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APPROVED

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Vedi allegato.



BANCA POPOLARE DI MILANO

BIPIEMME GROUP 1H 2015 RESULTS APPROVED

2Q 2015 NET PROFIT: €86.5 MILLION (+27.9% Q/Q) THANKS TO EXCELLENT TREND IN:

- **NET INTEREST INCOME: +5.4% Q/Q THANKS TO THE INCREASE IN CUSTOMER LOANS (+2.7%) AND THE INCREASE IN INTEREST-RATE SPREADS (+5bps)**
- **NET FEES: +6.9% Q/Q, DRIVEN BY ASSETS UNDER MANAGEMENT FEES**
- **OPERATING COSTS: DOWN BY 3.1% Q/Q, CONFIRMING THE BANK'S CONSTANT ATTENTION TO COST CONTROL**
- **PROFIT FROM EQUITY AND OTHER INVESTMENTS: €37.5 MILLION IN THE QUARTER¹**

1H 2015 NORMALISED NET PROFIT²: €164.7 MILLION, +69% Y/Y MAINLY THANKS TO:

- THE GOOD TREND IN CORE OPERATING INCOME³ + 3.8% Y/Y, THE HIGHEST IN THE LAST FOUR YEARS;
- REDUCTION IN OPERATING COSTS;
- ADJUSTMENT ON CREDIT AND OTHER OPERATIONS (-15.4% Y/Y)

1H 2015 NORMALISED PROFIT² NET OF THE CONTRIBUTION FROM "PROFIT FROM EQUITY AND OTHER INVESTMENTS"¹ WAS ALSO UP: +29.1% Y/Y

CAPITAL RATIOS WELL ABOVE THE REGULATORY THRESHOLD EVEN THOUGH THEY DO NOT YET BENEFIT FROM THE ADOPTION OF THE AIRB MODELS:

- **COMMON EQUITY TIER1 RATIO⁴: 11.35% VS. 11.23% IN 1H 14**
- **COMMON EQUITY TIER1 RATIO FULLY LOADED: 12.09%⁵**

CUSTOMER LOANS ON THE RISE: +3.0% Y/Y AND +4.4% SINCE DECEMBER 2014

EXCELLENT ASSETS UNDER MANAGEMENT PERFORMANCE: +21.6% Y/Y AND +13.2% VS DECEMBER 2014

¹ The figure as at 30 June 2015 reflects, among other things, the higher net equity of Selmabipiemme Leasing following the merger with the holding Palladio Leasing, 38.9million euros,

² Net of non-recurring items. Including the non-recurring items the net profit for the period is €154.1 million, below the €191.5 million recorded in 1H 2014, which, however, had benefitted from the €103 million extraordinary capital gain from the disposal of a stake in Anima Holding SpA.

³ Net interest income + fees.

⁴ Includes the capitalised retained profit not distributed in 1H 2015.

⁵ Calculated using the AFS reserve on govies as at 31-07-2015.

HIGH COVERAGE RATE ON NON-PERFORMING EXPOSURES: 39.3%, EQUAL TO +100BPS Q/Q AND +240BPS Y/Y

THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION TO BRING THEM INTO LINE WITH THE NEW RULES ON COOPERATIVE BANKS HAVE BEEN APPROVED

➤ Main P&L results:

- Net Interest Income: €402.9 million (-1.1% Y/Y; +5.4% Q/Q)
- Net Fees: €306.8 million (+11.0% Y/Y; +6.9% Q/Q)
- Net profit from financial activities: €70.8 million (-51.0% Y/Y);
- Operating costs down by 2.3% Y/Y and by 3.1% Q/Q;
- Staff costs: -5.3% Y/Y and -3.9% Q/Q;
- Normalised Cost Income on a like-for-like basis⁶: 55.9%, slightly down Y/Y (-0.1 p.p.) and strongly down vs December 2014 (-3.3 p.p.);
- Net profit for the period: €154.1 million vs €191.5 million as at June 2014;
- Normalised net profit: €164.7 million, +69% Y/Y

➤ Main balance-sheet results:

- Total funding⁷: €71.0 billion, stable Q/Q, of which
 - Core funding⁸: €23.2 billion +2.9%
 - AuM: €20.2 billion, +3.0%
- Customer loans: €33.5 billion (+2.7% Q/Q);
- Robust liquidity position, both short-term and mid-term;
- 1H 2015 annualised cost of risk: 101 bps.

Milan, 6 August 2015 - In today's meeting, the Management Board of Banca Popolare di Milano examined and approved BPM Group's results as at 30 June 2015.

In the first half of 2015, the Italian economy showed the first few signs of a recovery: the GDP in the first quarter increased by 0.3% Q/Q and the consumer and company confidence indexes improved greatly (Source: ISTAT). The macroeconomic context was however still weak owing to the lack of confidence of financial markets in the euro area owing to the tensions caused by the negotiations over the Greek debt. The average three-month Euribor rate in June 2015 was -0.01%, due mainly to the effects of the ECB's Quantitative Easing programme.

Despite this contrasting scenario, Bipiemme Group's core operating trends in the first half of the year were satisfactory. In particular we point out:

- **P&L Results:** the good overall trend of net interest income and net fees, along with the strict cost control;
- **Balance-sheet results:**
 - the positive trend of customer loans, which grew for the second quarter in a row;
 - the brilliant results posted by assets under management, up both year-on-year and quarter-on-quarter;

⁶ Net of non-recurring items and the contribution of €12.4m in 1H 15 for the Single Resolution Fund and Deposit Guarantee Scheme.

⁷ Direct Funding + Assets Under Management + Assets Under Custody

⁸ Current accounts + savings deposits + other technical forms

- o the growth in core funding and, in particular, in sight deposits (+1.5 billion euros vs December 2014);
- **the group's robust liquidity position**, as highlighted by the significant amount of unencumbered eligible assets of €4.6 billion and the net liquidity balance of around €4 billion spot and around €3 billion at 3 months⁹.
- **an excellent capital position**: as at the end of June "Own Funds"¹⁰ totalled €5 billion and the Common Equity Tier 1 ratio¹¹ was 11.35%.

BALANCE SHEET RESULTS AS AT 30 JUNE 2015

Direct customer funding and securities issued

Direct customer funding (amounts due to customers, debt securities issued and financial liabilities at fair value) totalled €36,802 million, up Q/Q (+€ 374 million) and basically stable vs 31 December 2014.

Specifically, "**amounts due to customers**" (€28,777 million) increased by 3.9% vs 31 December 2014, mainly due to the increase in current accounts and savings deposit accounts (+€819 million).

"**Debt securities issued**" totalled €7,868 million, down 12.4% vs 31 December 2014 due to the repurchase of securities from customers for a total of about €360 million, to the redemption of an EMTN bond that matured, nominal €600 million, and to the continued reduction in certificates of deposit owing to customers shifting their investments towards other products.

Financial liabilities valued at fair value (€158 million), made up of structured bond loans placed with retail customers, increased slightly vs 31 December 2014 (+€6 million).

Indirect customer funding

Indirect customer funding as at 30 June 2015 totalled €34,207 million, down Q/Q (-1.9%) but up vs 31 December 2014 (+€1.6 billion, +4.9%).

Specifically, **assets under management** totalled €20,227 million, up 3.0% Q/Q and 13.2% vs 31 December 2014, on positive net inflows in the quarter of €1,798 million.

The positive trend in AuM vs 31 December 2014 was due to the increase in mutual funds (+17.2%) and to insurance products (+10.9%).

Assets under custody were down at €13,980 million (-5.1% vs 31 December 2014), mainly due to the shift in customers' investments from Govies to AuM products.

Customer loans

Customer loans as at 30 June 2015 totalled €33,483 million, up both Q/Q (+2.7%) and vs 31 December 2014 (+€1.4 billion, +4.4%). This increase was mainly thanks to the technical forms of "other loans" (+14.3%) and mortgages (+2.4%). As regards the trends by segment¹² we point out the following compared with 31 December 2014:

- loans to retail customers were slightly up (+0.6%);
- loans to corporations were up¹³ (+4.5%), due mainly to the trend in loans in the "Corporate" segment (+7.7%).

The positive trend in loans to companies includes all the company sectors, in particular manufacturing (+9.4%), services (+7.5%) and the wholesale business (+6.6%). Real estate, on the other hand, was down (-1.7%).

The group's loans market share was 1.89% (data as at May 2015), up on 31 December 2014 (1.83%).

⁹ Weekly liquidity position as published on 28 July 2015

¹⁰ New definition of Regulatory Capital according to Basel 3

¹¹ Includes capitalised retained profit in first half 2015

¹² Management data by customer segment calculated using figures at the end of the period

¹³ "Corporations" includes Corporate, SMEs and Small Retail Businesses

The macroeconomic picture is still blurred and this is reflected in **credit quality**.

As at 30 June 2015, the group's total **gross non-performing exposure** was €6,062 million, +€64 million Q/Q, thus confirming the significant slowdown in growth recorded in past quarters.

Net non-performing exposure was €3.7 billion, down by 0.6% Q/Q, thus confirming the slowdown in non-performing exposure growth and the group's careful policy on provisions. An examination of the various items highlights the following trends:

- net bad loans increased by 7.0% Q/Q mainly owing to new inflows of well collateralised loans;
- unlikely to pay, -4.0% Q/Q;
- past-due, -22.6% T/T;

The total coverage rate on non-performing exposure is now 39.3%, significantly higher Q/Q (+100pbs). The coverage rate for single items has reached a significant level and shows the following trends compared with 31 March 2015:

- bad loans: 54.9% (-90 bps);
- unlikely to pay: 22.1% (+160 bps)
- past-due: 9.7% (+130 bps)
- total non-performing exposure: 39.3% (+100 bps)
- total loans: 7.2% (+10 bps)

The coverage rate on performing loans is 0.67%.

The group's **net equity** as at 30 June 2015 was €4,488 million, down Q/Q (-4.1%) and vs 31 December 2014 (-1.1%) owing to the reduction in the valuation reserve on debt securities booked among "Available for Sale" following, mainly, the market volatility that took place especially in June this year.

The Common Equity Tier 1 ratio¹⁴ is 11.35%, whereas the Common Equity Tier 1 Basel 3 fully phased is 12.09%¹⁵.

Risk weighted assets totalled €35 billion.

P&L RESULTS

Total Income

Bipiemme Group's **total income** as at 30 June 2015 was €823.5 million, down by 4.7% Y/Y. Total income was affected by the lower contribution from financial activities which, though generating €70.8 million, was down by €73.9 million Y/Y. Net interest income, on the other hand, was basically stable whereas net fees recorded excellent growth.

Specifically, **net interest income** was €402.9 million (-1.1% Y/Y) due mainly to:

- commercial interest income, which benefitted from the widening in the spread between lending interest rates and deposit interest rates (+8 bps), increased slightly (+0.6%);
- interest income from financial activities, which decreased Y/Y (-€10.2 million), due mainly to the joint effect of less income from the parent bank's securities portfolio and the lower interbank funding costs.

"Net interest income" was good on a quarterly basis, increasing to €206.8 million (+5.4%), due mainly to the increase in commercial interest income in the quarter (+€8.5 million; +4.9%); we point out that the quarter also benefitted for €4 million from the earlier cash-in of a VAT credit than the date set when it was bought. For a like-for-like comparison, the cash-in is a one-off, net of which the net interest income was up 3.4% Q/Q.

"**Non net interest income**" was €420.7 million owing to the said decrease in the contribution from **net financial activities** (-€73.9 million; -51% Q/Q). The contribution from **net fees was also significant**, increasing by €30.4 million Y/Y (+11%). The increase in **profit on investments valued**

¹⁴ Includes capitalised retained profit in first half 2015

¹⁵ Calculated using the AFS reserve on govies as at 31-07-2015

at net equity was also good (+ €7.1 million; +59.8% Y/Y) thanks to the good P&L results posted by other group holdings.

Net fees in the second quarter were also good (+6.9% Q/Q) thanks mainly to the increase in "management, brokerage and advisory fees", which are continuing to benefit from the good AuM trend in the wake of the brilliant performance in 1Q 2015.

Operating costs

The operating costs in 1H 2015 totalled €481.4 million, down Y/Y (-2.3%). Staff costs fell Y/Y (-5.3%).

Specifically, **staff costs** as at 30 June 2015 totalled €303.4 million, down by €17.1 million Y/Y (-5.3%) due mainly to fewer provisions for the variable part based on results. Net of the variable costs, total staff costs fell by 1.1%, thanks also to the reduction in the average cost of labour following the early retirement of those members of staff who signed up to the early retirement plan *Fondo di Solidarietà* (690 departures since the plan was started (31 March 2013), o/w 51 in second quarter 2015).

Other administrative expense totalled €144.9 million, an increase of €10.1 million, which includes the estimated cost of €12.4 million for the whole of 2015 owing to the European bail-in rules for banks and to the deposit guarantee scheme; net of these two items "other administrative expenses" would be down by 1.7%, thus testifying the attention the group has placed on keeping costs down.

Net adjustments on tangible and intangible assets were down at €33.1 million vs the €37.5 million recorded as at 30 June 2014.

Total operating costs recorded a good quarterly trend, falling 3.1% Q/Q to €236.9 million.

Profit from equity and other investments

The profit from holdings and investments totalled €37.5 million, down on the 30 June 2014 result, which included the capital gains from the disposal of a stake in Anima Holding of €104.5 million. The result as at 30 June 2015 reflects, among other things, the higher net equity of Selmabipiemme Leasing following the merger with the holding Palladio Leasing.

Provisions, adjustments and other items

Net adjustments on loans and other operations totalled €168.3 million as at 30 June 2015, -15.4% Y/Y (-€30.7 million). The **cost of risk** was 101 bps (vs 122 bps as at 30 June 2014).

Net adjustments on loans and other operations in the second quarter of 2015 totalled €94 million, thus testifying to the group's prudent approach and allowing for a 100 bps increase in the coverage of non-performing exposure.

Net result

After booking about €58.1 million for taxes (tax rate: 27.4%), the **group's profit** was €154.1 million, a decrease of €37.4 million compared with the net profit of €191.5 million as at 30 June 2014. However, the June 2014 result included the said capital gain from the disposal of a stake in Anima Holding; without that one-off the net result for the first half of 2015 would be a 69% profit increase Y/Y (+€67.3 million).

Prospects for the current financial year

With specific reference to Italy, the forecast +0.7% increase in GDP has been confirmed for the current year, with a stronger trend forecast for the third quarter (+0.4% estimated for Q3). The banking activity ought to continue to benefit from the ECB's unconventional policies (QE) and the economic recovery, which will stimulate the demand for credit. The banking spread is expected to decrease further whereas the increasing contribution to profitability is expected to come from income from services and from the improvement in the quality of the credit portfolio. (Source: Prometeia)

Given this backdrop, Bipiemme Group's activities will continue along the current path in the second half of 2015 in compliance with the guidelines set in the Business Plan that was approved in March last year. The commercial business will continue to be honed to improving the group's territorial foothold and the level of its services to its customers including the loans growth - supported by a sound capital base and liquidity - ought to confirm, first and foremost in the Corporate segment, the signs of a recovery in the volumes that were recorded in the first half of the year despite the increase in competition. As regards funding, the shift from time deposits to sight deposits will contribute to stabilising the net interest income . The interest-rate spread ought not to record any significant variation; the effects of the Quantitative Easing programme on lending interest rates and on deposit interest rates ought to actually offset each other. The tight control on operating costs and on risks will continue to be an important lever to maintaining profitability. The new development initiatives will be addressed to pursuing better efficiency, productivity and organisational simplification.

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	36,017 million euros (+0.8% Q/Q)
Customer loans	32,742 million euros (+2.2%)
Indirect funding	32,022 million euros (-2.0%)
Total income	770.9 million euros (-2.0% Y/Y)
Operating costs	442.2 million euros (-1.9%)
Operating profit	328.7 million euros (-2.0%)
Net profit	123.9 million euros (- 37.9%)

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

BPM would like to announce that, after the favourable opinion expressed by the Supervisory Board, the Management Board at today's meeting approved the amendments to the Articles of Association needed to bring them into line with the new rules on cooperative banks, pursuant to art. 2365, paragraph 2 of the Italian Civil Code and art. 39, paragraph 2, letter u) of the Articles of Association, in particular: (i) raising the maximum number of proxies that can be given to each Member of the Bank to represent others at General Meetings to 10; (ii) attribution to the Management Board, after consulting the Supervisory Board, of the right to limit or delay, in whole or in part, the right to reimbursement of the shares subject to withdrawal. The effectiveness of these amendments to the Articles of Association is subject to the approval of the Bank of Italy pursuant to art. 56 of Legislative Decree 385/1993.

Bipiemme Group's first half financial report as at 30 June 2015 will be filed within the established timeframe, pursuant to the law, and made available to its stakeholders and the public at this bank's headquarters and will also be posted under "Investor Relations" on the group's website www.gruppobpm.it and on the NIS-Storage system at www.emarketstorage.com.

The CEO of Bipiemme Group will disclose the First Half Results as at 30 June 2015 to the financial community in a conference call set for 6:45 p.m. (CET) today. The instructions to connect to the event can be found under Investor Relations on the home page of the bank's website www.gruppobpm.it.

Milan, 6 August 2015

For the purpose of providing more complete data on Bipiemme Group's First Half 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.

For information:

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Bipiemme Group - Reclassified Balance Sheet

(euro/000)

Assets	30.06.2015	31.03.2015	31.12.2014	30.06.2014	Change A-B		Change A-C	
	A	B	C	D	amount	%	amount	%
Cash and equivalents	224,184	209,129	322,840	248,942	15,055	7.2	-98,656	-30.6
Financial assets at fair value and hedging derivatives:	11,715,087	12,780,251	11,887,806	11,434,356	-1,065,164	-8.3	-172,719	-1.5
- Financial assets held for trading	1,824,944	2,284,325	1,921,518	1,712,025	-459,381	-20.1	-96,574	-5.0
- Financial assets designated at fair value	81,410	105,443	97,449	172,235	-24,033	-22.8	-16,039	-16.5
- Financial assets available for sale	9,632,210	10,208,114	9,670,272	9,336,110	-575,904	-5.6	-38,062	-0.4
- Hedging derivatives	161,979	160,497	178,460	198,790	1,482	0.9	-16,481	-9.2
- Changes in fair value of hedged items (+ / -)	14,544	21,872	20,107	15,196	-7,328	-33.5	-5,563	-27.7
Loans and advances to banks	1,162,731	1,050,829	984,777	1,849,987	111,902	10.6	177,954	18.1
Loans and advances to customers	33,483,029	32,600,377	32,078,843	32,520,786	882,652	2.7	1,404,186	4.4
Fixed assets	1,156,028	1,127,543	1,117,879	1,099,688	28,485	2.5	38,149	3.4
Non recurrent assets and disposal groups held for sale	6,118	0	0	0	6,118	n.a	6,118	n.a
Other assets	1,561,095	1,541,504	1,879,666	1,627,113	19,591	1.3	-318,571	-16.9
Total assets	49,308,272	49,309,633	48,271,811	48,780,872	-1,361	-0.0	1,036,461	2.1

Liabilities and Shareholders Equities	30.06.2015	31.03.2015	31.12.2014	30.06.2014	Change A-B		Change A-C	
	A	B	C	D	amount	%	amount	%
Due to banks	4,494,906	4,171,724	3,318,564	4,313,017	323,182	7.7	1,176,342	35.4
Due to customers	28,777,043	27,589,895	27,702,942	26,812,018	1,187,148	4.3	1,074,101	3.9
Debt securities in issue	7,867,754	8,677,218	8,981,834	9,316,712	-809,464	-9.3	-1,114,080	-12.4
Financial liabilities and hedging derivatives:	1,543,437	1,981,271	1,690,396	1,544,651	-437,834	-22.1	-146,959	-8.7
- Financial liabilities held for trading	1,326,834	1,746,892	1,463,445	1,321,381	-420,058	-24.0	-136,611	-9.3
- Financial liabilities designated at fair value	157,702	161,759	152,116	157,846	-4,057	-2.5	5,586	3.7
- Hedging derivatives	44,092	58,053	58,751	45,742	-13,961	-24.0	-14,659	-25.0
- Changes in fair value of hedged items (+ / -)	14,809	14,567	16,084	19,682	242	1.7	-1,275	-7.9
Other liabilities	1,650,859	1,686,438	1,501,993	1,777,531	-35,579	-2.1	148,866	9.9
Provisions for specific use	467,674	502,403	519,975	539,284	-34,729	-6.9	-52,301	-10.1
Share capital and reserve	4,333,508	4,613,588	4,304,390	4,266,963	-280,080	-6.1	29,118	0.7
Minority interests (+/-)	19,038	19,493	19,424	19,228	-455	-2.3	-386	-2.0
Net profit (loss) for the period (+ / -)	154,053	67,603	232,293	191,468	86,450	n.s.	-78,240	n.s.
Total liabilities and Shareholder Equity	49,308,272	49,309,633	48,271,811	48,780,872	-1,361	-0.0	1,036,461	2.1

Bipiemme Group - Consolidated Reclassified Balance Sheet: quarterly evolution

(euro/000)

Assets	2015		2014			
	30.6	31.3	31.12	30.9	30.6	31.3
Cash and equivalents	224,184	209,129	322,840	232,295	248,942	242,900
Financial assets at fair value and hedging derivatives:	11,715,087	12,780,251	11,887,806	11,959,086	11,434,356	10,941,852
- Financial assets held for trading	1,824,944	2,284,325	1,921,518	1,954,084	1,712,025	1,587,646
- Financial assets designated at fair value	81,410	105,443	97,449	101,861	172,235	202,542
- Financial assets available for sale	9,632,210	10,208,114	9,670,272	9,662,753	9,336,110	8,969,488
- Hedging derivatives	161,979	160,497	178,460	223,056	198,790	170,081
- Changes in fair value of hedged items (+ / -)	14,544	21,872	20,107	17,332	15,196	12,095
Loans and advances to banks	1,162,731	1,050,829	984,777	1,562,185	1,849,987	2,254,757
Loans and advances to customers	33,483,029	32,600,377	32,078,843	32,095,916	32,520,786	32,821,420
Fixed assets	1,156,028	1,127,543	1,117,879	1,099,811	1,099,688	1,085,101
Non recurrent assets and disposal groups held for sale	6,118	0	0	0	0	134,596
Other assets	1,561,095	1,541,504	1,879,666	1,519,517	1,627,113	1,544,831
Total assets	49,308,272	49,309,633	48,271,811	48,468,810	48,780,872	49,025,457
Liabilities and Shareholders Equities	2015		2014			
	30.6	31.3	31.12	30.9	30.6	31.3
Due to banks	4,494,906	4,171,724	3,318,564	3,792,622	4,313,017	6,015,928
Due to customers	28,777,043	27,589,895	27,702,942	26,979,219	26,812,018	26,025,446
Debt securities in issue	7,867,754	8,677,218	8,981,834	9,271,996	9,316,712	9,503,147
Financial liabilities and hedging derivatives:	1,543,437	1,981,271	1,690,396	1,716,900	1,544,651	1,477,065
- Financial liabilities held for trading	1,326,834	1,746,892	1,463,445	1,491,342	1,321,381	1,240,546
- Financial liabilities designated at fair value	157,702	161,759	152,116	150,573	157,846	184,224
- Hedging derivatives	44,092	58,053	58,751	57,102	45,742	30,833
- Changes in fair value of hedged items (+ / -)	14,809	14,567	16,084	17,883	19,682	21,462
Other liabilities	1,650,859	1,686,438	1,501,993	1,622,393	1,777,531	1,645,410
Provisions for specific use	467,674	502,403	519,975	518,136	539,284	542,693
Share capital and reserve	4,333,508	4,613,588	4,304,390	4,328,863	4,266,963	3,732,552
Minority interests (+/-)	19,038	19,493	19,424	19,418	19,228	18,895
Net profit (loss) for the period (+ / -)	154,053	67,603	232,293	219,263	191,468	64,321
Total liabilities and Shareholder Equity	49,308,272	49,309,633	48,271,811	48,468,810	48,780,872	49,025,457

Bipiemme Group - Consolidated Reclassified Income Statement

(euro/000)

	1H 2015	1H 2014	Amount	
			Change	%
Net interest income	402,880	407,246	(4,366)	-1.1
Non-interest income:	420,653	457,061	(36,408)	-8.0
- Net fees and commission income	306,753	276,361	30,392	11.0
- Other operating income	113,900	180,700	(66,800)	-37.0
- <i>Share of Profit (loss) on investments valued under the equity method</i>	19,083	11,945	7,138	59.8
- <i>Net income (loss) from financial activities</i>	70,827	144,691	(73,864)	-51.0
- <i>Other operating income/expenses</i>	23,990	24,064	(74)	-0.3
Operating income	823,533	864,307	(40,774)	-4.7
Administrative expenses	(448,249)	(455,289)	7,040	1.5
a) <i>personnel expenses</i>	(303,365)	(320,480)	17,115	5.3
b) <i>other administrative expenses</i>	(144,884)	(134,809)	(10,075)	-7.5
Depreciation and amortisations	(33,124)	(37,544)	4,420	11.8
Operating costs	(481,373)	(492,833)	11,460	2.3
Operating profit	342,160	371,474	(29,314)	-7.9
Net adjustments to loans and other operations	(168,339)	(198,990)	30,651	15.4
Net provisions for risks and charges	1,092	4,745	(3,653)	-77.0
Profits (losses) from equity and other investments and adjustments to goodwill and intangible assets	37,453	104,474	(67,021)	-64.2
Profit (loss) before tax from continuing operations	212,366	281,703	(69,337)	-24.6
Tax on income from continuing operations	(58,144)	(89,926)	31,782	35.3
Net profit (loss) for the period	154,222	191,777	(37,555)	-19.6
Minority interests	(169)	(309)	140	45.3
Net profit	154,053	191,468	(37,415)	-19.5

Bipiemme Group - Consolidated Reclassified Income Statement: quarterly evolution

(euro/000)

	2015		2014			
	30.06	31.03	31.12	30.09	30.06	31.03
Net interest income	206,759	196,121	197,922	195,003	201,157	206,089
Non-interest income:	191,007	229,646	213,382	150,952	221,011	236,050
- Net fees and commission income	158,461	148,292	149,349	130,856	135,990	140,371
- Other operating income	32,546	81,354	64,033	20,096	85,021	95,679
- Share of Profit (loss) on investments valued under the equity method	7,574	11,509	6,300	4,612	6,910	5,035
- Net income (loss) from financial activities	12,434	58,393	38,082	5,799	65,253	79,438
- Other operating income/expenses	12,538	11,452	19,651	9,685	12,858	11,206
Operating income	397,766	425,767	411,304	345,955	422,168	442,139
Administrative expenses	(220,251)	(227,998)	(236,376)	(207,166)	(236,573)	(218,716)
a) personnel expenses	(148,632)	(154,733)	(147,232)	(144,708)	(168,601)	(151,879)
b) other administrative expenses	(71,619)	(73,265)	(89,144)	(62,458)	(67,972)	(66,837)
Depreciation and amortisation	(16,629)	(16,495)	(18,612)	(18,728)	(19,478)	(18,066)
Operating costs	(236,880)	(244,493)	(254,988)	(225,894)	(256,051)	(236,782)
Operating profit	160,886	181,274	156,316	120,061	166,117	205,357
Net adjustments to loans and other operations	(94,029)	(74,310)	(136,633)	(88,216)	(113,653)	(85,337)
Net provisions for risks and charges	2,364	(1,272)	(8,004)	(286)	7,566	(2,821)
Profits (losses) from equity and other investments and adjustments	37,453	0	0	0	104,474	0
Profit (loss) before tax from continuing operations	106,674	105,692	11,679	31,559	164,504	117,199
Tax on income from continuing operations	(20,339)	(37,805)	1,450	(3,532)	(36,960)	(52,966)
Net profit (loss) for the period	86,335	67,887	13,129	28,027	127,544	64,233
Minority interests	115	(284)	(99)	(232)	(397)	88
Net profit	86,450	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 net result for the period.

	1H 2015			1H 2014						
	A = B + C	B	C	D = E + F	E	F	Change	A - D	Change	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	402,880	0	402,880	407,246	0	407,246	(4,366)	-1.1	(4,366)	-1.1
Non-interest income:	420,653	(11,504)	432,157	457,061	0	457,061	(36,408)	-8.0	(24,904)	-5.4
- Net fees and commission income	306,753	0	306,753	276,361	0	276,361	30,392	11.0	30,392	11.0
- Other operating income	113,900	(11,504)	125,404	180,700	0	180,700	(66,800)	-37.0	(55,296)	-30.6
¹ - Share of Profit (loss) on investments valued under the equity method	19,083	0	19,083	11,945	0	11,945	7,138	59.8	7,138	59.8
¹ - Net income (loss) from financial activities	70,827	(11,504)	82,331	144,691	0	144,691	(73,864)	-51.0	(62,360)	-43.1
- Other operating income/expenses	23,990	0	23,990	24,064	0	24,064	(74)	-0.3	(74)	-0.3
Operating income	823,533	(11,504)	835,037	864,307	0	864,307	(40,774)	-4.7	(29,270)	-3.4
Administrative expenses:	(448,249)	(2,180)	(446,069)	(455,289)	(8,491)	(446,798)	7,040	1.5	729	0.2
a) personnel expenses	(303,365)	(2,180)	(301,185)	(320,480)	(8,491)	(311,989)	17,115	5.3	10,804	3.5
b) other administrative expenses	(144,884)	0	(144,884)	(134,809)	0	(134,809)	(10,075)	-7.5	(10,075)	-7.5
Depreciations and amortisation	(33,124)	0	(33,124)	(37,544)	0	(37,544)	4,420	11.8	4,420	11.8
Operating costs	(481,373)	(2,180)	(479,193)	(492,833)	(8,491)	(484,342)	11,460	2.3	5,149	1.1
Operating profit	342,160	(13,684)	355,844	371,474	(8,491)	379,965	(29,314)	-7.9	(24,121)	-6.3
Net adjustments to loans and other operations	(168,339)	0	(168,339)	(198,990)	0	(198,990)	30,651	15.4	30,651	15.4
Net provisions for risks and charges	1,092	0	1,092	4,745	0	4,745	3,653	77.0	3,653	77.0
Profits (losses) from equity and other investments and adjustments	37,453	(1,398)	38,851	104,474	104,474	0	(67,021)	-64.2	38,851	n.s.
Profit (loss) before tax from continuing operations	212,366	(15,082)	227,448	281,703	95,983	185,720	(69,337)	-24.6	41,728	22.5
Tax on income from continuing operations	(58,144)	4,404	(62,548)	(89,926)	(1,982)	(87,944)	31,782	35.3	25,396	28.9
Net profit (loss) for the period	154,222	(10,678)	164,900	191,777	94,001	97,776	(37,555)	-19.6	67,124	68.7
Minority interests	(169)	8	(177)	(309)	4	(313)	140	45.3	136	43.5
Net profit	154,053	(10,670)	164,723	191,468	94,005	97,463	(37,415)	-19.5	67,260	69.0

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