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Oggetto : The Management Board approves
Bipiemme Groups results as at 31 March
2015

Testo del comunicato

Vedi allegato.



BANCA POPOLARE DI MILANO

*The Management Board
approves Bipiemme Group's results as at 31 March 2015*

**Net profit in first quarter 2015 up
both Y/Y and Q/Q**

**Normalised net profit in first quarter 2015.
Best result in four financial years**

- ✓ **Net profit: €67.6 million (+5.1%) vs €64.3 million as at 31.3.2014)**
- ✓ **Normalised net profit¹: €76 million (vs €65.3 million as at 31.3.2014)**
- ✓ **CET1 ratio 11.57%² (vs 7.32% as at 31.3.14 and 11.58% as at 31.12.2014), one of the best among the Italian banks even though BPM has not yet benefitted from the AIRB models**
- ✓ **Net tangible equity to net non- performing loans (*Texas ratio*³) 126%, second best result in the banking sector⁴**

¹ Net of non-recurring items (details in attached tables).

² Does not include the capitalisation of Q1 2015 profit.

³ Tangible net equity / Net impaired loans.

⁴ Italian banks that underwent the ECB's AQR in 2014 (non including Mediobanca and ICCREA).
Data as at December 2014.

- ✓ **AuM up 24.3% vs 31 March 2014, with positive effect on net commission (+5,6% a/a)**
- ✓ **Customer loans +1.6% vs 31 December 2014, thus inverting the negative trend recorded in the previous three financial years**
- ✓ **High coverage of impaired loans**
 - **Bad Loans Coverage: 55.8% +40 bps Y/Y**
 - **Impaired Loans Coverage: 38.3% +270 bps Y/Y**
- ✓ **Cost of risk: 91 bps vs 104 bps as at 31 March 2014**
- ✓ **Cost Income: 57.4% vs 60.0% as at 31 December 2014**

P&L results:

- **Operating income: €425.8 million, -3.7% Y/Y, -1.1% Y/Y net of non-recurring items⁵:**
 - **Net interest income: €196.1 million, -4.8% Y/Y, -2.2% Y/Y like-for-like⁶ ;**
 - **Net commission: €148.3 million (+5.6% Y/Y);**
 - **Good result net of financial activities: €58.4 million;**
- **Operating costs: +3.3% Y/Y (-2.3% Y/Y like-for-like⁷);**
- **Net profit for the period: €67.6 million, +5.1% Y/Y, +16.4% net of non-recurring items**

⁵ For details see attached tables.

⁶ Q1 2014 benefitted from the early repayment of some mid-term loans.

⁷ Net of variable items tied to results, and the contribution to the Single Resolution Fund: €8 million.

Balance-sheet results:

- **Total funding⁸: €71.3 billion, +2.7% Q/Q o/w**
 - **Core funding⁹: €22.6 billion, +0.7%**
 - **AuM: €19.6 billion, +9.8%**
 - **AuC: €15.3 billion, +3.5%**
- **Loans to customers: €32.6 billion, +1.6% Q/Q**
- **Common Equity Tier 1: 11.57%**
- **Common Equity Tier 1, Basel 3 fully phased: 12.35%**
- **Robust liquidity position both short-term and mid-term**
- **Annualised cost of risk: 91 bps**

In today's meeting, the Management Board of Banca Popolare di Milano examined and approved BPM Group's financial statements as at 31 March 2015.

In Q1 2015, the economy showed some slight signs of a recovery (industrial output was +0.1% vs Q4 2014 and +0.3% Y/Y just in March - Source: Confindustria). As further proof, expected in the coming quarters, there ought to be positive effects from the decrease in the euro/dollar exchange rate, the decrease in oil prices and from the ECB's Quantitative Easing programme.

Despite the still uncertain outlook, Bipiemme Group's core operating trends in Q1 2015 were solid. In particular, we point out:

- as regards the P&L, the good quarterly trend of the operating profit, which was driven by the positive trend in income and the tight control on costs. The good trend is even better considering that in Q1 2015 some negative non-recurring items weighed on the results;
- as regards the balance sheet:
 - the positive trend in loans (+1.6% vs December 14), which have started to grow again after three financial years;
 - the good growth in indirect funding vs 31 December 2014
 - the positive trend in sight deposits (+€727 million).
- confirmation of the group's robust liquidity position and the sizable amount of eligible assets (unencumbered): about €5 billion¹⁰.
- the sound capital position: CET1 11.57%, one of the best in the banking sector, and with one of the highest buffers (over 250 bps) versus the ECB's minimum requirement.

⁸ Direct funding + Indirect funding.

⁹ Current accounts + deposit accounts + other technical forms.

¹⁰ Weekly liquidity postings as at 5 May 2015.

Bipiemme Group

Direct customer funding and issued securities

Direct customer funding (amounts due to customers, debt securities issued and financial liabilities at fair value) totalled €36,429 million, down on December 2014 (-1.1%). Given the robust liquidity position and in order to support the commercial interest rate spread, the group has developed some cheaper forms of technical funding and has reduced the use of the more volatile funding sources.

Specifically, we point out that the group's good trend in current accounts and deposit accounts (+0.7%) was offset by:

- a decrease in the use of repos (- €262 million) – from transactions on the MTS Repo market via *Cassa di Compensazione e Garanzia* as the central counterparty;
- a decrease in debt securities in issue (-3.4%), mostly due to the non-rollover of certificates deposits and bonds because retail customers shifted their investments to AuM products, which was also in line with the bank's goal to use cheaper funding.

The bank's share of the funding market in February 2015 was 1.57% vs 1.61% in December 2014.

Indirect customer funding

Indirect customer funding as at 31 March 2015 was €34,885 million, up 7.0% vs 31 December 2014, thanks to the excellent AuM results (+9.8% Q/Q), which benefitted from net funding of €875 million in the quarter.

Specifically, AuM totalled €19,633 million, up €1.8 billion thanks to the positive result from mutual funds (+12.4%) and insurance products (+8.2%).

AuC totalled €15,252 million, up 3.5% vs Q4 2014, thanks to the good trend in financial markets in Q1 2015, thereby halting the negative trend seen in 2014.

Customer loans

Customer loans in Q1 2015 totalled €32,600 million, up vs 31 December 2014 (+1.6%), thereby inverting the negative trend in the last three financial years. The result was reached mainly thanks to commercial loans, which increased greatly, particularly corporate loans.

Specifically, we point out that - apart from the increase in current accounts (+2.3%) - "other loans" also increased (+4.4%). When

examining the trend by segment¹¹, we point out that loans to retail customers were basically stable whereas loans to companies¹² increased (+1.3%), in particular to the “Corporate segment” (+3.7%).

Lastly, we point out that at the beginning of 2015 the bank issued mortgages and instalment loans for a total of around €1 billion (+42.8% Y/Y), o/w around €700 million to companies (+62.2% Y/Y).

The macroeconomic conditions still show some signs of weakness and this is being reflected on credit quality.

As at 31 March 2015, the group's gross impaired loans totalled €5,999 million (+€146 million vs 31 December 2014). The result was mainly due to the shift of a position that was previously classified as "performing", and that had adequate coverage rates, to "unlikely to pay"¹³. Net of the foregoing position, the growth was more or less in line with the previous few quarters.

The quarterly increase can be explained mainly by the following:

- a slight increase in gross **bad loans**, up €31 million (+1.0%) to €3,078 million;
- an increase in "**unlikely to pay**"¹³, +135 million (+5.1%) to €2,793 million. Net of the position mentioned before, the growth would be in line with the average trend in previous quarters;
- the ongoing decrease in **past due**, which totalled €127.6 million, in line with the trend seen in 2014.

Thus, given the total adjustments in Q1 2015, the bank's coverage rate for impaired loans is 38.3%, up 2.7 pp Y/Y and basically stable Q/Q.

Specifically, the coverage rates are now:

- Bad Loans: 55.8%, +40 bps Y/Y;
- Unlikely to pay: 20.5%, +280 bps Y/Y;
- Past due: 8.4%, stable Y/Y.

The coverage rate of performing loans is 0.69% vs 0.72 as at 31 March 2014.

Net equity and capital ratios

As at 31 March 2015, the group's net equity was €4,681 million, up vs 31 December 2014 (+3.2%), thanks mainly to the positive change in the "valuation reserve" (+€ 71 million).

¹¹ Internal management data by customer segment, calculated on balances at the end of each month.

¹² “Companies” includes Corporate, SMEs and Small retail business.

¹³ "Unlikely to pay" includes subjective watchlist and restructured loans. For more information on the new classification of doubtful loans based on new laws refer to the Management report as at 31 March 2015.

The Common Equity Tier 1 was 11.57%¹⁴, and the Common Equity Tier 1 Basel III fully phased was 12.35%.

Risk weighted assets totalled €33.9 billion.

Total Income

Bipiemme Group's total income as at 31 March 2015 was €425.8 million, down 3.7% (-1.1% net on non-recurring items) Y/Y and up 3.5% Q/Q.

Specifically, **net interest income** was €196.1 million, down 4.8% Y/Y, but only down 2.2% like-for-like¹⁵. This result was made possible by the decrease in the cost of funding, which almost offset the negative effects from the lower lending rates, the decrease in the average volumes of loans and the physiological reduction in the contribution from the securities portfolio.

Net interest income held up well Q/Q however: the slight decrease (-0.9% Q/Q) was basically due to the different lengths of the two quarters under examination.

Non net interest income was €229.6 million, up vs 31 December 2014 (+7.6%) and down vs March 2014 (-2.7%). The trend was the result of the decrease in net financial activities (-26.5%) – whose contribution was however still good given the weight of non-recurring items in Q1 2015 – and the increase in net commission (+5.6%) thanks mainly to the good trend in AuM.

The €16.3 million quarterly increase in the non-net interest income was, in this case, mostly due to the good net result from financial activities (+53.3% Q/Q).

Operating costs

Operating costs totalled €244.5 million, up 3.3% Q/Q but down 2.3% like-for-like.

Specifically, **staff costs** totalled €154.7 million, up €2.9 million, due to greater variable costs that are tied to results. Net of the variable costs, staff costs would be down 1.5%, thanks to the average reduction in the headcount owing to the staff that signed up to the early retirement plan *Fondo di Solidarietà* (-149 people vs. March 2014).

"Other administrative costs" totalled €73.3 million, up €6.4 million due mainly to an estimated €8 million yearly contribution for the Single Resolution Fund. Net of the latter cost, which was not present in Q1 2014, "other administrative costs" decrease 2.4% Y/Y.

¹⁴ Does not include the capitalisation of Q1 2015 profit.

¹⁵ Q1 2014 benefitted from the early closing of some mid-term loans.

"Net adjustments on tangible and intangible assets" were €16.5 million vs €18.1 million as at 31 March 2014.

Operating costs decreased Q/Q (-4.1%) due particularly to the decrease in "other administration costs", which was in turn also due to seasonal effects.

The cost/income ratio was 57.4% vs 60.0% as at 31 December 2014.

As at 31 March 2015, there were 702 point of sales (-63 Y/Y) and 7,755 staff (-59 people Y/Y).

Provisions, net adjustments and other items

As at 31 March 2015, "net adjustments on loans on other operations" totalled €74.3 million (- €11 million vs. 31 March 2014). The decrease in adjustments on loans is a very positive result considering that the bank has also kept its coverage rate high.

"Cost of Risk" was 91 bps (-13 bps vs 31 March 2014).

"Provisions for risks and charges" was €1.3 million (€2.8 million in Q1 2014) due to the fewer provisions for legal disputes.

Net result

After booking about €37.8 million for taxes, the group's profit for the period was €67.6 million (+€3.3 million vs 31 March 2014), which increases to €76 million net on non-recurring items (€65.3 million March 2014)

Prospects for the current financial year

The outlook for 2015 is for moderate growth globally, driven mainly by the USA. The decrease in oil prices, the ECB's QE programme and the fall in the euro ought to help bolster the recovery in Europe, though the Greek issue could destabilise markets.

The most recent data on Italy show that GDP has stopped falling and the country is coming out of the recession. Thus, GDP is seen rising this year (+0.7%, Source: Prometeia). The banking sector will still be affected by the not optimal conditions in the credit market, especially given the extremely low interest rates. The bank's focus on keeping its costs down and regaining efficiency will continue to be an important lever to supporting profitability.

Given the foregoing context, Bipiemme Group will continue along the lines set out in the Business Plan approved in March 2014. The commercial business will continue to be focused on strengthening the

bank's foothold on the territory and bolstering services to customers. Credit volumes, sustained by the solid capital and liquidity bases, could rise despite an increase in competitive pressure. The situation ought to lead to net interest income stabilising year on year, despite a reduction in the contribution from the securities portfolio due to the decrease in market yields. Customer spreads are not foreseen to change significantly. The effects of the ECB's Quantitative Easing programme on lending and deposits rates should, in fact, balance out. Among the various items in "non-net interest income", "commission" ought to continue along the most recent trends, again supported by the positive trend in AuM, benefitting from the increase in the credit business and the positive effect from the increase in the use of banking services. On the other hand, there could be a reduction in financial activities, though they will still be material. The careful control on operating costs and risks will continue to act as an important lever to maintaining profitability. The new development initiatives will be addressed to pursuing greater efficiency, productivity and organisational simplicity.

Parent Bank

The key profit and loss and balance sheet figures for the parent bank, Banca Popolare di Milano S.c.a r.l., are as follows:

Direct funding	€35,734 million (-1.0% Q/Q)
Customer loans	€32,031 million (+1.5%)
Indirect funding	€32,666 million (+6.8%)
Operating income	€388.8 million (-4.5% Y/Y)
Operating costs	€223.5 million (-3.4%)
Operating profit	€165.3 million (-13.4%)
Net profit	€61,1 million (+2.4%)

Mr Angelo Zanzi, as the manager responsible for preparing the bank's accounts, hereby states, pursuant to Article 154 *bis*, paragraph 2, that the accounting information contained in this press release corresponds to the documentary evidence, corporate books and accounting records.

Bipiemme Group's interim results as at 31 March 2015 will be filed within the established timeframe, and made available to its stakeholders

and the public at this bank's headquarters and will also be posted, pursuant to the law, under "Investor Relations" on the group's website www.gruppobpm.it and on the storage system NIS-Storage at the internet address www.emarketstorage.com.

The CEO of Bipiemme Group will present the group's results as at 31 March 2015 to the financial community in a conference call set for 09.00 tomorrow 13 May 2015. The instructions to connect to the event can be found under Investor Relations of the bank's website www.gruppobpm.it.

Verification of the requirements for office as a member of the supervisory board

Notice is hereby given that the Supervisory Board has evaluated the requirements of integrity, professionalism and independence with regard to Maria Luisa Mosconi, who became a member of the Supervisory Board to replace Flavia Daunia Minutillo following her resignation, in accordance with article 48, paragraph 1, of the Articles of Association, as the first candidate not to be elected from the same list as the member who has resigned.

Having taken note of the declarations of the person concerned, taken account of the information at its disposal and shared the favourable opinion of the Nominations Committee, the Supervisory Board checked that the new board member Maria Luisa Mosconi met the legal and regulatory requirements of integrity, professionalism and independence to hold the office.

As regards the independence of the new board member, the Supervisory Board carried out the verification with reference to article 148, paragraph 3, of Legislative Decree 58/98 and the recommendations contained in the Code of Conduct for Listed Companies. In assessing the relevance of "commercial, financial and professional relationships" held directly or indirectly by the board member with the Bank and/or with its subsidiaries, which could jeopardise her independence, the Supervisory Board took note, above all, that the member did not have any loans or lines of credit outstanding with the BPM Group.

Lastly, it should be noted - in accordance with the requirements of article IA.2.6.7 of the Market Regulation Instructions - that Maria Luisa Mosconi (a) qualifies as an independent director as defined in the Code of Conduct for Listed Companies, (b) holds 6,520 BPM shares and (c) that

her curriculum vitae is available in the “Governance” section of www.gruppobpm.it.

Milan, 12 May 2015

For the purpose of providing more complete data on Bipiemme Group’s First Quarter 2015 results, the consolidated reclassified balance sheet and income statement, as approved by the Management Board, are herewith attached. For management reporting purposes, the results have been presented in a reclassified balance sheet and income statement, in which line items have been aggregated and reclassified in keeping with market practices in such a way as to provide a clearer interpretation of trends and performances.

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Bipiemme Group - Reclassified Balance Sheet

(euro/000)

Assets	31.03.2015	31.12.2014	31.03.2014	Change A-B		Change A-C	
	A	B	C	Amount	%	Amount	%
Cash and equivalents	209,129	322,840	242,900	-113,711	-35.2	-33,771	-13.9
Financial assets at fair value and hedging derivatives:	12,780,251	11,887,806	10,941,852	892,445	7.5	1,838,399	16.8
- Financial assets held for trading	2,284,325	1,921,518	1,587,646	362,807	18.9	696,679	43.9
- Financial assets designated at fair value	105,443	97,449	202,542	7,994	8.2	-97,099	-47.9
- Financial assets available for sale	10,208,114	9,670,272	8,969,488	537,842	5.6	1,238,626	13.8
- Hedging derivatives	160,497	178,460	170,081	-17,963	-10.1	-9,584	-5.6
- Changes in fair value of hedged items (+ / -)	21,872	20,107	12,095	1,765	8.8	9,777	80.8
Loans and advances to banks	1,050,829	984,777	2,254,757	66,052	6.7	-1,203,928	-53.4
Loans and advances to customers	32,600,377	32,078,843	32,821,420	521,534	1.6	-221,043	-0.7
Fixed assets	1,127,543	1,117,879	1,085,101	9,664	0.9	42,442	3.9
Non recurrent assets and disposal groups held for sale	0	0	134,596	0	n.s.	-134,596	-100.0
Other assets	1,541,504	1,879,666	1,544,831	-338,162	-18.0	-3,327	-0.2
Total assets	49,309,633	48,271,811	49,025,457	1,037,822	2.1	284,176	0.6

Liabilities and Shareholders Equities	31.03.2015	31.12.2014	31.03.2014	Change A-B		Change A-C	
	A	B	C	Amount	%	Amount	%
Due to banks	4,171,724	3,318,564	6,015,928	853,160	25.7	-1,844,204	-30.7
Due to customers	27,589,895	27,702,942	26,025,446	-113,047	-0.4	1,564,449	6.0
Debt securities in issue	8,677,218	8,981,834	9,503,147	-304,616	-3.4	-825,929	-8.7
Financial liabilities and hedging derivatives:	1,981,271	1,690,396	1,477,065	290,875	17.2	504,206	34.1
- Financial liabilities held for trading	1,746,892	1,463,445	1,240,546	283,447	19.4	506,346	40.8
- Financial liabilities designated at fair value	161,759	152,116	184,224	9,643	6.3	-22,465	-12.2
- Hedging derivatives	58,053	58,751	30,833	-698	-1.2	27,220	88.3
- Changes in fair value of hedged items (+ / -)	14,567	16,084	21,462	-1,517	-9.4	-6,895	-32.1
Other liabilities	1,686,438	1,501,993	1,645,410	184,445	12.3	41,028	2.5
Provisions for specific use	502,403	519,975	542,693	-17,572	-3.4	-40,290	-7.4
Share capital and reserve	4,613,588	4,304,390	3,732,552	309,198	7.2	881,036	23.6
Minority interests (+/-)	19,493	19,424	18,895	69	0.4	598	3.2
Net profit (loss) of the period (+ / -)	67,603	232,293	64,321	-164,690	n.s.	3,282	5.1
Total liabilities and Shareholder Equity	49,309,633	48,271,811	49,025,457	1,037,822	2.1	284,176	0.6

Bipiemme Group-Reclassified balance sheet: quarterly evolution

(euro/000)					
A s s e t s	2015	2014			
	31.3	31.12	30.9	30.6	31.3
Cash and equivalents	209,129	322,840	232,295	248,942	242,900
Financial assets at fair value and hedging derivatives:	12,780,251	11,887,806	11,959,086	11,434,356	10,941,852
- <i>Financial assets held for trading</i>	2,284,325	1,921,518	1,954,084	1,712,025	1,587,646
- <i>Financial assets designated at fair value</i>	105,443	97,449	101,861	172,235	202,542
- <i>Financial assets available for sale</i>	10,208,114	9,670,272	9,662,753	9,336,110	8,969,488
- <i>Hedging derivatives</i>	160,497	178,460	223,056	198,790	170,081
- <i>Changes in fair value of hedged items (+ / -)</i>	21,872	20,107	17,332	15,196	12,095
Loans and advances to banks	1,050,829	984,777	1,562,185	1,849,987	2,254,757
Loans and advances to customers	32,600,377	32,078,843	32,095,916	32,520,786	32,821,420
Fixed assets	1,127,543	1,117,879	1,099,811	1,099,688	1,085,101
Non recurrent assets and disposal groups held for sale	0	0	0	0	134,596
Other assets	1,541,504	1,879,666	1,519,517	1,627,113	1,544,831
Total assets	49,309,633	48,271,811	48,468,810	48,780,872	49,025,457

Liabilities and Shareholders Equities	2015	2014			
	31.3	31.12	30.9	30.6	31.3
Due to banks	4,171,724	3,318,564	3,792,622	4,313,017	6,015,928
Due to customers	27,589,895	27,702,942	26,979,219	26,812,018	26,025,446
Debt securities in issue	8,677,218	8,981,834	9,271,996	9,316,712	9,503,147
Financial liabilities and hedging derivatives:	1,981,271	1,690,396	1,716,900	1,544,651	1,477,065
- <i>Financial liabilities held for trading</i>	1,746,892	1,463,445	1,491,342	1,321,381	1,240,546
- <i>Financial liabilities designated at fair value</i>	161,759	152,116	150,573	157,846	184,224
- <i>Hedging derivatives</i>	58,053	58,751	57,102	45,742	30,833
- <i>Changes in fair value of hedged items (+ / -)</i>	14,567	16,084	17,883	19,682	21,462
Other liabilities	1,686,438	1,501,993	1,622,393	1,777,531	1,645,410
Provisions for specific use	502,403	519,975	518,136	539,284	542,693
Share capital and reserve	4,613,588	4,304,390	4,328,863	4,266,963	3,732,552
Minority interests (+/-)	19,493	19,424	19,418	19,228	18,895
Net profit (loss) of the period (+ / -)	67,603	232,293	219,263	191,468	64,321
Total liabilities and Shareholder Equity	49,309,633	48,271,811	48,468,810	48,780,872	49,025,457

Bipiemme Group - Consolidated Reclassified Income Statement

(euro /000)

	1Q 2015	1Q 2014	Change	
			Amount	%
Net interest income	196,121	206,089	(9,968)	-4.8
Non-interest income:	229,646	236,050	(6,404)	-2.7
- Net fees and commission income	148,292	140,371	7,921	5.6
- Other operating income	81,354	95,679	(14,325)	-15.0
'- Share of Profit (loss) on investments valued under the equity method	11,509	5,035	6,474	128.6
'- Net income (loss) from financial activities	58,393	79,438	(21,045)	-26.5
- Other operating income/expenses	11,452	11,206	246	2.2
Operating income	425,767	442,139	(16,372)	-3.7
Administrative expenses:	(227,998)	(218,716)	(9,282)	-4.2
a) personnel expenses	(154,733)	(151,879)	(2,854)	-1.9
b) other administrative expenses	(73,265)	(66,837)	(6,428)	-9.6
Depreciations and ammortisation	(16,495)	(18,066)	1,571	8.7
Operating costs	(244,493)	(236,782)	(7,711)	-3.3
Operating profit	181,274	205,357	(24,083)	-11.7
Net adjustments to loans and other operations	(74,310)	(85,337)	11,027	12.9
Net provisions for risks and charges	(1,272)	(2,821)	1,549	54.9
Profit (loss) before tax from continuing operations	105,692	117,199	(11,507)	-9.8
Tax on income from continuing operations	(37,805)	(52,966)	15,161	28.6
Income (loss) after tax from continuing operations	67,887	64,233	3,654	5.7
Net profit (loss) for the period	67,887	64,233	3,654	5.7
Minority interests	(284)	88	(372)	n.s.
Net profit	67,603	64,321	3,282	5.1

Bipiemme Group - Consolidated Reclassified Income Statement: quarterly evolution

	(euro/000)				
	2015	2014			
	1Q	4Q	3Q	2Q	1Q
Net interest income	196,121	197,922	195,003	201,157	206,089
Non-interest income:	229,646	213,382	150,952	221,011	236,050
- Net fees and commission income	148,292	149,349	130,856	135,990	140,371
- Other operating income	8,1354	64,033	20,096	85,021	95,679
'- Share of Profit (loss) on investments valued under the equity	11,509	6,300	4,612	6,910	5,035
'- Net income (loss) from financial act	58,393	38,082	5,799	65,253	79,438
- Other operating income/expenses	11,452	19,651	9,685	12,858	11,206
Risultato dell'attività assicurativa	0	0	0	0	0
Operating income	425,767	411,304	345,955	422,168	442,139
Administrative expenses:	(227,998)	(236,376)	(207,166)	(236,573)	(218,716)
a) personnel expenses	(154,733)	(147,232)	(144,708)	(168,601)	(151,879)
b) other administrative expenses	(73,265)	(89,144)	(62,458)	(67,972)	(66,837)
Depreciations and amortisation	(16,495)	(18,612)	(18,728)	(19,478)	(18,066)
Operating costs	(244,493)	(254,988)	(225,894)	(256,051)	(236,782)
Operating profit	181,274	156,316	120,061	166,117	205,357
Net adjustments to loans and other operations	(74,310)	(136,633)	(88,216)	(113,653)	(85,337)
Net provisions for risks and charges	(1,272)	(8,004)	(286)	7,566	(2,821)
Profit (loss) from equity and other investments	0	0	0	104,474	0
Profit (loss) before tax from continuing operations	105,692	11,679	31,559	164,504	117,199
Tax on income from continuing operations	(37,805)	1,450	(3,532)	(36,960)	(52,966)
Income (loss) after tax from continuing operations	67,887	13,129	28,027	127,544	64,233
Net profit (loss) for the period	67,887	13,129	28,027	127,544	64,233
Minority interests	(284)	(99)	(232)	(397)	88
Net profit	67,603	13,030	27,795	127,147	64,321

Bipiemme Group- Reclassified Income Statement (net of non recurring items)

(euro/000)

As requested by Consob in its communication number DEM/6064293 dated 28.07.2006, we indicate the weight of the non-recurring items on the consolidated net result.

	IQ 2015			IQ 2014			Change		Change	
	A = B + C	B	C	D = E + F	E	F	A - D		C - F	
	Net Result	Net Result from non recurring operation	Net Result from recurring operation	Net Result	Net Result from non recurring operation	Net Result from recurring operation	Amount	%	Amount	%
Net interest income	196,121	0	196,121	206,089	0	206,089	(9,968)	-4.8	(9,968)	-4.8
Non-interest income:	229,646	(11,504)	241,150	236,050	0	236,050	(6,404)	-2.7	5,100	2.2
- Net fees and commission income	148,292	0	148,292	140,371	0	140,371	7,921	5.6	7,921	5.6
- Other operating income	81,354	(11,504)	92,858	95,679	0	95,679	(14,325)	-15.0	(2,821)	-2.9
- Share of Profit (loss) on investments valued under the equity method	11,509	0	11,509	5,035	0	5,035	6,474	128.6	6,474	128.6
- Net income (loss) from financial activities	58,393	(11,504)	69,897	79,438	0	79,438	(21,045)	-26.5	(9,541)	-12.0
- Other operating income/expenses	11,452	0	11,452	11,206	0	11,206	246	2.2	246	2.2
Operating income	425,767	(11,504)	437,271	442,139	0	442,139	(16,372)	-3.7	(4,868)	-1.1
Administrative expenses:	(227,998)	(922)	(227,076)	(218,716)	(13,12)	(217,404)	(9,282)	-4.2	(9,672)	-4.4
a) personnel expenses	(154,733)	(922)	(153,811)	(151,879)	(13,12)	(150,567)	(2,854)	-1.9	(3,244)	-2.2
b) other administrative expenses	(73,265)	0	(73,265)	(66,837)	0	(66,837)	(6,428)	-9.6	(6,428)	-9.6
Depreciations and amortisation	(16,495)	0	(16,495)	(18,066)	0	(18,066)	1,571	8.7	1,571	8.7
Operating costs	(244,493)	(922)	(243,571)	(236,782)	(1,312)	(235,470)	(7,711)	-3.3	(8,101)	-3.4
Operating profit	181,274	(12,426)	193,700	205,357	(1,312)	206,669	(24,083)	-11.7	(12,969)	-6.3
Net adjustments to loans and other operations	(74,310)	0	(74,310)	(85,337)	0	(85,337)	11,027	12.9	11,027	12.9
Net provisions for risks and charges	(1,272)	0	(1,272)	(2,821)	0	(2,821)	1,549	54.9	1,549	54.9
Profit (loss) before tax from continuing operations	105,692	(12,426)	118,118	117,199	(1,312)	118,511	(11,507)	-9.8	(393)	-0.3
Tax on income from continuing operations	(37,805)	4,058	(41,863)	(52,966)	361	(53,327)	15,161	28.6	11,464	21.5
Net profit (loss) for the period	67,887	(8,368)	76,255	64,233	(951)	65,184	3,654	5.7	11,071	17.0
Minority interests	(284)	0	(284)	88	0	88	(372)	n.s.	(372)	n.s.
Net profit	67,603	(8,368)	75,971	64,321	(951)	65,272	3,282	5.1	10,699	16.4

Fine Comunicato n.0049-49

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