watchlist and restructured loans. This approach was already applied when preparing the quarterly report at 31 March 2015.

[12] The comparative figure of unlikely to pay loans at 31 December 2014 has been calculated by adding together the two categories (watchlist and restructured loans) that this new item has combined.

[13] See note 1

[14] See note 1

[15] Net borrowing defined as inflows of new subscriptions during the period net of redemptions and calculated on the basis of management figures.

[16] See note 12

[17] See note 3

[18] See note 2

BPER:
Gruppo

Consolidated balance sheet as at 31 December 2015

(in thousands of Euro)

Assets	31.12.2015	31.12.2014	Change	%change
10. Cash and cash equivalents	390,371	450,766	(60,395)	-13.40
20. Financial assets held for trading	790,403	1,033,286	(242,883)	-23.51
30. Financial assets designated at fair value through profit and loss	86,639	110,249	(23,610)	-21.42
40. Financial assets available for sale	8,022,164	6,944,927	1,077,237	15.51
50. Financial assets held to maturity	2,663,859	2,213,497	450,362	20.35
60. Due from banks	1,087,313	1,709,298	(621,985)	-36.39
70. Loans to customers	43,702,561	43,919,681	(217,120)	-0.49
80. Hedging derivatives	38,182	36,744	1,438	3.91
100. Equity investments	415,200	257,660	157,540	61.14
120. Property, plant and equipment	941,121	1,028,931	(87,810)	-8.53
130. Intangible assets	515,164	498,009	17,155	3.44
of which: goodwill	380,395	380,416	(21)	-0.01
140. Tax assets	1,471,928	1,361,322	110,606	8.12
a) current	208,238	181,989	26,249	14.42
b) deferred	1,263,690	1,179,333	84,357	7.15
b1) of which L. 214/2011	1,072,618	1,018,156	54,462	5.35
150. Non-current assets and disposal groups held for sale	-	2,817	(2,817)	-100.00
160. Other assets	1,136,326	1,085,733	50,593	4.66
Total assets	**61,261,231**	**60,652,920**	**608,311**	**1.00**

Liabilities and shareholders' equity	31.12.2015	31.12.2014	Change	%change
10. Due to banks	5,522,992	6,479,558	(956,566)	-14.76
20. Due to customers	35,887,658	33,964,259	1,923,399	5.66
30. Debt securities in issue	10,494,565	10,518,262	(23,697)	-0.23
40. Financial liabilities held for trading	242,149	243,210	(1,061)	-0.44
50. Financial liabilities designated at fair value through profit and loss	873,558	1,700,614	(827,056)	-48.63
60. Hedging derivatives	23,715	12,986	10,729	82.62
80. Tax liabilities	109,013	118,794	(9,781)	-8.23
a) current	3,911	5,263	(1,352)	-25.69
b) deferred	105,102	113,531	(8,429)	-7.42
100.Other liabilities	1,844,715	1,527,412	317,303	20.77
110. Provision for termination indemnities	200,669	221,919	(21,250)	-9.58
120. Provisions for risks and charges	410,399	355,775	54,624	15.35
a) pensions and similar commitments	124,500	145,078	(20,578)	-14.18
b) other provisions	285,899	210,697	75,202	35.69
140. Valuation reserves	148,982	186,840	(37,858)	-20.26
170. Reserves	2,288,125	2,301,760	(13,635)	-0.59
180. Share premium reserve	930,073	930,077	(4)	-
190. Share capital	1,443,925	1,443,925	-	-
200. Treasury shares	(7,255)	(7,259)	4	-0.06
210. Minority interests	627,287	639,991	(12,704)	-1.99
220. Profit (Loss) for the period	220,661	14,797	205,864	--
Total liabilities and shareholders' equity	**61,261,231**	**60,652,920**	**608,311**	**1.00**

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Reclassified consolidated income statement as at 31 December 2015

(in thousands of Euro)

Captions		31.12.2015	31.12.2014	Change	%change
10+20	Net interest income	1,227,541	1,291,809	(64,268)	-4.98
40+50	Net commission income	726,693	690,664	36,029	5.22
70	Dividends	15,953	19,392	(3,439)	-17.73
80+90+100+110	Net trading income	347,884	167,665	180,219	107.49
220 (*)	Other operating charges/income	52,502	47,865	4,637	9.69
	Operating income	**2,370,573**	**2,217,395**	**153,178**	**6.91**
180 a)	Payroll	(825,053)	(786,687)	(38,366)	4.88
180 b) (*)	Other administrative costs	(462,176)	(404,386)	(57,790)	14.29
200+210	Net adjustments to property, plant, equipment and intangible assets	(80,249)	(70,386)	(9,863)	14.01
	Operating costs	**(1,367,478)**	**(1,261,459)**	**(106,019)**	**8.40**
	Net operating income	**1,003,095**	**955,936**	**47,159**	**4.93**
130 a)	Net impairment adjustments to loan	(705,799)	(812,734)	106,935	-13.16
130 b)+c)	Net impairment adjustments to financial assets available for sale and held to maturity	(27,343)	(40,347)	13,004	-32.23
130 d)	Net impairment adjustments to other financial assets	(4,658)	(5,138)	480	-9.34
	Net impairment adjustments	**(737,800)**	**(858,219)**	**120,419**	**-14.03**
190	Net provisions for risks and charges	(52,137)	(38,782)	(13,355)	34.44
240+260+270	Gains (Losses) from equity instruments, on disposal of investments and adjustment to goodwill	356	(770)	1,126	-146.23
280	**Profit (Loss) from current operations before tax**	**213,514**	**58,165**	**155,349**	**267.08**
290	Income taxes on current operations for the period	5,718	(28,384)	34,102	-120.15
320	**Net profit (loss) for the period**	**219,232**	**29,781**	**189,451**	**636.15**
330	Net profit (loss) pertaining to minority interests	1,429	(14,984)	16,413	-109.54
340	**Profit (loss) for the period pertaining to the Parent Company**	**220,661**	**14,797**	**205,864**	**--**
(*)	Caption net of recovery of taxes	123,302	125,403	(2,101)	-1.68

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Reclassified consolidated income statement by quarter as at 31 December 2015

(in thousands of Euro)

Captions		1st quarter 2015	2nd quarter 2015	3rd quarter 2015	4th quarter 2015	1st quarter 2014	2nd quarter 2014	3rd quarter 2014	4th quarter 2014
10+20	Net interest income	314,095	308,370	302,036	303,040	329,820	328,639	320,040	313,310
40+50	Net commission income	179,203	180,650	177,844	188,996	171,450	174,028	169,012	176,174
70	Dividends	249	13,583	457	1,664	574	17,617	115	1,086
80+90+100+110	Net trading income	46,058	15,463	20,361	266,002	63,300	46,389	20,323	37,653
220 (*)	Other operating charges/income	15,443	9,269	12,274	15,516	18,666	11,133	5,851	12,215
	Operating income	**555,048**	**527,335**	**512,972**	**775,218**	**583,810**	**577,806**	**515,341**	**540,438**
180 a)	Payroll	(199,322)	(196,883)	(232,374)	(196,474)	(196,796)	(201,099)	(180,006)	(208,786)
180 b) (*)	Other administrative costs	(93,620)	(103,392)	(95,698)	(169,466)	(96,338)	(103,322)	(97,940)	(106,786)
210 + 220	Net adjustments to property, plant and equipment and intangible assets	(17,330)	(17,087)	(17,495)	(28,337)	(16,357)	(16,613)	(17,015)	(20,401)
	Operating costs	**(310,272)**	**(317,362)**	**(345,567)**	**(394,277)**	**(309,491)**	**(321,034)**	**(294,961)**	**(335,973)**
	Net operating income	**244,776**	**209,973**	**167,405**	**380,941**	**274,319**	**256,772**	**220,380**	**204,465**
130 a)	Net impairment adjustments to loans	(147,504)	(150,237)	(127,156)	(280,902)	(211,820)	(204,972)	(163,296)	(232,646)
130 b)+c)	Net impairment adjustments to financial assets available for sale and held to maturity	(6,347)	(2,552)	(7,563)	(10,881)	(466)	(3,189)	(680)	(36,012)
130 d)	Net impairment adjustments to other financial assets	3,879	(4,997)	(348)	(3,192)	(2,424)	(614)	(3,115)	1,015
	Net impairment adjustments	**(149,972)**	**(157,786)**	**(135,067)**	**(294,975)**	**(214,710)**	**(208,775)**	**(167,091)**	**(267,643)**
190	Net provisions for risks and charges	(14,096)	(22,689)	(15,440)	88	(6,658)	(12,976)	(8,036)	(11,112)
240+260+270	Gains (Losses) from equity instruments, on disposal of investments and adjustment to goodwill	(1,773)	7,173	(6,846)	1,802	(972)	(2,770)	2,273	699
280	**Profit (Loss) from current operations before tax**	**78,935**	**36,671**	**10,052**	**87,856**	**51,979**	**32,251**	**47,526**	**(73,591)**
290	Income taxes on current operations for the period	(27,234)	(7,367)	(2,313)	42,632	(20,760)	(20,922)	(14,258)	27,556
320	**Net profit (loss) for the period**	**51,701**	**29,304**	**7,739**	**130,488**	**31,219**	**11,329**	**33,268**	**(46,035)**
330	Net profit (loss) pertaining to minority interests	(6,504)	(1,270)	1,616	7,587	(2,947)	(3,701)	(8,067)	(269)
340	**Profit (Loss) for the period pertaining to the Parent Company**	**45,197**	**28,034**	**9,355**	**138,075**	**28,272**	**7,628**	**25,201**	**(46,304)**

(*)	Caption net of recovery of taxes	30,864	31,763	30,804	29,871	29,789	32,392	31,705	31,517

BPER:
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Consolidated income statement as at 31 December 2015

(in thousands of Euro)

Captions	31.12.2015	31.12.2014	Change	%change
10. Interest and similar income	1,648,399	1,908,288	(259,889)	-13.62
20. Interest and similar expense	(420,858)	(616,479)	195,621	-31.73
30. Net interest income	**1,227,541**	**1,291,809**	**(64,268)**	**-4.98**
40. Commission income	762,474	739,119	23,355	3.16
50. Commission expense	(35,781)	(48,455)	12,674	-26.16
60. Net commission income	**726,693**	**690,664**	**36,029**	**5.22**
70. Dividends and similar income	15,953	19,392	(3,439)	-17.73
80. Net trading income	32,831	16,533	16,298	98.58
90. Net hedging gains (losses)	(889)	1,074	(1,963)	-182.77
100. Gains/losses on disposal or repurchase of:	315,466	164,299	151,167	92.01
a) loans	4,023	(29,959)	33,982	-113.43
b) financial assets available for sale	313,171	194,546	118,625	60.98
c) financial assets held to maturity	221	-	221	n.s.
d) financial liabilities	(1,949)	(288)	(1,661)	576.74
110. Net results on financial assets and liabilities designated at fair value	476	(14,241)	14,717	-103.34
120. Net interest and other banking income	**2,318,071**	**2,169,530**	**148,541**	**6.85**
130. Net impairment adjustments to:	(737,800)	(858,219)	120,419	-14.03
a) loans	(705,799)	(812,734)	106,935	-13.16
b) financial assets available for sale	(27,343)	(40,347)	13,004	-32.23
d) other financial assets	(4,658)	(5,138)	480	-9.34
140. Net profit from financial activities	**1,580,271**	**1,311,311**	**268,960**	**20.51**
180. Administrative costs:	(1,410,531)	(1,316,476)	(94,055)	7.14
a) payroll	(825,053)	(786,687)	(38,366)	4.88
b) other administrative costs	(585,478)	(529,789)	(55,689)	10.51
190. Net provision for risks and charges	(52,137)	(38,782)	(13,355)	34.44
200. Net adjustments to property, plant and equipment	(48,336)	(43,765)	(4,571)	10.44
210. Net adjustments to intangible assets	(31,913)	(26,621)	(5,292)	19.88
220. Other operating charges/income	175,804	173,268	2,536	1.46
230. Operating costs	**(1,367,113)**	**(1,252,376)**	**(114,737)**	**9.16**
240. Profit (Loss) from equity investments	97	(837)	934	-111.59
270. Gains (Losses) on disposal of investments	259	67	192	286.57
280. Profit (Loss) from current operations before tax	**213,514**	**58,165**	**155,349**	**267.08**
290. Income taxes on current operations for the period	5,718	(28,384)	34,102	-120.15
300. Profit (Loss) from current operations after tax	**219,232**	**29,781**	**189,451**	**636.15**
320. Net profit (loss) for the period	**219,232**	**29,781**	**189,451**	**636.15**
330. Net profit (Loss) pertaining to minority interests	1,429	(14,984)	16,413	-109.54
340. Profit (Loss) for the period pertaining to the Parent Company	**220,661**	**14,797**	**205,864**	**--**

Consolidated income statement by quarter as at 31 December 2015

(in thousands of Euro)

Captions	1st quarter 2015	2nd quarter 2015	3rd quarter 2015	4th quarter 2015	1st quarter 2014	2nd quarter 2014	3rd quarter 2014	4th quarter 2014
10. Interest and similar income	431,035	415,453	402,855	399,056	494,548	489,785	470,618	453,337
20. Interest and similar expense	(116,940)	(107,083)	(100,819)	(96,016)	(164,728)	(161,146)	(150,578)	(140,027)
30. Net interest income	**314,095**	**308,370**	**302,036**	**303,040**	**329,820**	**328,639**	**320,040**	**313,310**
40. Commission income	188,020	189,373	187,648	197,433	184,023	186,210	182,429	186,457
50. Commission expense	(8,817)	(8,723)	(9,804)	(8,437)	(12,573)	(12,182)	(13,417)	(10,283)
60. Net commission income	**179,203**	**180,650**	**177,844**	**188,996**	**171,450**	**174,028**	**169,012**	**176,174**
70. Dividends and similar income	249	13,583	457	1,664	574	17,617	115	1,086
80. Net trading income	20,413	(6,009)	591	17,836	4,290	5,646	4,406	2,191
90. Net hedging gains (losses)	355	(520)	(634)	(90)	231	91	513	239
100. Gains/losses on disposal or repurchase of:	28,438	15,882	22,809	248,337	67,761	32,660	25,636	38,242
a) loans	3,804	601	(200)	(182)	107	59	(29,716)	(409)
b) financial assets available for sale	25,092	15,486	23,048	249,545	67,430	32,784	55,393	38,939
c) financial assets held to maturity	(92)	300	-	13	-	-	-	-
d) financial liabilities	(366)	(505)	(39)	(1,039)	224	(183)	(41)	(288)
110. Net results on financial assets and liabilities designated at fair value	(3,148)	6,110	(2,405)	(81)	(8,982)	7,992	(10,232)	(3,019)
120. Net interest and other banking income	**539,605**	**518,066**	**500,698**	**759,702**	**565,144**	**566,673**	**509,490**	**528,223**
130. Net impairment adjustments to:	(149,972)	(157,786)	(135,067)	(294,975)	(214,710)	(208,775)	(167,091)	(267,643)
a) loans	(147,504)	(150,237)	(127,156)	(280,902)	(211,820)	(204,972)	(163,296)	(232,646)
b) financial assets available for sale	(6,347)	(2,552)	(7,563)	(10,881)	(466)	(3,189)	(680)	(36,012)
d) other financial assets	3,879	(4,997)	(348)	(3,192)	(2,424)	(614)	(3,115)	1,015
140. Net profit from financial activities	**389,633**	**360,280**	**365,631**	**464,727**	**350,434**	**357,898**	**342,399**	**260,580**
180. Administrative costs:	(323,806)	(332,038)	(358,876)	(395,811)	(322,923)	(336,813)	(309,651)	(347,089)
a) payroll	(199,322)	(196,883)	(232,374)	(196,474)	(196,796)	(201,099)	(180,006)	(208,786)
b) other administrative costs	(124,484)	(135,155)	(126,502)	(199,337)	(126,127)	(135,714)	(129,645)	(138,303)
190. Net provision for risks and charges	(14,096)	(22,689)	(15,440)	88	(6,658)	(12,976)	(8,036)	(11,112)
200. Net adjustments to property, plant and equipment	(9,944)	(9,171)	(9,295)	(19,926)	(10,402)	(10,253)	(10,192)	(12,918)
210. Net adjustments to intangible assets	(7,386)	(7,916)	(8,200)	(8,411)	(5,955)	(6,360)	(6,823)	(7,483)
220. Other operating charges/income	46,307	41,032	43,078	45,387	48,455	43,525	37,556	43,732
230. Operating costs	**(308,925)**	**(330,782)**	**(348,733)**	**(378,673)**	**(297,483)**	**(322,877)**	**(297,146)**	**(334,870)**
240. Profit (Loss) from equity investments	(1,886)	7,270	(6,843)	1,556	(973)	(2,792)	2,270	658
270. Gains (Losses) on disposal of investments	113	(97)	(3)	246	1	22	3	41
280. Profit (Loss) from current operations before tax	**78,935**	**36,671**	**10,052**	**87,856**	**51,979**	**32,251**	**47,526**	**(73,591)**
290. Income taxes on current operations for the period	(27,234)	(7,367)	(2,313)	42,632	(20,760)	(20,922)	(14,258)	27,556
300. Profit (Loss) from current operations after tax	**51,701**	**29,304**	**7,739**	**130,488**	**31,219**	**11,329**	**33,268**	**(46,035)**
320. Net profit (Loss) for the period	**51,701**	**29,304**	**7,739**	**130,488**	**31,219**	**11,329**	**33,268**	**(46,035)**
330. Net profit (Loss) pertaining to minority interests	(6,504)	(1,270)	1,616	7,587	(2,947)	(3,701)	(8,067)	(269)
340. Profit (Loss) for the period pertaining to the Parent Company	**45,197**	**28,034**	**9,355**	**138,075**	**28,272**	**7,628**	**25,201**	**(46,304)**

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Performance ratios as at 31 December 2015

	31.12.2015	31.12.2014
Financial ratios		
Structural ratios (%)		
net loans to customers/total assets	71.34%	72.41%
net loans and advances to customers/direct deposits from customers	92.48%	95.10%
financial assets/total assets	18.88%	16.99%
fixed assets/total assets	2.21%	2.12%
goodwill/total assets	0.62%	0.63%
direct deposits/total assets	86.15%	86.83%
deposits under management/indirect deposits	48.48%	46.12%
financial assets/tangible equity[1]	2.25	2.06
total tangible assets[2]/tangible equity	11.83	12.00
net interbank lending/borrowing (in thousands of Euro)	(4,435,679)	(4,770,260)
number of employees	11,447	11,593
number of national bank branches	1,216	1,273
Profitability ratios (%)		
ROE	4.57%	0.33%
ROTE	5.10%	0.37%
ROA (net profit/total assets)	0.36%	0.05%
Cost/income Ratio[3]	57.69%	56.89%
Net adjustments to loans /net loans to customers	1.62%	1.85%
Basic EPS	0.459	0.041
Diluted EPS	0.459	0.041
Risk ratios (%)		
non-performing exposures/net loans to customers	14.54%	14.86%
net bad loans/net loans to customers	6.81%	6.42%
net unlikely to pay loans/net loans to customers	7.15%	8.00%
net past due loans/net loans to customers	0.58%	0.44%
adjustments to non-performing exposures/gross non-performing exposures	44.22%	40.66%
adjustments to bad loans/gross bad loans	58.16%	56.55%
adjustments to unlikely to pay loans/gross unlikely to pay loans	21.88%	18.28%
adjustments to past due loans/gross past due loans	10.02%	8.07%
adjustments to performing exposures/gross performing exposures	0.54%	0.56%

[1] *Tangible equity = total shareholders' equity net of intangible assets.*
[2] *Total tangible assets = total assets net of intangible assets.*
[3] *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 58.69% (57.73% as at December 31, 2014).*

	31.12.2015	31.12.2014
Own Funds (Phased in[4])		
Common Equity Tier 1 (CET1)	4,506,891	4,581,261
Common Equity Tier 1 (CET1) pro-forma	4,629,088	
Own Funds	5,011,605	4,982,079
Own Funds pro-forma	5,133,802	
Risk-weighted assets (RWA)	40,101,688	40,691,550
Capital and liquidity ratios[5]		
Common Equity Tier 1 Ratio (CET1 Ratio) - Phased in	11.24%	11.26%
Common Equity Tier 1 Ratio (CET1 Ratio) - Phased in pro-forma	11.54%	
Tier 1 Ratio (T1 Ratio) - Phased in	11.34%	11.29%
Total Capital Ratio (TC Ratio) - Phased in	12.50%	12.24%
Total Capital Ratio (TC Ratio) - Phased in pro-forma	12.80%	
Common Equity Tier 1 Ratio (CET1 Ratio) - Fully Phased pro-forma	11.21%	
Leverage Ratio - Phased in[6]	7.1%	7.2%
Leverage Ratio - Fully Phased[7]	6.9%	6.9%
Liquidity Coverage Ratio (LCR)	136.1%	124.6%
Net Stable Funding Ratio (NSFR)[8]	n.a.	115.0%
Non financial ratios		
Productivity ratios (in thousands of Euro)		
direct deposits per employee	4,128.22	3,983.71
loans and advances to customers per employee	3,817.82	3,788.47
assets managed per employee	1,286.45	1,121.71
assets administered per employee	1,366.99	1,310.60
core revenues[9] per employee	170.72	171.01
net interest and other banking income per employee	202.50	187.14
operating costs per employee	119.43	108.03

[4] *The Fully Phased Common Equity Tier 1 ("CET1") ratio, estimated in January 2019 in accordance with the new Basel 3 regulations, and the Phased In CET1 ratio have been calculated on a pro-forma basis taking into account the profit for the second half of the year allocable to equity (€ 118.6 million, corresponding to about 30 b.p.), having already included for regulatory purposes (as authorised by the ECB) the portion of net profit realised in the first half of the year (€ 54 million corresponding to approximately 13 b.p.) that could be allocated to equity.*

[5] *See previous note.*

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

[7] *See previous note.*

[8] *The NSFR, not yet available, it is in any case estimated to exceed 100% (115.6% as at 30 September 2015).*

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

Balance sheet of the Parent Company as at 31 December 2015

(in thousands of Euro)

	Assets	31.12.2015	31.12.2014	Change	% change
10.	Cash and cash equivalents	276,777	306,329	(29,552)	-9.65
20.	Financial assets held for trading	815,114	1,035,358	(220,244)	-21.27
30.	Financial assets designated at fair value through profit and loss	36,899	62,756	(25,857)	-41.20
40.	Financial assets available for sale	6,746,054	5,499,413	1,246,641	22.67
50.	Financial assets held to maturity	2,663,859	2,213,497	450,362	20.35
60.	Due from banks	1,737,029	1,743,446	(6,417)	-0.37
70.	Loans to customers	33,885,273	34,276,875	(391,602)	-1.14
80.	Hedging derivatives	35,715	33,660	2,055	6.11
100.	Equity investments	1,471,789	1,379,467	92,322	6.69
110.	Property, plant and equipment	438,260	453,707	(15,447)	-3.40
120.	Intangible assets	298,292	300,240	(1,948)	-0.65
	of which: goodwill	280,236	280,236	-	-
130.	Tax assets:	1,187,605	1,096,913	90,692	8.27
	a) current	188,100	160,794	27,306	16.98
	b) deferred	999,505	936,119	63,386	6.77
	b1) of which L. 214/2011	862,146	818,508	43,638	5.33
140.	Non-current assets and disposal groups held for sale	-	2,817	(2,817)	-100.00
150.	Other assets	803,659	757,843	45,816	6.05
	Total assets	**50,396,325**	**49,162,321**	**1,234,004**	**2.51**

	Liabilities and shareholders' equity	31.12.2015	31.12.2014	Change	% change
10.	Due to banks	8,655,264	8,294,902	360,362	4.34
20.	Due to customers	25,198,115	24,272,938	925,177	3.81
30.	Debt securities in issue	8,700,062	8,374,185	325,877	3.89
40.	Financial liabilities held for trading	247,408	247,604	(196)	-0.08
50.	Financial liabilities designated at fair value through profit and loss	873,558	1,700,614	(827,056)	-48.63
60.	Hedging derivatives	20,359	9,114	11,245	123.38
80.	Tax liabilities:	70,792	72,893	(2,101)	-2.88
	b) deferred	70,792	72,893	(2,101)	-2.88
100.	Other liabilities	1,435,114	1,132,669	302,445	26.70
110.	Provision for termination indemnities	120,872	135,589	(14,717)	-10.85
120.	Provisions for risks and charges:	319,725	286,205	33,520	11.71
	a) pensions and similar commitments	124,021	144,607	(20,586)	-14.24
	b) other provisions	195,704	141,598	54,106	38.21
130.	Valuation reserves	33,640	66,500	(32,860)	-49.41
160.	Reserves	2,192,709	2,186,914	5,795	0.26
170.	Share premium reserve	930,073	930,077	(4)	-
180.	Share capital	1,443,925	1,443,925	-	-
190.	Treasury shares	(7,253)	(7,257)	4	-0.06
200.	Net profit (loss)	161,962	15,449	146,513	948.37
	Total liabilities and shareholders' equity	**50,396,325**	**49,162,321**	**1,234,004**	**2.51**

BPER:
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Income statement of the Parent Company as at 31 December 2015

(in thousands of Euro)

	Captions	31.12.2015	31.12.2014	Change	% change
10.	Interest and similar income	1,256,241	1,462,141	(205,900)	-14.08
20.	Interest and similar expense	(358,009)	(528,902)	170,893	-32.31
30.	**Net interest income**	**898,232**	**933,239**	**(35,007)**	**-3.75**
40.	Commission income	575,352	555,254	20,098	3.62
50.	Commission expense	(29,745)	(40,328)	10,583	-26.24
60.	**Net commission income**	**545,607**	**514,926**	**30,681**	**5.96**
70.	Dividends and similar income	33,349	46,627	(13,278)	-28.48
80.	Net trading income	30,959	15,741	15,218	96.68
90.	Net hedging gains (losses)	(689)	895	(1,584)	-176.98
100.	Gains (losses) on disposal or repurchase of:	209,355	104,965	104,390	99.45
	a) loans	3,624	(29,862)	33,486	-112.14
	b) financial assets available for sale	206,439	134,956	71,483	52.97
	c) attività finanziarie detenute sino alla scadenza	222	-	222	n.s.
	d) financial liabilities	(930)	(129)	(801)	620.93
110.	Net results on financial assets and liabilities designated at fair value	429	(16,468)	16,897	-102.61
120.	**Net interest and other banking income**	**1,717,242**	**1,599,925**	**117,317**	**7.33**
130.	Net impairment adjustments to:	(585,135)	(673,577)	88,442	-13.13
	a) loans	(558,844)	(626,531)	67,687	-10.80
	b) financial assets available for sale	(23,369)	(40,138)	16,769	-41.78
	d) other financial assets	(2,922)	(6,908)	3,986	-57.70
140.	**Net profit from financial activities**	**1,132,107**	**926,348**	**205,759**	**22.21**
150.	Administrative costs:	(1,041,374)	(965,984)	(75,390)	7.80
	a) payroll costs	(523,844)	(507,779)	(16,065)	3.16
	b) other administrative costs	(517,530)	(458,205)	(59,325)	12.95
160.	Net provisions for risks and charges	(40,704)	(30,911)	(9,793)	31.68
170.	Net adjustments to property, plant and equipment	(28,105)	(25,258)	(2,847)	11.27
180.	Net adjustments to intangible assets	(2,473)	(2,235)	(238)	10.65
190.	Other operating charges/income	139,124	134,225	4,899	3.65
200.	**Operating costs**	**(973,532)**	**(890,163)**	**(83,369)**	**9.37**
210.	Profit (loss) from equity investments	(5,179)	(7,487)	2,308	-30.83
240.	Gains (losses) on disposal of investments	351	(32)	383	--
250.	**Profit (loss) from current operations before tax**	**153,747**	**28,666**	**125,081**	**436.34**
260.	Income taxes on current operations	8,215	(13,217)	21,432	-162.15
270.	**Profit (loss) from current operations after tax**	**161,962**	**15,449**	**146,513**	**948.37**
290.	**Net profit (loss) for the period**	**161,962**	**15,449**	**146,513**	**948.37**