

BPER:

Gruppo

FY18 consolidated results

Alessandro Vandelli - CEO

8 February 2019

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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 the “Consolidated Financial Services Act” (Legislative Order No. 58/1998), that the accounting information contained in this document corresponds to documentary records, ledgers and accounting entries.

Marco Bonfatti

Manager responsible for preparing the Company's financial reports

Important methodological note

The entry into force on 1 January 2018 of the new international accounting standard IFRS 9, first application of which took place with the transitional rules, and the consequent update of Bank of Italy Circular 262, which revised, among other things, the schedules of the separate and consolidated financial statements in order to implement the new international accounting standard, means that the figures are not directly comparable with those of the previous year.

It should also be noted that, for the BPER Group, 2017 was characterized by a change in the scope of consolidation following the acquisition of 100% of Nuova Carife on 30 June 2017, an entity subsequently incorporated into BPER Banca (parent) on 20 November 2017. In this situation, to allow as direct a comparison as possible of the income statement figures with those of the previous year, the consolidated numbers at 31 December 2018 are shown on a reclassified basis, making estimates according to the previous rules with the best possible degree of approximation.

It should also be noted that as a consequence of the acquisition

of Nuova Carife mentioned above, these figures, based on the same scope of consolidation, are only comparable with those of the second half of 2017, which already included the effects. It should also be noted that the consolidated results at 30 September 2017 included significant non-recurring items, including the "badwill" generated by the acquisition of Nuova Carife, amounting to € 130.7 million, and the writedowns made to the Group's share of the Atlante Fund and to CariCesena's portion of the contribution to the FITD-SV for a total of € 61.5 million.

The consolidated balance sheet at 31 December 2017, on the other hand, has been restated at 1 January 2018 according to the new schedules that reflect the new IFRS 9 classification, making them directly comparable with the balance sheet figures at 31 December 2018. Unless stated otherwise, the figures involved in these changes are specifically defined as pro-forma and/or pro-formatted.

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Executive summary

FY18 Net profit of 402.0 €/mn, the highest result in the history of the Group

- Net operating income at 698.4 €/mn supported by a very positive trend of net commissions and trading income (also thanks to realized gains on bonds in 1Q18)
- Cost of credit significant reduction to 47 bps vs 112 bps in 2017
- Positive trend in the main P&L items allows the absorbing of significant non-recurring charges related, among others, to bad loans disposals, and impairment on goodwill and tangible assets. Conversely, positive income taxes impact was recorded during the year largely due to the effect of deferred tax assets recognition

Proposal for a cash dividend of 13 €/cents per share vs 11 €/cents in 2017 confirming the trend of constant growth of shareholder remuneration over time

CET1 ratio Fully Phased at 11.9% broadly stable vs Sept.'18

- CET1 ratio Phased In at 14.3% confirming a sound capital position with a large buffer vs ECB minimum regulatory requirement (SREP 2019 at 9.0%)

Positive development of commercial activity with gross performing loans to customers exceeding € 44.0 billion, up by 3.7% since 1 Jan.'18. Total funding amounts to € 91.3 billion including the Bancassurance segment which recorded a significant increase in volume (+6.4% since 1 Jan.18)

Gross NPE ratio significant reduction at 13.8% down by 6.1 p.p. vs 19.9% as of 1 Jan.'18

- Gross NPE stock down to 7.0 €/bn (-3.5 €/bn since 1 Jan.'18 corresponding to -33.1%) driving gross NPE ratio to 13.8% in FY18 (-6.1 p.p. vs 1 Jan.'18) also thanks to the bad loans securitizations "4Mori Sardegna" and "AQUI" finalized in 2018¹ of a total amount of about 3 €/bn
- Net NPE ratio down to 6.8% from 9.2% as of 1 Jan.'18 and adequate coverage ratio (54.5%)
- Texas ratio at 85.0% down by 16.5 p.p. from 101.5% as of 1 Jan.'18

¹. For further details, see press releases published on 22 Jun.'18 and 7 Nov.'18

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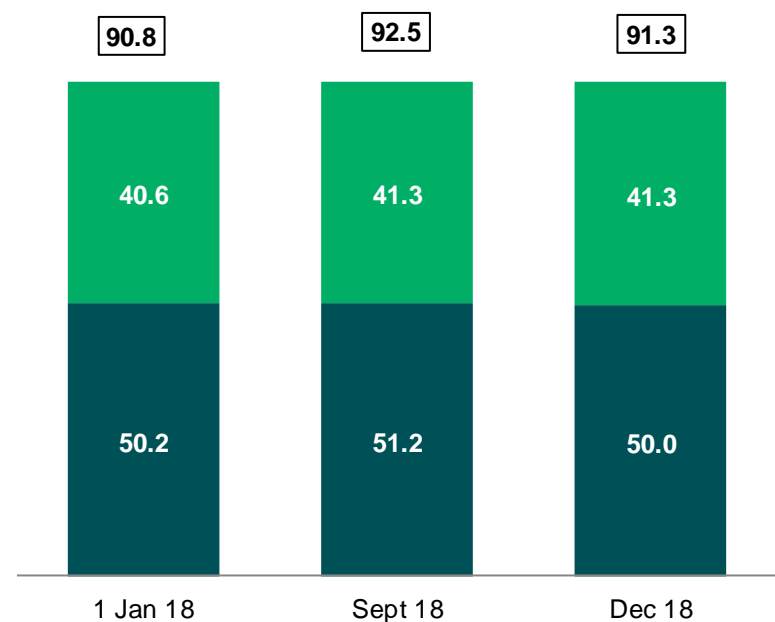
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Total funding

Stock at 91.3 €/bn showing a broadly stable direct funding and a growth of indirect deposits and Bancassurance since 1 Jan.'18

Total Funding (€/bn)



□ Total ■ Indirect Deposits and Bancassurance ■ Direct Funding

- Total funding at 91.3 €/bn up by 0.5 €/bn since 1 Jan.'18, thanks to the increase of Indirect Deposits and Bancassurance (+0.7 €/bn) in spite of the difficult scenario on financial markets
- Direct funding broadly stable since 1 Jan.'18 (-0.2 €/bn)

Direct funding

Slight decrease since 1 Jan.'18 (-0.5%) showing a growth in short term funding (mainly retail) substantially offset by a decrease of bonds (both retail and institutional)

Direct Funding breakdown (€/mn; %)

€/mn	1 Jan 18	Sept 18	Dec 18	Chg YTD	% on total
Direct customer deposits	45,082	45,432	45,017	-0.1%	90.0%
o.w. current accounts and sight deposits	35,286	36,879	37,413	+6.0%	74.8%
o.w. bonds subscribed by retail customers	2,355	1,602	1,459	-38.0%	2.9%
o.w. other	7,441	6,951	6,144	-17.4%	12.3%
Institutional direct funding	5,165	5,752	4,980	-3.6%	10.0%
o.w. Institutional bonds	3,037	3,544	2,532	-16.6%	5.1%
Total direct funding	50,246	51,184	49,996	-0.5%	100%

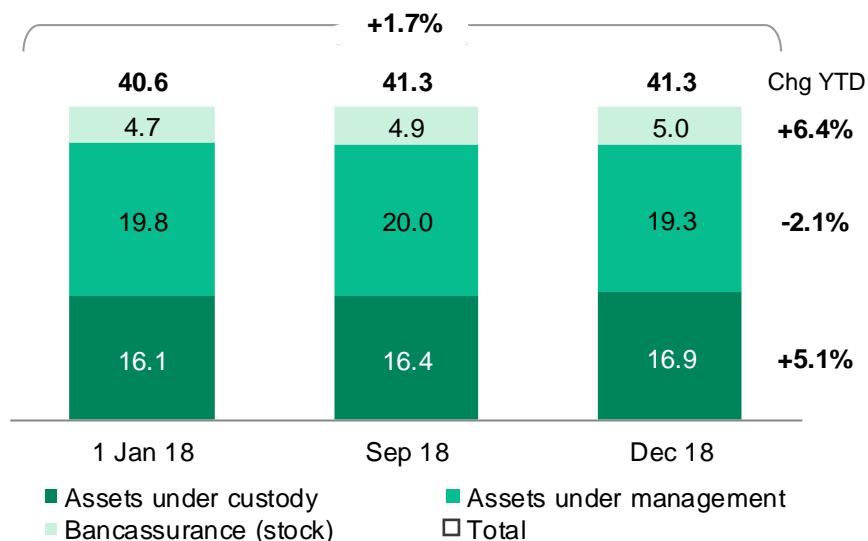
- Since 1 Jan.'18, important increase in short-term funding mainly as a consequence of customers' risk aversion due the financial markets turmoil: current accounts and sight deposits up by 2.1 €/bn ; time deposits, retail bonds and CDs down by 2.2 €/bn
- Institutional funding at 5.0 €/bn down by 3.6% since 1 Jan.'18
- Covered Bond of 500 €/mn issued in Jul.'18; 1 €/bn of CB expired in October 2018
- No wholesale bond maturities in 2019 and only 0.4 €/bn on the retail side, providing flexibility to the Group's funding strategy
- Repos up by 0.2 €/bn since 1 Jan.'18

Note: figures in this page may not add exactly due to rounding differences

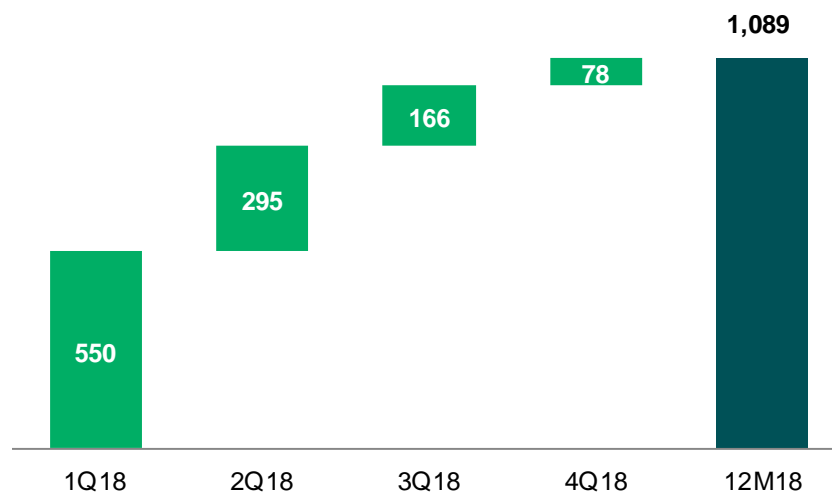
Indirect funding and Bancassurance

Stock up by 1.7% since 1 Jan.'18 with Bancassurance at 5 €/bn (+6.4%)

Indirect Deposits and Bancassurance¹ (€/bn)



AuM net inflows² (€/mn)



- Indirect Deposits and Bancassurance up by 1.7% since 1 Jan.'18
- Net inflows still positive in 2018 (1.1 €/bn) in the presence of a very difficult financial market environment
- AuM at 19.3 €/bn affected by negative market effect (-1.2 €/bn since 1 Jan.'18)

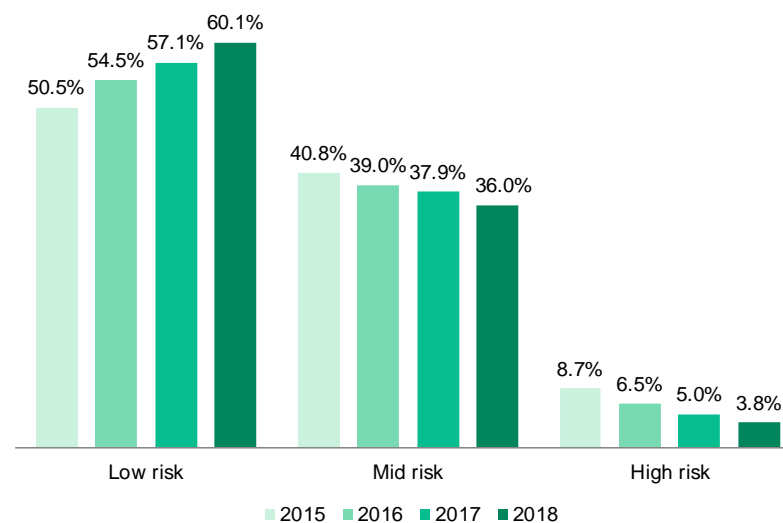
Customer loans

Strong de-risking and asset quality improvement continue. Increase of net performing loans +3.9% since 1 Jan.'18 despite worsening economic environment

Customer loans breakdown (net & gross fig.; €/mn)

€/mn	1 Jan 18	Sep 18	Dec 18	Chg YTD (%)
Current accounts	5,013	4,737	4,691	-6.4%
Mortgage loans	27,954	28,004	28,374	+1.5%
Other transactions	13,501	12,907	13,987	+3.6%
Net loans	46,469	45,648	47,051	+1.3%
<i>o.w. performing</i>	42,187	41,843	43,846	+3.9%
<i>o.w. NPEs</i>	4,282	3,805	3,205	-25.2%
Gross loans	52,964	50,792	51,057	-3.6%
<i>o.w. performing</i>	42,433	42,004	44,011	+3.7%
<i>o.w. NPEs</i>	10,531	8,788	7,046	-33.1%

Performing exposure rated by risk profile¹ (%)

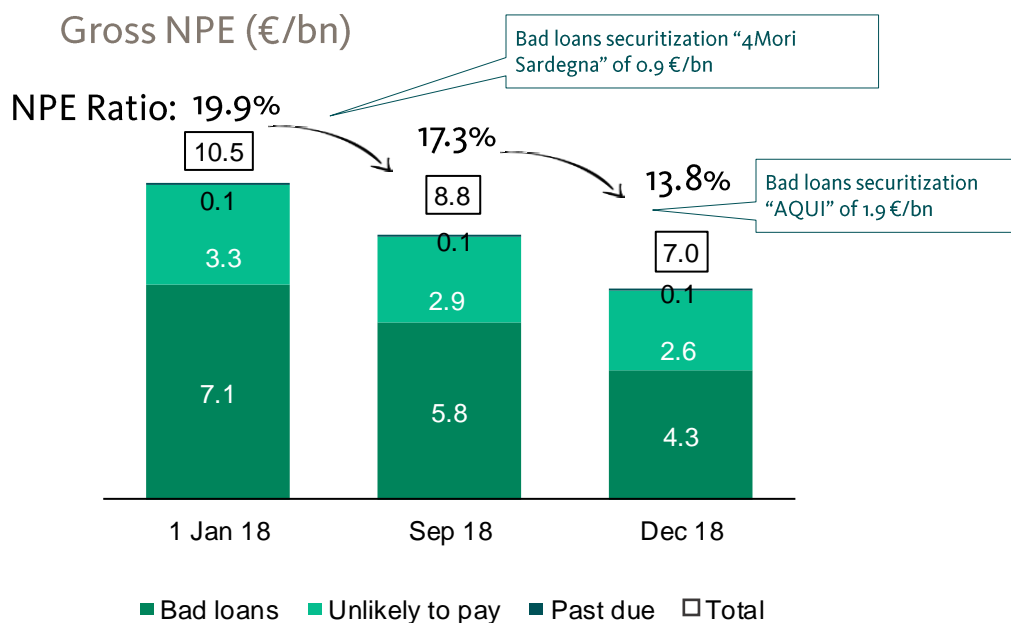


- Net loans up by 1.3% since 1 Jan.'18, strong increase of net performing loans (+3.9% since 1 Jan.'18)
- Relevant drop of gross NPE (-33.1% since 1 Jan.'18) also thanks to the two bad loans securitizations finalized in 2018
- Net mortgages up in 2018 (+1.5% since 1 Jan.'18)
- Significant de-risking on performing loans continues with high risk bucket more than halved since 2015, now weighing 3.8% and low risk bucket increased to 60.1% from 50.5% in 2015

1. Source: performing exposures by rating classes (management data)
 Note: customer loans excluding customer debt securities. See dedicated table in the Annexes
 Note: figures in this page may not add exactly due to rounding differences

Non Performing Exposures (1/2)

Gross NPE ratio strong decline to 13.8% down by 6.1 p.p. since 1 Jan.'18. Gross NPE stock significant decrease in 2018 (-3.5 €/bn / -33.1% since 1 Jan.'18)



Cash coverage ratios (%)

	Dec 17	1 Jan 18	Sep 18	Dec 18
Bad loans ("Sofferenze")	59.3%	67.4%	64.5%	66.6%
including write-off	63.7%	70.9%	68.3%	71.4%
Unlikely to pay	27.2%	43.6%	42.2%	35.7%
Past due	10.6%	14.1%	12.8%	12.3%
NPE	48.7%	59.3%	56.7%	54.5%
including write-off	52.6%	62.4%	59.9%	58.8%
Performing exposures	0.5%	0.6%	0.4%	0.4%
Total loans	10.1%	12.3%	10.1%	7.8%

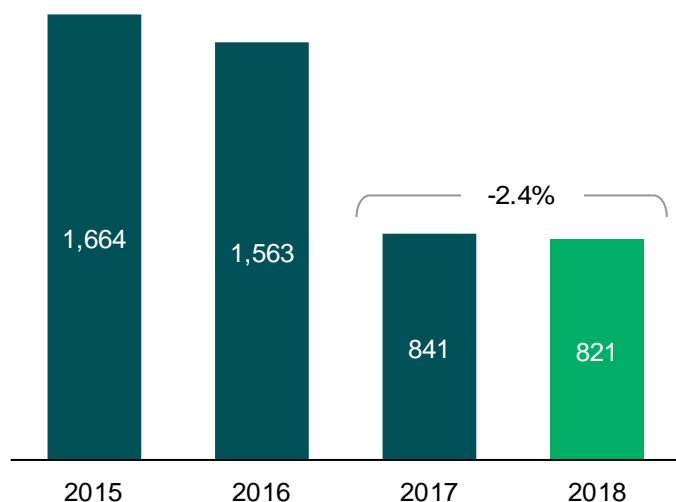
- Gross NPE further decrease in 2018 (-3.5 €/bn since 1 Jan.'18) thanks to effective asset quality management and the two bad loans securitizations "4Mori Sardegna" of 0.9 €/bn in 2Q18 and "AQUI" of 1.9 €/bn in 4Q18
- Gross NPE ratio at 13.8% from 19.9% in Jan.'18; Net NPE ratio at 6.8% from 9.2% in Jan.'18
- Gross UtP and Past Due stock decline continues (-20.9% since 1 Jan.'18 and -8.3% in Q4 vs Q3)
- NPE coverage at 54.5% in 4Q18 still adequate

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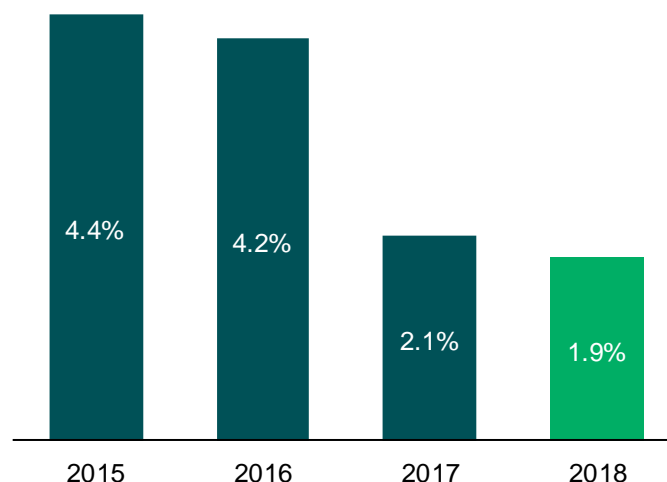
Non Performing Exposures (2/2)

Default rate further improvement to 1.9% from 2.1% in 2017

NPE inflows (gross figures; €/mn)



Default rate (%; annualized)



- Significant improvement in the quality of performing book enables default rate to reach 1.9% in 2018 vs 2.1% in 2017
- Cure rate annualized at 9.7% in 2018 confirming the effective management of asset quality
- Bad loans average recovery rate higher than 5% in 2018 showing a very positive management activity of our servicing platform BPER Credit Management*

* Source: management data

Note: Default rate = NPE inflows / performing loans stock at beginning of the year; Cure rate: (UtP + PD loans) outflows back to performing loans / (UtP + PD loans) stock at beginning of the year

Financial assets portfolio

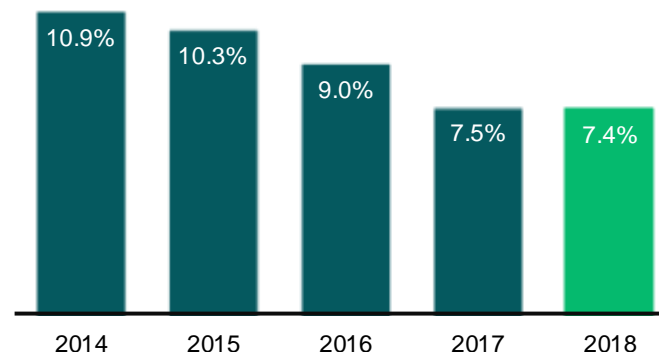
Bond portfolio diversification continues with a long-term reduction of Italian government exposure

Financial Assets breakdown (€/mn; %)

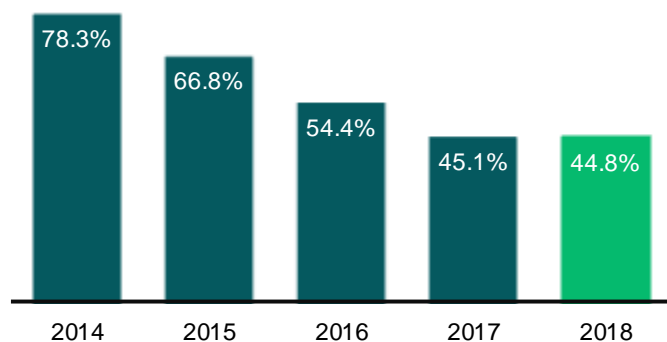
€/mn	FVTPL	FVOCI	AC	Total	% on total
Bonds	541	8,284	7,463	16,288	95.0%
<i>o.w. Italian gov</i>	268	1,257	3,710	5,235	30.5%
Equity	136	277		413	2.4%
Funds and Sicav	361			361	2.1%
Other*	91			91	0.5%
Total as of 31.12.2018	1,129	8,561	7,463	17,152	100.0%
Total as of 30.09.2018	1,414	9,022	6,206	16,642	
Total as of 01.01.2018	1,293	13,547	959	15,799	
Chg YTD (%)	-12.7%	-36.8%	n.m.	+8.6%	

Bond ptf duration¹: 2.4 years

Italian Government bonds / Tot. Assets (%)²



Total Italian bonds exposure / Total Bond ptf. (%)²



- Financial assets portfolio marginally increased in 4Q18 by 0.5 €/bn vs 3Q18 and by 1.4 €/bn since 1 Jan.'18
- Italian government bonds down by 6.0% vs 3Q18 at 5.2 €/bn weighing 30.5% of the securities portfolio
- Total bond ptf and Italian govies duration respectively 2.4 ys and 3.6 ys

* Derivatives for hedging purposes related to HFT portfolio
 1. Duration in years taking into account hedging
 2. Source: management data
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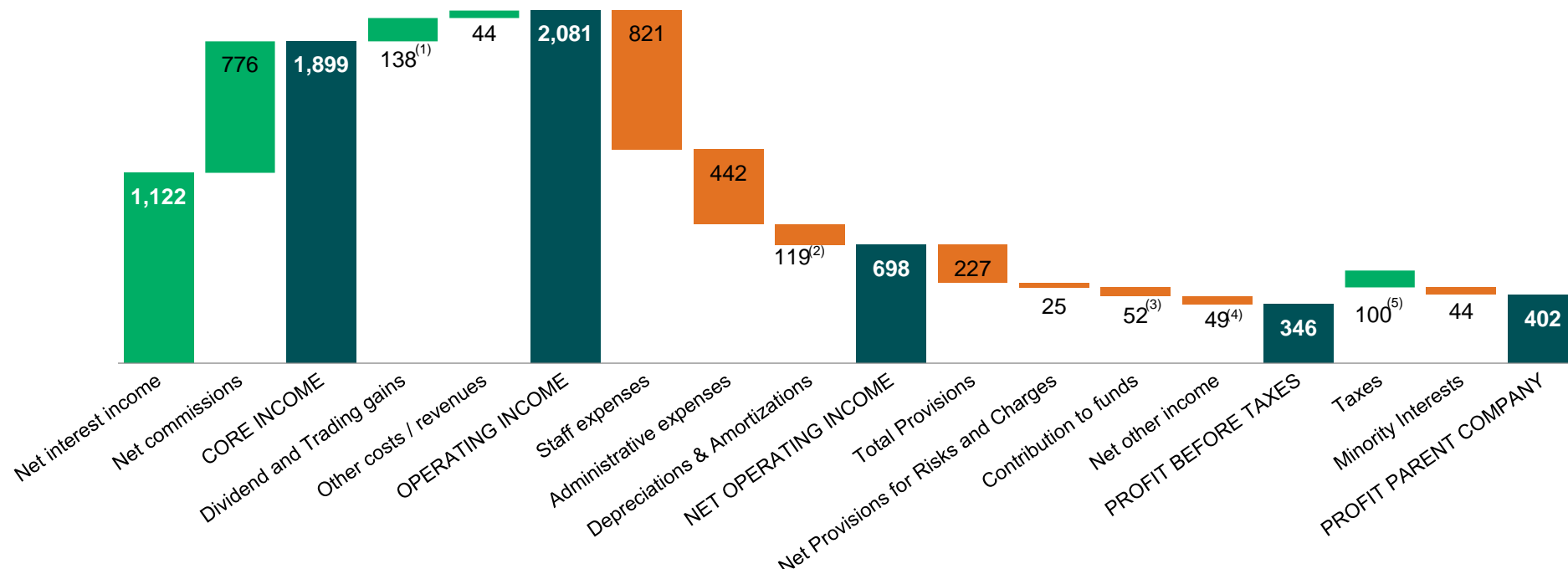
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FY18 reclassified Profit & Loss (IFRS9)

Profit and loss

Net Profit of 402.0 €/mn, the highest result in the history of the Group

FY18 Reclassified Profit & Loss - IFRS9 (€/mn)



(1) Includes a non recurring dividends of 15.7 €/mn related to Nexi and a non recurring charge for AQUÍ of 56.7 €/mn¹

(2) Includes non recurring impairments on tangible assets for 29.7 €/mn

(3) Includes 8.6 €/mn non recurring SRF contribution in 2Q18

(4) Includes impairments on goodwills for 62.3 €/mn

(5) Includes the effect of deferred tax assets recognised in 2018 as a result of a revised forecast of their recovery based on up-to-date forward-looking figures and the regulatory changes introduced by the 2019 Finance Act

Note: FY18 figures are not comparable to FY17 because of a change in the scope of consolidation of the Group

See details on page 3 «Important methodological note»

For details on Profit & Loss see both methodological notes and annexes (tables)

Figures in this page may not add exactly due to rounding differences

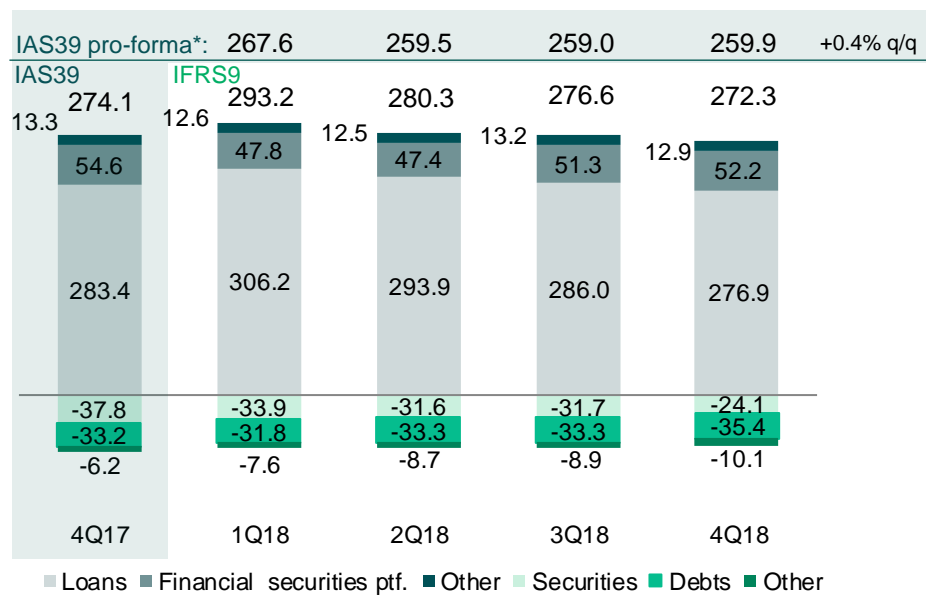
1. For further details, see press releases published on 7 Nov.'18 and 14 Nov.'18

Net Interest Income

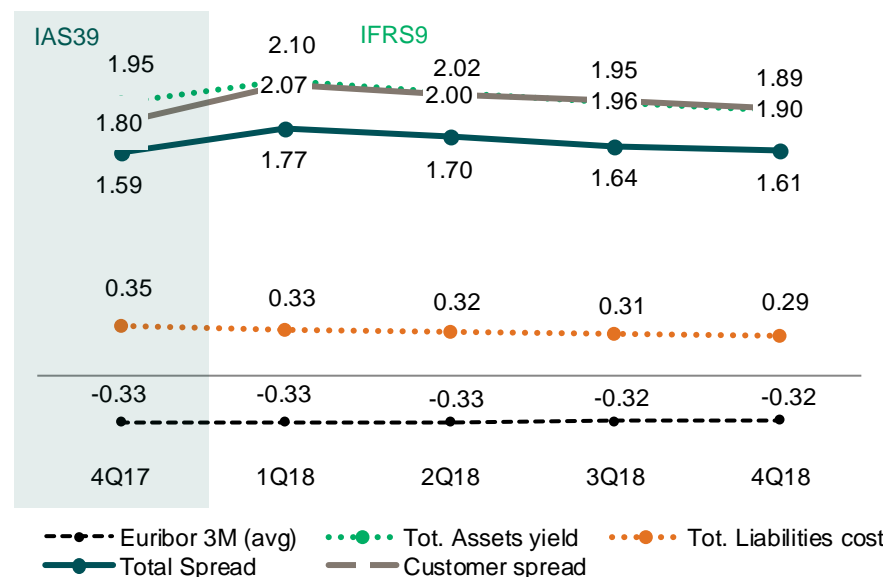
NII slight increase by 0.4% q/q excluding “IFRS9 reclassification” effects

Interest margin affected by important de-risking activity on loans realized

Net Interest Income contribution* (€/mn)



Spread contribution (%)



- NII down by 4.3 €/mn q/q mainly due to the lower contribution of «IFRS9 reclassification» (+0.4% q/q net of IFRS9 effect)
- NII performance affected by 1) the significant de-risking activity on loans and 2) performing loans further improvement toward low risk rating bucket

Net Commissions

Profit and loss

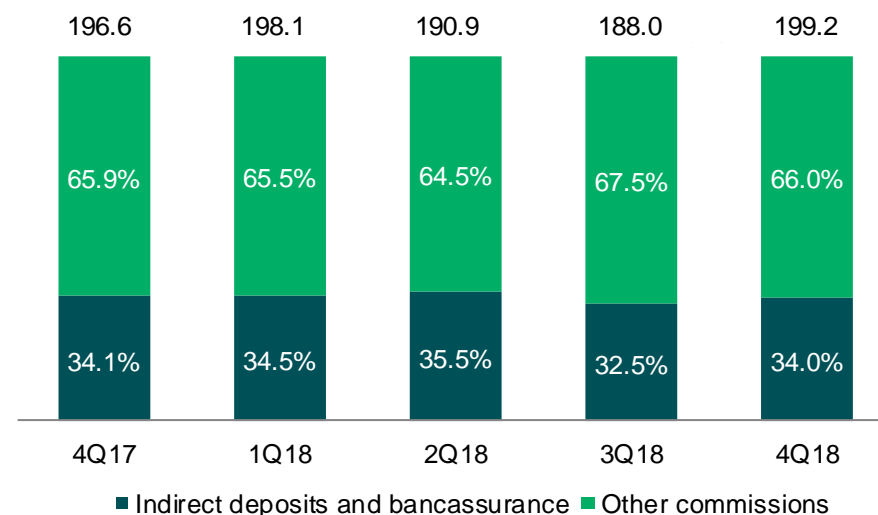
Strong increase by 4.8% y/y mainly supported by AuM and Bancassurance

Net Commissions breakdown (€/mn)

	Dec 17	Dec 18	Chg y/y (%)
Indirect deposits	191.9	206.3	+7.5%
<i>Assets under custody (AuC)</i>	15.0	16.4	+9.2%
<i>Assets under management (AuM)</i>	176.9	189.9	+7.3%
Bancassurance	41.2	60.6	+47.1%
Credit cards, collections, payments	145.7	150.6	+3.4%
Loans and guarantees	321.5	314.0	-2.3%
Other commissions	40.3	44.8	+11.0%
Total	740.6	776.3	+4.8%

AuM up-front fees of 18.7 €/mn in Dec.18 (23.3 €/mn in Dec.17), weighing 2.4% on total net commissions

Net Commissions breakdown (€/mn; % on total)



- Indirect deposits and Bancassurance fees relevant performance up respectively by 7.5% and 47.1% y/y
- AuM fees increase by 7.3% y/y. Overall traditional commissions growth in FY18 (+0.4% y/y)
- In 4Q18, strong increase of net commissions related to Bancassurance segment (21.5 €/mn in Q4 vs 12.5 /mn in Q3)

Note: Nuova Carife has been included in Consolidated P&L from 3Q17 onwards
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Dividends and Trading income

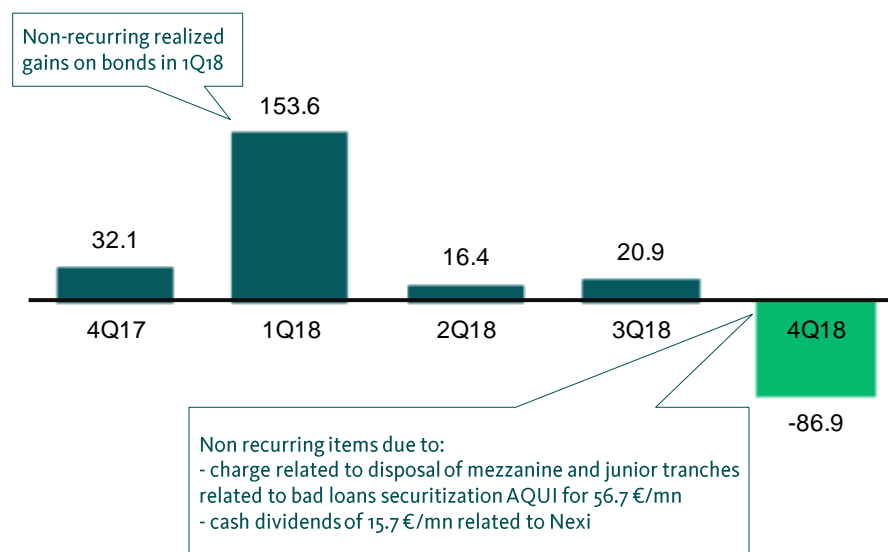
Profit and loss

Positive performance in 2018 supported by realized gains on bonds in Q1
 4Q18 trading income affected by non recurring charges and negative financial markets performance

Dividends and Trading income breakdown (€/mn; %)

	Dec 17	Dec 18	Chg y/y (%)
Dividends	12.4	34.3	+176.6%
Trading income	103.1	104.0	+0.9%
<i>Realized gain/loss</i>	63.4	116.6	+84.0%
<i>Plus</i>	43.7	38.2	-12.6%
<i>Minus</i>	-8.5	-59.0	+593.0%
<i>Others</i>	4.6	8.2	+79.8%
Total	115.6	138.3	+19.7%

Trading income evolution (€/mn)



Note: Nuova Carife has been included in Consolidated P&L from 3Q17 onwards
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Operating costs

Costs affected by net impairment adjustments on tangible assets and non-recurring other administrative expenses related to a large number of special projects realized in 2018

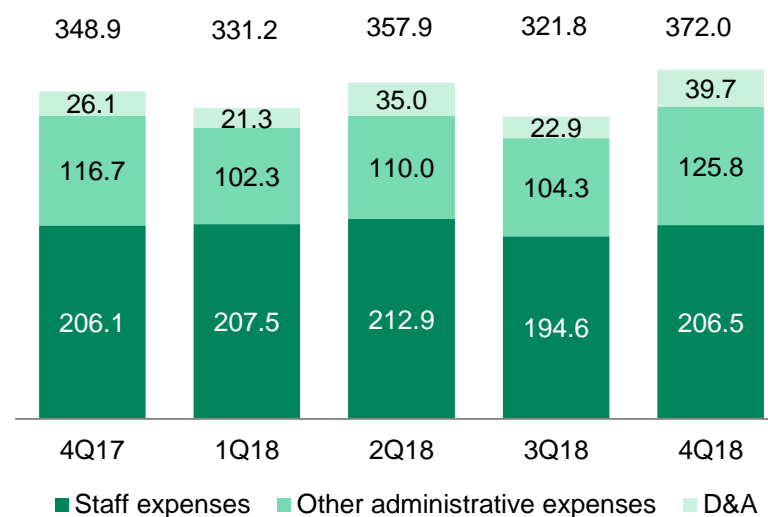
Operating costs breakdown (€/mn; %)

Operating costs (€/mn)	Dec 17	Dec 18	Chg y/y (%)
Staff expenses	783.5	821.5	+4.9%
Other administrative expenses	425.6	442.4	+4.0%
D&A	87.4	118.9	+36.0%
Operating costs	1,296.5	1,382.9	+6.7%

In 1H17 Nuova Carife was outside the scope of consolidation

Includes 29.7 €/mn non recurring impairments on tangible assets in 2018

Operating costs breakdown (€/mn; %)

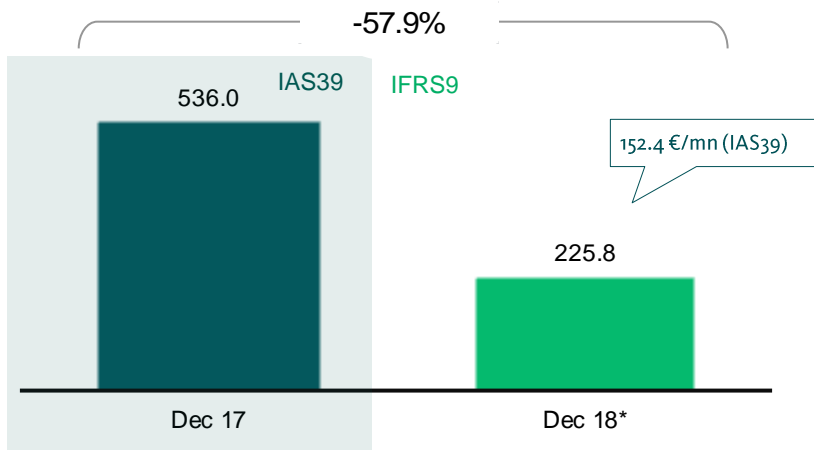


Cost of credit

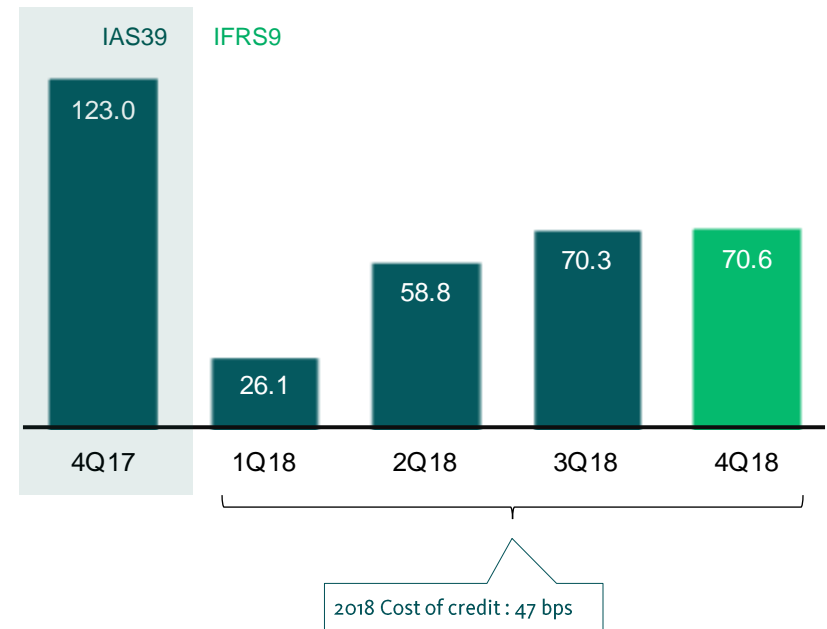
Loan Loss Provisions more than halved in 2018 (-57.9% y/y)

Cost of risk notable reduction to 47 bps (112 bps in 2017)

Loan Loss Provisions (€/mn)



LLP and cost of credit (€/mn)



* Item 130 a) Net impairment adjustments to financial assets at amortized cost (Profit and Loss Financial statement)

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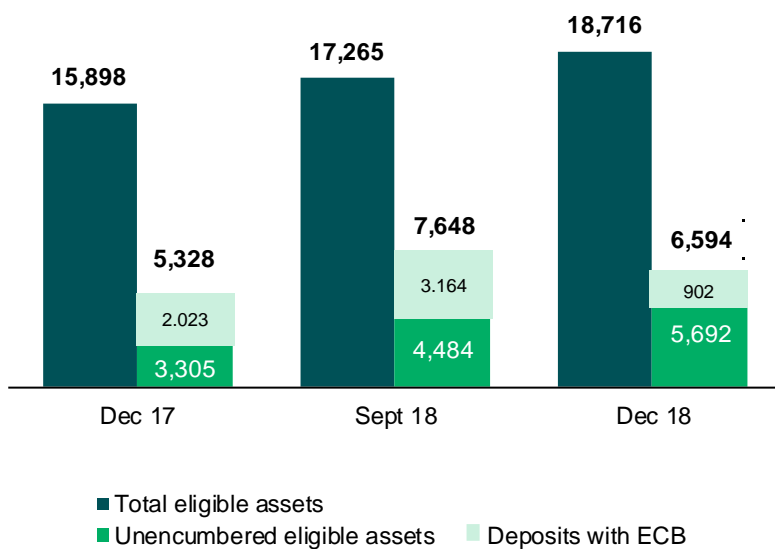
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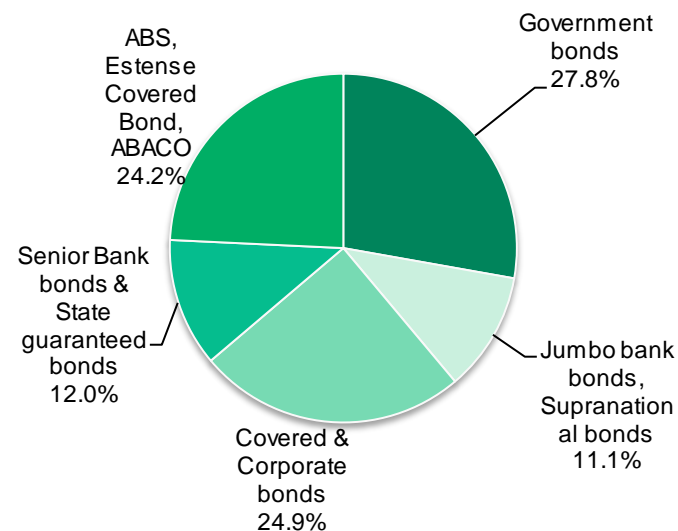
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Comfortable liquidity position and high level of unencumbered eligible assets

Total eligible Assets evolution* (€/mn)



Eligible Assets Pool Composition (%)



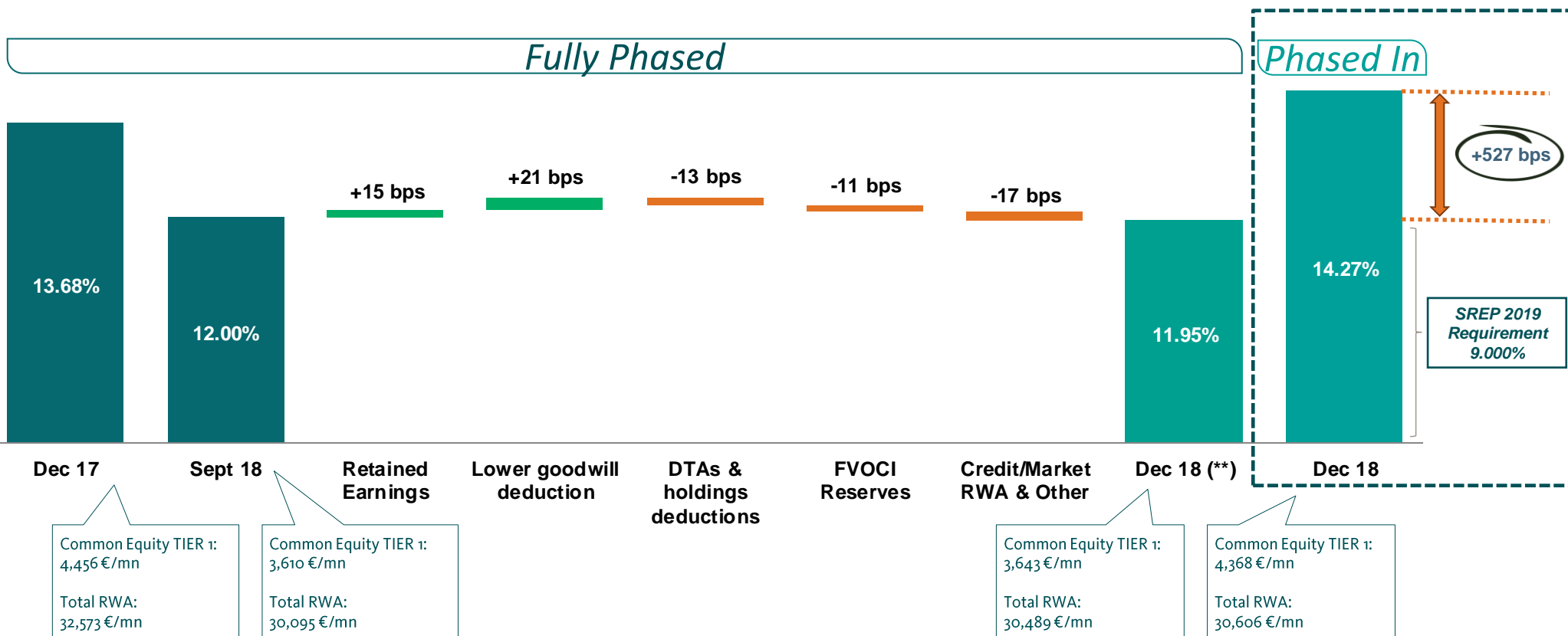
- ECB exposure of 9.3 €/bn in Dec.'18 fully composed by TLTRO2 operations (4.1 €/bn TLTRO2 in Jun.'16 and 1 €/bn TLTRO2 in Dec.'16 and 4.2 €/bn in Mar.'17)
- Higher level of counterbalancing capacity (+1.5 €/bn vs 3Q18)
- LCR and NSFR above 100%

* Net of ECB haircut
Note: figures in this page may not add exactly due to rounding difference

Capital

CET1 Fully Phased at 11.95%^{**} confirming a solid capital position

Common Equity Tier 1* Ratios (%)



(*) The Fully Phased Common Equity Tier 1 ("CET1") ratio, estimated in January 2019 in accordance with the new Basel 3 regulations and the Phased In CET1 ratio have been calculated taking into account the profit for the period allocable to equity.

(**) The Fully Phased Common Equity Tier 1 ratio is estimated taking into account the expected absorption of deferred tax assets relating to first-time adoption of IFRS 9.

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Delivering on profitability and asset quality while maintaining a solid capital base

CAPITAL

Solid capital position, low leverage and good liquidity position

1. **Sound capital position** with a CET1 ratio Fully Phased at 11.9% broadly stable vs Sept.'18
2. **CET1 ratio Phased In at 14.3%** well above minimum capital requirement by ECB
3. **Leverage Fully Phased at 5.0%** one of the lowest of the domestic banking system (6.0 Phased In)
4. **LCR and NSFR well above 100%** and unencumbered eligible assets of 6.6 €/bn out of 18.7 €/bn of eligible assets

ASSET QUALITY

Well on track on credit quality improvements coherently with the NPE Strategy 2018-2020, with effective and visible results

1. **Gross NPE ratio at 13.8% from 19.9%** as of 1 Jan.'18 down by 6.1 p.p. since 1° Jan.'18
2. **Gross NPE strong decrease of 3.5 €/bn** in 2018 (-33.1%) also thanks to bad loans securitizations "4Mori Sardegna" and "AQUI" for a total amount of about 3.0 €/bn
3. **Texas ratio strong improvement at 85%** down by 16.5 p.p. since 1 Jan.'18

PROFITABILITY

Positive profitability trend

1. **Net profit at 402.0 €/mn, the highest result in the history of the Group**
2. **Relevant performance of net commissions (+4.8% y/y)** with a particular focus on AuM and Bancassurance business
3. **Significant reduction of the ordinary cost of risk** (47 bps annualized vs 112 bps in 2017)
4. **Good performance of trading income** (+104.0 €/mn) also thanks to realized gains on bonds in 1Q18

The new Strategic Plan 2019-2021 will be presented on 28th February 2019

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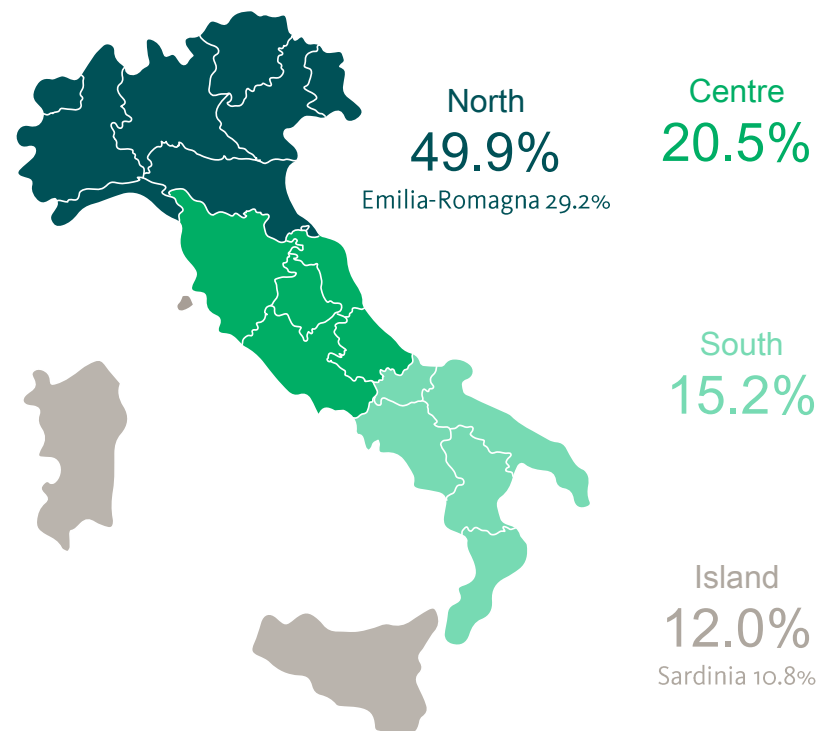
Customer loans

Portfolio composition

Customer loans breakdown by sectors (€/mn ; %)

Business sector	Dec 18	% on Total	Δ %vs Dec 17
Manufacturing	7,486	14.2%	+0.5%
Wholesale and retail services, recoveries and repairs	4,550	8.6%	-12.6%
Constructions	2,501	4.7%	-30.8%
Real Estate	3,002	5.7%	-12.3%
HORECA*	1,242	2.4%	-19.5%
Agriculture, forestry and fishing	743	1.4%	-51.3%
Other	5,179	9.8%	-18.6%
Total loans to non-financial businesses	24,703	46.8%	-15.2%
Households	16,668	31.6%	+28.9%
Total loans to financial businesses	11,377	21.6%	+104.7%
Total Customers Loans	52,748	100.0%	+10.8%

Customer loans breakdown by geographical distribution¹(%)



* Hotel, Restaurant & Cafè (HORECA). Note: figures as per ATECO business sector definitions (ISTAT)

1. Commercial banks + Sarda Leasing, excluding non resident loans

Note: figures from data management system

Note: figures in this page may not add exactly due to rounding differences

Asset quality

Annexes

Asset quality breakdown (excl. customer debt securities)

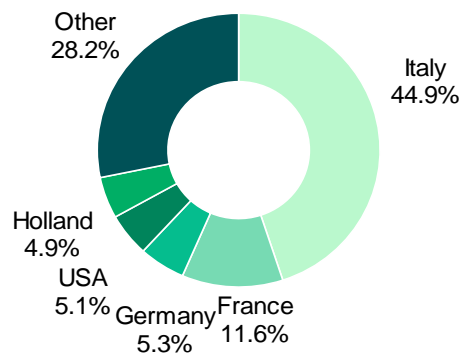
Gross exposures (€/mn)	Dec 17		1 Jan 18 FTA		Mar 18		Jun 18		Sept 18		Dec 18		Chg Y/Y		Chg 1 Jan 18	
		%		%		%		%		%		%	Abs.	Chg (%)	Abs.	Chg (%)
Non Performing Exposures NPEs	10,532	19.8%	10,531	19.9%	9,868	19.3%	8,867	17.4%	8,788	17.3%	7,046	13.8%	-3,486	-33.1%	-3,485	-33.1%
<i>Bad loans</i>	7,109	13.4%	7,109	13.4%	6,584	12.9%	5,906	11.6%	5,834	11.5%	4,338	8.5%	-2,771	-39.0%	-2,771	-39.0%
<i>Unlikely to pay loans</i>	3,318	6.2%	3,318	6.3%	3,190	6.2%	2,847	5.6%	2,867	5.6%	2,638	5.2%	-680	-20.5%	-680	-20.5%
<i>Past due loans</i>	105	0.2%	104	0.2%	94	0.2%	114	0.2%	87	0.2%	70	0.1%	-35	-33.8%	-34	-33.8%
Gross performing loans	42,638	80.2%	42,433	80.1%	41,383	80.8%	42,145	82.6%	42,004	82.7%	44,011	86.2%	1,373	+3.2%	1,578	+3.7%
Total gross exposures	53,170	100%	52,964	100%	51,251	100.00%	51,012	100.00%	50,792	100.00%	51,057	100%	-2,113	-4.0%	-1,907	-3.6%

Adjustments to loans (€/mn)	Dec 17		1 Jan 18 FTA		Mar 18		Jun 18		Sept 18		Dec 18		Chg Y/Y		Chg 1 Jan 18	
		coverage (%)		coverage (%)		coverage (%)		coverage (%)		coverage (%)		coverage (%)	Abs.	Chg (%)	Abs.	Chg (%)
Adjustments to NPEs	5,129	48.7%	6,250	59.3%	5,661	57.4%	5,041	56.8%	4,983	56.7%	3,841	54.5%	-1,288	-25.1%	-2,408	-38.5%
<i>Bad loans</i>	4,216	59.3%	4,789	67.4%	4,377	66.5%	3,832	64.9%	3,762	64.5%	2,890	66.6%	-1,326	-31.5%	-1,899	-39.7%
<i>Unlikely to pay loans</i>	902	27.2%	1,445	43.5%	1,272	39.9%	1,194	41.9%	1,209	42.2%	942	35.7%	40	+4.5%	-503	-34.7%
<i>Past due loans</i>	11	10.6%	16	14.1%	12	13.3%	15	12.7%	12	12.8%	9	12.3%	-2	-23.0%	-7	-42.0%
Adjustments to performing loans	226	0.5%	246	0.6%	186	0.5%	169	0.4%	161	0.4%	165	0.4%	-61	-26.9%	-81	-33.0%
Total adjustments	5,355	10.1%	6,495	12.3%	5,847	11.4%	5,210	10.2%	5,144	10.1%	4,006	7.8%	-1,349	-25.2%	-2,489	-38.3%

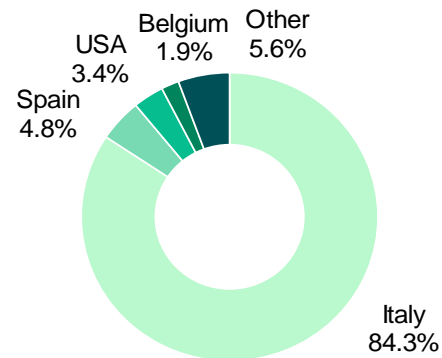
Net exposures (€/mn)	Dec 17		1 Jan 18 FTA		Mar 18		Jun 18		Sept 18		Dec 18		Chg Y/Y		Chg 1 Jan 18	
		%		%		%		%		%		%	Abs.	Chg (%)	Abs.	Chg (%)
Non Performing Exposures NPEs	5,403	11.3%	4,282	9.2%	4,207	9.3%	3,826	8.4%	3,805	8.3%	3,205	6.8%	-2,198	-40.7%	-1,077	-25.2%
<i>Bad loans</i>	2,893	6.1%	2,320	5.0%	2,207	4.9%	2,074	4.5%	2,072	4.5%	1,448	3.1%	-1,445	-49.9%	-872	-37.6%
<i>Unlikely to pay loans</i>	2,416	5.1%	1,873	4.0%	1,918	4.2%	1,653	3.6%	1,658	3.6%	1,696	3.6%	-720	-29.8%	-177	-9.5%
<i>Past due loans</i>	94	0.2%	89	0.2%	82	0.2%	99	0.2%	75	0.2%	61	0.1%	-33	-35.1%	-28	-32.5%
Net performing loans	42,412	88.7%	42,187	90.8%	41,197	90.7%	41,976	91.7%	41,843	91.7%	43,846	93.2%	1,434	+3.4%	1,659	+3.9%
Total Net exposures	47,815	100%	46,469	100.0%	45,404	100%	45,802	100%	45,648	100.00%	47,051	100%	-764	-1.6%	582	+1.3%

Note: figures in this page may not add exactly due to rounding differences

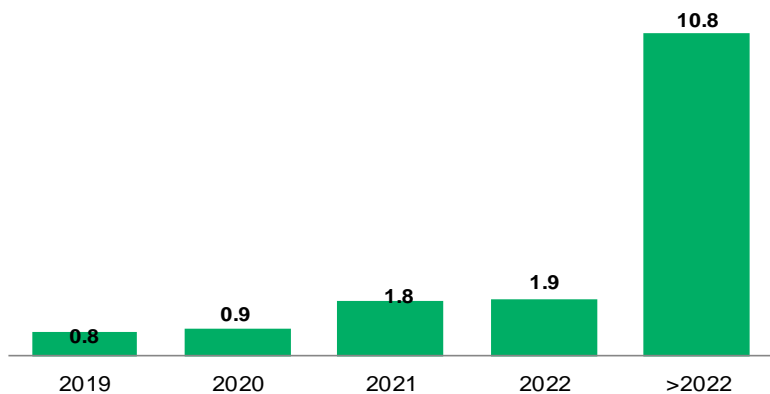
Bond PTF by Geographical breakdown (%)



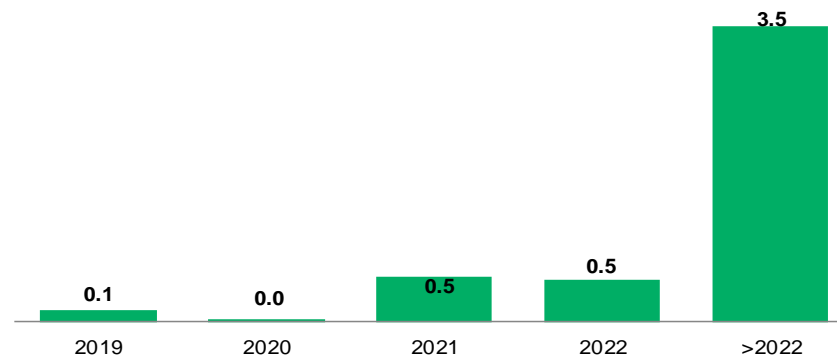
Govies PTF Geographical breakdown (%)



Bonds PTF Maturities¹ (€/bn)



Italian Govies Maturities¹ (€/bn)



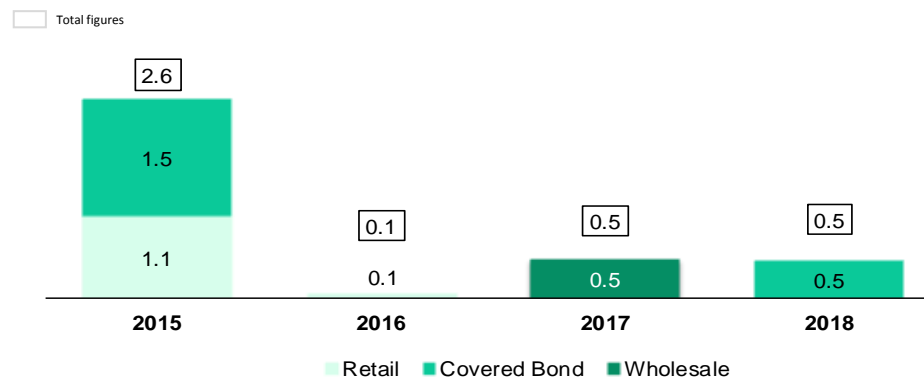
¹. Figures are shown as per nominal values
Note: figures from data management system

Bonds maturities and issues details

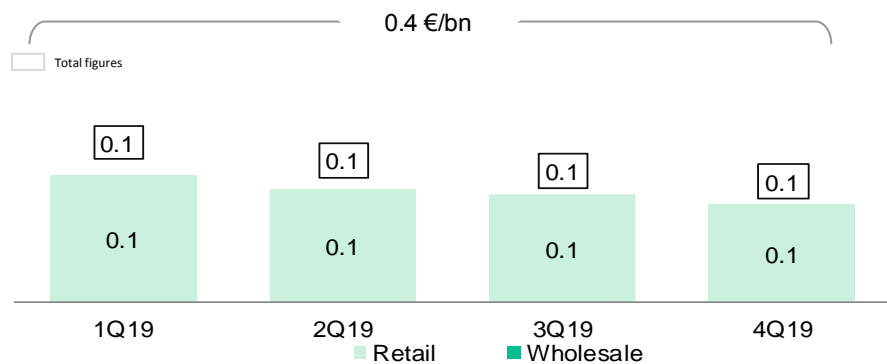
Outstanding bonds (€/bn)

	Dec 17	Set 18	Dec 18
Wholesale bonds	3.0	3.5	2.5
<i>o/w covered bonds</i>	2.5	3.0	2.0
<i>o/w subordinated bonds</i>	0.5	0.5	0.5
Retail bonds	2.4	1.6	1.5
<i>o/w subordinated bonds</i>	0.4	0.3	0.3
Total bonds	5.4	5.1	4.0

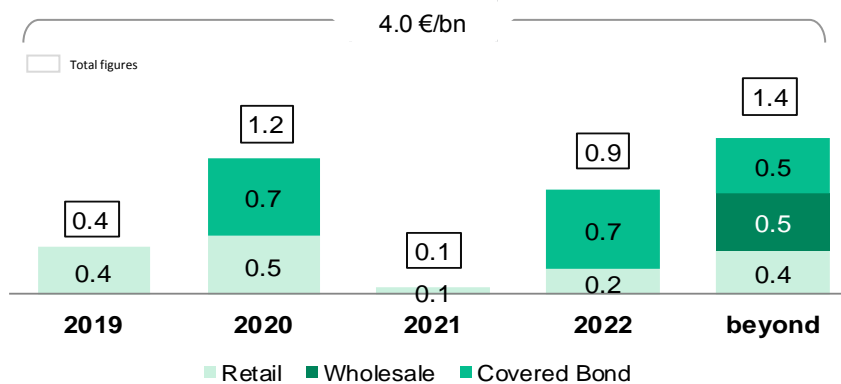
Bonds issued (€/bn)



2019 Bonds maturities (€/bn)



Bonds maturities breakdown (€/bn)



Note: figures in this page: 1) are shown as per nominal values excluding Table «Bonds stock» reported as per Financial report values and 2) may not add exactly due to rounding differences

Reclassified financial statement as at 31.12.18

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 items 80, 90, 100 and 110 in the standard reporting format;
- Indirect tax recoveries, allocated for accounting purposes to item 230 “*Other operating charges/income*”, have been reclassified as a reduction in the related costs under “*Other administrative expenses*” (Euro 126,014 thousand at 31 December 2018 and Euro 126,175 thousand at 31 December 2017);
- “*Net provisions for risks and charges*” include € 17,400 thousand relating to the valuation of the profit-sharing clause in the contract for the acquisition of Nuova Carife, allocated to item 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.

Pro-forma reclassified accounting schedules as at 31 December 2018

The income statement is also presented in a pro-forma version, in which the effects deriving from application of IFRS 9 have been reallocated to the various captions according to the instructions in the 4th update of Circular no. 262/2005, to allow a homogeneous comparison with the results of the previous year.

Reclassified consolidated balance sheet

Annexes

Assets	(in thousands of Euro)				
	31.12.2018	01.01.2018	31.12.2017	Change 31.12.2018- 01.01.2018	Change %
Cash and cash equivalents	459,782	420,299	420,299	39,483	9.39
Financial assets	17,152,084	15,799,267	15,661,977	1,352,817	8.56
a) Financial assets held for trading	247,219	414,294	414,294	(167,075)	-40.33
b) Financial assets designated at fair value	218,662	223,192	223,192	(4,530)	-2.03
c) Other financial assets mandatorily measured at fair value through profit or loss	662,744	655,596	689,115	7,148	1.09
d) Financial assets measured at fair value through other comprehensive income	8,560,568	13,547,372	13,395,435	(4,986,804)	-36.81
e) Debt securities measured at amortised cost	7,462,891	958,813	939,941	6,504,078	678.35
- banks	1,766,169	196,713	193,334	1,569,456	797.84
- customers	5,696,722	762,100	746,607	4,934,622	647.50
Loans	48,594,875	49,472,225	50,624,967	(877,350)	-1.77
a) loans to banks	1,540,509	3,000,199	3,012,515	(1,459,690)	-48.65
b) loans to customers	47,050,942	46,468,704	47,609,130	582,238	1.25
c) Financial assets measured at fair value through other comprehensive income	3,424	3,322	3,322	102	3.07
Hedging derivatives	35,564	54,061	54,061	(18,497)	-34.22
Equity investments	446,049	454,367	454,367	(8,318)	-1.83
Property, plant and equipment	1,063,273	1,063,483	1,063,483	(210)	-0.02
Intangible assets	445,689	506,627	506,627	(60,938)	-12.03
- of which: goodwill	264,740	327,084	327,084	(62,344)	-19.06
Other assets	2,437,451	2,550,510	2,553,026	(113,059)	-4.43
Total assets	70,634,767	70,320,839	71,338,807	313,928	0.45

Reclassified consolidated balance sheet

Annexes

Liabilities and shareholders' equity	(in thousands of Euro)				
	31.12.2018	01.01.2018	31.12.2017	Change 31.12.2018- 01.01.2018	Change %
Due to banks	13,126,248	12,984,226	12,984,226	142,022	1.09
Direct deposits	49,996,419	50,246,932	50,246,417	(250,513)	-0.50
a) Due to customers	44,594,863	42,694,078	42,694,078	1,900,785	4.45
b) Debt securities issued	5,401,556	7,552,854	7,552,339	(2,151,298)	-28.48
Financial liabilities held for trading	143,824	170,046	170,046	(26,222)	-15.42
Hedging derivatives	92,374	23,795	23,795	68,579	288.21
Other liabilities	2,379,334	2,262,970	2,197,592	116,364	5.14
Minority interests	507,457	451,825	653,010	55,632	12.31
Shareholders' equity pertaining the Parent Company	4,389,111	4,181,045	5,063,721	208,066	4.98
a) Valuation reserves	949	204,422	75,089	(203,473)	-99.54
b) Reserves	1,619,469	1,433,445	2,445,454	186,024	12.98
c) Share premium reserve	930,073	930,073	930,073	-	-
d) Share capital	1,443,925	1,443,925	1,443,925	-	-
e) Treasury shares	(7,258)	(7,258)	(7,258)	-	-
f) Profit (Loss) for the period pertaining to the Parent Company	401,953	176,438	176,438	225,515	127.82
Total liabilities and shareholder's equity	70,634,767	70,320,839	71,338,807	313,928	0.45

Reclassified consolidated income statement

Annexes

		(in thousands of Euro)			
Item		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 expenses	(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 modifications 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	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

Reclassified consolidated income statement by quarter

Annexes

Captions	1Q18	2Q18	3Q18	4Q18	1Q17	2Q17	3Q17	4Q17
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)
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)

Reclassified consolidated income statement pro-forma

Annexes

Captions	31.12.2018	Pro-forma reclassifications	31.12.2018 pro-forma	31.12.2017	(in thousands of Euro)			
					Change	Change %		
10+20	Net interest income		1,122,437	(76,367)	1,046,070	1,124,479	(78,409)	-6.97
40+50	Net commission income		776,265	-	776,265	740,628	35,637	4.81
70	Dividends		34,339	-	34,339	12,416	21,923	176.57
80+90+100+110	Net trading income		104,022	-	104,022	103,134	888	0.86
230	Other operating charges/income		44,209	-	44,209	58,190	(13,981)	-24.03
	Operating income		2,081,272	(76,367)	2,004,905	2,038,847	(33,942)	-1.66
190 a)	Payroll		(821,494)	-	(821,494)	(783,478)	(38,016)	4.85
190 b)	Other administrative costs		(442,431)	-	(442,431)	(425,611)	(16,820)	3.95
210+220	Net adjustments to property, plant and equipment and intangible assets		(118,939)	-	(118,939)	(87,429)	(31,510)	36.04
	Operating costs		(1,382,864)	-	(1,382,864)	(1,296,518)	(86,346)	6.66
	Net operating income		698,408	(76,367)	622,041	742,329	(120,288)	-16.20
130 a)	Net impairment adjustments to financial assets at amortised cost		(225,772)	73,411	(152,361)	(535,975)	383,614	-71.57
130 b)	Net impairment adjustments to financial assets at fair value		2,066	-	2,066	(104,628)	106,694	-101.97
###	Net impairment adjustments to other financial assets		-	16,197	16,197	(15,313)	31,510	-205.77
140)	Profit/loss from contract modifications without derecognition		(2,956)	2,956	-	-	-	n.s.
	Net impairment adjustments to credit risk		(226,662)	92,564	(134,098)	(655,916)	521,818	-79.56
200	Net provisions for risks and charges		(25,194)	(16,197)	(41,391)	(30,578)	(10,813)	35.36
###	Contributions to SRF, DGS, IDGF - VS		(52,325)	-	(52,325)	(37,721)	(14,604)	38.72
250+270	Gains (Losses) on disposal of investments and impairment losses on goodwill		(48,701)	-	(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	-	345,526	199,120	146,406	73.53
300	Income taxes on current operations		100,264	-	100,264	(22,238)	122,502	-550.87
330	Profit (Loss) for the period		445,790	-	445,790	176,882	268,908	152.03
340	Profit (Loss) for the period pertaining to minority interests		(43,837)	-	(43,837)	(444)	(43,393)	--
350	Profit (Loss) for the period pertaining to the Parent Company		401,953	-	401,953	176,438	225,515	127.82

Reclassified consolidated income statement pro-forma

Annexes

Captions		(in thousands of Euro)							
		1st quarter 2018 pro-forma	2nd quarter 2018 pro-forma	3rd quarter 2018 pro-forma	4th quarter 2018 pro-forma	1st quarter 2017	2nd quarter 2017	3rd quarter 2017	4th quarter 2017
10+20	Net interest income	267,597	259,511	259,014	259,948	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	631,420	487,929	479,241	406,315	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	300,262	130,062	157,432	34,285	191,335	196,408	189,807	164,779
130 a)	Net impairment adjustments to financial assets at amortised cost	(504)	(39,219)	(54,232)	(58,406)	(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)
###	Net impairment adjustments to other financial assets	13,964	(2,041)	6,920	(2,646)	4,647	1,787	6,446	(28,193)
	Net impairment adjustments to credit risk	15,223	(41,119)	(47,162)	(61,040)	(146,307)	(242,108)	(112,659)	(154,842)
200	Net provisions for risks and charges	(25,627)	(23,335)	(19,011)	26,582	(5,661)	(5,941)	(9,268)	(9,708)
###	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

Consolidated balance sheet

Assets	(in thousands of Euro)			
	31.12.2018	31.12.2017	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

Consolidated balance sheet

Liabilities and shareholders' equity	(in thousands of Euro)			
	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

Consolidated income statement

Captions	31.12.2018	31.12.2017	Change	Change %
10. Interest and similar income	1,375,925	1,416,396	(40,471)	-2.86
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

Performance ratios

Annexes

Financial ratios	(in thousands of Euro)	
	31.12.2018	01.01.2018 (*)
Structural ratios		
Net loans to customers/total assets	66.61%	66.08%
Net loans to customers/direct deposits from customers	94.11%	92.48%
Financial assets/total assets	24.28%	22.47%
Fixed assets/total assets	2.14%	2.16%
Goodwill/total assets	0.37%	0.47%
Direct deposits/total assets	89.36%	89.92%
Deposits under management/indirect deposits	53.32%	55.08%
Financial assets/tangible equity	3.85	3.83 (1)
Total tangible assets/tangible equity	15.77	16.92 (2)
Net interbank lending/borrowing (in thousands of Euro)	(11,585,739)	(9,984,026)
Number of employees	11,615	11,653 (3)
Number of national bank branches	1,218	1,218
Profitability ratios		
ROE	9.06%	3.62% (4)
ROTE	10.15%	4.04% (5)
ROA (net profit/total assets)	0.63%	0.25%
Cost to income ratio	66.44%	63.59% (6)
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%	9.21%
Net bad loans/net loans to customers	3.08%	4.99%
Net unlikely to pay loans/net loans to customers	3.60%	4.03%
Net past due loans/net loans to customers	0.13%	0.19%
Adjustments to non-performing exposures/gross NPEs	54.52%	59.34%
Adjustments to bad loans/gross bad loans	66.62%	67.37%
Adjustments to unlikely to pay loans/gross unlikely to pay loans	35.73%	43.55%
Adjustments to past due loans/gross past due loans	12.33%	14.09%
Adjustments to performing exposures/gross perform. exposures	0.37%	0.58%
Texas ratio	84.97%	101.50% (7)

Financial ratios	31.12.2018	01.01.2018 (**)
Own Funds (Phased in)		
Common Equity Tier 1 (CET1)	4,367,711	4,410,721 (8)
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	6.0%	6.1% (9)
Leverage Ratio - Fully Phased	5.0%	6.0% (10)
Liquidity Coverage Ratio (LCR)	154.3%	113.7%
Net Stable Funding Ratio (NSFR)	n.a.	105.2% (11)

Non-financial ratios	31.12.2018	01.01.2018 (**)
Productivity ratios (in thousands of Euro)		
Direct deposits per employee	4,304.47	4,311.93
Loans to customers per employee	4,050.88	3,987.70
Assets managed per employee	1,664.31	1,695.21
Assets administered per employee	1,457.29	1,382.51
Core revenues per employee	163.47	160.05 (12)
Net interest and other banking income per employee	175.38	169.97
Operating costs per employee	121.93	112.13

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

(2) *Total tangible assets = total assets net of intangible assets.*

(3) *The number of employees does not include the expectations.*

(4) *ROE is calculated on an annual basis.*

(5) *ROTE is calculated on an annual basis.*

(6) *The cost/income ratio has been calculated on the basis of the layout of the reclassified income statement (operating expenses/operating income); when calculated on the basis of the layouts provided by Circular no. 262 of the Bank of Italy the cost/income ratio is at 69.52% (65.97% at 31 December 2017 as per the Consolidated Financial Statements as at 31 December 2017).*

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

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

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

(10) *See previous note.*

(11) *The NSFR, not yet available, is in any case estimated to exceed 100% (106.7% as at 30 September 2018)*

(12) *Core revenues = net interest income + net commission income.*

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

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

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