PRESS RELEASE

Consolidated results for H1 2017 approved

On 30 June 2017, 100% of Nuova Cassa di Risparmio di Ferrara SpA ("Nuova Carife") was acquired from the National Resolution Fund

- ✓ **The deal has a solid business and financial rationale as it increases the Group's market share of loans and deposits with the addition of more than 100,000 new customers**

Financial solidity at the top of the Italian banking system with a fully phased CET1 ratio of 13.17% (13.38% phased in), a slight increase on 31 March 2017 despite the entry of Nuova Carife

Net profit for the half-year of € 119.1 million, conditioned by significant non-recurring items[1], such as writedowns of the Group's share of the Fondo Atlante and of the portion of the FITD-SV contribution for CariCesena for a total of € 61.5 million and badwill generated by the acquisition of Nuova Carife of € 130.7 million. The presence of this item has led the Group to adopt an even more conservative approach to its loan loss provisioning policy, with another hefty increase in its coverage of non-performing exposures

Net result from operations after non-recurring items in the two periods is up by 2.5% y/y thanks to a significant reduction in operating costs (-1.8% y/y) and substantial stability in operating profit (-0.2% y/y)

Asset quality continues to improve thanks to the significant reduction in inflows to non-performing loans and a significant increase in coverage:

- **inflows to non-performing loans from "performing" loans down considerably by 43.7% y/y;**
- **transfers to non-performing loans significantly down by 10.2% y/y;**
- **ratio of gross non-performing loans at 21.1% (21.3% net of Nuova Carife) down yet again by 100bps from 22.1% at the end of 2016 and by 240 bps from 23.5% in June 2016;**
- **stock of net non-performing loans again below the level that they were in June 2013**
- **further increase in the coverage ratio of non-performing loans to 46.9% (46.6% net of Nuova Carife) from 44.5% at the end of 2016**

Net lending to customers up by 0.4% (gross +0.5%) net of Nuova Carife compared with the end of 2016, with a strong increase in mortgage loans in the first half of the year compared with the same period last year (+34.3%)

Total customer deposits of € 80.0 billion down by 0.8% since the end of 2016 on a comparable basis, with a decrease in direct deposits (-2.4%) and an increase in indirect deposits (+1.7%); net assets under management increased by € 1.2 billion during the period and have more than quadrupled compared with the first half of 2016

The Board of Directors has reviewed the Banking Group's activity in the management of doubtful loans, which over the years has led to a strong increase in coverage with provisioning that in the period 2012-2017 has exceeded € 4 billion. Having assessed the latest improvements in asset quality, also in the first half of 2017, the Board of Directors has decided to launch an extraordinary measure designed to further increase the level of coverage of doubtful loans, facilitating an immediate reduction in the net NPEs ratio, as well as the gross ratio by means of loan disposals. An extraordinary intervention on provisioning is being analysed, to be carried out at the beginning of 2018, for an amount of € 1 billion, which thanks to the large capital buffer will allow the Group to maintain a solid CET1 ratio of more than 11%. The Board of Directors has decided to postpone approval of the new business plan to the beginning of 2018 in order to complete the analysis of this important project

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 2017.

At the end of the Board meeting, Alessandro Vandelli, CEO of BPER Banca, declared: "The first half closes with the entry into the scope of the BPER Banking Group of Nuova Carife, which we bought from the National Resolution Fund on 30 June. This deal, which is important from a business and financial point of view, will enable us to increase our market share of loans and deposits with the acquisition of more than 100,000 new customers. On the operational front, the half-year confirms the trend of improvement in the Group's credit quality already seen in the first quarter of the year, posting for the fourth quarter running a decline in the proportion of doubtful loans, a significant decrease in transfers to problem loans and a considerable increase in the number of anomalous loans being reclassified as performing, with a very positive performance in debt recovery on the part of BPER Credit Management, our internal company dedicated to managing bad loans; this situation, which is already positive, is complemented by a significant increase in coverage. The result for the first half is a net profit of € 119 million, heavily influenced by non-recurring items both positive and negative. These include the positive difference ("badwill") generated by the acquisition of Nuova Carife, the writedown of the quota held in the Fondo Atlante and the quota invested by FITD-SV in CariCesena, together with a particularly conservative approach to our loan loss provisioning policy. It is worth emphasising the good result of operations which, net of non-recurring items in both periods, is up by 2.5% y/y thanks to a significant decline in operating costs and substantial stability in operating profit. The customer lending business has continued to expand gradually, with a significant boost in the residential mortgage segment, where disbursements increased by nearly 30% during the period. On the funding side, our strategy to transform direct deposits into indirect deposits continues successfully, with particularly positive performances in both asset management and bancassurance, leading to a significant increase in the related commission income of 11%. Lastly, the Group's strong capital solidity is confirmed by a fully phased CET1 ratio of 13.17%, at the top of the banking system in Italy and slightly up on the figure at 31 March 2017 despite the consolidation of Nuova Carife as part of the BPER Banking Group".

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Income statement: key figures

Net interest income comes to € 570.1 million[2], down by 3.4% y/y mainly due to the negative spread effect; there has been a constant decrease in the cost of funding, but it was not sufficient to offset the decline in asset returns, particularly on overdraft accounts and corporate loans.

Net commission income of € 359.2 million is 0.3% up y/y. In detail, net commission income on managed funds and bancassurance business increased by 11.0% y/y, whereas there has been a decline in net commission income on the commercial side of the business, particularly as a result of the policy of optimising unused credit lines.

The **net result from trading activities** (including dividends of € 11.1 million) amounts to € 61.7 million (€ 73.5 million in the first half of 2016, including dividends of € 8.8 million) down by 16.2% y/y, but well up by 56.4% y/y net of the non-recurring income of the two periods[3] (€ 67.8 million in the first half of 2017 on € 43.3 million in the same period of 2016). This comprises net profits realised on securities and derivatives for € 29.3 million, net gains on securities and derivatives for € 19.8 million and other positive elements for € 1.4 million.

Operating profit amounted to € 1,015.6 million, down by 3.6% y/y, but substantially stable (-0.2% y/y) net of extraordinary items attributable to the net result of trading activities[4] during the two periods, due to a positive trend in the net result of financial activities and dividends, which largely offset the lower contribution from net interest income and other charges/income.

Operating costs amount to € 627.9 million down by 1.8% y/y. Payroll costs amounted to € 385.7 million, down by 3.2% mainly due to the departure of a large number of resources on implementation of the Redundancy Incentive Plan and the Solidarity Fund provided for in the current 2015-17 Business Plan, already fully expensed in 2015. The other administrative expenses come to € 201.5 million, down by 1.2% y/y. Depreciation and amortisation amounted to € 40.7 million (€ 37.5 million in the first half of 2016).

The **net result of operations** (operating profit net of operating costs) comes to € 387.7 million (€ 414.4 in first half 2016); it comes to € 393.9 million (€ 384.2 in first half 2016) net of non-recurring items in the two periods[5], ending up rising by 2.5% y/y.

Net adjustments to loans and other financial assets amount to € 388.4 million (€ 283.1 million in the first half of 2016); this amount includes two non-recurring items for a total of € 61.5 million, consisting of 1) the impairment of the entire quota paid to the Fondo Atlante and invested in Banca Popolare di Vicenza and Veneto Banca (€ 52.9 million during the period, which added to the € 28.3 million writedown already made in fourth quarter 2016, leads to an overall writedown of € 81.2 million, i.e. 92.50% of the quotas paid to date and 2) the impairment of the residual portion of the contribution paid to the FITD-SV for the intervention in favour of CariCesena (€ 8.6 million, which gets adds to the writedown of € 2.5 million made in fourth quarter 2016. In detail, **net adjustments to loans** amount to € 323.2 million (€ 276.1 million in the first half of 2016) and are affected by the particularly conservative approach to loan loss provisioning implemented during the half-year. **Net impairment adjustments to financial assets** amount to € 71.6 million (€ 7.2 million in the same period last year) and include the extraordinary items mentioned above. **Net adjustments to other assets** are positive (i.e. writebacks) for € 6.4 million (they were positive for € 0.3 million in the first half of 2016). The **cost of credit** for the first half of the year comes to 69 bps (138 bps annualised).

Net provisions for risks and charges come to € 11.6 million in the period (€ 22.1 million in the same period of 2016), down 47.6% y/y.

The BPER Group's ordinary contribution to the Single Resolution Fund ("SRF") for 2017 was booked in the first half of the year. It amounted to € 15.9 million (€ 15.1 million in the same period last year), which is the sum of the estimated contribution of € 18.0 million for the first quarter less a recovery of € 2.1 million made at the time payment was requested by the National Resolution Authorities during the second quarter (this portion of the contribution due was paid using irrevocable collateralised payment commitments as envisaged in the legislation, generating an equivalent recovery in the income statement). Note that in the reclassified income statement, this contribution is shown on a separate line in the interests of clarity, whereas in the Bank of Italy format it is included in caption 180 b) "Other administrative expenses".

1) The first provisional accounting entries were made for the acquisition of Nuova Carife at 30 June 2017, in accordance with IFRS 3 "Business Combinations". The negative difference between the purchase price and the consolidated net equity attributable to the acquired group was € 156.0 million. This amount was provisionally allocated on the basis of the information currently available. The purchase price allocation ("PPA") process led to balance sheet adjustments for a total of € 25.3 million. The overall benefit of the acquisition therefore amounted to € 130.7 million, which was recorded as income in item 240 of the income statement ("badwill").

The **profit from current activities before tax** comes to € 109.0 million on a profit of € 92.9 million in the same period last year. **Income taxes** are positive and are calculated at € 10.2 million (they were negative for € 27.8 million in the first half of 2016).

Total net profit for the period comes to € 119.2 million (€ 65.1 million in the first half of 2016), including the net profit pertaining to minority interests of € 0.1 million (€ 0.3 million at 30 June 2016). The profit pertaining to the Parent Company therefore comes to € 119.1 million (€ 64.7 million at 30 June 2016).

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 € 48.6 billion, including € 2 billion for the entry of Nuova Carife into the Banking Group, 2.4% down on the end of 2016 on a comparable basis, mostly due to Group policy to transform direct customer deposits into indirect customer deposits. Of the various types of deposits, there has been a decrease in demand deposits (current accounts and unrestricted deposit accounts) of € 0.7 billion (-2.2% compared with the end of 2016), in the retail bond component of € 0.2 billion (-2.8% since the end of 2016), and in certificates of deposit of € 0.2 billion on a comparable basis (-9.5% since the end of 2016). Direct borrowing, including Nuova Carife, is made up principally of current accounts, unrestricted and short-term restricted deposits (73.1%) and bonds (12.5%), of which 49.8% are in the hands of retail customers.

Indirect customer deposits, marked to market, amount to € 34.8 billion, of which € 1.4 billion related to Nuova Carife, a significant increase of 1.7% on the end of the previous year on a comparable basis. In particular, **assets under management** amount to € 18.6 billion of which € 1.0 related to Nuova Carife, (+8.5% since the end of 2016 on a comparable basis), with a positive net inflow for the period of around € 1.2 billion, four times more than € 0.3 billion in the first half of 2016. **Assets under administration** of € 16.2 billion, including € 0.4 billion for Nuova Carife, posted a decrease of 5.0% from the end of 2016 on a comparable basis, due to the departure of institutional customers' low-margin assets. The **life insurance policy portfolio**, which is not included in indirect borrowing, comes to € 4.7 billion, of which € 0.1 billion related to Nuova Carife, show an increase since the start of the year of 3.1% on a comparable basis.

Loans to customers, net of impairment adjustments, amount to € 47.0 billion (of which € 1.3 billion of Nuova Carife), an increase of 0.4% compared with the end of 2016 on a comparable basis with a strong rise in mortgage loans in the first half of the year on the same period last year (+34.3%).

Net non-performing loans (bad, unlikely to pay and past due loans) including those related to Nuova Carife[6] amount to € 5.9 billion, significantly down by 5.5% since the end of 2016 (-6.4% on a comparable basis), with a total coverage ratio of 46.9% (44.5% at the end of 2016) and this does not take into consideration the write-offs of bad loans still outstanding (€ 1.0 billion), which take the coverage ratio to 51.3% (49.4% at the end of 2016). In detail, **net bad loans** amount to € 2.9 billion, a significant decrease on the end of 2016 (-2.6%) with coverage of 58.8% (57.2% at the end of 2016); in addition, taking into account the direct write-offs of bad loans still outstanding, coverage comes to 63.8% (62.9% at the end of 2016). **Net unlikely to pay loans** amount to € 2.7 billion, a significant decrease compared with the end of 2016 (-10.1%), with a level of coverage of 26.4%, an increase of 289 bps since the end of 2016; **net past due loans** amount to € 0.2 billion, up 31.9% from the end of last year with coverage of 7.9% (7.8% at the end of 2016).

The **net interbank position**, which is negative for € 9.0 billion compared with € 8.1 billion at the end of 2016, is the difference between the amounts due from banks of € 3.5 billion and the amounts due to banks of € 12.5 billion. The BPER Group's total amount of refinancing with the European Central Bank amounted to € 9.3 billion, entirely attributable to participation in the second round of longer term refinancing operations called TLTRO2 with a four year maturity (€ 4.1 billion subscribed in June 2016, partially used for the full repayment of the TLTRO1; Financial instruments, which can be used as collateral for refinancing operations on the market, amount to € 15.5 billion net of the haircut, of which € 3.0 billion available, to which approximately € 2.1 billion of deposits available at the Central Bank are to be added.

Financial assets come to a total of € 15.0 billion, of which € 0.2 billion for Nuova Carife, an increase of 9.1% compared with the end of 2016, and amounted to 21.2% of total assets. Debt securities represent 94.0% of the total portfolio and amount to € 14.1 billion: of these, € 6.3 billion relate to government securities, mostly represented by Italian government bonds (€ 5.5 billion).

Against assets available for sale (AFS) of € 11.6 billion, there are positive valuation reserves for a total of € 98.5 million, net of the related tax effect, which is the sum of positive reserves for debt securities, equities and UCITS of € 146.9 million, less negative reserves of € 48.4 million. The "AFS" reserve for government securities is showing gains (net of taxes) of € 14.9 million (€ 37.3 million at 31 December 2016). Moreover, with regard to the portfolio of financial assets held to maturity (HTM) of € 2.6 billion, the difference between their fair value and book value is positive, net of the related tax effect, resulting in a net implicit reserve of € 106.8 million.

Total equity ("own funds") at 30 June 2017 amounts to € 5.6 billion (+1.4% on 2016), with minority interests of € 0.6 billion. Consolidated shareholders' equity of the Group, including the result for the period, comes to € 5.0 billion, +1.9% since the end of 2016.

The phased in Basel 3 **leverage ratio** of 6.16% (6.07% fully phased) is among the best of the system. The LCR ("Liquidity Coverage Ratio") and NSFR ("Net Stable Funding Ratio") liquidity ratios are well over 100%; in particular, at 30 December 2017, the LCR ratio was equal to 130.1%, while the NSFR ratio was estimated at over 100% (compared with 106.6% at 31 September 2017 and 104.3% 31 December 2016).

Capital ratios

The capital ratios at 30 June 2017, 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 and the dividend expected for the Parent Company BPER Banca:

- Common Equity Tier 1 Ratio (phased in) of 13.38% (13.33% at 31 March 2017 and 13.80% at 31 December 2015). This ratio calculated on a fully phased basis comes to 13.17 (13.11% at 31 March 2017 and 13.27% at 31 December 2016, a slight increase of 6 bps on the figure at 31 March 2017 despite the inclusion of Nuova Carife);
- Phased in Tier 1 ratio of 13.47% (13.43% at 31 March 2017 and 13.89% at 31 December 2016);
- Own Funds ratio (phased in) of 16.16% (14.66% at 31 March 2017; 15.21% at 31 December 2016).

Key figures at 30 June 2017

The Group has a presence in 18 Regions of Italy with 1,282 branches, of which 98 belong to Nuova Carife; based on the same scope of consolidation, the number of branches comes to 1,184 (down by 16 since the end of 2016), in addition to the Luxembourg headquarters of BPER (Europe) International s.a.

The Group currently has 12,014 employees (841 from the consolidation of Nuova Carife), compared with 11,635 on the books at the end of 2016 (-464 based on the same scope of consolidation); This significant decrease is mainly attributable to implementation of the redundancy incentive agreement and the Solidarity Fund signed with the Unions on 14 August 2015 and almost entirely expensed that year in the income statement, as foreseen in the 2015-17 Business Plan.

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Outlook for operations

The still very low level of market interest rates and high level of competition in the system in the traditional financing business will continue to put pressure on asset yields, even though the intensity will gradually decline; at the same time, the repricing of liabilities and the potential benefit of the sweetener provided by the ECB's TLTRO2 programme will allow a further decline in the cost of deposits, helping to reduce the pressure on the interest margin. A positive contribution to revenue is expected to come from fee income, with confirmation of the positive performance already recorded during the first half in asset management and bancassurance and stabilisation of the commercial side of the business. Operating costs are expected to decline further, albeit gradually, both as regards personnel costs and for other administrative costs, benefiting from the staff reduction plan and gradual completion of the investments relating to implementation of the various projects in the Business Plan. It is also expected that slower inflows of new problem loans together with a particularly conservative loan loss provisioning policy implemented during the period, will have a positive impact on the ordinary cost of credit in the second half of the year. All of these factors should bolster the Group's profitability prospects for the second half of the year.

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The half-year report of the BPER Group at 30 June 2017, together with the Independent Auditors' limited audit report, 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) as required by law. Note that the Auditors have not yet completed their work.

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 2017, as well as a summary of the main indicators.

Modena, 3 August 2017

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, 3 August 2017

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

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A conference call has been organised for **3 August 2017 at 6.30 p.m. (CET)** to explain the BPER Group's results at 30 June 2017.
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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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] **Principal non-recurring income and expenses for first half 2017 and first half 2016.**

First half 2017

1) The first provisional accounting entries were made for the acquisition of Nuova Carife at 30 June 2017, in accordance with IFRS 3 "Business Combinations". The negative difference between the purchase price and the consolidated net equity attributable to the acquired group was € 156.0 million. This amount was provisionally allocated on the basis of the information currently available. The process of purchase price allocation ("PPA") led to balance sheet adjustments for a total of € 25.3 million. Accounting for these items generated deferred taxation of € 3.1 million. The overall benefit of the acquisition therefore amounted to € 130.7 million, which was recorded as income in item 240 of the income statement ("badwill"), which net of the deferred taxation comes to € 133.8 million.
2) On 30 June 2017, BPER Banca transferred to ICBPI its 9.91% shareholding in Bassilichi Spa (234,611 shares) for € 11.2 million, realizing a pre-tax capital gain of € 6.9 million (subject to the participation exemption - or "PEX" - tax regime).
3) "Adjustments to AFS securities" (item 130 b of the income statement) include the impairment of the entire quota paid to the Fondo Atlante and invested in Banca Popolare di Vicenza and Veneto Banca (€ 52.9 million during the period, which added to the € 28.3 million writedown already made in fourth quarter 2016, leads to an overall writedown of € 81.2 million, i.e. 92.50% of the quotas paid to date).
4) "Adjustments to AFS securities" (item 130 b of the Income statement) also includes the impairment of the residual portion of the contribution paid to the FITD-SV for the intervention in favour of CariCesena (€ 8.6 million, of which € 0.2 million already recorded in first quarter 2017, which gets adds to the writedown of € 2.5 million made in fourth quarter 2016)
5) Losses on disposal of loans (item 100a of the income statement) for € 13.1 million.

First half 2016.

1) and 2) at the end of last year the VISA Inc. Group (USA) announced its intention to buy out the rest of its former subsidiary VISA Europe, which included among its shareholders Banca di Sassari and CartaSi, which is under the control of ICBPI, which was transferred simultaneously by the various participating banks, including BPER Banca. The contract for the sale of ICBPI's shareholding, in connection with the VISA transaction, envisaged an earn-out clause that would fall due within five years from execution of the sale, at which point an additional consideration would be potentially be calculated to take account of "VISA net proceeds". At the end of the various changes in company holdings and the expected authorisations from the Supervisory Authorities, in late June VISA paid the agreed consideration for the predominant part in cash, to which was added a portion in shares and an additional cash amount with deferred payment after three years. From this sale Banca di Sassari realised a capital gain of approximately € 20.8 million, which was accounted for at 30 June 2016. CartaSì also realised a substantial capital gain from this sale, which gave rise to an obligation to pay BPER for its share of the earn-out under the contract by the end of the year. At 30 June, BPER therefore ascertained the portion that was already considered certain, for an amount of € 9.4 million. Overall, the amount of extraordinary income relating to this transaction accounted for at 30 June 2016 in item 100 b) of the income statement amounted to € 30.2 million (with tax ascertained at € 7.5 million)

Non-recurring income and expenses at 30 June 2017 (€/million)

Description	Income statement caption	1Q17	2Q17	Total 2017
1) Positive differential ("badwill") generated by the Nuova Carife acquisition	240 - Profit (loss) from equity investments		+130.7	+130.7
2) Gain on disposal of the investment in Bassilichi Spa	100 b) - Gain on disposal of AFS financial assets		+6.9	+6.9
3) Impairment of Fondo Atlante quota	130 b) Adjustments to AFS financial assets	-17.0	-35.9	-52.9
4) Total impairment of quota invested by FITD-SV in Caricesena	130 b) Adjustments to AFS financial assets	-0.2	-8.4	-8.6
5) Losses on disposal of loans	100 a) Losses on disposal of loans	-0.5	-12.6	-13.1
Total non-recurring income and expenses		**-17.7**	**+80.7**	**+63.0**
Total tax effect	290 - Income taxes	+5.8	+20.7	+26.5
Total impact on the income statement		**-11.5**	**+110.6**	**+89.5**

With minority interests of € -0.6 million

Non-recurring income and expenses at 30 June 2016 (€/million)

Description	Income statement caption	1Q16	2Q16	Total 2016
1) Gain on disposal of the interest in VISA by Banca di Sassari	100 b) - Gain on disposal of AFS financial assets		+20.8	+20.8
2) Earn-out for the disposal of ICBPI (Cartasì – see above for explanation)	100 b) - Gain on disposal of AFS financial assets		+9.4	+9.4
Total non-recurring income and expenses			**30.2**	**30.2**
Total tax effect	290 - Income taxes		-7.5	-7.5
Total impact on the income statement			**+22.7**	**+22.7**

With minority interests of € -1.5 million

In addition, the following is a list of the contributions made to the Resolution and Deposit Guarantee Funds for the first half of 2017 and the first half of 2016:

First half 2017 (€/million)

Description	Income statement caption	1Q17	2Q17	Total 2017
Ordinary contributions to the Single Resolution Fund ("SRF")	180 b) - Other administrative expenses	-18.0	+2.1	-15.9
Total expenses		**-18.0**	**+2.1**	**-15.9**
Total tax effect	290 - Income taxes	+6.0	-0.7	+5.3
Total impact on the income statement		**-12.0**	**+1.4**	**-10.6**

With minority interests of € 0.7 million.

First half 2016 (€/million)

Description	Income statement caption	1Q16	2Q16	Total 2016
Ordinary contributions to the Single Resolution Fund ("SRF")	180 b) - Other administrative expenses	-15.0	-0.1	-15.1
Total expenses		**-15.0**	**-0.1**	**-15.1**
Total tax effect	290 - Income taxes	+5.0	-0.03	+5.0
Total impact on the income statement		**-10.0**	**-0.1**	**-10.1**

With minority interests of € 0.6 million.

[2] Net interest income in the first half of 2017 includes the benefit of participating in emissions of TLTRO 2 - Targeted Longer Term Refinancing Operations-II for € 14.4 million (€ 9.3 million in Q2 2017, € 5.1 million in Q1 2017). It should be remembered that net interest income in the fourth quarter of 2016 included the benefit for the whole of 2016 of participating in TLTRO2 put at € 8.3 million; the quota pertaining to the fourth quarter of 2016 only amounted to € 4.2 million. For further details, see the section on the net interbank position on page 5.

[3] See note 1

[4] See note 1

[5] See note 1

[6] Net loans to customers (Caption 70 of the consolidated balance sheet of the BPER Banca Group) related to Nuova Carife amount to € 1.3 billion (€ 1.5 billion gross) made up of net performing loans net of € 1.3 billion (gross € 1.3 billion) and net non-performing loans of € 58.5 million (gross € 162.3 million) of which: net bad loans € 6.4 million (gross € 32.4 million, coverage ratio 80.3%); net unlikely to pay loans € 15.4 million (gross € 91.3 million, coverage ratio 83.1%); net past due loans € 36.7 million, gross € 38.6 million, coverage ratio 5.2%).

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Consolidated balance sheet as at 30 June 2017

(in thousands of Euro)

Assets	30.06.2017	31.12.2016	Change	% Change
10. Cash and cash equivalents	365,772	364,879	893	0.24
20. Financial assets held for trading	647,051	676,844	(29,793)	-4.40
30. Financial assets designated at fair value through profit and loss	81,785	84,307	(2,522)	-2.99
40. Financial assets available for sale	11,608,567	10,433,222	1,175,345	11.27
50. Financial assets held to maturity	2,614,287	2,515,993	98,294	3.91
60. Due from banks	3,497,504	1,331,811	2,165,693	162.61
70. Loans to customers	46,996,709	45,494,179	1,502,530	3.30
80. Hedging derivatives	72,532	62,365	10,167	16.30
100. Equity investments	437,812	413,923	23,889	5.77
120. Property, plant and equipment	1,061,580	969,470	92,110	9.50
130. Intangible assets	514,178	520,829	(6,651)	-1.28
of which: goodwill	355,441	355,441	-	-
140. Tax assets	1,873,656	1,518,027	355,629	23.43
a) current	473,789	221,395	252,394	114.00
b) deferred	1,399,867	1,296,632	103,235	7.96
b1) of which L. 214/2011	1,161,212	1,073,172	88,040	8.20
150. Non-current assets and disposal groups held for sale	7,653	-	7,653	n.s.
160. Other assets	733,158	574,175	158,983	27.69
Total assets	**70,512,244**	**64,960,024**	**5,552,220**	**8.55**

(in thousands of Euro)

Liabilities and shareholders' equity	30.06.2017	31.12.2016	Change	% Change
10. Due to banks	12,525,199	9,462,678	3,062,521	32.36
20. Due to customers	40,105,854	38,912,714	1,193,140	3.07
30. Debt securities in issue	8,452,606	8,587,243	(134,637)	-1.57
40. Financial liabilities held for trading	194,074	226,837	(32,763)	-14.44
50. Financial liabilities designated at fair value through profit and loss	70,016	247,933	(177,917)	-71.76
60. Hedging derivatives	38,536	40,697	(2,161)	-5.31
80. Tax liabilities	100,509	100,992	(483)	-0.48
a) current	2,857	1,715	1,142	66.59
b) deferred	97,652	99,277	(1,625)	-1.64
100.Other liabilities	2,679,904	1,197,062	1,482,842	123.87
110. Provision for termination indemnities	198,550	205,364	(6,814)	-3.32
120. Provisions for risks and charges	512,124	422,791	89,333	21.13
a) pensions and similar commitments	132,146	136,409	(4,263)	-3.13
b) other provisions	379,978	286,382	93,596	32.68
140. Valuation reserves	85,263	89,951	(4,688)	-5.21
170. Reserves	2,405,123	2,410,357	(5,234)	-0.22
180. Share premium reserve	930,073	930,073	-	-
190. Share capital	1,443,925	1,443,925	-	-
200. Treasury shares	(7,258)	(7,258)	-	-
210. Minority interests	658,684	674,366	(15,682)	-2.33
220. Profit (Loss) for the period	119,062	14,299	104,763	732.66
Total liabilities and shareholders' equity	**70,512,244**	**64,960,024**	**5,552,220**	**8.55**

(*) The Purchase Price Allocation (PPA) process of Cassa di Risparmio di Saluzzo was completed at 30 June 2017. Control over it was acquired in the fourth quarter of 2016 and the purchase price was allocated on a provisional basis at 31 December 2016; in accordance with paragraph 45 of IFRS 3, the conclusion of the process resulted in an adjustment of the figures at 31 December 2016 compared with those previously published, following the identification of intangible assets with a finite useful life for a total of Euro 9,061 thousand, recognition at the same time of deferred tax liabilities of Euro 2,996 thousand and therefore a reduction in the provisionally recorded goodwill of Euro 6,065 thousand.

Reclassified consolidated income statement as at 30 June 2017

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 60,982 thousand at 30 June 2017 and Euro 59,304 thousand at 30 June 2016);
- *"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 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 2017, this caption represents the component allocated for accounting purposes to administrative costs in relation to:
  - the 2017 contribution to the SRF (European Single Resolution Fund) of Euro 15,870 thousand;
  - equalisation of the 2015 contribution to the SRF (European Single Resolution Fund) of Euro 61 thousand;
  - the 2017 contribution to the DGS (Deposit Guarantee Schemes) for Euro 16 thousand, representing only the amount required of Bper (Europe) International s.a. for the half-year.

  Note that the comparative figures at 30 June 2016 have been restated compared with those included in the consolidated financial report at 30 June 2016, including the repayment received from FITD-SV for redefinition of the intervention in Banca Tercas (Euro 10,970 thousand), previously recorded under the caption "Net impairment adjustments for other financial transactions".

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(in thousands of Euro)

Captions		30.06.2017	30.06.2016	Change	% Change
10+20	Net interest income	570,119	590,376	(20,257)	-3.43
40+50	Net commission income	359,224	358,118	1,106	0.31
70	Dividends	11,124	8,818	2,306	26.15
80+90+100+110	Net trading income	50,533	64,726	(14,193)	-21.93
220 (*)	Other operating charges/income	24,608	31,968	(7,360)	-23.02
	Operating income	**1,015,608**	**1,054,006**	**(38,398)**	**-3.64**
180 a)	Payroll	(385,676)	(398,241)	12,565	-3.16
180 b) (*) (**)	Other administrative costs	(201,492)	(203,883)	2,391	-1.17
200+210	Net adjustments to property, plant, equipment and intangible assets	(40,697)	(37,527)	(3,170)	8.45
	Operating costs	**(627,865)**	**(639,651)**	**11,786**	**-1.84**
	Net operating income	**387,743**	**414,355**	**(26,612)**	**-6.42**
130 a)	Net impairment adjustments to loan	(323,232)	(276,102)	(47,130)	17.07
130 b)+c)	Net impairment adjustments to financial assets available for sale and held to maturity	(71,617)	(7,202)	(64,415)	894.40
130 d) (***)	Net impairment adjustments to other financial assets	6,434	252	6,182	--
	Net impairment adjustments	**(388,415)**	**(283,052)**	**(105,363)**	**37.22**
190	Net provisions for risks and charges	(11,602)	(22,125)	10,523	-47.56
###	Contribution to SRF, DGS, FITD-SV	(15,947)	(15,432)	(515)	3.34
240+260+270	Gains (Losses) from equity instruments, on disposal of investments and adjustment to goodwill	137,270	(884)	138,154	--
280	**Profit (Loss) from current operations before tax**	**109,049**	**92,862**	**16,187**	**17.43**
290	Income taxes on current operations for the period	10,183	(27,793)	37,976	-136.64
320	**Profit (loss) for the period**	**119,232**	**65,069**	**54,163**	**83.24**
330	Profit (loss) for the period pertaining to minority interests	(170)	(327)	157	-48.01
340	**Profit (loss) for the period pertaing to the Parent Company**	**119,062**	**64,742**	**54,320**	**83.90**

	Caption net of:				
(*)	Recovery of taxes	60,982	59,304	1,678	2.83
(**)	Contribution to SRF, DGS, FITD-SV	(15,947)	(26,402)	10,455	-39.60
(***)	Repayment received from FITD-SV for redefinition of the intervention in Banca Tercas	-	10,970	(10,970)	-100.00

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Reclassified consolidated income statement by quarter as at 30 June 2017

(in thousands of Euro)

Captions		1st quarter 2017	2nd quarter 2017	1st quarter 2016	2nd quarter 2016	3rd quarter 2016	4th quarter 2016
10+20	Net interest income	288,114	282,005	296,800	293,576	285,728	294,343
40+50	Net commission income	177,373	181,851	177,083	181,035	174,803	179,801
70	Dividends	312	10,812	86	8,732	338	716
80+90+ 100+110	Net trading income	24,664	25,869	15,662	49,064	25,518	29,755
220 (*) (**)	Other operating charges/income	10,310	14,298	15,538	16,430	13,605	8,665
	Operating income	**500,773**	**514,835**	**505,169**	**548,837**	**499,992**	**513,280**
180 a)	Payroll	(194,125)	(191,551)	(196,586)	(201,655)	(176,168)	(194,740)
180 b)(*) (***)	Other administrative costs	(96,628)	(104,864)	(101,125)	(102,758)	(106,098)	(107,236)
200+210	Net adjustments to property, plant and equipment and intangible assets	(18,685)	(22,012)	(17,084)	(20,443)	(17,943)	(25,125)
	Operating costs	**(309,438)**	**(318,427)**	**(314,795)**	**(324,856)**	**(300,209)**	**(327,101)**
	Net operating income	**191,335**	**196,408**	**190,374**	**223,981**	**199,783**	**186,179**
130 a)	Net impairment adjustments to loans	(133,573)	(189,659)	(114,167)	(161,935)	(124,578)	(219,070)
130 b)+c)	Net impairment adjustments to financial assets available for sale and held to maturity	(17,381)	(54,236)	(3,678)	(3,524)	(4,948)	(39,661)
130 d)(*****)	Net impairment adjustments to other financial assets	4,647	1,787	(3,666)	3,918	3,097	(1,822)
	Net impairment adjustments	**(146,307)**	**(242,108)**	**(121,511)**	**(161,541)**	**(126,429)**	**(260,553)**
190 (****)	Net provisions for risks and charges	(5,661)	(5,941)	(9,621)	(12,504)	(5,791)	(4,732)
###	Contributions to SRF, DGS, FITD - SV	(18,061)	2,114	(15,000)	(432)	(17,607)	(29,469)
240+260 +270	Gains (Losses) on disposal of investments and adjustments to goodwill	3,705	133,565	3,193	(4,077)	2,462	(26,161)
280	**Profit from current operations before tax**	**25,011**	**84,038**	**47,435**	**45,427**	**52,418**	**(134,736)**
290	Income taxes on current operations	(7,743)	17,926	(14,104)	(13,689)	(12,838)	45,901
320	**Profit (loss) for the period**	**17,268**	**101,964**	**33,331**	**31,738**	**39,580**	**(88,835)**
330	Profit (loss) for the period pertaining to minority interests	(2,710)	2,540	(2,356)	2,029	(3,162)	1,974
340	**Profit (Loss) for the period pertaining to the Parent Company**	**14,558**	**104,504**	**30,975**	**33,767**	**36,418**	**(86,861)**

	Captions net of:						
(*)	Recovery of taxes	29,981	31,001	30,405	28,899	29,385	30,015
(**)	Accounting recovery of the guarantee expired as part of the Banca Tercas transaction	-	-	-	-	-	775
(***)	Contributions to SRF, DGS, FITD - SV	(18,061)	2,114	(15,000)	(11,402)	(17,607)	(34,224)
(****)	Contributions to SRF, DGS, FITD - SV	-	-	-	-	-	3,980
(*****)	Repayment received from FITD-SV for redefinition of the intervention in Banca Tercas	-	-	-	10,970	-	-

Consolidated income statement as at 30 June 2017

(in thousands of Euro)

Captions	30.06.2017	30.06.2016	Change	% Change
10. Interest and similar income	706,601	758,133	(51,532)	-6.80
20. Interest and similar expense	(136,482)	(167,757)	31,275	-18.64
30. Net interest income	**570,119**	**590,376**	**(20,257)**	**-3.43**
40. Commission income	376,627	374,375	2,252	0.60
50. Commission expense	(17,403)	(16,257)	(1,146)	7.05
60. Net commission income	**359,224**	**358,118**	**1,106**	**0.31**
70. Dividends and similar income	11,124	8,818	2,306	26.15
80. Net trading income	19,989	(29,757)	49,746	-167.17
90. Net hedging gains (losses)	(259)	38	(297)	-781.58
100. Gains/losses on disposal or repurchase of:	30,386	92,475	(62,089)	-67.14
a) loans	(7,852)	1,034	(8,886)	-859.38
b) financial assets available for sale	37,844	92,447	(54,603)	-59.06
c) financial assets held to maturity	316	-	316	n.s.
d) financial liabilities	78	(1,006)	1,084	-107.75
110. Net results on financial assets and liabilities designated at fair value	417	1,970	(1,553)	-78.83
120. Net interest and other banking income	**991,000**	**1,022,038**	**(31,038)**	**-3.04**
130. Net impairment adjustments to:	(388,415)	(272,082)	(116,333)	42.76
a) loans	(323,232)	(276,102)	(47,130)	17.07
b) financial assets available for sale	(71,617)	(7,202)	(64,415)	894.40
d) other financial assets	6,434	11,222	(4,788)	-42.67
140. Net profit from financial activities	**602,585**	**749,956**	**(147,371)**	**-19.65**
180. Administrative costs:	(664,097)	(687,830)	23,733	-3.45
a) payroll	(385,676)	(398,241)	12,565	-3.16
b) other administrative costs	(278,421)	(289,589)	11,168	-3.86
190. Net provision for risks and charges	(11,602)	(22,125)	10,523	-47.56
200. Net adjustments to property, plant and equipment	(21,124)	(21,087)	(37)	0.18
210. Net adjustments to intangible assets	(19,573)	(16,440)	(3,133)	19.06
220. Other operating charges/income	85,590	91,272	(5,682)	-6.23
230. Operating costs	**(630,806)**	**(656,210)**	**25,404**	**-3.87**
240. Profit (Loss) from equity investments	137,254	2,737	134,517	0.00
260. Adjustments to goodwill	-	(3,254)	3,254	-100.00
270. Gains (Losses) on disposal of investments	16	(367)	383	-104.36
280. Profit (Loss) from current operations before tax	**109,049**	**92,862**	**16,187**	**17.43**
290. Income taxes on current operations for the period	10,183	(27,793)	37,976	-136.64
300. Profit (Loss) from current operations after tax	**119,232**	**65,069**	**54,163**	**83.24**
320. Profit (Loss) for the period	**119,232**	**65,069**	**54,163**	**83.24**
330. Profit (Loss) for the period pertaining to minority interests	(170)	(327)	157	-48.01
340. Profit (Loss) for the period pertaining to the Parent Company	**119,062**	**64,742**	**54,320**	**83.90**

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Consolidated income statement by quarter as at 30 June 2017

(in thousands of Euro)

Captions	1st quarter 2017	2nd quarter 2017	1st quarter 2016	2nd quarter 2016	3rd quarter 2016	4th quarter 2016
10. Interest and similar income	355,137	351,464	384,670	373,463	359,459	365,459
20. Interest and similar expense	(67,023)	(69,459)	(87,870)	(79,887)	(73,731)	(71,116)
30. Net interest income	**288,114**	**282,005**	**296,800**	**293,576**	**285,728**	**294,343**
40. Commission income	185,947	190,680	185,186	189,189	183,068	188,516
50. Commission expense	(8,574)	(8,829)	(8,103)	(8,154)	(8,265)	(8,715)
60. Net commission income	**177,373**	**181,851**	**177,083**	**181,035**	**174,803**	**179,801**
70. Dividends and similar income	312	10,812	86	8,732	338	716
80. Net trading income	10,920	9,069	(25,801)	(3,956)	12,051	25,650
90. Net hedging gains (losses)	(300)	41	120	(82)	(129)	(244)
100. Gains/losses on disposal or repurchase of:	13,630	16,756	37,346	55,129	11,199	3,988
a) loans	1,253	(9,105)	7	1,027	(4,495)	(6,287)
b) financial assets available for sale	12,378	25,466	38,237	54,210	15,833	10,347
c) financial assets held to maturity	-	316	-	-	-	-
d) financial liabilities	(1)	79	(898)	(108)	(139)	(72)
110. Net results on financial assets and liabilities designated at fair value	414	3	3,997	(2,027)	2,397	361
120. Net interest and other banking income	**490,463**	**500,537**	**489,631**	**532,407**	**486,387**	**504,615**
130. Net impairment adjustments to:	(146,307)	(242,108)	(121,511)	(150,571)	(126,429)	(260,553)
a) loans	(133,573)	(189,659)	(114,167)	(161,935)	(124,578)	(219,070)
b) financial assets available for sale	(17,381)	(54,236)	(3,678)	(3,524)	(4,948)	(39,661)
d) other financial assets	4,647	1,787	(3,666)	14,888	3,097	(1,822)
140. Net profit from financial activities	**344,156**	**258,429**	**368,120**	**381,836**	**359,958**	**244,062**
180. Administrative costs:	(338,795)	(325,302)	(343,116)	(344,714)	(329,258)	(366,215)
a) payroll	(194,125)	(191,551)	(196,586)	(201,655)	(176,168)	(194,740)
b) other administrative costs	(144,670)	(133,751)	(146,530)	(143,059)	(153,090)	(171,475)
190. Net provision for risks and charges	(5,661)	(5,941)	(9,621)	(12,504)	(5,791)	(752)
200. Net adjustments to property, plant and equipment	(9,076)	(12,048)	(8,983)	(12,104)	(9,150)	(15,472)
210. Net adjustments to intangible assets	(9,609)	(9,964)	(8,101)	(8,339)	(8,793)	(9,653)
220. Other operating charges/income	40,291	45,299	45,943	45,329	42,990	39,455
230. Operating costs	**(322,850)**	**(307,956)**	**(323,878)**	**(332,332)**	**(310,002)**	**(352,637)**
240. Profit (Loss) from equity investments	3,675	133,579	3,143	(406)	2,344	3,410
260. Adjustments to goodwill	-	-	-	(3,254)	-	(29,600)
270. Gains (Losses) on disposal of investments	30	(14)	50	(417)	118	29
280. Profit (Loss) from current operations before tax	**25,011**	**84,038**	**47,435**	**45,427**	**52,418**	**(134,736)**
290. Income taxes on current operations for the period	(7,743)	17,926	(14,104)	(13,689)	(12,838)	45,901
300. Profit (Loss) from current operations after tax	**17,268**	**101,964**	**33,331**	**31,738**	**39,580**	**(88,835)**
320. Net profit (Loss) for the period	**17,268**	**101,964**	**33,331**	**31,738**	**39,580**	**(88,835)**
330. Net profit (Loss) for the period pertaining to minority interests	(2,710)	2,540	(2,356)	2,029	(3,162)	1,974
340. Profit (Loss) for the period pertaining to the Parent Company	**14,558**	**104,504**	**30,975**	**33,767**	**36,418**	**(86,861)**

Performance ratios as at 30 June 2017

Financial ratios	30.06.2017	2016 (*)
Structural ratios		
net loans to customers/total assets	66.65%	70.03%
net loans to customers/direct deposits from customers	96.64%	95.28%
financial assets/total assets	21.20%	21.11%
fixed assets/total assets	2.13%	2.13%
goodwill/total assets	0.50%	0.55%
direct deposits/total assets	86.73%	88.07%
deposits under management/indirect deposits	53.52%	49.55%
financial assets/tangible equity[1]	2.92	2.72
total tangible assets[2]/tangible equity	13.67	12.80
net interbank lending/borrowing (in thousands of Euro)	(9,027,695)	(8,130,867)
number of employees	12,014	11,635
number of national bank branches	1,282	1,200
Profitability ratios		
ROE	4.94%	0.30%
ROTE	5.53%	0.33%
ROA (net profit/total assets)	0.17%	0.10%
Cost/income ratio[3]	61.82%	60.69%
Net adjustments to loans/net loans to customers	0.69%	0.63%
Basic EPS	0.248	0.135
Diluted EPS	0.248	0.135
Risk ratios		
net non-performing exposures/net loans to customers	12.47%	13.62%
net bad loans/net loans to customers	6.24%	6.61%
net unlikely to pay loans/net loans to customers	5.82%	6.69%
net past due loans/net loans to customers	0.41%	0.32%
adjustments to non-performing exposures/gross non-performing exposures	46.89%	44.54%
adjustments to bad loans/gross bad loans	58.75%	57.25%
adjustments to unlikely to pay loans/gross unlikely to pay loans	26.38%	23.49%
adjustments to past due loans/gross past due loans	7.86%	7.80%
adjustments to performing exposures/gross performing exposures	0.47%	0.47%
texas ratio[4]	107.17%	111.61%

(*) Further to the restatement of balance sheet data as at 31 December 2016 some performance ratio values were recalculated. The comparison values for the Income Statement are those at 30 June 2016, with the exception of ROE and ROTE which are shown on an annualized basis.

[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 63.65% (64.21% as at 30 June 2016).*

[4] *The texas ratio is calculated as the relationship between total gross non-performing exposures and net tangible equity, including minority interests, increased by total provisions for non-performing loans.*

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(cont.)

Financial ratios	30.06.2017	2016 (*)
Own Funds (Phased in)		
Common Equity Tier 1 (CET1)	4,503,695	4,497,645
Own Funds	5,439,569	4,958,045
Risk-weighted assets (RWA)	33,666,699	32,593,235
Capital and liquidity ratios		
Common Equity Tier 1 Ratio (CET1 Ratio) - Phased in	13.38%	13.80%
Tier 1 Ratio (T1 Ratio) - Phased in	13.47%	13.89%
Total Capital Ratio (TC Ratio) - Phased in	16.16%	15.21%
Common Equity Tier 1 Ratio (CET1 Ratio) - Fully Phased	13.17%	13.27%
Leverage Ratio - Phased in[5]	6.2%	6.7%
Leverage Ratio - Fully Phased[6]	6.1%	6.5%
Liquidity Coverage Ratio (LCR)	130.1%	102.0%
Net Stable Funding Ratio (NSFR)[7]	n.d.	104.3%

Non-financial ratios	30.06.2017	2016 (*)
Productivity ratios (in thousands of Euro)		
direct deposits per employee	4,047.65	4,103.82
loans to customers per employee	3,911.83	3,910.11
assets managed per employee	1,551.83	1,399.75
assets administered per employee	1,347.55	1,425.44
core revenues[8] per employee	77.36	82.83
net interest and other banking income per employee	82.49	89.25
operating costs per employee	52.51	57.31

(*) The comparative amounts were determined with reference to the income statement for the period to 30 June 2016, except that ROE (Return On Equity) and ROTE (Return On Tangible Equity) are presented on an annualised basis.

[5] *The ratio is calculated according to the provisions of Regulation (EU) 575/2013 (CRR), as amended by the Commission Delegated Regulation (EU) 2015/62.*
[6] *See previous note*
[7] *The NSFR, not yet available, is in any case estimated to exceed 100% (106.6% as at 31 March 2017).*
[8] *Core revenues = net interest income + net commission income.*