

PRESS RELEASE

BPER's draft separate and consolidated financial statements for 2018 approved

BPER's preliminary 2018 separate and consolidated results confirmed, as already approved and announced on 7 February 2019

Proposal of dividend of Euro 0.13 per share confirmed

Modena – 5 March 2019. 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 2018, fully confirming the preliminary results already analysed and approved on 7 February 2019.

The Board approved the proposed allocation of the profit made by the Bank, with the distribution of a cash dividend of Euro 0.13 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 2018 and as of today's date), for a total maximum amount of € 62,570,096.55.

Payment of the dividend, which will be submitted to the Shareholders' Meeting of 17 April 2019 for approval, is scheduled from 22 May 2019 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, 20 May 2019, while the record date is scheduled for Tuesday, 21 May 2019.

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 58/1998 (Consolidated Finance Act - TUF).

The draft financial statements of BPER Banca and the consolidated financial statements of the BPER Group with the attached Auditors' reports of Deloitte & Touche S.p.A., 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 website of the Bank (www.bper.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.

To complete the information provided, we attach the consolidated and separate balance sheets and income statements (the consolidated balance sheets also in a reclassified format) at 31 December 2018, as well as a summary of the main indicators.

Modena, 5 March 2019

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

The Manager responsible for preparing the Company's financial reports, Marco Bonfatti, declares in accordance with art. 154-bis, para. 2, of TUF that the accounting information contained in this press release agrees with the books of account, accounting entries and supporting documentation.

Modena, 5 March 2019

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

Please note that following today's approval of the draft separate and consolidated financial statements for 2018, there will not be the usual conference call as one was held on 8 February 2019 after approval of the preliminary 2018 results.

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

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Reclassified financial statement as at 31 December 2018

For greater clarity in the presentation of the results for the period, the accounting schedules envisaged by the 5th update of Bank of Italy Circular no. 262/2005 have been reclassified.

In the balance sheet:

- Debt securities valued at amortised cost (caption 40 "*Financial assets valued at amortised cost*") have been reclassified under caption "*Financial assets*";
- "*Other assets*" include captions 110 "*Tax assets*", 120 "*Non current assets and disposal groups classified as held for sale*" and 130 "*Other assets*";
- "*Other liabilities and shareholders' equity*" include captions 60 "*Tax liabilities*", 80 "*Other liabilities*", and 90 "*Provision for termination indemnities*" and 100 "*Provisions for risks and charges*".

In the income statement:

- "*Net result from financial activities*" includes captions 80, 90, 100 and 110 in the standard reporting format;
- Indirect tax recoveries, allocated for accounting purposes to caption 230 "*Other operating charges/income*", have been reclassified as a reduction in the related costs under "*Other administrative expenses*" (Euro 126,014 thousand at 31 December 2018 and Euro 126,175 thousand at 31 December 2017);
- "Net provisions for risks and charges" include Euro 17,400 thousand relating to the valuation of the profit-sharing clause in the contract for the acquisition of Nuova Carife, allocated to caption 230 "*Other operating charges/income*" in the accounting schedule;
- "*Net adjustments to property, plant and equipment and intangible assets*" include captions 210 and 220 in the standard reporting format;
- "*Gains (losses) on equity investments, disposal of investments and adjustments to goodwill*" include captions 250, 270 and 280 in the reporting format;
- "Contributions to the DGS, SRF and IDGF-VS funds" has been shown separately from the specific accounting technical forms to give a better and clearer representation, as well as to leave the "Other administrative costs" as a better reflection of the trend in the Group's operating costs. In particular, at 31 December 2018, this caption represents the component allocated for accounting purposes to administrative costs in relation to:
 - the 2018 contribution to the SRF (European Single Resolution Fund) for Euro 20,347 thousand;
 - additional contribution requested by the SRF (European Single Resolution Fund) for 2016 from Italian banks for Euro 8,593 thousand;
 - the 2018 contribution to the DGS (Deposit Guarantee Schemes) of Euro 23,385 thousand.

In the comparative figures at 31 December 2017, the "*Net impairment adjustments to other financial assets*" have been reclassified to "*Net provisions for risks and charges*" to comply with the 5th update of Bank of Italy Circular no. 262/2005.

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Reclassified consolidated balance sheet as at al 31 December 2018

Assets	(in thousands)			
	31.12.2018	31.12.2017	Change	Change %
Cash and cash equivalents	459,782	420,299	39,483	9.39
Financial assets	17,152,084	15,661,977	1,490,107	9.51
a) Financial assets held for trading	247,219	414,294	(167,075)	-40.33
b) Financial assets designated at fair value	218,662	223,192	(4,530)	-2.03
c) Other financial assets mandatorily measured at fair value through profit or loss	662,744	689,115	(26,371)	-3.83
d) Financial assets measured at fair value through other comprehensive income	8,560,568	13,395,435	(4,834,867)	-36.09
e) Debt securities valued at amortised cost	7,462,891	939,941	6,522,950	693.97
- banks	1,766,169	193,334	1,572,835	813.53
- customers	5,696,722	746,607	4,950,115	663.01
Loans	48,594,875	50,624,967	(2,030,092)	-4.01
a) Loans to banks	1,540,509	3,012,515	(1,472,006)	-48.86
b) Loans to customers	47,050,942	47,609,130	(558,188)	-1.17
c) Financial assets at fair value through other comprehensive income	3,424	3,322	102	3.07
Hedging derivatives	35,564	54,061	(18,497)	-34.22
Equity investments	446,049	454,367	(8,318)	-1.83
Property, plant and equipment	1,063,273	1,063,483	(210)	-0.02
Intangible assets	445,689	506,627	(60,938)	-12.03
- of which: goodwill	264,740	327,084	(62,344)	-19.06
Other assets	2,437,451	2,553,026	(115,575)	-4.53
Total assets	70,634,767	71,338,807	(704,040)	-0.99

Liabilities and shareholders' equity	(in thousands)			
	31.12.2018	31.12.2017	Change	Change %
Due to banks	13,126,248	12,984,226	142,022	1.09
Direct deposits	49,996,419	50,246,417	(249,998)	-0.50
a) Due to customers	44,594,863	42,694,078	1,900,785	4.45
b) Debt securities issued	5,401,556	7,552,339	(2,150,783)	-28.48
Financial liabilities held for trading	143,824	170,046	(26,222)	-15.42
Hedging derivatives	92,374	23,795	68,579	288.21
Other liabilities	2,379,334	2,197,592	181,742	8.27
Minority interests	507,457	653,010	(145,553)	-22.29
Shareholders' equity pertaining the Parent Company	4,389,111	5,063,721	(674,610)	-13.32
a) Valuation reserves	949	75,089	(74,140)	-98.74
b) Reserves	1,619,469	2,445,454	(825,985)	-33.78
c) Share premium reserve	930,073	930,073	-	-
d) Share capital	1,443,925	1,443,925	-	-
e) Treasury shares	(7,258)	(7,258)	-	-
f) Profit (Loss) for the period pertaining to the Parent Company	401,953	176,438	225,515	127.82
Total liabilities and shareholder's equity	70,634,767	71,338,807	(704,040)	-0.99

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Reclassified consolidated income statement as at 31 December 2018

		(in thousands)			
Captions		31.12.2018	31.12.2017	Change	Change %
10+20	Net interest income	1,122,437	1,124,479	(2,042)	-0.18
40+50	Net commission income	776,265	740,628	35,637	4.81
70	Dividends	34,339	12,416	21,923	176.57
80+90+100+110	Net trading income	104,022	103,134	888	0.86
230 (*)	Other operating charges/income	44,209	58,190	(13,981)	-24.03
	Operating income	2,081,272	2,038,847	42,425	2.08
190 a)	Payroll	(821,494)	(783,478)	(38,016)	4.85
190 b) (*) (**)	Other administrative costs	(442,431)	(425,611)	(16,820)	3.95
210+220	Net adjustments to property, plant, equipment and intangible assets	(118,939)	(87,429)	(31,510)	36.04
	Operating costs	(1,382,864)	(1,296,518)	(86,346)	6.66
	Net operating income	698,408	742,329	(43,921)	-5.92
130 a)	Net impairment adjustments to financial assets at amortised cost	(225,772)	(535,975)	310,203	-57.88
130 b)	Net impairment adjustments to Financial assets at fair value	2,066	(104,628)	106,694	-101.97
140	Profit/loss from contract changes without derecognition	(2,956)	-	(2,956)	n.s.
	Net impairment adjustments to credit risk	(226,662)	(640,603)	413,941	-64.62
200	Net provisions for risks and charges	(25,194)	(45,891)	20,697	-45.10
###	Contributions to SRF, DGS, IDGF - VS	(52,325)	(37,721)	(14,604)	38.72
250+270+280	Gains (Losses) on disposal of investments and impairment losses on goodwill	(48,701)	(9,886)	(38,815)	392.63
###	Gain on a bargain purchase	-	190,892	(190,892)	-100.00
290	Profit from current operations before tax	345,526	199,120	146,406	73.53
300	Income taxes on current operations for the period	100,264	(22,238)	122,502	-550.87
330	Profit (Loss) for the period	445,790	176,882	268,908	152.03
340	Profit (Loss) for the period pertaining to minority interests	(43,837)	(444)	(43,393)	--
350	Profit (Loss) for the period pertaining to the Parent Company	401,953	176,438	225,515	127.82
Captions net of:					
(*)	Recovery of indirect taxes	126,014	126,175	(161)	-0.13
(**)	Contributions to SRF, DGS, IDGF - VS	(52,325)	(37,721)	(14,604)	38.72

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Reclassified consolidated income statement by quarter as at 31 December 2018

		(in thousands)							
Captions		1st quarter 2018	2nd quarter 2018	3rd quarter 2018	4th quarter 2018	1st quarter 2017	2nd quarter 2017	3rd quarter 2017	4th quarter 2017
10+20	Net interest income	293,234	280,268	276,590	272,345	288,114	282,005	280,218	274,142
40+50	Net commission income	198,120	190,936	188,025	199,184	177,373	181,851	184,802	196,602
70	Dividends	584	12,877	325	20,553	312	10,812	507	785
80+90+100+110	Net trading income	153,634	16,431	20,879	(86,922)	24,664	25,869	20,489	32,112
230 (*)	Other operating charges/income	11,485	8,174	10,998	13,552	10,310	14,298	23,565	10,017
	Operating income	657,057	508,686	496,817	418,712	500,773	514,835	509,581	513,658
190 a)	Payroll	(207,534)	(212,900)	(194,553)	(206,507)	(194,125)	(191,551)	(191,656)	(206,146)
190 b) (*) (**)	Other administrative costs	(102,285)	(109,981)	(104,323)	(125,842)	(96,628)	(104,864)	(107,465)	(116,654)
210+220	Net adjustments to property, plant and equipment and intangible assets	(21,339)	(34,986)	(22,933)	(39,681)	(18,685)	(22,012)	(20,653)	(26,079)
	Operating costs	(331,158)	(357,867)	(321,809)	(372,030)	(309,438)	(318,427)	(319,774)	(348,879)
	Net operating income	325,899	150,819	175,008	46,682	191,335	196,408	189,807	164,779
130 a)	Net impairment adjustments to financial assets at amortised cost	(26,141)	(58,793)	(70,272)	(70,566)	(133,573)	(189,659)	(89,722)	(123,021)
130 b)	Net impairment adjustments to financial assets at fair value	1,763	141	150	12	(17,381)	(54,236)	(29,383)	(3,628)
140	Profit/loss from contract modifications without derecognition	-	(1,183)	(1,536)	(237)	-	-	-	-
	Net impairment adjustments to credit risk	(24,378)	(59,835)	(71,658)	(70,791)	(150,954)	(243,895)	(119,105)	(126,649)
200	Net provisions for risks and charges	(11,663)	(25,376)	(12,091)	23,936	(1,014)	(4,154)	(2,822)	(37,901)
###	Contributions to SRF, DGS, IDGF - VS	(20,282)	(8,670)	(23,448)	75	(18,061)	2,114	(20,205)	(1,569)
250+270+280	Gains (Losses) on disposal of investments and impairment losses on goodwill	2,827	2,591	3,535	(57,654)	3,705	2,843	4,885	(21,319)
###	Gain on a bargain purchase	-	-	-	-	-	130,722	-	60,170
290	Profit from current operations before tax	272,403	59,529	71,346	(57,752)	25,011	84,038	52,560	37,511
300	Income taxes on current operations	(6,918)	(2,850)	(14,206)	124,238	(7,743)	17,926	(23,696)	(8,725)
330	Profit (Loss) for the period	265,485	56,679	57,140	66,486	17,268	101,964	28,864	28,786
340	Profit (loss) for the period pertaining to minority interests	(14,462)	183	(6,899)	(22,659)	(2,710)	2,540	1,032	(1,306)
350	Profit (Loss) for the period pertaining to the Parent Company	251,023	56,862	50,241	43,827	14,558	104,504	29,896	27,480
Captions net of:									
(*)	Recovery of indirect taxes	31,823	31,629	31,522	31,040	29,981	31,001	31,382	33,811
(**)	Contributions to SRF, DGS, IDGF - VS	(20,282)	(8,670)	(23,448)	75	(18,061)	2,114	(20,205)	(1,569)

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Consolidated balance sheet as at 31 December 2018

Assets	31.12.2018	31.12.2017	(in thousands)	
			Change	Change %
10. Cash and cash equivalents	459,782	420,299	39,483	9.39
20. Financial assets measured at fair value through profit or loss	1,128,625	1,326,601	(197,976)	-14.92
a) Financial assets held for trading	247,219	414,294	(167,075)	-40.33
b) Financial assets designated at fair value	218,662	223,192	(4,530)	-2.03
c) Other financial assets mandatorily measured at fair value through profit or loss	662,744	689,115	(26,371)	-3.83
30. Financial assets measured at fair value through other comprehensive income	8,563,992	13,398,757	(4,834,765)	-36.08
40. Financial assets measured at amortised cost	56,054,342	51,561,586	4,492,756	8.71
a) Loans to banks	3,306,678	3,205,849	100,829	3.15
b) Loans to customers	52,747,664	48,355,737	4,391,927	9.08
50. Hedging derivatives	35,564	54,061	(18,497)	-34.22
70. Equity investments	446,049	454,367	(8,318)	-1.83
90. Property, plant and equipment	1,063,273	1,063,483	(210)	-0.02
100. Intangible assets	445,689	506,627	(60,938)	-12.03
of which:				
- goodwill	264,740	327,084	(62,344)	-19.06
110. Tax assets	1,885,616	1,848,127	37,489	2.03
a) current	457,838	575,441	(117,603)	-20.44
b) deferred	1,427,778	1,272,686	155,092	12.19
120. Non current assets and disposal groups classified as held for sale	2,800	-	2,800	n.s.
130. Other assets	549,035	704,899	(155,864)	-22.11
Total Assets	70,634,767	71,338,807	(704,040)	-0.99

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		(in thousands)			
Liabilities and shareholders' equity		31.12.2018	31.12.2017	Change	Change %
10.	Financial liabilities measured at amortised cost	63,122,667	63,230,643	(107,976)	-0.17
	a) Due to banks	13,126,248	12,984,226	142,022	1.09
	b) Due to customers	44,594,863	42,694,078	1,900,785	4.45
	c) Debt securities issued	5,401,556	7,552,339	(2,150,783)	-28.48
20.	Financial liabilities held for trading	143,824	170,046	(26,222)	-15.42
40.	Hedging derivatives	92,374	23,795	68,579	288.21
60.	Tax liabilities	62,644	106,218	(43,574)	-41.02
	a) current	3,966	2,258	1,708	75.64
	b) deferred	58,678	103,960	(45,282)	-43.56
80.	Other liabilities	1,663,946	1,416,660	247,286	17.46
90.	Provision for termination indemnities	182,793	187,536	(4,743)	-2.53
100.	Provisions for risks and charges	469,951	487,178	(17,227)	-3.54
	a) commitments and guarantees granted	63,059	46,793	16,266	34.76
	b) pensions and similar commitments	131,126	137,148	(6,022)	-4.39
	c) other provisions	275,766	303,237	(27,471)	-9.06
120.	Valuation reserves	949	75,089	(74,140)	-98.74
150.	Reserves	1,619,469	2,445,454	(825,985)	-33.78
160.	Share premium reserve	930,073	930,073	-	-
170.	Share capital	1,443,925	1,443,925	-	-
180.	Treasury shares (-)	(7,258)	(7,258)	-	-
190.	Minority interest (+/-)	507,457	653,010	(145,553)	-22.29
200.	Net Profit (Loss) for the period (+/-)	401,953	176,438	225,515	127.82
Total liabilities and shareholders' equity		70,634,767	71,338,807	(704,040)	-0.99

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Consolidated income statement as at 31 December 2018

		(in thousands)			
Captions	31.12.2018	31.12.2017	Change	Change %	
10. Interest and similar income	1,375,925	1,416,396	(40,471)	-2.86	
of which: interest income calculated using the effective interest method	1,358,857	-	1,358,857	n.s.	
20. Interest and similar expense	(253,488)	(291,917)	38,429	-13.16	
30. Net interest income	1,122,437	1,124,479	(2,042)	-0.18	
40. Commission income	812,147	776,606	35,541	4.58	
50. Commission expenses	(35,882)	(35,978)	96	-0.27	
60. Net commission income	776,265	740,628	35,637	4.81	
70. Dividends and similar income	34,339	12,416	21,923	176.57	
80. Net trading income	1,812	38,015	(36,203)	-95.23	
90. Net hedging gains (losses)	1,621	(493)	2,114	-428.80	
100. Gains/losses on disposal or repurchase of:	91,925	64,374	27,551	42.80	
a) financial assets measured at amortised cost	(77,645)	(12,431)	(65,214)	524.61	
b) financial assets measured at fair value through other comprehensive income	168,662	76,340	92,322	120.94	
c) financial liabilities	908	465	443	95.27	
110. Net results on financial assets and liabilities measured at fair value through profit or loss	8,664	1,238	7,426	599.84	
a) financial assets and liabilities designated at fair value	(4,378)	1,238	(5,616)	-453.63	
b) other financial assets mandatorily measured at fair value	13,042	-	13,042	n.s.	
120. Net interest and other banking income	2,037,063	1,980,657	56,406	2.85	
130. Net impairment adjustments for credit risk relating to:	(223,706)	(640,603)	416,897	-65.08	
a) financial assets measured at amortised cost	(225,772)	(535,975)	310,203	-57.88	
b) financial assets measured at fair value through other comprehensive income	2,066	(104,628)	106,694	-101.97	
140. Profit/loss from contractual modifications without derecognition	(2,956)	-	(2,956)	n.s.	
150. Net profit from financial activities	1,810,401	1,340,054	470,347	35.10	
190. Administrative costs:	(1,442,264)	(1,372,985)	(69,279)	5.05	
a) payroll	(821,494)	(783,478)	(38,016)	4.85	
b) other administrative costs	(620,770)	(589,507)	(31,263)	5.30	
200. Net provisions for risks and charges	(7,794)	(45,891)	38,097	-83.02	
a) commitments and guarantees granted	16,197	(15,313)	31,510	-205.77	
b) other provisions	(23,991)	(30,578)	6,587	-21.54	
210. Net adjustments to property, plant and equipment	(70,405)	(46,124)	(24,281)	52.64	
220. Net adjustments to intangible assets	(48,534)	(41,305)	(7,229)	17.50	
230. Other operating charges/income	152,823	184,365	(31,542)	-17.11	
240. Operating costs	(1,416,174)	(1,321,940)	(94,234)	7.13	
250. Profit (loss) of equity investments	13,349	18,483	(5,134)	-27.78	
270. Impairment on goodwill	(62,344)	(28,357)	(33,987)	119.85	
275. Gain on a bargain purchase	-	190,892	(190,892)	-100.00	
280. Gains (losses) on disposal of investments	294	(12)	306	-	
290. Profit (loss) from current operations before tax	345,526	199,120	146,406	73.53	
300. Income taxes on current operations	100,264	(22,238)	122,502	-550.87	
310. Profit (loss) from current operations after tax	445,790	176,882	268,908	152.03	
330. Net profit (loss)	445,790	176,882	268,908	152.03	
340. Net profit (loss) pertaining to minority interests	(43,837)	(444)	(43,393)	--	
350. Profit (loss) for the period pertaining to the Parent Company	401,953	176,438	225,515	127.82	

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Performance ratios

Financial ratios	31.12.2018	31.12.2017 (*)
Structural ratios		
Net loans to customers/total assets	66.61%	66.74%
Net loans to customers/direct deposits from customers	94.11%	94.75%
Financial assets/total assets	24.28%	21.95%
Fixed assets/total assets	2.14%	2.13%
Goodwill/total assets	0.37%	0.46%
Direct deposits/total assets	89.36%	88.63%
Deposits under management/indirect deposits	53.32%	55.08%
Financial assets/tangible equity ¹	3.85	3.01
Total tangible assets ² /tangible equity	15.77	13.60
Net interbank lending/borrowing (in thousands of Euro)	(11,585,739)	(9,971,711)
Number of employees ³	11,615	11,653
Number of national bank branches	1,218	1,218
Profitability ratios		
ROE	9.06%	3.62%
ROTE	10.15%	4.04%
ROA (net profit/total assets)	0.63%	0.25%
Cost to income ratio ⁴	66.44%	63.59%
Net adjustments to loans/net loans to customers	0.47%	1.12%
Basic EPS	0.836	0.367
Diluted EPS	0.836	0.367
Risk ratios		
Net non-performing exposures/net loans to customers	6.81%	11.35%
Net bad loans/net loans to customers	3.08%	6.08%
Net unlikely to pay loans/net loans to customers	3.60%	5.07%
Net past due loans/net loans to customers	0.13%	0.20%
Adjustments to non-performing exposures/gross non-performing exposures	54.52%	48.70%
Adjustments to bad loans/gross bad loans	66.62%	59.30%
Adjustments to unlikely to pay loans/gross unlikely to pay loans	35.73%	27.19%
Adjustments to past due loans/gross past due loans	12.33%	10.60%
Adjustments to performing exposures/gross performing exposures	0.37%	0.53%
Texas ratio ⁵	84.97%	101.85%

(*)The comparative figures have been appropriately recalculated at 31 December 2017 to take account of the new classification criteria introduced by IFRS 9, with the exception of those relating to profitability ratios for which reference is made to the figures at 31 December 2017 as per the Consolidated Financial Statements as at 31 December 2017.

¹ Tangible equity = total shareholders' equity net of intangible assets.

² Total tangible assets = total assets net of intangible assets.

³ The number of employees does not include the expectations.

⁴ 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 69.52% (65.97% at 31 December 2017 as per the Consolidated Financial Statements as at 31 December 2017.).

⁵ The Texas ratio is calculated as the relationship between total gross non-performing loans and net tangible equity, including minority interests, increased by total provisions for non-performing loans.

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		(cont.)
Financial ratios	31.12.2018	01.01.2018 (**)
Own Funds (Phased in)⁶		
Common Equity Tier 1 (CET1)	4,367,711	4,410,721
Own Funds	5,278,852	5,227,226
Risk-weighted assets (RWA)	30,606,171	32,394,482
Capital and liquidity ratios		
Common Equity Tier 1 Ratio (CET1 Ratio) - Phased in	14.27%	13.62%
Tier 1 Ratio (T1 Ratio) - Phased in	14.37%	13.63%
Total Capital Ratio (TC Ratio) - Phased in	17.25%	16.14%
Common Equity Tier 1 Ratio (CET1 Ratio) - Fully Phased	11.95%	11.06%
Leverage Ratio - Phased in ⁷	6.0%	6.1%
Leverage Ratio - Fully Phased ⁸	5.0%	6.0%
Liquidity Coverage Ratio (LCR)	154.3%	113.7%
Net Stable Funding Ratio (NSFR)	106.8%	105.2%
Non-financial ratios	31.12.2018	31.12.2017 (*)
Productivity ratios (in thousands of Euro)		
Direct deposits per employee	4,304.47	4,311.89
Loans to customers per employee	4,050.88	4,085.57
Assets managed per employee	1,664.31	1,695.21
Assets administered per employee	1,457.29	1,382.51
Core revenues per employee ⁹	163.47	160.05
Net interest and other banking income per employee	175.38	169.97
Operating costs per employee	121.93	112.13

(*) The comparative figures have been appropriately recalculated at 31 December 2017 to take account of the new classification criteria introduced by IFRS 9, with the exception of those relating to profitability ratios for which reference is made to the figures at 31 December 2017 as per the Consolidated Financial Statements as at 31 December 2017.

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

⁶ The ratio is calculated according to the provisions of Regulation (EU) 575/2013 (CRR), as amended by the Commission Delegated Regulation (EU) 2395/2017.

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

⁸ See previous note

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

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Balance sheet of the Parent Company as at 31 December 2018

Assets	(in thousands)			
	31.12.2018	31.12.2017	Change	Change %
10. Cash and cash equivalents	330,609	301,076	29,533	9.81
20. Financial assets measured at fair value through profit or loss	1,004,056	1,180,457	(176,401)	(14.94)
a) Financial assets held for trading	287,085	446,939	(159,854)	(35.77)
b) Financial assets designated at fair value	202,989	207,123	(4,134)	(2.00)
c) Other financial assets mandatorily measured at fair value through profit or loss	513,982	526,395	(12,413)	(2.36)
30. Financial assets measured at fair value through other comprehensive income	7,530,477	12,185,346	(4,654,869)	(38.20)
40. Financial assets measured at amortised cost	45,851,401	41,978,945	3,872,456	9.22
a) Loans to banks	4,427,738	4,093,351	334,387	8.17
b) Loans to customers	41,423,663	37,885,594	3,538,069	9.34
50. Hedging derivatives	34,916	52,825	(17,909)	(33.90)
70. Equity investments	1,747,684	1,686,979	60,705	3.60
80. Property, plant and equipment	448,124	460,055	(11,931)	(2.59)
90. Intangible assets	239,139	295,036	(55,897)	(18.95)
of which:				
- goodwill	225,792	280,236	(54,444)	(19.43)
100. Tax assets	1,546,559	1,571,957	(25,398)	(1.62)
a) current	446,935	555,528	(108,593)	(19.55)
b) deferred	1,099,624	1,016,429	83,195	8.19
110. Non current assets and disposal groups classified as held for sale	2,800	-	2,800	n.s.
120. Other assets	372,662	467,510	(94,848)	(20.29)
Total Assets	59,108,427	60,180,186	(1,071,759)	(1.78)

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(in thousands)				
Liabilities and shareholders' equity	31.12.2018	31.12.2017	Change	Change %
10. Financial liabilities measured at amortised cost	52,728,319	53,427,163	(698,844)	(1.31)
a) Due to banks	16,436,039	16,541,840	(105,801)	(0.64)
b) Due to customers	31,509,116	30,386,711	1,122,405	3.69
c) Debt securities issued	4,783,164	6,498,612	(1,715,448)	(26.40)
20. Financial liabilities held for trading	150,807	174,021	(23,214)	(13.34)
40. Hedging derivatives	85,717	20,589	65,128	316.32
60. Tax liabilities	31,417	74,009	(42,592)	(57.55)
b) deferred	31,417	74,009	(42,592)	(57.55)
80. Other liabilities	1,230,381	1,082,613	147,768	13.65
90. Provision for termination indemnities	114,024	116,670	(2,646)	(2.27)
100. Provisions for risks and charges	379,712	398,290	(18,578)	(4.66)
a) commitments and guarantees granted	49,872	36,722	13,150	35.81
b) pensions and similar commitments	129,931	135,674	(5,743)	(4.23)
c) other provisions	199,909	225,894	(25,985)	(11.50)
110. Valuation reserves	(82,514)	(21,007)	(61,507)	292.79
140. Reserves	1,797,104	2,332,249	(535,145)	(22.95)
150. Share premium reserve	930,073	930,073	-	-
160. Share capital	1,443,925	1,443,925	-	-
170. Treasury shares (-)	(7,253)	(7,253)	-	-
180. Net Profit (Loss) for the period (+/-)	306,715	208,844	97,871	46.86
Total liabilities and shareholders' equity	59,108,427	60,180,186	(1,071,759)	(1.78)

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Income statement of the Parent Company as at 31 December 2018

		(in thousands)			
Captions	31.12.2018	31.12.2017	Change	% Change	
10.	Interest and similar income	1,012,068	1,067,225	(55,157)	(5.17)
	of which: interest income calculated using the effective interest method	995,610	-	995,610	n.s.
20.	Interest and similar expense	(238,208)	(263,753)	25,545	(9.69)
30.	Net interest income	773,860	803,472	(29,612)	(3.69)
40.	Commission income	629,527	590,707	38,820	6.57
50.	Commission expenses	(39,180)	(32,402)	(6,778)	20.92
60.	Net commission income	590,347	558,305	32,042	5.74
70.	Dividends and similar income	45,184	39,393	5,791	14.70
80.	Net trading income	528	36,061	(35,533)	(98.54)
90.	Net hedging gains (losses)	1,467	(494)	1,961	(396.96)
100.	Gains/losses on disposal or repurchase of:	102,751	40,194	62,557	155.64
	a) financial assets measured at amortised cost	(57,679)	(8,606)	(49,073)	570.22
	b) financial assets measured at fair value through other comprehensive income	159,417	48,249	111,168	230.40
	c) financial liabilities	1,013	551	462	83.85
110.	Net results on financial assets and liabilities measured at fair value through profit or loss	9,709	(234)	9,943	--
	a) financial assets and liabilities designated at fair value	(4,378)	(234)	(4,144)	--
	b) other financial assets mandatorily measured at fair value	14,087	-	14,087	n.s.
120.	Net interest and other banking income	1,523,846	1,476,697	47,149	3.19
130.	Net impairment adjustments for credit risk relating to:	(148,012)	(486,939)	338,927	(69.60)
	a) financial assets measured at amortised cost	(149,905)	(395,549)	245,644	(62.10)
	b) financial assets measured at fair value through other comprehensive income	1,893	(91,390)	93,283	(102.07)
140.	Profit/loss from contractual modifications without derecognition	(2,140)	-	(2,140)	n.s.
150.	Net profit from financial activities	1,373,694	989,758	383,936	38.79
160.	Administrative costs:	(1,106,793)	(1,037,071)	(69,722)	6.72
	a) payroll	(533,703)	(504,505)	(29,198)	5.79
	b) other administrative costs	(573,090)	(532,566)	(40,524)	7.61
170.	Net provisions for risks and charges	(3,730)	(39,269)	35,539	(90.50)
	a) commitments and guarantees granted	11,909	(14,818)	26,727	(180.37)
	b) other provisions	(15,639)	(24,451)	8,812	(36.04)
180.	Net adjustments to property, plant and equipment	(24,291)	(23,349)	(942)	4.03
190.	Net adjustments to intangible assets	(2,203)	(2,616)	413	(15.79)
200.	Other operating charges/income	119,328	148,930	(29,602)	(19.88)
210.	Operating costs	(1,017,689)	(953,375)	(64,314)	6.75
220.	Profit (loss) of equity investments	(48,681)	(6,878)	(41,803)	607.78
240.	Impairment on goodwill	(54,444)	-	(54,444)	n.s.
245.	Gain on a bargain purchase	-	190,892	(190,892)	(100.00)
250.	Gains (losses) on disposal of investments	50	50	-	-
260.	Profit (loss) from current operations before tax	252,930	220,447	32,483	14.74
270.	Income taxes on current operations	53,785	(11,603)	65,388	(563.54)
280.	Profit (loss) from current operations after tax	306,715	208,844	97,871	46.86
300.	Net profit (loss)	306,715	208,844	97,871	46.86

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