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Oggetto : BIPIEMME GROUP: RESULTS AS AT 30
SEPTEMBER 2015 APPROVED

Testo del comunicato

Vedi allegato.



BANCA POPOLARE DI MILANO

**BIPIEMME GROUP
RESULTS AS AT 30 SEPTEMBER 2015 APPROVED**

NORMALISED¹ 9M 2015 NET PROFIT: €213.9 MILLION, +70% Y/Y

GOOD TREND IN CORE REVENUES²: +4.9% Y/Y o/w

- **NET INTEREST INCOME: +0.8% Y/Y (+1.1% Y/Y like-for-like³)**
- **NET FEES AND COMMISSION: +10.9% Y/Y**

TIGHT CONTROL ON OPERATING COSTS: -1.5% Y/Y

DECREASE IN COST OF RISK⁴: 98 BPS (-21 BPS Y/Y)

CUSTOMER LOANS: +4.1% YTD

DIRECT FUNDING: +0.4% YTD

EXCELLENT AUM PERFORMANCE: +12.5% VS. DECEMBER 2014

CAPITAL RATIOS WELL ABOVE REGULATORY LEVEL, THOUGH THEY DO NOT YET BENEFIT FROM ADOPTION OF AIRB MODELS:

- **COMMON EQUITY TIER1 RATIO⁵: 11.44%**
- **COMMON EQUITY TIER1 RATIO FULLY PHASED: 12.13%**

HIGH NPE COVERAGE: 39.5%, +190 BPS Y/Y

¹ Net of non-recurring items. The first nine months of 2014 benefitted from €103 million extraordinary capital gain from the disposal of a stake in Anima Holding SpA. Including the non-recurring items, the net profit for the period was €202.1 million, down vs €219.3 million as at 30 September 2014.

² Net interest income + Net fees and commission.

³ On a like-for-like basis, i.e. net of some items considered as one-off items included in the net interest income for Q1 14 and Q2 15, ~€6m and ~€4m respectively.

⁴ Annualised 9 months result.

⁵ Includes the amount of profit as at 30 September 2015 calculated in compliance with current regulations.

➤ **Main P&L results:**

- Net interest income: €606.8 million (+0.8% Y/Y, -1.4 Q/Q and +1.1% Y/Y⁶, +0.6% Q/Q⁷ on a like-for-like basis);
- Net fees and commission: €451.6 million (+10.9% Y/Y, -8.6% Q/Q);
- Operating costs: -1.5% Y/Y, -4.3% Q/Q;
- Staff costs: -2.8% Y/Y, stable Q/Q;
- Net profit for the period: €202.1 million vs. €219.3 million as at 30 September 2014;
- Normalised net profit: €213.9 million, +70% Y/Y.

➤ **Main balance-sheet results:**

- Direct customer funding: €37.0 billion, +0.5% Q/Q, +0.4% since the end of 2014, o/w
 - Core funding⁸: €24.0 billion, +3.1% Q/Q, +6.8% vs 31 December 2014;
- Customer loans: €33.4 billion, stable Q/Q, +4.1% vs 31 December 2014;
- Sound short-term and mid-term liquidity positions;
- Annualised cost of risk for 9M 2015: 98 bps (-21 bps Y/Y).

Milan, 10 November 2015 - In today's meeting, the Management Board of Banca Popolare di Milano examined and approved BPM Group's results as at 30 September 2015.

In the first nine months of 2015, the Italian economy showed the first few signs of a recovery: expected GDP for the third quarter is now 0.4% (Source: Prometeia). The IMF has raised its forecast for 2015 Italian GDP (now +0.8%). The level of interest rates – due also to the effects of the ECB's Quantitative Easing programme - is one of the lowest ever with the average three-month Euribor rate in September 2015 at -0.04%.

In this context, Bipiemme Group's core operating trends in the first nine months of 2015 were good. In particular we point out:

- **P&L Results:** the good overall trend in net interest income and net fees and commission, along with the tight cost control;
- **Balance-sheet results:**
 - the positive trend in customer loans (+€1.3 billion vs 31 December 2014);
 - the solid AUM trend (+€2.2 billion vs 31 December 2014, stable Q/Q);
 - the increase in core funding⁸ and, in particular, sight deposits (+€1.5 billion vs 31 December 2014; +€684 million Q/Q);
- **the group's liquidity position** is robust, as highlighted by the significant amount of unencumbered eligible securities, €5.6 billion, and the net spot liquidity balance, about 12% of the total assets⁹;
- **an excellent capital position:** as at the end of September 2015 the bank's "Own Funds" totalled €5.0 billion and the Common Equity Tier 1 ratio was 11.44%.

⁶ On a like-for-like basis, i.e. net of some items considered as one-off items included in the net interest income for Q1 14 and Q2 15, ~€6m and ~€4m respectively.

⁷ On a like-for-like basis, i.e. net of one item considered as a one-off, approx. €4 million, which the previous quarter benefitted from due to the early reimbursement of a VAT credit.

⁸ Current accounts + savings deposits + other technical forms.

⁹ Weekly liquidity position as published on 3 November 2015.

BALANCE SHEET RESULTS AS AT 30 SEPTEMBER 2015

Direct customer funding and securities issued

Direct customer funding (amounts due to customers, debt securities issued and financial liabilities at fair value) totalled €36,991 million, up vs 31 December 2014 (+0.4%) and Q/Q (+0.5%).

Specifically, "amounts due to customers" (€28,577 million) increased by 3.2% vs 31 December 2014, mainly due to the increase in "current accounts and savings deposit accounts" (+6.7%), which more than offset the decrease in repos (-12.5%).

"Debt securities issued" totalled €8,281 million, down 7.8% (-€701 million) vs 31 December 2014. This decrease was due to the following mix:

- the issue of a 1 billion euro Covered Bond in September 2015;
- the redemption of some retail bonds for a total of 0.6 billion euros;
- the buy-back of bonds for a nominal value of €358 million, plus €100 million in other buy-backs;
- the decrease in subordinated liabilities for a total of €646 million due mostly to a subordinated bond that matured (Lower Tier 2) and the advance reimbursement of some Preferred Securities issued by BPM Capital I.

BPM's market share of the funding market as at August 2015 was 1.59% vs 1.61% in December 2014.

Indirect customer funding

Indirect customer funding as at 30 September 2015 totalled €33,744 million, a significant increase vs 31 December 2014 (+3.5%).

Specifically, "assets under management" totalled €20,109 million, up vs 31 December 2014 (+12.5%). The item was basically stable Q/Q (-0.6%) owing to the trend in financial markets. Net inflows, on the other hand, were positive for the quarter (above €300 million).

"Assets under custody" as at 30 September 2015 totalled €13,635 million, down vs December 2014 (-7.5%) and vs June 2015 (-2.5%), mainly due to customers' ongoing preference for AuM products.

Customer loans

Customer loans as at 30 September 2015 totalled €33,402 million, up vs December 2014 (+4.1%) and stable vs June 2015 (-0.2%).

The increase in the first nine months of the year was mainly due to the increase in "other loans" (+€997 million, +13.7%), mainly in the "corporate" segment. Mortgages also grew well, +€464 million. Indeed, in the first nine months of the year the bank granted new mortgages and instalment loans for around €3.6 billion, +53.0% Y/Y.

With regard to the trends in loans to customers¹⁰ we point out that the trend in commercial loans was marked by an increase in retail loans (+1.7%) and in corporate loans (+4.8%) due mainly to the aforesaid trend in the "corporate" segment (+8.1%).

The group's market share of the loans market at the end of August 2015 was 1.90%, up vs December 2014 (1.83%).

¹⁰ Management data by customer segment calculated using figures at the end of the period

Credit quality, for both the banking industry and BPM, has shown no signs of improvement yet from the gradual, albeit slight, improvement in economic conditions. Indeed, national data on the banking industry (Source: ABI – data updated as at August 2015) show that net bad loans on total loans was 4.8%, up from 4.6% on June 2015. The data for Bipiemme Group were better than the average for the banking industry (4.5% as at September 2015).

Specifically, the group's net NPEs in September 2015 totalled €3,715 million. We point out that there was a significant slowdown in the growth of NPEs which, in the first nine months of 2014, had posted a 6.4% increase compared with the 3.3% (-3.1pp) increase posted in the first nine months of 2015. NPEs grew by 1% in Q3 2015.

The increase in net NPEs in the first nine months can be explained by the following:

- an increase in net bad loans (+12.5% vs December 2014), which, though, shows that the quarterly growth rate (+3.9%) has slowed down compared with June 2015 (+7.0% Q/Q);
- a reduction in "unlikely to pay" of €66.5 million (-3.1%) compared with December 2014 and €80.4 million (-3.8%) compared with June 2015;
- a €16.2 million increase in "past-due" vs the end of 2014 and €61.7 million vs June 2015.

The total coverage rate on non-performing exposure is now 39.5%, 20 bps higher since June 2015 and 100 bps vs December 2014.

The coverage rate for single items in September 2015 is still at a significant level:

- bad loans: 54.7% vs 54.9% in June 2015; the slight decrease was due to some new positions backed by a high collateral value;
- Unlikely to pay: 22.0%;
- Past-due: 9.8%;
- Total loans: 7.3%.

When we take into consideration the cancellations on single positions, the coverage rate on bad loans is 61.0%.

The coverage rate on performing loans is 0.64%.

The **group's net equity** as at 30 September 2015 was €4,607 million, up vs June 2015 (+2.7%) and vs the end of 2014 (+1.6%). The increase vs 30 June 2015 was due, in addition to the profit for the period, to the increase in the valuation reserve for govies booked among Financial Assets Available for Sale.

The Common Equity Tier 1¹¹ ratio was 11.44% and the Common Equity Tier 1 Basel 3 fully phased was 12.13%.

Risk weighted assets totalled €34.9 billion.

¹¹ Includes the amount of profit as at 30 September 2015 calculated in compliance with current regulations.

P&L RESULTS

Total Income

Bipiemme Group's **total income** as at 30 September 2015 was €1,199 million (-0.9% Y/Y) due to, on the one hand, the positive contribution from core revenues¹² (€1.1 billion, +4.9% Y/Y) and, on the other hand, the decrease in the contribution from financial activities, which was positive for € 81.6 million but down by €68.8 million vs around €151 million as at 30 September 2014.

Specifically, **net interest income** was €606.8 million, up 0.8% Y/Y and 1.1% Y/Y on a like-for-like basis¹³. Specifically, we point out that there was an increase in the commercial interest income - which benefitted from the widening in the spread between lending interest rates and deposit interest rates (+4 bps) - and the lower contribution from the government bond portfolio, in line with the bank's forecast, which was partially offset by the lower cost of interbank and institutional funding and higher margins from financial activities.

Net interest income in the quarter was €203.9 million, -1.4% Q/Q but 0.6% on a like-for-like basis.¹⁴

"**Non net interest income**" (€592.1 million) benefitted from the significant contribution from **net fees and commission** (€451.6 million, +10.9% Y/Y) and the increase in **other operating income/charges** (+2.3%) for a total of €34.5 million. **Net result from financial activities** totalled €81.6 million (-45.7% Y/Y).

A quarterly comparison of non net interest income, which was €171.5 million, highlights the seasonal effect of the period as net fees and commission (€144.9 million) decreased 8.6% Q/Q, but increased by 10.7% compared with the same quarter 2014; income from financial activities contributed €10.8 million, though they were down in the quarter.

Operating costs

The **operating costs** in the first nine months of 2015 fell by 1.5% Y/Y.

Specifically, **staff costs** as at 30 September 2015 totalled €452.0 million (-2.8% Y/Y). The decrease in staff costs was due, on the one hand, to fewer provisions for the variable part tied to results¹⁵ and, on the other hand, to other items, including the steady decrease in average labour costs following the early retirement of some staff that had signed up to the early retirement plan "Fondo di Solidarietà" (715 people have left the bank since the plan came into effect).

Other administrative expense totalled €205.2 million (+€ 7.9 million Y/Y). The Y/Y increase was completely due to a €12.4 million contribution to the Single Resolution Fund (SRF) and to the Deposit Guarantee Scheme (DGS). Net of this contribution, "other

¹² Net interest income + net fees and commission.

¹³ On a like-for-like basis, i.e. net of some items considered as one-off items included in the net interest income for Q1 14 and Q2 15, ~€6m and ~€4m respectively.

¹⁴ On a like-for-like basis, i.e. net of one item considered as a one-off, approx. €4 million, which the previous quarter benefitted from due to the early reimbursement of a VAT credit.

¹⁵ Owing to the decrease in profit in the first nine months of 2015 vs the first nine months of 2014, which had benefitted from profit from the disposal of a stake in Anima Holding.

administration expenses" would fall by 2.3% Y/Y, thus confirming the bank's tight policy on controlling costs.

Net adjustments on tangible and intangible assets decreased to €50.7 million (€56.3 million in the same period 2014).

The cost/income ratio improved by 40 bps to 59.0%.

Total operating costs in the quarter totalled €226.6 million, -4.3% Q/Q. The decrease was due to "other administrative costs" which, in Q2, included €4.4 million paid into the DGS.

Profit from equity and other investments

"Profit from holdings and investments" totalled €37.5 million, down on September 2014 which included a capital gain from the disposal of a stake in Anima Holding of €104.5 million. The September 2015 figure includes the higher net equity value of Selmabipiemme Leasing following the merger with the subsidiary Palladio Leasing.

Provisions, adjustments and other items

Net adjustments on loans and other operations as at 30 September 2015 totalled €246.3 million, down by €40.9 million Y/Y.

The **cost of risk** was 98 bps (vs 119 bps in 9M 2014).

Net adjustments on loans and other operations in the third quarter of 2015 totalled €78 million vs the €94 million recorded in Q2. The annualised cost of risk for the quarter was thus 93 bps (-19 bps Q/Q).

Net result

After booking about €75.5 million for taxes (tax rate 27.1%), the **group's profit** was €202.1 million, down by €17.2 million vs the net profit of €219.3 million as at 30 September 2014. However, the September 2014 result included the mentioned capital gain from the disposal of a stake in Anima Holding and other one-off items. Net of those items, the net result for the first nine months of 2015 would be a 70% increase Y/Y (+€87.9 million).

Prospects for the current financial year

The forecasts are that world GDP will not grow as fast in 2015 as it did in 2014 (+3.1% vs +3.4% in 2014 – Source: IMF). However, there ought to be a slight recovery in the European Union (+1.5% vs +0.9% in 2014) driven by the expansive monetary policy, the fall in the euro and the low commodity prices, even though the Greek crisis still poses a threat to stability. As far as Italy is concerned, economic operators are more optimistic about the economy as GDP is forecast to grow between 0.8% and 0.9% along with a fall in the unemployment rate. The banking sector ought to continue to benefit from the ECB's non-conventional policy (QE) and from the economic recovery, which will favour an increase in the demand for loans. The banking spread is expected to decrease further whereas the increasing contribution to profitability is expected to come from non-interest income and from the improvement in the quality of the credit portfolio (Source: Prometeia).

Given this backdrop, Bipiemme Group's activities will continue in the last quarter of 2015 along the current path in compliance with the guidelines set in the Business Plan that

was approved in March 2014. The commercial business strategy will continue to be honed to improving the group's territorial foothold and the level of its services to its customers. 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 volumes that were recorded in the first half of the year despite the increase in competition. As regards funding, the bank envisages it will continue to shift from maturing liabilities to sight deposits, thus generating further cost reductions. This will help to limit the reduction in the spread between lending interest rates and deposit interest rates. Under non-net interest income, net fees and commission ought to post good results thanks to the positive trend in AUM, the increase in loans and the effects of the economic recovery on banking services. The tight control on operating costs and 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	36,218 million euros (+0.4% vs 31 December 2014)
Customer loans	32,811 million euros (+4.0%)
Indirect funding	31,646 million euros (+3.5%)
Total income	1,113.6 million euros (+1.4% vs 30 September 2014)
Operating costs	652.3 million euros (-0.9%)
Operating profit	461.3 million euros (+4.9%)
Net profit	162.6 million euros (-€56.7 million)

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.

Bipiemme Group's third quarter financial report as at 30 September 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 third quarter results as at 30 September 2015 to the financial community in a conference call set for 5:40 p.m. (CET) today 10th

November. 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, 10 November 2015

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

For information:

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Bipiemme Group - Reclassified Balance Sheet

(euro/000)

Assets	30.09.2015	30.06.2015	31.12.2014	30.09.2014	Change A-B		Change A-C	
	A	B	C	D	amount	%	amount	%
Cash and equivalents	226,822	224,184	322,840	232,295	2,638	1.2	-96,018	-29.7
Financial assets at fair value and hedging derivatives:	11,965,118	11,715,087	11,887,806	11,959,086	250,031	2.1	77,312	0.7
- Financial assets held for trading	1,832,200	1,824,944	1,921,518	1,954,084	7,256	0.4	-89,318	-4.6
- Financial assets designed at fair value	80,854	81,410	97,449	101,861	-556	-0.7	-16,595	-17.0
- Financial assets available for sale	9,947,242	9,632,210	9,670,272	9,662,753	315,032	3.3	276,970	2.9
- Hedging derivatives	91,173	161,979	178,460	223,056	-70,806	-43.7	-87,287	-48.9
- Changes in fair value of hedged items (+ / -)	13,649	14,544	20,107	17,332	-895	-6.2	-6,458	-32.1
Loans and advances to bank	1,287,592	1,162,731	984,777	1,562,185	124,861	10.7	302,815	30.7
Loans and advances to customers	33,401,500	33,483,029	32,078,843	32,095,916	-81,529	-0.2	1,322,657	4.1
Fixed assets	1,167,942	1,156,028	1,117,879	1,099,811	11,914	1.0	50,063	4.5
Non recurrent assets and disposal groups held for sale	6,118	6,118	0	0	0	0.0	6,118	n.a
Other assets	1,459,941	1,561,095	1,879,666	1,519,517	-101,154	-6.5	-419,725	-22.3
Total assets	49,515,033	49,308,272	48,271,811	48,468,810	206,761	0.4	1,243,222	2.6

Liabilities and Shareholders Equities	30.09.2015	30.06.2015	31.12.2014	30.09.2014	Change A-B		Change A-C	
	A	B	C	D	amount	%	amount	%
Due to banks	4,550,638	4,494,906	3,318,564	3,792,622	55,732	1.2	1,232,074	37.1
Due to customers	28,577,221	28,777,043	27,702,942	26,979,219	-199,822	-0.7	874,279	3.2
Debt securities in issue	8,281,217	7,867,754	8,981,834	9,271,996	413,463	5.3	-700,617	-7.8
Financial liabilities and hedging derivatives:	1,450,858	1,543,437	1,690,396	1,716,900	-92,579	-4.7	-239,538	-14.2
- Financial liabilities held for trading	1,256,371	1,326,834	1,463,445	1,491,342	-70,463	-5.3	-207,074	-14.1
- Financial liabilities designed at fair value	132,536	157,702	152,116	150,573	-25,166	-16.0	-19,580	-12.9
- Hedging derivatives	43,438	44,092	58,751	57,102	-654	-1.5	-15,313	-26.1
- Changes in fair value of hedged items (+ / -)	18,513	14,809	16,084	17,883	3,704	25.0	2,429	15.1
Other liabilities	1,568,866	1,650,859	1,501,993	1,622,393	-81,993	-5.0	66,873	4.5
Provision for specific use	459,406	467,674	519,975	518,136	-8,268	-1.8	-60,569	-11.6
Share capital and reserve	4,404,959	4,333,508	4,304,390	4,328,863	71,451	1.6	100,569	2.3
Minority interests (+ / -)	19,816	19,038	19,424	19,418	778	4.1	392	2.0
Net profit (loss) for the period (+ / -)	202,052	154,053	232,293	219,263	47,999	n.s.	-30,241	n.s.
Total liabilities and Shareholders Equities	49,515,033	49,308,272	48,271,811	48,468,810	206,761	0.4	1,243,222	2.6

Bipiemme Group - Consolidated Reclassified Balance Sheet: quaterly evolution

(euro/000)

Assets	2015			2014			
	30.9	30.6	31.3	31.12	30.9	30.6	31.3
Cash and equivalents	226,822	224,184	209,129	322,840	232,295	248,942	242,900
Financial assets at fair value and hedging derivatives:	11,965,118	11,715,087	12,780,251	11,887,806	11,959,086	11,434,356	10,941,852
- <i>Financial assets held for trading</i>	1,832,200	1,824,944	2,284,325	1,921,518	1,954,084	1,712,025	1,587,646
- <i>Financial assets designed at fair value</i>	80,854	81,410	105,443	97,449	101,861	172,235	202,542
- <i>Financial assets available for sale</i>	9,947,242	9,632,210	10,208,114	9,670,272	9,662,753	9,336,110	8,969,488
- <i>Hedging derivatives</i>	91,173	161,979	160,497	178,460	223,056	198,790	170,081
- <i>Changes in fair value of hedged items (+ / -)</i>	13,649	14,544	21,872	20,107	17,332	15,196	12,095
Loans and advances to bank	1,287,592	1,162,731	1,050,829	984,777	1,562,185	1,849,987	2,254,757
Loans and advances to customers	33,401,500	33,483,029	32,600,377	32,078,843	32,095,916	32,520,786	32,821,420
Fixed assets	1,167,942	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	6,118	0	0	0	0	134,596
Other assets	1,459,941	1,561,095	1,541,504	1,879,666	1,519,517	1,627,113	1,544,831
Total assets	49,515,033	49,308,272	49,309,633	48,271,811	48,468,810	48,780,872	49,025,457

Liabilities and Shareholders Equity	2015			2014			
	30.9	30.6	31.3	31.12	30.9	30.6	31.3
Due to banks	4,550,638	4,494,906	4,171,724	3,318,564	3,792,622	4,313,017	6,015,928
Due to customers	28,577,221	28,777,043	27,589,895	27,702,942	26,979,219	26,812,018	26,025,446
Debt securities in issue	8,281,217	7,867,754	8,677,218	8,981,834	9,271,996	9,316,712	9,503,147
Financial liabilities and hedging derivatives:	1,450,858	1,543,437	1,981,271	1,690,396	1,716,900	1,544,651	1,477,065
- <i>Financial liabilities held for trading</i>	1,256,371	1,326,834	1,746,892	1,463,445	1,491,342	1,321,381	1,240,546
- <i>Financial liabilities designed at fair value</i>	132,536	157,702	161,759	152,116	150,573	157,846	184,224
- <i>Hedging derivatives</i>	43,438	44,092	58,053	58,751	57,102	45,742	30,833
- <i>Changes in fair value of hedged items (+ / -)</i>	18,513	14,809	14,567	16,084	17,883	19,682	21,462
Other liabilities	1,568,866	1,650,859	1,686,438	1,501,993	1,622,393	1,777,531	1,645,410
Provision for specific use	459,406	467,674	502,403	519,975	518,136	539,284	542,693
Share capital and reserve	4,404,959	4,333,508	4,613,588	4,304,390	4,328,863	4,266,963	3,732,552
Minority interests (+ / -)	19,816	19,038	19,493	19,424	19,418	19,228	18,895
Net profit (loss) for the period (+ / -)	202,052	154,053	67,603	232,293	219,263	191,468	64,321
Total liabilities and Shareholders Equity	49,515,033	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)

	9M 2015	9M 2014	Change	
			Amount	%
Net interest income	606,816	602,249	4,567	0.8
Non-interest income	592,150	608,013	(15,863)	-2.6
- Net fees and commission income	451,639	407,217	44,422	10.9
- Other operating income:	140,511	200,796	(60,285)	-30.0
- <i>Share of profit (loss) on investments valued under the equity method</i>	<i>24,352</i>	<i>16,557</i>	<i>7,795</i>	<i>47.1</i>
- <i>Net income (loss) from financial activities</i>	<i>81,647</i>	<i>150,490</i>	<i>(68,843)</i>	<i>-45.7</i>
- <i>Other operating income/expenses</i>	<i>34,512</i>	<i>33,749</i>	<i>763</i>	<i>2.3</i>
Operating income	1,198,966	1,210,262	(11,296)	-0.9
Administrative expenses:	(657,256)	(662,455)	5,199	0.8
<i>a) personnel expenses</i>	<i>(452,043)</i>	<i>(465,188)</i>	<i>13,145</i>	<i>2.8</i>
<i>b) other administrative expense</i>	<i>(205,213)</i>	<i>(197,267)</i>	<i>(7,946)</i>	<i>-4.0</i>
Depreciation and amortisation	(50,706)	(56,272)	5,566	9.9
Operating costs	(707,962)	(718,727)	10,765	1.5
Operating profit	491,004	491,535	(531)	-0.1
Net adjustments to loans and other operations	(246,311)	(287,206)	40,895	14.2
Net provisions for risk and charges	(3,880)	4,459	(8,339)	n.s.
Profit (loss) from equity and other other investments and adjustments to goodwill and intangible assets	37,452	104,474	(67,022)	-64.2
Profit (loss) before tax from continuing operations	278,265	313,262	(34,997)	-11.2
Tax on income from continuing operations	(75,450)	(93,458)	18,008	19.3
Net profit (loss) for the period	202,815	219,804	(16,989)	-7.7
Minority interests	(763)	(541)	(222)	-41.0
Net profit	202,052	219,263	(17,211)	-7.8

Bipiemme Group - Consolidated Reclassified Income Statement: quarterly evolution

	(euro/000)						
	2015			2014			
	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Net interest income	203,936	206,759	196,121	197,922	195,003	201,157	206,089
Non-interest income	171,497	191,007	229,646	213,382	150,952	221,011	236,050
- Net fees and commission income	144,886	158,461	148,292	149,349	130,856	135,990	140,371
- Other operating income:	26,611	32,546	81,354	64,033	20,096	85,021	95,679
- <i>Share of profit (loss) on investments valued under the equity method</i>	5,269	7,574	11,509	6,300	4,612	6,910	5,035
- <i>Net income (loss) from financial activities</i>	10,820	12,434	58,393	38,082	5,799	65,253	79,438
- <i>Other operating income/expenses</i>	10,522	12,538	11,452	19,651	9,685	12,858	11,206
Operating income	375,433	397,766	425,767	411,304	345,955	422,168	442,139
Administrative expenses:	(209,007)	(220,251)	(227,998)	(236,376)	(207,166)	(236,573)	(218,716)
<i>a) personnel expenses</i>	<i>(148,678)</i>	<i>(148,632)</i>	<i>(154,733)</i>	<i>(147,232)</i>	<i>(144,708)</i>	<i>(168,601)</i>	<i>(151,879)</i>
<i>b) other administrative expense</i>	<i>(60,329)</i>	<i>(71,619)</i>	<i>(73,265)</i>	<i>(89,144)</i>	<i>(62,458)</i>	<i>(67,972)</i>	<i>(66,837)</i>
Depreciation and amortisation	(17,582)	(16,629)	(16,495)	(18,612)	(18,728)	(19,478)	(18,066)
Operating costs	(226,589)	(236,880)	(244,493)	(254,988)	(225,894)	(256,051)	(236,782)
Operating profit	148,844	160,886	181,274	156,316	120,061	166,117	205,357
Net adjustments to loans and other operations	(77,972)	(94,029)	(74,310)	(136,633)	(88,216)	(113,653)	(85,337)
Net provisions for risk and charges	(4,972)	2,364	(1,272)	(8,004)	(286)	7,566	(2,821)
Profit (loss) from equity and other other investments and adjustments to goodwill and intangible assets	(1)	37,453	0	0	0	104,474	0
Profit (loss) before tax from continuing operations	65,899	106,674	105,692	11,679	31,559	164,504	117,199
Tax on income from continuing operations	(17,306)	(20,339)	(37,805)	1,450	(3,532)	(36,960)	(52,966)
Net profit (loss) for the period	48,593	86,335	67,887	13,129	28,027	127,544	64,233
Minority interests	(594)	115	(284)	(99)	(232)	(397)	88
Net profit	47,999	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 on its communication number DEM/6064293 dated 28.07.2006 we indicated the weight of the non recurring items on the net result for the period.

	9M 2015			9M 2014			Change		Change	
	A = B + C	B	C	D = E + F	E	F	A -D	C - F		
	Net Result	Net income from non recurring operations	Net income from recurring operations	Net Result	Net income from non recurring operations	Net income from recurring operations	amount	%	amount	%
Net interest income	606,816	0	606,816	602,249	0	602,249	4,567	0.8	4,567	0.8
Non-interest income	592,150	(11,504)	603,654	608,013	0	608,013	(15,863)	-2.6	(4,359)	-0.7
- Net fees and commission income	451,639	0	451,639	407,217	0	407,217	44,422	10.9	44,422	10.9
- Other operating income:	140,511	(11,504)	152,015	200,796	0	200,796	(60,285)	-30.0	(48,781)	-24.3
- Share of profit (loss) on investments valued under the equity method	24,352	0	24,352	16,557	0	16,557	7,795	47.1	7,795	47.1
- Net income (loss) from financial activities	81,647	(11,504)	93,151	150,490	0	150,490	(68,843)	-45.7	(57,339)	-38.1
- Other operating income/expenses	34,512	0	34,512	33,749	0	33,749	763	2.3	763	2.3
Operating income	1,198,966	(11,504)	1,210,470	1,210,262	0	1,210,262	(11,296)	-0.9	208	0.0
Administrative expenses:	(657,256)	(3,797)	(653,459)	(662,455)	(9,477)	(652,978)	5,199	0.8	(481)	-0.1
a) personnel expenses	(452,043)	(3,797)	(448,246)	(465,188)	(9,477)	(455,711)	13,145	2.8	7,465	1.6
b) other administrative expense	(205,213)	0	(205,213)	(197,267)	0	(197,267)	(7,946)	-4.0	(7,946)	-4.0
Depreciation and amortisation	(50,706)	0	(50,706)	(56,272)	0	(56,272)	5,566	9.9	5,566	9.9
Operating costs	(707,962)	(3,797)	(704,165)	(718,727)	(9,477)	(709,250)	10,765	1.5	5,085	0.7
Operating profit	491,004	(15,301)	506,305	491,535	(9,477)	501,012	(531)	-0.1	5,293	1.1
Net adjustments to loans and other operations	(246,311)	0	(246,311)	(287,206)	0	(287,206)	40,895	14.2	40,895	14.2
Net provisions for risk and charges	(3,880)	0	(3,880)	4,459	0	4,459	8,339	n.s.	8,339	n.s.
Profit (loss) from equity and other other investments and adjustments to goodwill and intangible assets	37,452	(1,398)	38,850	104,474	104,474	0	(67,022)	-64.2	38,850	n.s.
Profit (loss) before tax from continuing operations	278,265	(16,699)	294,964	313,262	94,997	218,265	(34,997)	-11.2	76,699	35.1
Tax on income from continuing operations	(75,450)	4,848	(80,298)	(93,458)	(1,711)	(91,747)	18,008	19.3	11,449	12.5
Net profit (loss) for the period	202,815	(11,851)	214,666	219,804	93,286	126,518	(16,989)	-7.7	88,148	69.7
Minority interests	(763)	14	(777)	(541)	4	(545)	(222)	-41.0	(232)	-42.6
Net profit	202,052	(11,837)	213,889	219,263	93,290	125,973	(17,211)	-7.8	87,916	69.8

Fine Comunicato n.0049-95

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