

PRESS RELEASE

BPER's draft separate and consolidated financial statements for 2016 approved

BPER's preliminary 2016 separate and consolidated results confirmed, as already approved and announced on 9 February 2017

Proposal of dividend of Euro 0.06 per share confirmed

The Board of Directors of BPER Banca today reviewed and approved the draft separate financial statements of the Bank and the consolidated financial statements of the Group at 31 December 2016, fully confirming the preliminary results already analysed and approved on 9 February 2017.

The Board approved the proposed allocation of the profit made by the Bank for an amount of € 18,698,675.54, with the distribution of a cash dividend of Euro 0.06 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 2016 and to date), for a total of €28,878,506.10, with the use of reserves for a total of 10,179,830.56.

Payment of the dividend, which will be submitted to the Shareholders' Meeting of 8 April 2017 for approval, is scheduled from 24 May 2017 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, 22 May 2017, while the record date is scheduled for Tuesday, 23 May 2017.

Today, the Board of Directors of BPER Banca also examined and approved the report on corporate governance and ownership structure as per art. 123-bis of Legislative Decree 58 dated 24 February 1998.

The draft financial statements of BPER Banca and the consolidated financial statements of the BPER Group with the attached Auditors' reports of PricewaterhouseCoopers, and the above mentioned report, will be made available to the general public at the Head Office of the Bank, at the offices of Borsa Italiana S.p.A. and on the websites of the Bank and the Group (www.bper.it and www.gruppobper.it) as required by law.

This is a translation into English of the original in Italian. The Italian text shall prevail over the English version.

We also 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 2016, as well as a summary of the main indicators; these are the same as the ones that were attached to the press release of 9 February 2017 (with the only addition of the NSFR ratio updated to 31 December 2016).

Modena, 28 February 2017

BPER Banca S.p.A.
Chief Executive Officer
Alessandro Vandelli

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, 28 February 2017

BPER Banca S.p.A.
Manager responsible for preparing the
Company's financial reports
Emilio Annovi

Please note that following today's approval of the draft separate and consolidated financial statements for 2016, there will not be the usual conference call as one was held on 9 February 2017 after approval of the preliminary 2016 results.

The press release is also available in the 1INFO storage device.

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Consolidated balance sheet as at 31 December 2016

Assets	(in thousands of Euro)			
	31.12.2016	31.12.2015	Change	% Change
10. Cash and cash equivalents	364,879	390,371	(25,492)	-6.53
20. Financial assets held for trading	676,844	790,403	(113,559)	-14.37
30. Financial assets designated at fair value through profit and loss	84,307	86,639	(2,332)	-2.69
40. Financial assets available for sale	10,433,222	8,022,164	2,411,058	30.05
50. Financial assets held to maturity	2,515,993	2,663,859	(147,866)	-5.55
60. Due from banks	1,331,811	1,087,313	244,498	22.49
70. Loans to customers	45,494,179	43,702,561	1,791,618	4.10
80. Hedging derivatives	62,365	38,182	24,183	63.34
100. Equity investments	413,923	415,200	(1,277)	-0.31
120. Property, plant and equipment	969,470	941,121	28,349	3.01
130. Intangible assets	517,833	515,164	2,669	0.52
of which: goodwill	361,505	380,395	(18,890)	-4.97
140. Tax assets	1,518,027	1,471,928	46,099	3.13
a) current	221,395	208,238	13,157	6.32
b) deferred	1,296,632	1,263,690	32,942	2.61
b1) of which L. 214/2011	1,073,172	1,072,618	554	0.05
160. Other assets	574,175	1,136,326	(562,151)	-49.47
Total assets	64,957,028	61,261,231	3,695,797	6.03

Liabilities and shareholders' equity	(in thousands of Euro)			
	31.12.2016	31.12.2015	Change	% Change
10. Due to banks	9,462,678	5,522,992	3,939,686	71.33
20. Due to customers	38,912,714	35,887,658	3,025,056	8.43
30. Debt securities in issue	8,587,243	10,494,565	(1,907,322)	-18.17
40. Financial liabilities held for trading	226,837	242,149	(15,312)	-6.32
50. Financial liabilities designated at fair value through profit and loss	247,933	873,558	(625,625)	-71.62
60. Hedging derivatives	40,697	23,715	16,982	71.61
80. Tax liabilities	97,996	109,013	(11,017)	-10.11
a) current	1,715	3,911	(2,196)	-56.15
b) deferred	96,281	105,102	(8,821)	-8.39
100. Other liabilities	1,197,062	1,844,715	(647,653)	-35.11
110. Provision for termination indemnities	205,364	200,669	4,695	2.34
120. Provisions for risks and charges	422,791	410,399	12,392	3.02
a) pensions and similar commitments	136,409	124,500	11,909	9.57
b) other provisions	286,382	285,899	483	0.17
140. Valuation reserves	89,951	148,982	(59,031)	-39.62
170. Reserves	2,410,357	2,288,125	122,232	5.34
180. Share premium reserve	930,073	930,073	-	-
190. Share capital	1,443,925	1,443,925	-	-
200. Treasury shares	(7,258)	(7,255)	(3)	0.04
210. Minority interests	674,366	627,287	47,079	7.51
220. Profit (Loss) for the period	14,299	220,661	(206,362)	-93.52
Total liabilities and shareholders' equity	64,957,028	61,261,231	3,695,797	6.03

Consolidated reclassified income statement as at 31 December 2016

For the sake of clarity, we provide below a breakdown of the aggregations and reclassifications with respect to the income statement format required by Circular no. 262/2005 of the Bank of Italy:

- "*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 220 "*Other operating charges/income*", have been reclassified as a reduction in the related costs under "*Other administrative expenses*" (Euro 118,704 thousand at 31 December 2016 and Euro 123,302 thousand at 31 December 2015);
- "*Net adjustments to property, plant and equipment and intangible assets*" include captions 200 and 210 in the standard reporting format;
- "*Net impairment adjustments to AFS and HTM financial assets*" includes captions 130 b) and 130 c) in the reporting format;
- "*Gains (losses) on equity investments, disposal of investments and adjustments to goodwill*" include captions 240, 260 and 270 in the reporting format;
- "Contributions to the DGS, SRF and FITD-SV (Voluntary Scheme) funds" has been shown separately from the specific accounting technical forms to give a better and clearer representation, as well as to leave the caption 180 b) "*Other administrative costs*" as a better reflection of the trend in the Group's operating costs. In particular, at 31 December 2016, this caption of Euro 73,478 thousand represents the component allocated for accounting purposes to the caption 180 b) "*Other administrative costs*" (Euro 78,233 thousand):
 - 2016 ordinary contribution to the SRF (Single Resolution Fund) for Euro 15,090 thousand;
 - 2016 contribution to the DGS (Deposit Guarantee Scheme) for Euro 16,913 thousand;
 - the contribution to the FITD-SV (Voluntary Scheme) for the intervention on behalf of Banca Tercas for Euro 11,298 thousand;
 - extraordinary contributions to the SRF (Single Resolution Fund) for Euro 34,932 thousand.and from the accounting recovery of the provision made to the Solidarity Fund in 2015 (Euro 3,980 thousand, allocated to the caption 190 "*Net provisions for risks and charges*") as paid by ordinary DGS contributions, and of the guarantee expired as part of the Banca Tercas transaction (Euro 775 thousand, recognised under the caption 220 "*Other operating income/expenses*").

At 31 December 2015, on the other hand, the captions concerned were 180 b) "*Other administrative expenses*" for Euro 61,554 thousand (Euro 13,356 thousand for the ordinary contribution to the SRF, Euro 8,198 thousand to the DGS and Euro 40,000 thousand for the extraordinary contribution to the SRF) and 190 "*Net provisions for risks and charges*" for Euro 4,755 thousand, relating to estimated contributions to the Solidarity Fund (Stability Law 2016), and for the voluntary scheme established under the Interbank Deposit Guarantee Fund to finance the new intervention in favour of Banca Tercas.

Please note that the caption "Contributions to the SRF, DGS and FITD-VS funds" has been included from 30 June 2016 and that the comparative figures at 31 December 2015 have therefore been restated with respect to those published at the time of the Consolidated financial statements at 31 December 2015. The table showing the reclassified quarterly figures has also been adjusted to this approach.

		(in thousands of Euro)			
Captions		31.12.2016	31.12.2015	Change	% Change
10+20	Net interest income	1,170,447	1,227,541	(57,094)	-4.65
40+50	Net commission income	712,722	726,693	(13,971)	-1.92
70	Dividends	9,872	15,953	(6,081)	-38.12
80+90+100+110	Net trading income	119,999	347,884	(227,885)	-65.51
220 (*) (**)	Other operating charges/income	54,238	52,502	1,736	3.31
	Operating income	2,067,278	2,370,573	(303,295)	-12.79
180 a)	Payroll	(769,149)	(825,053)	55,904	-6.78
180 b) (*) (***)	Other administrative costs	(417,217)	(400,622)	(16,595)	4.14
200+210	Net adjustments to property, plant, equipment and intangible assets	(80,595)	(80,249)	(346)	0.43
	Operating costs	(1,266,961)	(1,305,924)	38,963	-2.98
	Net operating income	800,317	1,064,649	(264,332)	-24.83
130 a)	Net impairment adjustments to loan	(619,750)	(705,799)	86,049	-12.19
130 b)+c)	Net impairment adjustments to financial assets available for sale and held to maturity	(51,811)	(27,343)	(24,468)	89.49
130 d)	Net impairment adjustments to other financial assets	12,497	(4,658)	17,155	-368.29
	Net impairment adjustments	(659,064)	(737,800)	78,736	-10.67
190 (****)	Net provisions for risks and charges	(32,648)	(47,382)	14,734	-31.10
###	Contribution to SRF, DGS, FITD-SV	(73,478)	(66,309)	(7,169)	10.81
240+260+270	Gains (Losses) from equity instruments, on disposal of investments and adjustment to goodwill	(24,583)	356	(24,939)	--
280	Profit (Loss) from current operations before tax	10,544	213,514	(202,970)	-95.06
290	Income taxes on current operations for the period	5,270	5,718	(448)	-7.83
320	Net profit (loss) for the period	15,814	219,232	(203,418)	-92.79
330	Net profit (loss) pertaining to minority interests	(1,515)	1,429	(2,944)	-206.02
340	Profit (Loss) for the period pertaining to the Parent Company	14,299	220,661	(206,362)	-93.52
Caption net of:					
(*)	Recovery of taxes	118,704	123,302	(4,598)	-3.73
(**)	Accounting recovery of the guarantee expired as part of the Banca Tercas transaction	775	-		
(***)	Contribution to SRF, DGS, FITD-SV	(78,233)	(61,554)	(16,679)	27.10
(****)	Contribution to SRF, DGS, FITD-SV	3,980	(4,755)	8,735	-183.7

Consolidated reclassified income statement by quarter as at 31 December 2016

Captions		(in thousands)							
		1st quarter 2016	2nd quarter 2016	3rd quarter 2016	4th quarter 2016	1st quarter 2015	2nd quarter 2015	3rd quarter 2015	4th quarter 2015
10+20	Net interest income	296,800	293,576	285,728	294,343	314,095	308,370	302,036	303,040
40+50	Net commission income	177,083	181,035	174,803	179,801	179,203	180,650	177,844	188,996
70	Dividends	86	8,732	338	716	249	13,583	457	1,664
80+90+									
100+110	Net trading income	15,662	49,064	25,518	29,755	46,058	15,463	20,361	266,002
220	Other operating								
(*)(**)	charges/income	15,538	16,430	13,605	8,665	15,443	9,269	12,274	15,516
	Operating income	505,169	548,837	499,992	513,280	555,048	527,335	512,972	775,218
180 a)	Payroll	(196,586)	(201,655)	(176,168)	(194,740)	(199,322)	(196,883)	(232,374)	(196,474)
180 b) (*)	Other administrative costs	(101,125)	(102,758)	(106,098)	(107,236)	(93,620)	(103,392)	(95,698)	(107,912)
(***)									
200+210	Net adjustments to property, plant and equipment and intangible assets	(17,084)	(20,443)	(17,943)	(25,125)	(17,330)	(17,087)	(17,495)	(28,337)
	Operating costs	(314,795)	(324,856)	(300,209)	(327,101)	(310,272)	(317,362)	(345,567)	(332,723)
	Net operating income	190,374	223,981	199,783	186,179	244,776	209,973	167,405	442,495
130 a)	Net impairment adjustments to loans	(114,167)	(161,935)	(124,578)	(219,070)	(147,504)	(150,237)	(127,156)	(280,902)
130 b)+c)	Net impairment adjustments to financial assets available for sale and held to maturity	(3,678)	(3,524)	(4,948)	(39,661)	(6,347)	(2,552)	(7,563)	(10,881)
130 d)	Net impairment adjustments to other financial assets	(3,666)	14,888	3,097	(1,822)	3,879	(4,997)	(348)	(3,192)
	Net impairment adjustments	(121,511)	(150,571)	(126,429)	(260,553)	(149,972)	(157,786)	(135,067)	(294,975)
190 (***)	Net provisions for risks and charges	(9,621)	(12,504)	(5,791)	(4,732)	(14,096)	(12,439)	(6,585)	(14,262)
###	Contributions to SRF, DGS, FITD-SV	(15,000)	(11,402)	(17,607)	(29,469)	-	(10,250)	(8,855)	(47,204)
240+260 +270	Gains (Losses) on disposal of investments and adjustments to goodwill	3,193	(4,077)	2,462	(26,161)	(1,773)	7,173	(6,846)	1,802
280	Profit from current operations before income tax	47,435	45,427	52,418	(134,736)	78,935	36,671	10,052	87,856
290	Income taxes on current operations	(14,104)	(13,689)	(12,838)	45,901	(27,234)	(7,367)	(2,313)	42,632
320	Net profit (loss) for the period	33,331	31,738	39,580	(88,835)	51,701	29,304	7,739	130,488
330	Net profit (loss) for the period pertaining to minority interests	(2,356)	2,029	(3,162)	1,974	(6,504)	(1,270)	1,616	7,587
340	Profit (Loss) for the period pertaining to the Parent Company	30,975	33,767	36,418	(86,861)	45,197	28,034	9,355	138,075
Captions net of:									
(*)	Recovery of taxes	30,405	28,899	29,385	30,015	30,864	31,763	30,804	29,871
(**)	Accounting recovery of the guarantee expired as part of the Banca Tercas transaction				775				
(***)	Contributions to SRF, DGS, FITD-SV	(15,000)	(11,402)	(17,607)	(34,224)	-	-	-	(61,554)
(****)	Contributions to SRF, DGS, FITD-SV				3,980	-	(10,250)	(8,855)	14,350

Consolidated income statement as at 31 December 2016

Captions	(in thousands of Euro)			
	31.12.2016	31.12.2015	Change	% Change
10. Interest and similar income	1,483,051	1,648,399	(165,348)	-10.03
20. Interest and similar expense	(312,604)	(420,858)	108,254	-25.72
30. Net interest income	1,170,447	1,227,541	(57,094)	-4.65
40. Commission income	745,959	762,474	(16,515)	-2.17
50. Commission expense	(33,237)	(35,781)	2,544	-7.11
60. Net commission income	712,722	726,693	(13,971)	-1.92
70. Dividends and similar income	9,872	15,953	(6,081)	-38.12
80. Net trading income	7,944	32,831	(24,887)	-75.80
90. Net hedging gains (losses)	(335)	(889)	554	-62.32
100. Gains/losses on disposal or repurchase of:	107,662	315,466	(207,804)	-65.87
a) loans	(9,748)	4,023	(13,771)	-342.31
b) financial assets available for sale	118,627	313,171	(194,544)	-62.12
c) financial assets held to maturity	-	221	(221)	-100.00
d) financial liabilities	(1,217)	(1,949)	732	-37.56
110. Net results on financial assets and liabilities designated at fair value	4,728	476	4,252	893.28
120. Net interest and other banking income	2,013,040	2,318,071	(305,031)	-13.16
130. Net impairment adjustments to:	(659,064)	(737,800)	78,736	-10.67
a) loans	(619,750)	(705,799)	86,049	-12.19
b) financial assets available for sale	(51,811)	(27,343)	(24,468)	89.49
d) other financial assets	12,497	(4,658)	17,155	-368.29
140. Net profit from financial activities	1,353,976	1,580,271	(226,295)	-14.32
180. Administrative costs:	(1,383,303)	(1,410,531)	27,228	-1.93
a) payroll	(769,149)	(825,053)	55,904	-6.78
b) other administrative costs	(614,154)	(585,478)	(28,676)	4.90
190. Net provision for risks and charges	(28,668)	(52,137)	23,469	-45.01
200. Net adjustments to property, plant and equipment	(45,709)	(48,336)	2,627	-5.43
210. Net adjustments to intangible assets	(34,886)	(31,913)	(2,973)	9.32
220. Other operating charges/income	173,717	175,804	(2,087)	-1.19
230. Operating costs	(1,318,849)	(1,367,113)	48,264	-3.53
240. Profit (Loss) from equity investments	8,491	97	8,394	--
260. Adjustments to goodwill	(32,854)	-	(32,854)	n.a.
270. Gains (Losses) on disposal of investments	(220)	259	(479)	-184.94
280. Profit (Loss) from current operations before tax	10,544	213,514	(202,970)	-95.06
290. Income taxes on current operations for the period	5,270	5,718	(448)	-7.83
300. Profit (Loss) from current operations after tax	15,814	219,232	(203,418)	-92.79
320. Net profit (loss) for the period	15,814	219,232	(203,418)	-92.79
330. Net profit (Loss) pertaining to minority interests	(1,515)	1,429	(2,944)	-206.02
340. Profit (Loss) for the period pertaining to the Parent Company	14,299	220,661	(206,362)	-93.52

Consolidated income statement by quarter as at 31 December 2016

Captions	(in thousands of Euro)							
	1st quarter 2016	2nd quarter 2016	3rd quarter 2016	4th quarter 2016	1st quarter 2015	2nd quarter 2015	3rd quarter 2015	4th quarter 2015
10. Interest and similar income	384,670	373,463	359,459	365,459	431,035	415,453	402,855	399,056
20. Interest and similar expense	(87,870)	(79,887)	(73,731)	(71,116)	(116,940)	(107,083)	(100,819)	(96,016)
30. Net interest income	296,800	293,576	285,728	294,343	314,095	308,370	302,036	303,040
40. Commission income	185,186	189,189	183,068	188,516	188,020	189,373	187,648	197,433
50. Commission expense	(8,103)	(8,154)	(8,265)	(8,715)	(8,817)	(8,723)	(9,804)	(8,437)
60. Net commission income	177,083	181,035	174,803	179,801	179,203	180,650	177,844	188,996
70. Dividends and similar income	86	8,732	338	716	249	13,583	457	1,664
80. Net trading income	(25,801)	(3,956)	12,051	25,650	20,413	(6,009)	591	17,836
90. Net hedging gains (losses)	120	(82)	(129)	(244)	355	(520)	(634)	(90)
100. Gains/losses on disposal or repurchase of:								
a) loans	37,346	55,129	11,199	3,988	28,438	15,882	22,809	248,337
b) financial assets available for sale	7	1,027	(4,495)	(6,287)	3,804	601	(200)	(182)
c) financial assets held to maturity	38,237	54,210	15,833	10,347	25,092	15,486	23,048	249,545
d) financial liabilities	-	-	-	-	(92)	300	-	13
110. Net results on financial assets and liabilities designated at fair value	(898)	(108)	(139)	(72)	(366)	(505)	(39)	(1,039)
120. Net interest and other banking income	3,997	(2,027)	2,397	361	(3,148)	6,110	(2,405)	(81)
130. Net impairment adjustments to:	489,631	532,407	486,387	504,615	539,605	518,066	500,698	759,702
a) loans	(121,511)	(150,571)	(126,429)	(260,553)	(149,972)	(157,786)	(135,067)	(294,975)
b) financial assets available for sale	(114,167)	(161,935)	(124,578)	(219,070)	(147,504)	(150,237)	(127,156)	(280,902)
d) other financial assets	(3,678)	(3,524)	(4,948)	(39,661)	(6,347)	(2,552)	(7,563)	(10,881)
140. Net profit from financial activities	(3,666)	14,888	3,097	(1,822)	3,879	(4,997)	(348)	(3,192)
180. Administrative costs:	368,120	381,836	359,958	244,062	389,633	360,280	365,631	464,727
a) payroll	(343,116)	(344,714)	(329,258)	(366,215)	(323,806)	(332,038)	(358,876)	(395,811)
b) other administrative costs	(196,586)	(201,655)	(176,168)	(194,740)	(199,322)	(196,883)	(232,374)	(196,474)
190. Net provision for risks and charges	(146,530)	(143,059)	(153,090)	(171,475)	(124,484)	(135,155)	(126,502)	(199,337)
200. Net adjustments to property, plant and equipment	(9,621)	(12,504)	(5,791)	(752)	(14,096)	(22,689)	(15,440)	88
210. Net adjustments to intangible assets	(8,983)	(12,104)	(9,150)	(15,472)	(9,944)	(9,171)	(9,295)	(19,926)
220. Other operating charges/income	(8,101)	(8,339)	(8,793)	(9,653)	(7,386)	(7,916)	(8,200)	(8,411)
230. Operating costs	45,943	45,329	42,990	39,455	46,307	41,032	43,078	45,387
240. Profit (Loss) from equity investments	(323,878)	(332,332)	(310,002)	(352,637)	(308,925)	(330,782)	(348,733)	(378,673)
260. Adjustments to goodwill	3,143	(406)	2,344	3,410	(1,886)	7,270	(6,843)	1,556
270. Gains (Losses) on disposal of investments	-	(3,254)	-	(29,600)	-	-	-	-
280. Profit (Loss) from current operations before tax	50	(417)	118	29	113	(97)	(3)	246
290. Income taxes on current operations for the period	47,435	45,427	52,418	(134,736)	78,935	36,671	10,052	87,856
300. Profit (Loss) from current operations after tax	(14,104)	(13,689)	(12,838)	45,901	(27,234)	(7,367)	(2,313)	42,632
320. Net profit (Loss) for the period	33,331	31,738	39,580	(88,835)	51,701	29,304	7,739	130,488
330. Net profit (Loss) pertaining to minority interests	(2,356)	2,029	(3,162)	1,974	(6,504)	(1,270)	1,616	7,587
340. Profit (Loss) for the period pertaining to the Parent Company	30,975	33,767	36,418	(86,861)	45,197	28,034	9,355	138,075

Performance ratios as at 31 December 2016

Financial ratios	31.12.2016	31.12.2015
Structural ratios (%)		
net loans to customers/total assets	70.04%	71.34%
net loans and advances to customers/direct deposits from customers	95.28%	92.48%
financial assets/total assets	21.11%	18.88%
fixed assets/total assets	2.13%	2.21%
goodwill/total assets	0.56%	0.62%
direct deposits/total assets	88.07%	86.15%
deposits under management/indirect deposits	49.55%	48.48%
financial assets/tangible equity ¹	2.72	2.25
total tangible assets ² /tangible equity	12.79	11.83
net interbank lending/borrowing (in thousands of Euro)	(8,130,867)	(4,435,679)
number of employees	11,635	11,447
number of national bank branches	1,200	1,216
Profitability ratios (%)		
ROE	0.30%	4.57%
ROTE	0.33%	5.10%
ROA (net profit/total assets)	0.02%	0.36%
Cost/income ratio ³	61.29%	55.09%
Net adjustments to loans/net loans to customers	1.36%	1.62%
Basic EPS	0.030	0.459
Diluted EPS	0.030	0.459
Risk ratios (%)		
non-performing exposures/net loans to customers	13.62%	14.54%
net bad loans/net loans to customers	6.61%	6.81%
net unlikely to pay loans/net loans to customers	6.69%	7.15%
net past due loans/net loans to customers	0.32%	0.58%
adjustments to non-performing exposures/gross non-performing exposures	44.54%	44.22%
adjustments to bad loans/gross bad loans	57.25%	58.16%
adjustments to unlikely to pay loans/gross unlikely to pay loans	23.49%	21.88%
adjustments to past due loans/gross past due loans	7.80%	10.02%
adjustments to performing exposures/gross performing exposures	0.47%	0.54%
texas ratio ⁴	111.58%	111.98%

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); the figure at 31 December 2015 has been restated to take into account that the caption "Contributions to the SRF funds, DGS, FITD-SV" has been added to this scheme. When calculated on the basis of the layouts provided by Circular no. 262 of the Bank of Italy the cost/income ratio is at 65.52% (58.98% as at 31 December 2015).

⁴ 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.

Financial ratios	31.12.2016	31.12.2015
<i>Own Funds (Phased in)⁵</i>		
Common Equity Tier 1 (CET1)	4,497,645	4,629,088
Own Funds	4,958,045	5,133,802
Risk-weighted assets (RWA)	32,593,235	40,101,688
<i>Capital and liquidity ratios⁶</i>		
Common Equity Tier 1 Ratio (CET1 Ratio) - Phased in	13.80%	11.54%
Tier 1 Ratio (T1 Ratio) - Phased in	13.89%	11.65%
Total Capital Ratio (TC Ratio) - Phased in	15.21%	12.80%
Common Equity Tier 1 Ratio (CET1 Ratio) - Fully Phased	13.27%	11.21%
Leverage Ratio - Phased in ⁷	6.7%	7.1%
Leverage Ratio - Fully Phased ⁸	6.5%	6.9%
Liquidity Coverage Ratio (LCR)	102.0%	136.1%
Net Stable Funding Ratio (NSFR)	104.3%	110.9%
Non-financial ratios	31.12.2016	31.12.2015
<i>Productivity ratios (in thousands of Euro)</i>		
direct deposits per employee	4,103.82	4,128.22
loans and advances to customers per employee	3,910.11	3,817.82
assets managed per employee	1,399.75	1,286.45
assets administered per employee	1,425.44	1,366.99
core revenues ⁹ per employee	161.85	170.72
net interest and other banking income per employee	173.02	202.50
operating costs per employee	113.35	119.43

⁵ The comparative ratios at 31 December 2015 are presented in the pro-forma version, taking into account the share of profit realized in the second half of 2015 that is allocable to equity (€ 118.6 million, equal to around 30 bps).

⁶ See previous note.

⁷ The ratio is calculated according to the provisions of Regulation (EU) 575/2013 (CRR), as amended by the Commission Delegated Regulation (EU) 2015/62.

⁸ See previous note

⁹ Core revenues = net interest income + net commission income.

Balance sheet of the Parent Company as at 31 December 2016

(in thousands of Euro)				
Assets	31.12.2016	31.12.2015	Change	% Change
10. Cash and cash equivalents	255,934	276,777	(20,843)	-7.53
20. Financial assets held for trading	702,293	815,114	(112,821)	-13.84
30. Financial assets designated at fair value through profit and loss	38,643	36,899	1,744	4.73
40. Financial assets available for sale	8,575,832	6,746,054	1,829,778	27.12
50. Financial assets held to maturity	2,515,993	2,663,859	(147,866)	-5.55
60. Due from banks	2,155,637	1,737,029	418,608	24.10
70. Loans to customers	35,478,258	33,885,273	1,592,985	4.70
80. Hedging derivatives	59,767	35,715	24,052	67.34
100. Equity investments	1,619,457	1,471,789	147,668	10.03
110. Property, plant and equipment	426,715	438,260	(11,545)	-2.63
120. Intangible assets	296,923	298,292	(1,369)	-0.46
of which: goodwill	280,236	280,236	-	-
130. Tax assets	1,233,837	1,187,605	46,232	3.89
a) current	202,317	188,100	14,217	7.56
b) deferred	1,031,520	999,505	32,015	3.20
b1) of which L. 214/2011	862,068	862,146	(78)	-0.01
150. Other assets	375,787	803,659	(427,872)	-53.24
Total assets	53,735,076	50,396,325	3,338,751	6.62

(in thousands of Euro)				
Liabilities and shareholders' equity	31.12.2016	31.12.2015	Change	% Change
10. Due to banks	12,539,337	8,655,264	3,884,073	44.88
20. Due to customers	27,383,757	25,198,115	2,185,642	8.67
30. Debt securities in issue	7,208,172	8,700,062	(1,491,890)	-17.15
40. Financial liabilities held for trading	232,098	247,408	(15,310)	-6.19
50. Financial liabilities designated at fair value through profit and loss	247,933	873,558	(625,625)	-71.62
60. Hedging derivatives	36,860	20,359	16,501	81.05
80. Tax liabilities:	63,233	70,792	(7,559)	-10.68
b) deferred	63,233	70,792	(7,559)	-10.68
100. Other liabilities	891,096	1,435,114	(544,018)	-37.91
110. Provision for termination indemnities	122,008	120,872	1,136	0.94
120. Provisions for risks and charges:	328,888	319,725	9,163	2.87
a) pensions and similar commitments	134,691	124,021	10,670	8.60
b) other provisions	194,197	195,704	(1,507)	-0.77
130. Valuation reserves	(11,747)	33,640	(45,387)	-134.92
160. Reserves	2,307,997	2,192,709	115,288	5.26
170. Share premium reserve	930,073	930,073	-	-
180. Share capital	1,443,925	1,443,925	-	-
190. Treasury shares	(7,253)	(7,253)	-	-
200. Profit (loss) for the period	18,699	161,962	(143,263)	-88.45
Total liabilities and shareholders' equity	53,735,076	50,396,325	3,338,751	6.62

Income statement of the Parent Company as at 31 December 2016

(in thousands of Euro)

Captions	31.12.2016	31.12.2015	Change	% Change
10. Interest and similar income	1,124,288	1,256,241	(131,953)	-10.50
20. Interest and similar expense	(270,978)	(358,009)	87,031	-24.31
30. Net interest income	853,310	898,232	(44,922)	-5.00
40. Commission income	565,223	575,352	(10,129)	-1.76
50. Commission expense	(29,053)	(29,745)	692	-2.33
60. Net commission income	536,170	545,607	(9,437)	-1.73
70. Dividends and similar income	19,961	33,349	(13,388)	-40.15
80. Net trading income	6,867	30,959	(24,092)	-77.82
90. Net hedging gains (losses)	(297)	(689)	392	-56.89
100. Gains (losses) on disposal or repurchase of:	80,874	209,355	(128,481)	-61.37
a) loans	(9,130)	3,624	(12,754)	-351.93
b) financial assets available for sale	90,001	206,439	(116,438)	-56.40
c) financial assets held to maturity	-	222	(222)	-100.00
d) financial liabilities	3	(930)	933	-100.32
110. Net results on financial assets and liabilities designated at fair value	4,138	429	3,709	864.57
120. Net interest and other banking income	1,501,023	1,717,242	(216,219)	-12.59
130. Net impairment adjustments to:	(557,594)	(585,135)	27,541	-4.71
a) loans	(516,606)	(558,844)	42,238	-7.56
b) financial assets available for sale	(48,988)	(23,369)	(25,619)	109.63
d) other financial assets	8,000	(2,922)	10,922	-373.79
140. Net profit from financial activities	943,429	1,132,107	(188,678)	-16.67
150. Administrative costs:	(1,027,400)	(1,041,374)	13,974	-1.34
a) payroll	(481,800)	(523,844)	42,044	-8.03
b) other administrative costs	(545,600)	(517,530)	(28,070)	5.42
160. Net provisions for risks and charges	(20,832)	(40,704)	19,872	-48.82
170. Net adjustments to property, plant and equipment	(22,684)	(28,105)	5,421	-19.29
180. Net adjustments to intangible assets	(2,509)	(2,473)	(36)	1.46
190. Other operating charges/income	141,694	139,124	2,570	1.85
200. Operating costs	(931,731)	(973,532)	41,801	-4.29
210. Profit (loss) from equity investments	(10,045)	(5,179)	(4,866)	93.96
240. Gains (losses) on disposal of investments	(212)	351	(563)	-160.40
250. Profit (loss) from current operations before tax	1,441	153,747	(152,306)	-99.06
260. Income taxes on current operations for the period	17,258	8,215	9,043	110.08
270. Profit (loss) from current operations after tax	18,699	161,962	(143,263)	-88.45
290. Net profit (loss) for the period	18,699	161,962	(143,263)	-88.45