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Oggetto	:	Consolidated results at 30 September 2017

Testo del comunicato

Vedi allegato.

GRUPPO BANCARIO Credito Valtellinese

PRESS RELEASE

CONSOLIDATED RESULTS AT 30 SEPTEMBER 2017

✓ CREDIT AND ASSET QUALITY DEVELOPMENTS

- SIGNIFICANT INCREASE IN COVERAGE RATIO TO 46%, FOLLOWING THE APPLICATION OF NEW VALUATION POLICIES
- NEW LOANS FOR APPROXIMATELY EUR 1,662 MILLION WITH GRADUAL IMPROVEMENT IN EXPECTED LOSS
- GROSS NON-PERFORMING LOANS AT EUR 4 BILLION, NPL RATIO AT 21%, INCORPORATING THE EFFECTS OF THE ELROND DEAL
- CONTINUED SLOWDOWN IN THE FLOW OF PERFORMING LOANS BECOMING NON-PERFORMING

✓ CAPITAL RATIOS

- PHASING-IN COMMON EQUITY TIER 1 RATIO ESTIMATED AT 9.4%

✓ LIQUIDITY INDICATORS

- TOTAL COUNTERBALANCING CAPACITY EQUAL TO APPROXIMATELY EUR 4.2 BILLION (OF WHICH APPROXIMATELY EUR 2.9 BILLION UNENCUMBERED)[1]
- LCR AND NSFR WELL ABOVE THE MINIMUM REGULATORY REQUIREMENTS SET FOR 2018

✓ INCOME STATEMENT

- PERFORMANCE OF CORE REVENUE SUSTAINED BY GROWTH IN NET FEE AND COMMISSION INCOME (+4% ANNUALLY)
- OPERATING COSTS DOWN ON AN ANNUAL BASIS, WITH PERSONNEL EXPENSES DOWN SIGNIFICANTLY (-7.5%)
- PROFITABILITY FOR THE PERIOD REMAINS PREDOMINANTLY IMPACTED BY THE EXTRAORDINARY EFFECTS OF THE ELROND DEAL

✓ MAIN STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT DATA

- Operating income: EUR 296 million
- Operating costs: EUR 379 million
- Net operating profit: - EUR 83 million
- Net impairment losses on loans and receivables and other financial assets: EUR 386 million
- Net gains on sales of investments (property sale & leaseback): EUR 69 million

[1] At 27th September 2017

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PRESS RELEASE

- Net income for the period: - EUR 403 million

- Loans to customers: EUR 17.1 billion (-1.8% compared to 31 December 2016)
- Direct funding: EUR 19.9 billion (-5.7% compared to 31 December 2016)
- Indirect funding: EUR 11.9 billion (+2.7% compared to 31 December 2016)
- "Managed savings": EUR 7.6 billion (+4.2% compared to 31 December 2016)

Sondrio, 7 November 2017 - The Board of Directors of Credito Valtellinese has approved the consolidated results as at 30 September 2017. Performance of operations confirms a positive trend, essentially in line with the results achieved during the first part of the year. However, overall profitability was impacted by: 1) the effects of extraordinary transactions carried out during the period, aimed at improving the bank's risk profile, mainly comprising the sale of the "Elrond" portfolio; 2) a significant increase in adjustments to loans, following application of a new policy for the valuation of non-performing financial assets, with a consequent substantial increase in the overall coverage levels.

Statement of Financial Position Items

As at 30 September 2017, **loans and receivables with customers** were EUR 17.1 billion, essentially stable compared to the end of December 2016. New loans were EUR 1.66 billion, with a significant improvement in quality of the portfolio (EL "expected loss" on loans equal to 31 basis points for the "individuals" segment, 52 bps for the "corporate" segment and 60 bps for the "retail companies" segment).

At the end of the period, Non-Performing Exposure (NPE), net of impairment losses, was EUR 2.2 billion, compared to EUR 3.2 billion at the end of December 2016. The decrease is essentially due to sales during the period and, predominantly, to the Elrond deal. The coverage ratio of total NPE is 45.8% (47.7%, including write-offs), compared to 41.5% at the end of December 2016. As indicated above, the increase in coverage ratio during the period reflects the application of a new policy for the valuation of non-performing financial assets.

In detail, net bad loans amounted to EUR 0.6 billion, with a coverage ratio of 61.5% (64.7% including write-offs). The "unlikely to pay" loans were EUR 1.4 billion, with a 37.1% coverage ratio, while just over EUR 150 million in loans were past due and/or overdue non-performing loans.

Direct funding was EUR 19.9 billion, down by 5.7% compared to EUR 21.1 billion at the end of December 2016, as a result of the reduction of deposits of central counterparties (*Cassa di Compensazione e Garanzia*) and of a decline in "Commercial" deposits showed over the prior quarter, impacted by the negative trend in bond issues and the reduction of the more costly forms in favour of managed funds.

Indirect funding was EUR 11.9 billion, compared to EUR 11.6 billion at the end of December 2016. The "under management" component shows a more pronounced dynamic (+4.2%), driven by an increase in the sale of mutual funds and insurance products.

Financial assets were EUR 5.4 billion. Of these, EUR 4.4 billion were Italian Government bonds, mainly included in the AFS (Available for sale) portfolio, with a duration of approximately 3.21 years, considering the interest-rate risk hedges. The valuation reserve on AFS securities, recorded among equity items net of tax effects, was negative for EUR 18.5 million and essentially refers to Government bonds.

The **liquidity position was largely positive**. The counterbalancing capacity at 3 months is equal to EUR 4.2 billion (of which 2.9 billion unencumbered, equal to 11.7% of total assets). The exposure to the ECB for TLTRO2 (Targeted Longer-Term Refinancing Operations) refinancing operations stood at EUR 2.5 billion.

The liquidity ratios – LCR and NSFR – were well above the minimum levels set by regulations.

Equity and capital ratios

The Group's equity at 30 September 2017 is EUR 1,361 million, against EUR 1,753 million at 31 December 2016.

In application of the transitional regime ("phased in"), Common Equity Tier 1 (CET1) was equal to EUR 1,295 million, against risk-weighted assets (RWAs), calculated with the standard method, of EUR 13,739 million. Total own funds amounted to EUR 1,557 million.

The phased-in capital ratios were respectively:

- 9.4% for Common Equity Tier 1 ratio (minimum SREP level set at 7.75%),
- 9.4% for Tier 1 ratio (minimum SREP level set at 9.25%),
- 11.3% for Total Capital ratio (minimum SREP level set at 11.25%).

Income statement

Net interest income in the first nine months of the year was EUR 295 million, down 6.7% compared to EUR 316 million in the corresponding period of 2016, impacted by the decline in volumes and compression in spreads, also on a quarterly basis.

Conversely, the trend in net fee and commission income was positive, amounting to EUR 213 million, up 4% on an annual basis, driven by considerable performance of management, intermediation and consulting income fees (+16.9% on an annual basis). Income from the management of current accounts grew by 4.9%, while the decline in commissions related to the credit area continued.

Trading, hedging and sale/repurchase activity produced a net profit of negative EUR 230 million. This item includes losses from the sale of non-performing loans for a total of EUR 257 million (of which 242.7 million regarding the Elrond deal completed during the course of the third quarter).

Operating income was EUR 296 million, compared to EUR 559 million in the comparison period.

Operating costs were EUR 379 million, down 1.3% compared to EUR 384 million in the corresponding period of 2016. Personnel expenses recorded a significant decrease (-7.5% on an annual basis), incorporating the savings linked to the first tranche of voluntary retirement through the Solidarity Fund for the credit sector, and amounted to EUR 202 million (compared to EUR 219 million in the first nine months of 2016) - net of a positive component of EUR 7.5 million, as a contribution for activation of the Solidarity Fund, introduced in the 2017 Budget Law ("NASPI" contribution - *Nuova Assicurazione Sociale per l'Impiego*). Other administrative expenses were EUR 155 million (compared to EUR 141 million in the corresponding period of 2016), of which EUR 14.6 million for the ordinary contribution to the Resolution Funds (SRF/DGS), compared to EUR 7.6 million in the period of comparison (DGS recorded in fourth quarter 2016).

Net operating profit reached - EUR 83 million, against EUR 175 million in the same period of 2016.

Net impairment losses on loans and receivables and other financial assets were EUR 386 million, 36.6 of which regarding "system" interventions (EUR 31 million to write down the Atlante fund, EUR 5.6 million following the voluntary intervention scheme of the FITD - *Fondo Interbancario di Tutela dei Depositi* or Interbank Deposit Guarantee Fund - in favour of Caricesena, Carim and Carismi), compared to EUR 389 million in the corresponding period of 2016. In third quarter 2017, the item recorded a decrease of EUR 229 million referring to the Elrond deal, following reclassification to the item "Trading, hedging and sale/repurchase activity", and an increase of EUR 185 million, following application of a new policy for the valuation of non-performing financial assets, with a consequently significant strengthening of total coverage levels.

Gains on sales of investments and fair value measurement of property, equipment and investment property include the gain of EUR 69 million from disposal of a portfolio of capital properties as part of the "sale & lease back" transaction completed at the end of June.

The period therefore recorded **a pre-tax profit from continuing operations of negative** EUR 400.6 million.

Considering income taxes for the period and the profit attributable to minority interests for EUR 2.2 million, the **net loss for the period** was equal to EUR 402.6 million.

Current-year outlook

The macroeconomic scenario is improving, and the recovery appears to be more solid than what was expected at the beginning of the year. Financial conditions of households are improving. Monetary policy continues to be accommodating, also encouraging credit development for companies, which confirm the acceleration in production and a revival of investments. At the same time, the reduction in impairment rates is gaining strength, and the formation of new NPEs is slowing, while pressure is mounting for the "extraordinary" management of past positions.

In this scenario, the bank's activities for the remainder of the year will be guided by achievement of the objectives of the 2018-2020 Business Plan, subject of a separate market disclosure on the current date.

From the operational standpoint, confirmation of positive performance during the first half of the year is envisaged. The income prospects during the year underway will be impacted by the sale transactions carried out, as well as by further measures in terms of adjustments to loans and receivables, in accordance with the strategic objective of tackling the stock of non-performing loans more aggressively.

The General Manager, Mauro Selvetti, will present the consolidated results as at 30 September 2017 to the financial community, during the conference call scheduled for today at 18:00 (CET).

Financial highlights and alternative performance indicators, the consolidated reclassified Statement of Financial Position and Income Statement, and the consolidated Statement of Financial Position and Income Statement are provided below.

Declaration of the Manager in charge of financial reporting

The Manager in charge of financial reporting, Simona Orietti, states pursuant to Par. 2 Art. 154 bis of the Consolidated Finance Act that the accounting information in this press release corresponds to the documentation, the accounting journals and records.

Signed, Simona Orietti

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PRESS RELEASE

CONSOLIDATED FINANCIAL HIGHLIGHTS AND ALTERNATIVE PERFORMANCE INDICATORS

STATEMENT OF FINANCIAL POSITION DATA	30/09/2017	30/06/2017	31/12/2016	Change (1)	Change (2)
(thousands of EUR)					
Loans and receivables with customers	17,119,206	16,857,488	17,429,196	1.55%	-1.78%
Financial assets and liabilities	5,119,774	5,061,749	5,159,559	1.15%	-0.77%
Non-current assets held for sale and disposal groups	6,928	507,709	1,498	-98.64%	n.s.
Total assets	24,977,612	25,393,944	25,469,459	-1.64%	-1.93%
Direct funding from customers	19,896,215	20,023,354	21,108,765	-0.63%	-5.74%
Indirect funding from customers	11,918,266	11,715,846	11,602,693	1.73%	2.72%
of which:					
- Managed funds	7,597,517	7,504,682	7,290,205	1.24%	4.22%
Total funding	31,814,481	31,739,200	32,711,458	0.24%	-2.74%
Equity	1,361,025	1,548,538	1,753,430	-12.11%	-22.38%

(1) Calculated compared to 30/06
(2) Calculated compared to 31/12 of the previous year

SOLVENCY RATIOS	30/09/2017	30/06/2017	31/12/2016
Common Equity Tier 1 capital / Risk-weighted assets (CET1 capital ratio)	9.4%	10.5%	11.8%
Tier 1 capital / Risk-weighted assets (Tier 1 capital ratio)	9.4%	10.5%	11.8%
Total own funds / Risk-weighted assets (Total capital ratio)	11.3%	12.5%	13.0%

Figures at 30/9 calculated provisionally pending the submission to the Supervisory Authority

FINANCIAL STATEMENT RATIOS	30/09/2017	30/06/2017	31/12/2016
Indirect funding from customers / Total funding	37.5%	36.9%	35.5%
Managed funds / Indirect funding from customers	63.7%	64.1%	62.8%
Direct funding from customers / Total liabilities	79.7%	78.9%	82.9%
Loans and receivables with customers / Direct funding from customers	86.0%	84.2%	82.6%
Loans and receivables with customers / Total assets	68.5%	66.4%	68.4%

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CREDIT RISK (*)	30/09/2017	30/06/2017	31/12/2016	Change (1)	Change (2)
Net bad loans (thousands of EUR)	621,445	609,244	1,272,106	2.00%	-51.15%
Other net doubtful loans (thousands of EUR)	1,554,420	1,760,193	1,881,922	-11.69%	-17.40%
Net non-performing loans (thousands of EUR)	2,175,865	2,369,437	3,154,028	-8.17%	-31.01%
Net bad loans / Loans and receivables with customers	3.6%	3.6%	7.3%		
Other net doubtful loans / Loans and receivables with customers	9.1%	10.4%	10.8%		
Net non-performing loans / Loans and receivables with customers	12.7%	14.1%	18.1%		
Coverage ratio of bad loans	61.5%	61.0%	54.4%		
Coverage ratio of other doubtful loans	35.1%	28.4%	27.6%		
Coverage ratio of non-performing loans	45.8%	41.0%	41.5%		
Cost of credit (**)	2.71%	3.48%	2.68%		

(1) Calculated compared to 30/06
(2) Calculated compared to 31/12 of the previous year
(*) Loans and receivables with customers classified under assets held for sale are not included
(**) Calculated as the ratio between the net impairment losses due to deterioration of loans and year-end loans

CREDIT QUALITY	30/09/2017				31/12/2016			
(thousands of EUR)	Gross amount	Impairment losses	Carrying amount	% coverage	Gross amount	Impairment losses	Carrying amount	% coverage
Non-performing loans								
Bad loans	1,615,823	-994,378	621,445	61.5%	2,787,065	-1,514,959	1,272,106	54.4%
Unlikely to pay	2,232,703	-828,778	1,403,925	37.1%	2,384,056	-700,195	1,683,861	29.4%
Past due non-performing loans	163,588	-13,093	150,495	8.0%	215,783	-17,722	198,061	8.2%
Total non-performing loans	**4,012,114**	**-1,836,249**	**2,175,865**	**45.8%**	**5,386,904**	**-2,232,876**	**3,154,028**	**41.5%**
Exposures not impaired	15,015,002	-71,661	14,943,341	0.48%	14,363,285	-88,117	14,275,168	0.61%
Total loans and receivables with customers	**19,027,116**	**-1,907,910**	**17,119,206**		**19,750,189**	**-2,320,993**	**17,429,196**	

The coverage ratio is calculated as the ratio between impairment losses and gross amount

ORGANISATIONAL DATA	30/09/2017	30/06/2017	31/12/2016	Change (1)	Change (2)
Number of employees	3,964	3,938	4,055	0.66%	-2.24%
Number of branches	439	438	503	0.23%	-12.72%

(1) Calculated compared to 30/06
(2) Calculated compared to 31/12 of the previous year

OTHER FINANCIAL INFORMATION	01/01/2017 - 30/09/2017	2016	01/01/2016 - 30/09/2016
Cost/Income ratio (*)	124.7%	69.7%	66.7%
Personnel expenses (**) / Number of employees (thousands of EUR)	68	68	69

(*) Q3 2017 figure included the effect of Elrond operation and are calculated net of contributions paid for SRF and DGS (EUR 14,583 thousand), of DTA fees (EUR 1,615 thousand) and of non-recurring profits related to the implementation of the "2016 Solidarity Fund" (EUR 6.816 thousand); 2016 figure calculated net of non-recurring expenses related to the implementation of the “2016 Solidarity Fund” (EUR 60,995 thousand), of ordinary and extraordinary contributions paid to SRF, NRF and DGS (EUR 32,110 thousand) and of DTA fee (EUR 4,200 thousand); Q3 2016 figure calculated net of the SRF contribution (EUR 7,594 thousand) and of DTA fee (EUR 3,698 thousand)
(**) Costs non chargeable to employees and net of non-recurring expenses related to the implementation of the “2016 Solidarity Fund” (EUR 6,816 thousand for Q3 2017 and EUR 60,995 thousand for 2016)

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(thousands of EUR)

ASSETS	30/09/2017	31/12/2016	Change
Cash and cash equivalents	152,978	170,735	-10.40%
Financial assets held for trading	27,282	18,999	43.60%
Available-for-sale financial assets	4,474,735	5,436,165	-17.69%
Held-to-maturity investments	885,186	-	-
Loans and receivables with banks	851,891	821,748	3.67%
Loans and receivables with customers	17,119,206	17,429,196	-1.78%
Hedging derivatives	82	-	-
Equity investments	25,130	9,559	162.89%
Property, equipment and investment property and intangible assets (1)	441,388	483,816	-8.77%
Non-current assets held for sale and disposal groups	6,928	1,498	n.s.
Other assets (2)	992,806	1,097,743	-9.56%
Total assets	**24,977,612**	**25,469,459**	**-1.93%**

(1) Include items "120. Property, equipment and investment property" and "130. Intangible assets"
(2) Include items "140. Tax assets" and "160. Other assets"

(thousands of EUR)

LIABILITIES	30/09/2017	31/12/2016	Change
Due to banks	2,728,082	1,661,670	64.18%
Direct funding from customers (1)	19,896,215	21,108,765	-5.74%
Financial liabilities held for trading	1,827	1,468	24.46%
Hedging derivatives	265,684	294,137	-9.67%
Other liabilities	552,140	437,838	26.11%
Provisions for specific purpose (2)	169,795	208,111	-18.41%
Equity attributable to non-controlling interests	2,844	4,040	-29.60%
Equity (3)	1,361,025	1,753,430	-22.38%
Total liabilities and equity	**24,977,612**	**25,469,459**	**-1.93%**

(1) Includes items "20. Due to customers" and "30. Securities issued"
(2) Include items "80. Tax liabilities", "110. Post-employment benefits" and "120. Provisions for risks and charges"
(3) Includes items "140. Valuation reserves", "170. Reserves", "180. Share premium reserve", "190. Capital", "200. Treasury shares", and "220. Profit (Loss) for the period"

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(thousands of EUR)

ITEMS	01/01/2017 - 30/09/2017	01/01/2016 - 30/09/2016	Change
Net interest income	**294,610**	**315,926**	**-6.75%**
Net fee and commission income	213,197	204,900	4.05%
Dividends and similar income	2,900	4,208	-31.08%
Profit of equity-accounted investments (1)	990	736	34.51%
Net trading and hedging income (expense) and profit (loss) on sales/repurchases (6)	(229,733)	20,280	n.s.
Other operating net income (5)	14,369	12,861	11.73%
Operating income	**296,333**	**558,911**	**-46.98%**
Personnel expenses	(202,383)	(218,829)	-7.52%
Other administrative expenses (2)	(155,452)	(140,641)	10.53%
Depreciations/amortisations and net impairment losses on property, equipment and investment property and intangible assets (3)	(21,217)	(24,442)	-13.19%
Operating costs	**(379,052)**	**(383,912)**	**-1.27%**
Net operating profit	**(82,719)**	**174,999**	**-147.27%**
Net impairment losses on loans and receivables and other financial assets	(386,060)	(388,691)	-0.68%
Net accruals to provisions for risks and charges	(681)	(828)	-17.75%
Net gains on sales of investments and valuation differences on property and equipment at fair value (4)	68,877	26,261	162.28%
Pre-tax loss from continuing operations	**(400,583)**	**(188,259)**	**112.78%**
Income taxes	126	55,169	-99.77%
Post-tax loss from continuing operations	**(400,457)**	**(133,090)**	**200.89%**
Profit for the period attributable to non-controlling interests	(2,159)	(2,956)	-26.96%
Loss for the period	**(402,616)**	**(136,046)**	**195.94%**

(1) Net gains on equity-accounted investments include net gains (losses) on equity-accounted investments included in item “240. Net gains on investments"; the residual amount of that item is included in gains on sales of investments, together with item 270. “Net gains (losses) on sales of investments"
(2) Other administrative expenses include recoveries of taxes and other recoveries recognised in item "220. Other operating expenses/income" (EUR 37,581 thousand in Q3 2017 and EUR 39,778 thousand in Q3 2016)
(3) The net impairment losses on property and equipment and intangible assets include items "200. Depreciation and net impairment losses on property and equipment", "210. Amortisation and net impairment losses on intangible assets" and the accumulated depreciation of costs incurred for leasehold improvements included in item "220. Other operating expenses/income"(EUR 982 thousand in Q3 2017 and EUR 1,564 thousand in Q3 2016)
(4) Net gains on sales of investments include the residual amount of item "240. Profit of investments" not included among profit of equity-accounted investments together with item "270, Net gains on sales of investments" and item “250. Valuation differences on property, equipment and intangible assets measured at fair value”
(5) Other income and charges correspond to item 220. “Other operating expenses/income” net of the above reclassifications
(6) Include items “80. Profit (Losses) on trading”, “90. Fair value adjustments in hedge accounting” e “100. Profit (loss) on sale or repurchase of: a) loans and receivables; b) available-for-sale financial assets; d) financial liabilities”

NOTES

The statement of financial position and the income statement as at 30 September 2017 provide an overview of the situation of Credito Valtellinese and the companies that this directly or indirectly controls, or in which it directly holds the majority of the share capital or an equity investment below the absolute majority that still allows to govern the relevant activities of the investee.

The Group accounting policies used for preparing the information provided, with reference to the recognition, measurement and derecognition criteria for each asset and liability item, as with the recognition methods for revenue and costs, are represented in the financial statements at 31 December 2016, to which reference should be made. It should be noted that during the third quarter of 2017 a new policy for the measurement of non performing financial assets has been approved whose application has increased the Net impairment losses on loans and receivables for an amount of EUR 185 million with a significant increase of their coverage.

Furthermore, it should be noted that in view of the specific assessment in the first half on the individual art works owned by the Banks of the Group, the standard by which they are measured subsequent to initial recognition has changed. In particular, the restatement model was applied to replace the cost model used in preparing the financial statements at 31 December 2016.

The audit company is currently carrying out the audit activities on the Condensed Interim Financial Statements as at 30 September 2017, prepared in accordance with IAS 34 - Interim Financial Reporting, included into the Consolidated Interim Report as at 30 September 2017 made available separately.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(thousands of EUR)

ASSETS		30/09/2017		31/12/2016
10. Cash and cash equivalents		152,978		170,735
20. Financial assets held for trading		27,282		18,999
40. Available-for-sale financial assets		4,474,735		5,436,165
50. Financial assets held to maturity		885,186		-
60. Loans and receivables with banks		851,891		821,748
70. Loans and receivables with customers		17,119,206		17,429,196
80. Hedging derivatives		82		-
100. Equity investments		25,130		9,559
120. Property. equipment and investment property		396,488		438,226
130. Intangible assets		44,900		45,590
of which:				
- goodwill	30,385		30,385	
140. Tax assets		686,117		778,572
a) current	84,608		85,741	
b) deferred	601,509		692,831	
as per Italian Law 214/2011	457,002		540,615	
150. Non-current assets held for sale and disposal groups		6,928		1,498
160. Other assets		306,689		319,171
Total assets		**24,977,612**		**25,469,459**

(thousands of EUR)

LIABILITIES AND EQUITY		30/09/2017		31/12/2016
10. Due to banks		2,728,082		1,661,670
20. Due to customers		17,197,886		18,034,898
30. Securities issued		2,698,329		3,073,867
40. Financial liabilities held for trading		1,827		1,468
60. Hedging derivatives		265,684		294,137
80. Tax liabilities:		2,752		8,716
a) current	2,649		7,992	
b) deferred	103		724	
100. Other liabilities		552,140		437,838
110. Post-employment benefits		48,969		56,645
120. Provisions for risks and charges		118,074		142,750
a) pension and similar obligations	33,426		36,680	
b) other provisions	84,648		106,070	
140. Valuation reserves		-22,496		-33,397
of which: associated with discontinued operations	336		-	
170. Reserves		-60,580		234,209
180. Share premium reserve		-		39,004
190. Share capital		1,846,817		1,846,817
200. Treasury shares (-)		-100		-100
210. Equity attributable to non-controlling interests (+/-)		2,844		4,040
220. Profit (loss) for the period (+/-)		-402,616		-333,103
Total liabilities and equity		**24,977,612**		**25,469,459**

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PRESS RELEASE

CONSOLIDATED INCOME STATEMENT

(thousands of EUR)

ITEMS	01/01/2017 - 30/09/2017		01/01/2016 - 30/09/2016	
10. Interest and similar income		398,274		449,683
20. Interest and similar expense		(103,664)		(133,757)
30. Net interest income		**294,610**		**315,926**
40. Fee and commission income		235,379		224,960
50. Fee and commission expense		(22,182)		(20,060)
60. Net fee and commission income		**213,197**		**204,900**
70. Dividends and similar income		2,900		4,208
80. Profit (Losses) on trading		4,183		2,421
90. Fair value adjustments in hedge accounting		(138)		(907)
100. Profit (loss) on sale or repurchase of:		(233,778)		18,766
a) loans and receivables	(257,190)		(42,264)	
b) available-for-sale financial assets	24,020		61,831	
d) financial liabilities	(608)		(801)	
120. Total income		**280,974**		**545,314**
130. Net impairment losses on:		(386,060)		(388,691)
a) loans and receivables	(347,784)		(381,909)	
b) available-for-sale financial assets	(39,334)		(6,973)	
d) other financial transactions	1,058		191	
140. Net financial income		**(105,086)**		**156,623**
180. Administrative expenses:		(395,416)		(399,248)
a) personnel expenses	(202,383)		(218,829)	
b) other administrative expenses	(193,033)		(180,419)	
190. Net accruals to provisions for risks and charges		(681)		(828)
200. Depreciation and net impairment losses on property. equipment and investment property		(13,799)		(16,238)
210. Amortisation and net impairment losses on intangible assets		(6,436)		(6,640)
220. Other operating net income		50,968		51,075
230. Operating costs		**(365,364)**		**(371,879)**
240. Net gains on investments		990		27,090
250. Net result of property. equipment and investment property and intangible assets at fair value		(1,146)		-
270. Net gains (losses) on sales of investments		70,023		(93)
280. Pre-tax loss from continuing operations		**(400,583)**		**(188,259)**
290. Income taxes		126		55,169
320. Loss for the period		**(400,457)**		**(133,090)**
330. Profit for the period attributable to non-controlling interests		(2,159)		(2,956)
340. Loss for the period attributable to the owners of the parent		**(402,616)**		**(136,046)**

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