



**Consolidated Results as at
June 30th 2018**

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- Pursuant the consolidated law on financial intermediation of 24 February 1998 (article 154-bis, paragraph 2), Simona Orietti, in her capacity as manager in charge of financial reporting declares that the accounting information contained in this Presentation reflects the group's documented results, financial accounts and accounting records.

- 1. Update on Business Plan execution**
- 2. Asset quality**
- 3. Funding, liquidity and securities portfolio**
- 4. Capital ratios**
- 5. Consolidated P&L results**
- 6. Annexes**

Turnaround of the bank completed in the first six months of the Plan: significant improvement in the overall risk profile

Capital

- Solid capital position. CET1 ratio FL proforma⁽¹⁾ as at 30 June 2018 equal to 11.2% (15.0% Phased-in)
- Additional positive impact (+100/200bps) from the validation of AIRB models expected by the third quarter of 2018

Asset quality

- Strong acceleration in the derisking process. In Q2 18 NPE portfolio disposals for more than €2bn GBV of which €1.6bn through GACS:
 - Gross NPE ratio⁽²⁾: 11.2% the lowest since 12/2011. FY2018 target (10.5%) substantially already achieved and well on track to achieve the 2020 target (9.6%)
 - Gross NPE stock: €2.0bn (-51% YTD) the lowest since December 2009. Gross bad loans at €802m (-54% YTD)
- Coverage ratios of total NPE equal to 50.9% (53.8% including write-offs). Bad loans coverage at 71.5% (75.3% including write-offs)

Liquidity

- Satisfactory liquidity position: LCR >100%, NSFR >100%. Unencumbered eligible assets at €3.1bn⁽³⁾.

Profitability

- NII in Q2 18 equal to €90.3m, +1.9% q/q (+3.0% q/q excluding IFRS9 effects) despite the negative impact related to the disposal of NPE
- Cost of risk at 69bps⁽⁴⁾ (vs. 215bps FY 2017)

Guidance FY 2018

NII: €380/385m

Cost of risk: €130/135m

(1) Including the transactions already signed which will have an impact on capital in H2 2018

(2) Excluding Government bonds (3) As of 8th August 2018

(4) Annualized; calculated on recurring LLPs of the period on net customer loans (excluding Government bonds)

Project Aragorn: Key financials and scope of the transaction

GBV

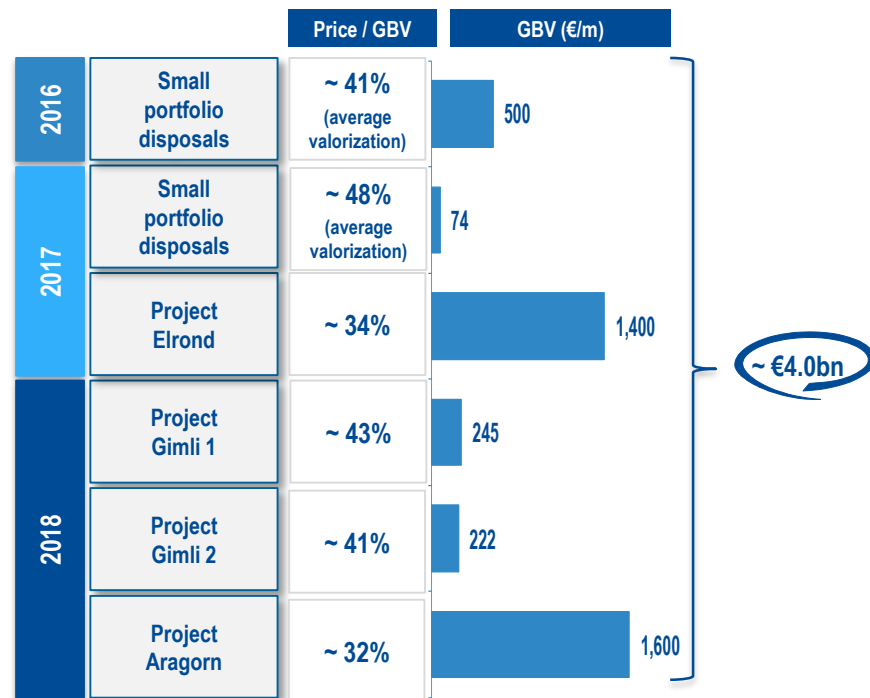
Gross Book Value: €1.6bn

PRICE

Price (% of GBV) **32.5%**

- Disposal of bad loans portfolio for a GBV equal to €1.6bn through a securitization whose senior tranche has been assisted by the GACS
- Portfolio composition: ~80.0% secured and ~20.0% unsecured
- Placement of 95% of the mezzanine and Junior notes entailing derecognition
- Senior tranche fully retained which will be assisted by the GACS entailing a zero risk weigh
- Impact on economic and risk profile of the bank:
 - Significant reduction in the gross NPE ratio⁽¹⁾ (to 11.2% from 19.3% as at 31/03/18) and gross bad loans ratio⁽¹⁾ (to 4.5% from 9.2% as at 31/03/18)
 - Positive impact on CET1 capital ratio equal to ~ 50 bps⁽²⁾ driven by a reduction in the RWA for ~ €540m

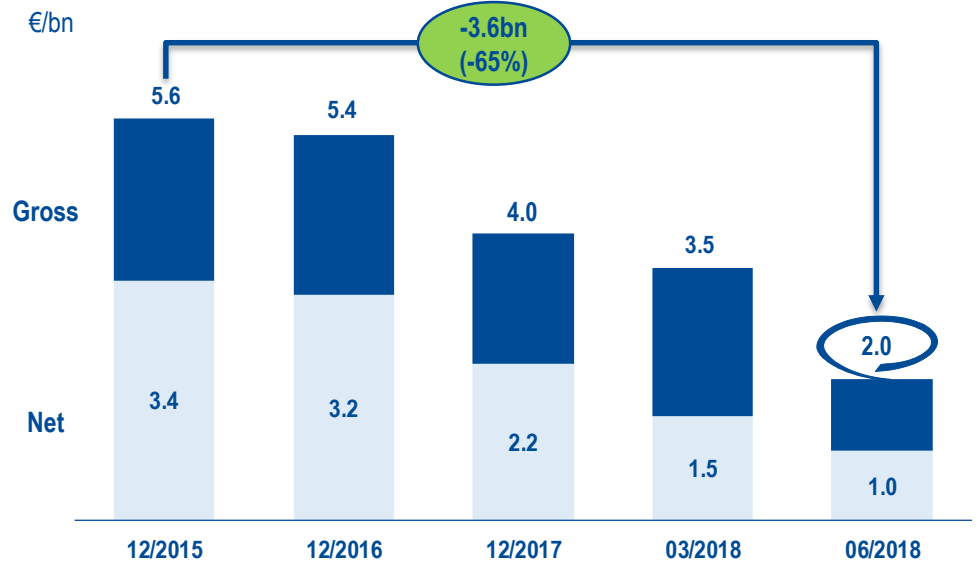
NPE portfolio disposals finalized since 2016



⁽¹⁾ Excluding Government bonds

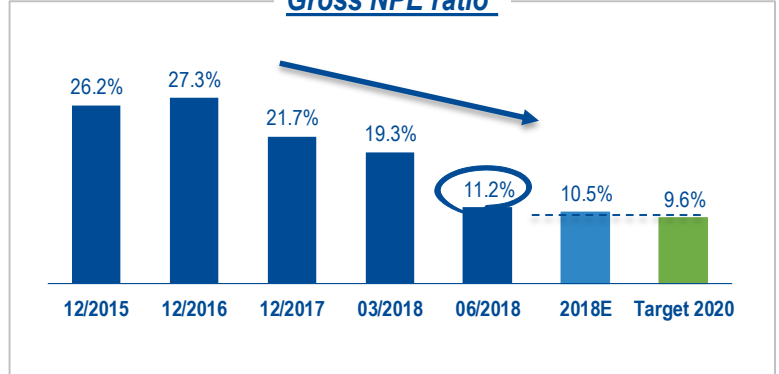
⁽²⁾ Excluding P&L effects

NPE trend*

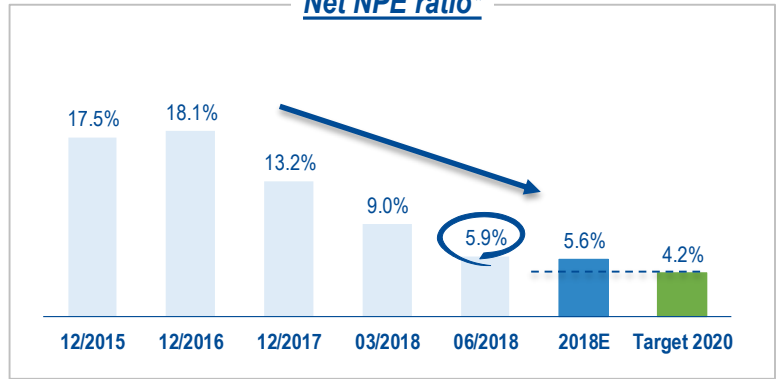


- -€3.6bn deleveraging since December 2015 (of which -€2.0bn in H1 18) leading to the lowest stock of gross NPEs since December 2009
- NPE ratio targets already almost achieved in the first six months of the Business Plan

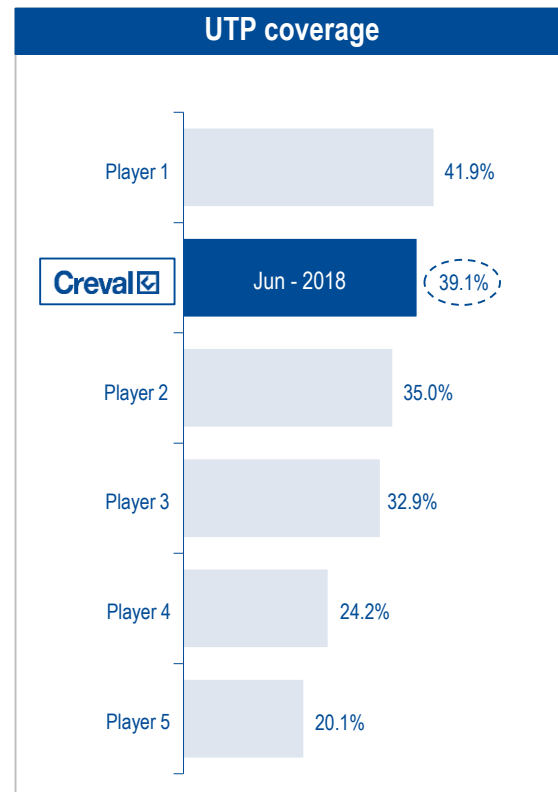
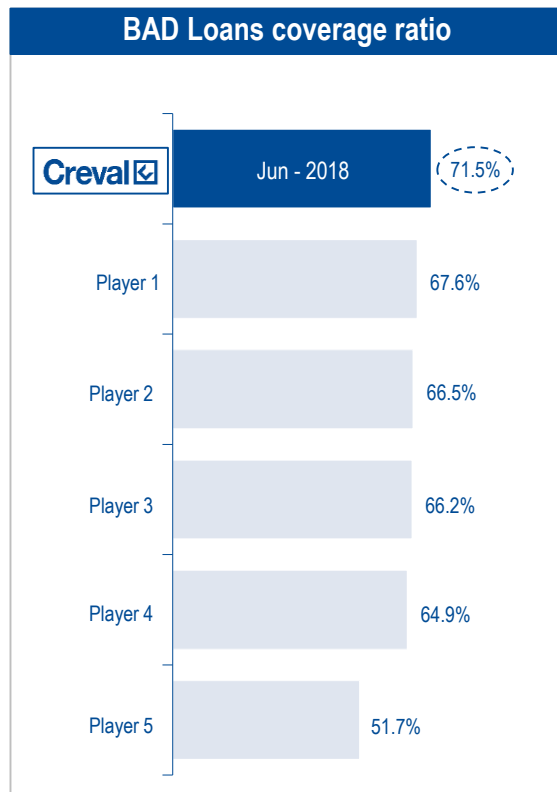
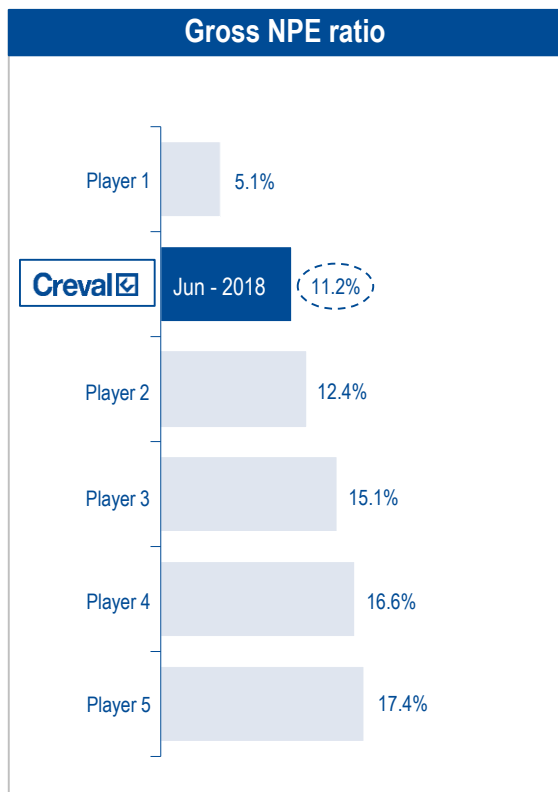
Gross NPE ratio*



Net NPE ratio*

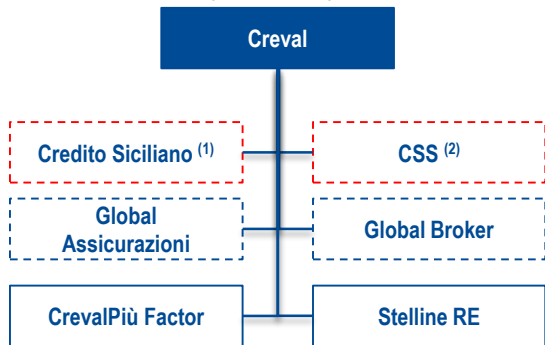


* Excluding Government bonds



Simplification of the Group structure

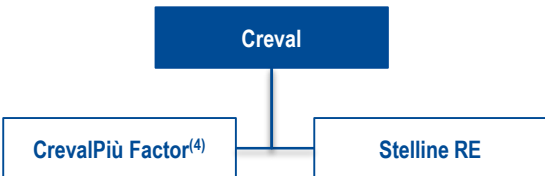
(as at 31/03/18)



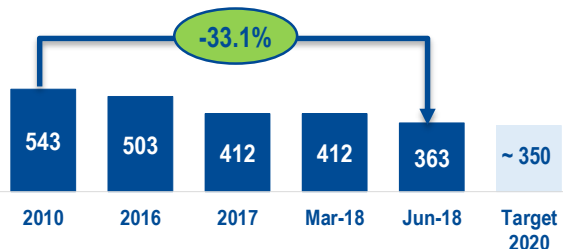
 Merged into the Parent Company

 Companies out of the scope of the consolidation following the reorganization of the bancassurance operating model (3)

To be

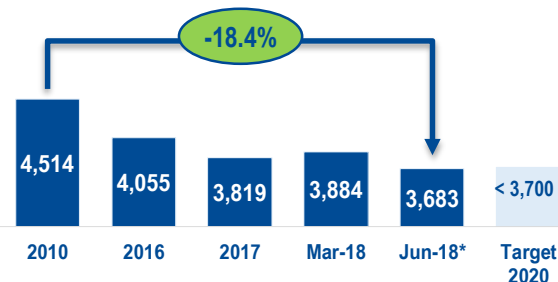


of branches



- Further closure of 50 branches finalized in May 2018
- The commercial network restructuring process is substantially concluded and the objectives of efficiency set in the business plan reached

Headcount



- In June 2018, 219 employees joined the redundancy plan (agreed with trade unions in April 2018) vs. 170 envisaged in the Business Plan which is therefore integrally reached, on a voluntary basis schemes exclusively

* Includes 219 employees exited the Group on 1st July 2018

(1) Merger effective since 25th June 2018

(3) Effectiveness expected by end-2018

(2) Effectiveness of the merger expected by end-2018.

(4) Includes the merger with Claris Factor announced on 8 August 2018

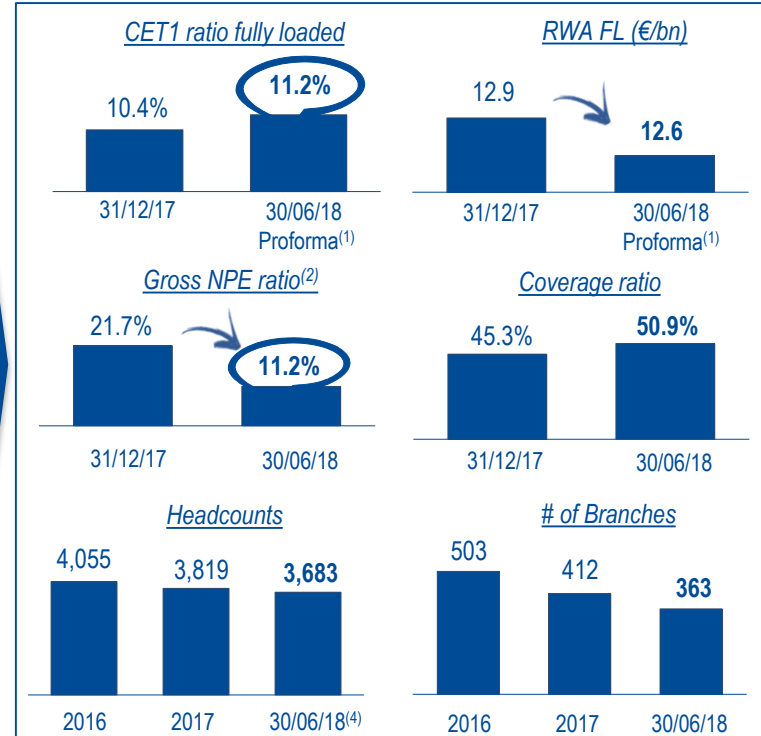
- Capital strengthening**

 - €700mln capital increase completed in Q1 18
 - Expected Validation of AIRB models by the third quarter of 2018
- Asset quality improvement and balance sheet derisking**

 - Disposal of NPEs for more than €2bn GBV:
 - Project GIMLI 1: NPE portfolio disposal for a GBV of €245m. P/GBV equal to 43%
 - Project GIMLI 2: NPE portfolio disposal for a GBV of €222m. P/GBV equal to 41%
 - Project Aragorn: NPE portfolio with GACS for a GBV of €1.6bn. P/GBV equal to ~32%
 - Significant reduction of Gross NPE ratio while maintaining healthy coverage ratios
- Operating efficiency improvement**

 - Completion of the simplification of the Group structure with the merger of Credito Siciliano and CSS⁽³⁾ into the parent company
 - Additional closure of 50 branches
 - Agreement signed with the trade unions for the incentivised exit of 219 employees (vs. 170 initially expected) who left the Bank on 1 July 2018.
- Profitability relaunch**

 - Reorganization and enhancement of the bancassurance activity: new partnership in the life bancassurance business with Crédit Agricole Assurances and New Partnership in the non-life bancassurance business with Ri-Fin
 - Acquisition of Claris Factor in order to develop the factoring business
 - 2 new partnerships in the consumer credit: with Dorotheum in the pawncredit business and with Pitagora in the salary-backed loans



The actions put in place in H1 2018 were aimed at overcoming the legacy of the past, improving the overall risk profile of the Bank and increasing the operational efficiency in order to pave the way for a return to a sustainable profitability in the medium term

(1) Including the transactions already signed which will have an impact on capital in H2 2018
 (2) Excluding Government bonds

(3) Effectiveness expected by end-2018
 (4) Includes 219 employees exited the Group on 1st July 2018

On 24 July 2018 Creval announced the reshaping of its bancassurance operative model by establishing long-term strategic partnerships with Crédit Agricole Assurances SA (CAA) in the Life business and with Gruppo Assicurativo Ri-Fin S.r.l. (Ri-Fin) in the Non-Life business

Rationale The reorganization and enhancement of bancassurance activity represents one of the pillars of the Creval Group's 2018-2020 Strategic Plan, in order to achieve a structural increase in overall profitability, to be implemented with initiatives aimed at developing the "fee based" business areas with low capital absorption

Impacts The entire reorganization of the bancassurance business is expected to have a positive impact on Creval Group's CET1 ratio fully loaded of approximately **35 bps**

Timing The closing of the transactions is expected to take place in the fourth quarter of 2018 and is subject to the usual regulatory approvals from IVASS and AGCM

Life bancassurance partnership



- The partnership will grant CAA, via its Italian subsidiary Crédit Agricole Vita S.p.A. ("CA Vita") exclusive access to CreVal's distribution network for all savings products as well as certain protection products for up to 15 years
- As part of the transaction, Crédit Agricole Assurances will purchase a minority stake in CreVal of 5%
- In addition, the parties have agreed to jointly assess, in the medium term, the possibility to extend the partnership between CASA Group and CreVal to other product areas. In such a situation, CASA Group could consider the possibility to increase its stake in CreVal to up to 9.9%.

Non-life bancassurance partnership



- Reshaping of the bancassurance agreements in place with the current CreVal's bancassurance partner (Ri-Fin)
- Establishing two new distribution agreements relating to Non-Life bancassurance business and to the insurance brokerage activity on CreVal's clients both on exclusive basis and for a total duration of up to 15 years

On 9 August 2018 Creval announced two partnership agreements in the consumer credit: with Dorotheum in the pawncredit business and with Pitagora (a company part of Cassa di Risparmio di Asti Group) in the salary-backed loans

Pawncredit business



Salary-backed loans



Structure of the transaction

- The partnership will be implemented through Custodia Valore⁽¹⁾ which will make a capital increase reserved to Creval to be paid through the contribution of its business unit dedicated to the pawncredit business
- At the closing of the transaction, Custodia Valore will be held by 22% by Creval and 78% by Dorotheum

- Creval will buy 9.9% of Pitagora share capital
- Renewal for 5 years of the commercial distribution agreement currently in place with Pitagora for the distribution of salary-backed loans on Creval's network

Rationale

- The transaction will allow Creval to enter into a partnership with one of the main European leaders in the pawncredit market and is part of the initiatives envisaged by the 2018-2020 Strategic Plan for the enhancement of non-core assets aimed at increasing the bank's overall profitability and further strengthening capital ratios

- The transaction is part of the progressive strengthening and expansion of the Creval's offer dedicated to retail customers and - in line with the targets of the 2018-2020 Strategic Plan - will allow an increase in overall profitability, to be achieved in particular through the development of Creval's penetration of the consumer credit market

Impacts

- Net capital gain of ~ €45 m and 5bps positive impact on CET1 ratio FL

- Expected improvement in the commission income over the business plan horizon

Timing

- The closing of the transactions is expected to take place by end-2018

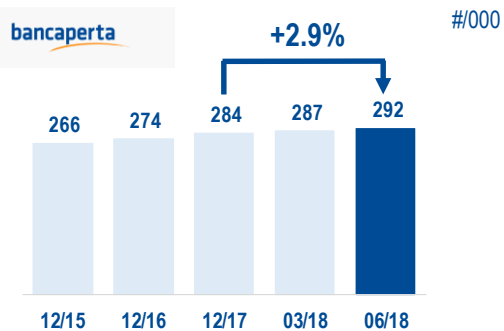
- The closing of the transaction is expected to take place by November 2018 ⁽²⁾

Note: For further details on the two partnerships please refer to the two separate press releases issued on 9th August 2018.

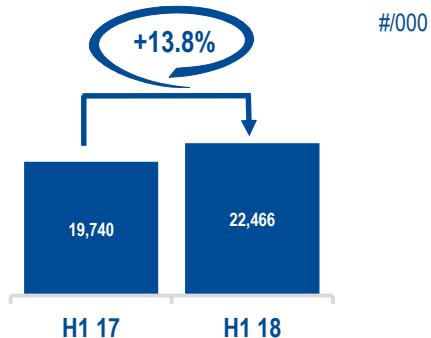
(1) The company created through Dorotheum's acquisition of the branch dedicated to the UniCredit Group's pawncredit business.

(2) Subject to the completion of the usual due diligence activities and the definition of final agreements in the light of what has already been agreed on the Term Sheet

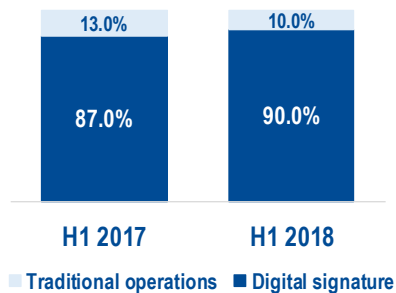
Active Internet Banking Users



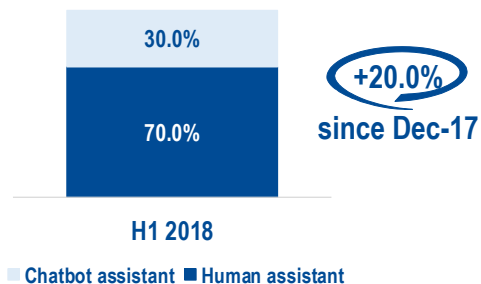
Bancaperta access: H1 18 vs H1 17



Contract signatures



Helpdesk requests

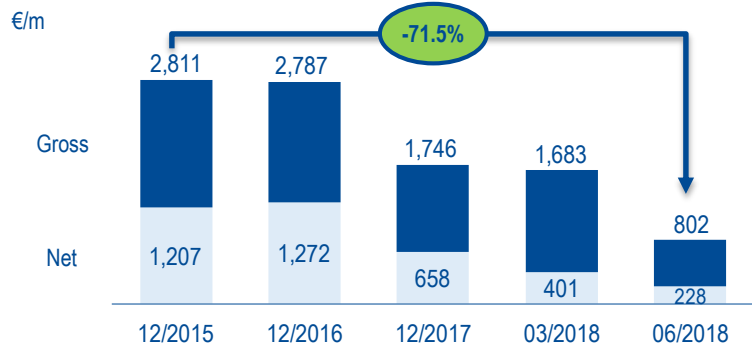


online operations

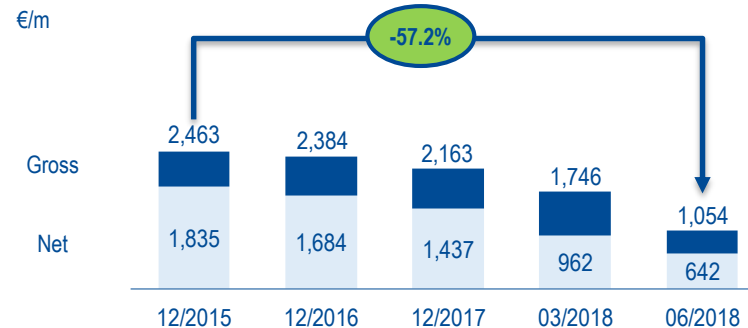


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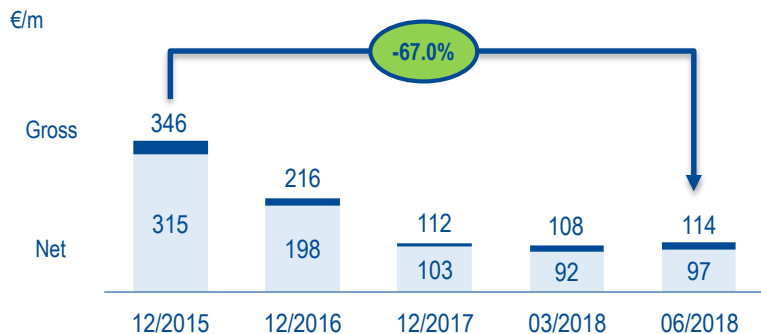
Bad loans



UTP



Past Due



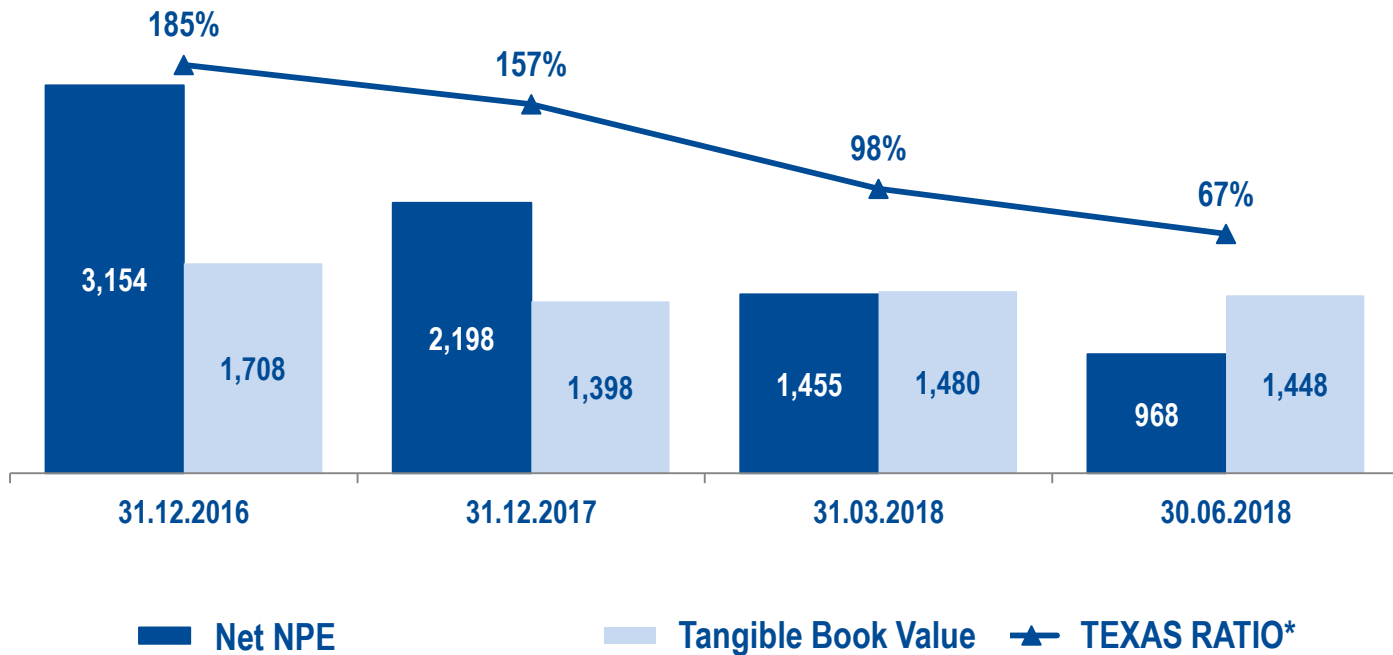
Coverage ratio

	30/06/2017	31/12/2017	31/03/2018	30/06/2018	Peer avg. ⁽¹⁾
NPEs	41.0%	45.3%	58.9%	50.9%	49.6%
<i>including write offs</i>	43.0%	47.2%	60.4%	53.8%	
Bad Loans	61.0%	62.3%	76.2%	71.5%	62.2%
<i>including write offs</i>	64.1%	65.2%	78.0%	75.3%	
UTP	29.8%	33.6%	44.9%	39.1%	32.0%
Past Due	8.5%	8.0%	14.7%	15.0%	13.3%
Bonis	0.53%	0.43%	0.76%⁽²⁾	0.75%⁽²⁾	

(1) Data as of June, 30th 2018. Peers: Banco BPM, Bper, Credem, Ubi Banca. Data as of March, 31st 2018 for Banca Popolare di Sondrio. Source: company presentations

(2) Excluding Government bonds

€/m

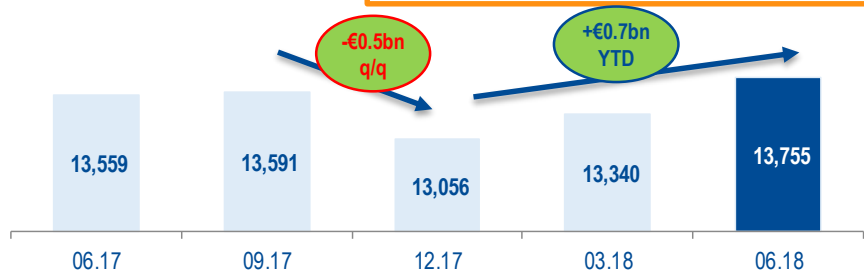


* Net NPE / Tangible Book Value

Performing commercial customer loans* – Quarterly trend

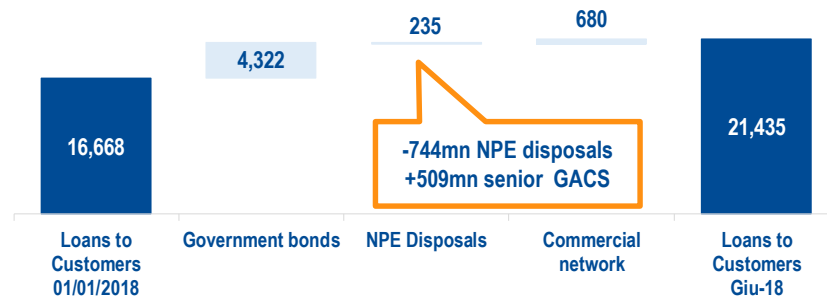
€/m - Gross amount

Recovering in the commercial activity in H1 18



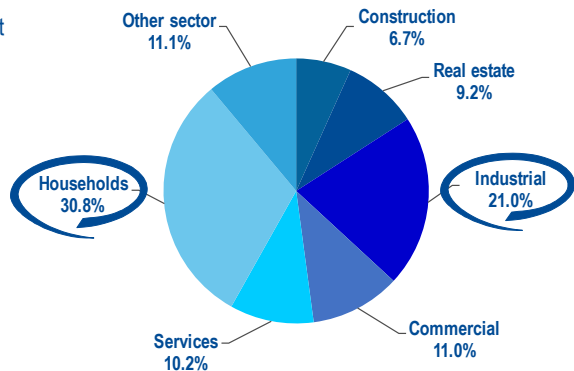
Net customer loans

€/m



Performing customer loans breakdown by sector

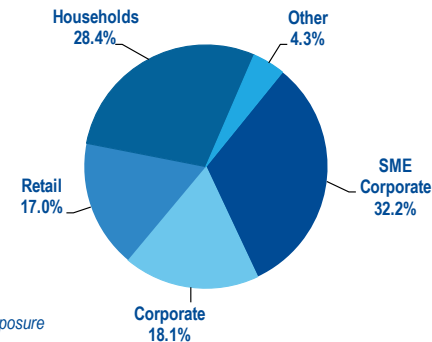
Gross amount



Total customer loans by customer segment

Gross amount

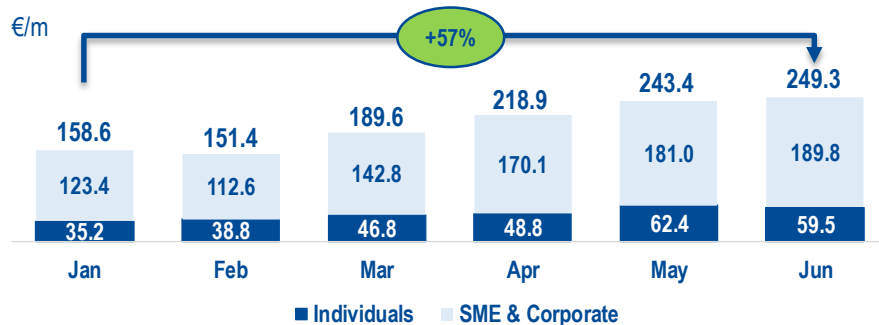
SMEs represent 67% of total loan book



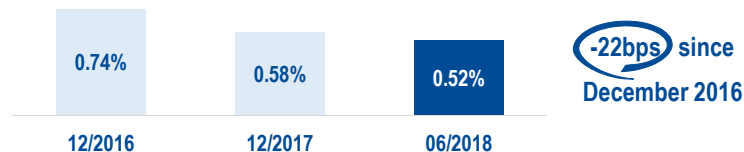
- > SME corporate: revenue or total assets < 25 mn
- > Corporate: revenue or total asset ≥ 25 mn
- > Retail: Small Retail exposure ≥ 100k, Micro Retail < 100k exposure

* Performing gross customer loans net of exposures with institutions (mainly CCG - Cassa Compensazione e Garanzia) and Government bonds.

New commercial lending flows in H1 2018 – monthly trend

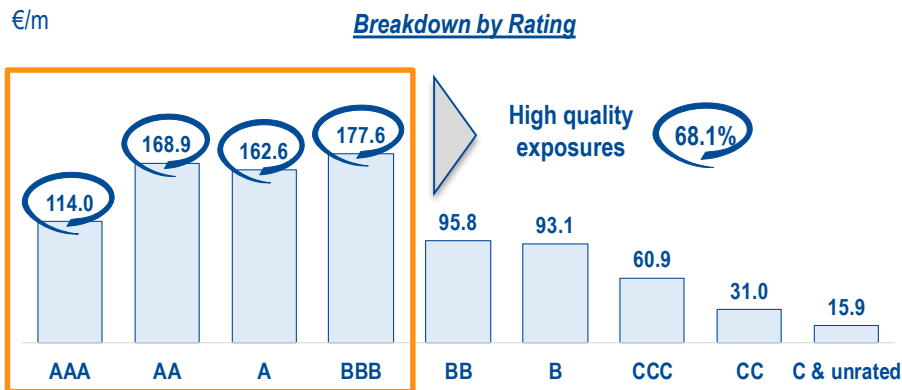


Expected loss of the performing loans

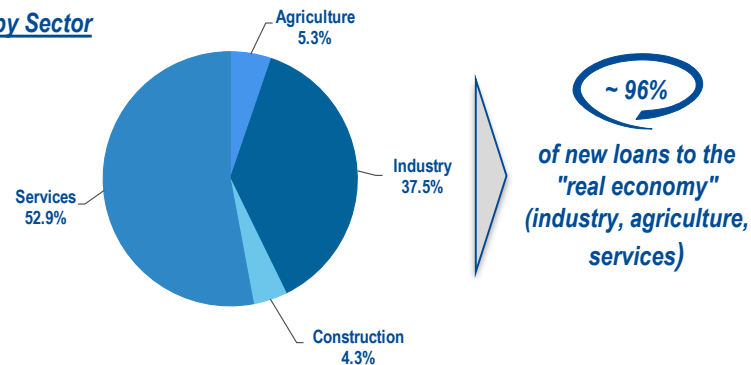


- €1,211m of newly granted commercial loans to Individuals (€291m) and SMEs/Corporate (€920m) in H1 2018 (+13.1% y/y)
- Average expected loss equal to **30bps** (34 bps Individuals and 29 bps SMEs & Corporate)
- Average rate Individuals equal to 2.30% (vs. 2.61% in H1 2017)
- Average rate SME & Corporate equal to 2.11% (vs. 2.32% in H1 2017)

Focus on new lending to SME & Corporate

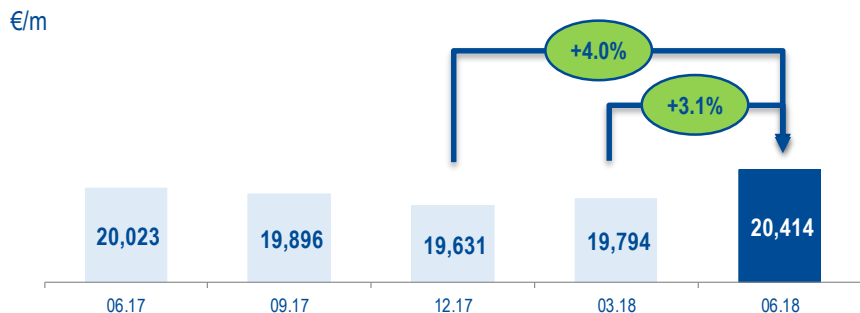


Breakdown by Sector

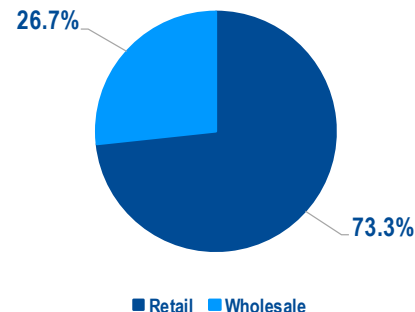


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Direct funding trend



Breakdown by customer segment



Breakdown by funding source

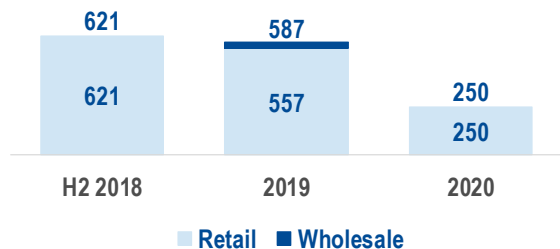
Core Deposits
+2.1% YTD

€/m	31/12/2017	31/03/2018	30/06/2018	Chg. % Ytd
Saving Deposits	366	346	326	-10.8%
Time deposits	769	818	903	17.4%
Current accounts	11,947	12,112	12,126	1.5%
Securitized	586	528	171	-70.9%
Wholesale bonds (senior + subordinated)	281	285	277	-1.4%
Senior retail bonds	1,527	1,418	1,263	-17.3%
Subordinated retail bonds	206	207	175	-15.1%
Deposit certificates	120	115	105	-12.5%
Deposits CCG & CDP	3,633	3,798	4,889	34.6%
Other	195	167	179	-8.3%
DIRECT FUNDING	19,631	19,794	20,414	4.0%

- Direct deposits increased **4.0%** YTD and **3.1%** q/q reverting the negative trend in H2 17
- Positive trend in core deposits which growth **2.1%** YTD.
- Large base of retail funding which represents **73%** of total direct funding
- The decline in the retail and institutional bond component continued, in line with the policy of reducing the most onerous forms of funding (**-15%** YTD in wholesale and retail bonds)

Bond maturities

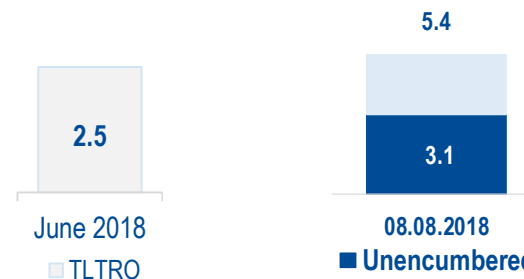
€/m



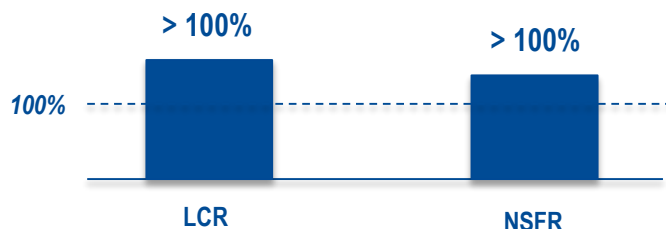
ECB funding

€/bn

Counterbalancing capacity 3M



Liquidity regulatory requirements

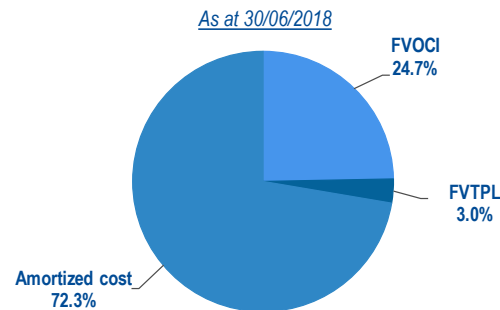


- Satisfactory liquidity situation that allow the Bank to manage the bond maturities over the business plan horizon
- The 3-months counterbalancing capacity as at 8 August 2018 is equal to €5.4bn (of which €3,1bn unencumbered) and benefited from the securitisation of the mortgage performing loans granted to SMEs finalized on 30 July 2018 for a total amount of €1.5bn.
- The liquidity requirements - LCR and NSFR - are well above the regulatory minimum requirements.

Securities portfolio breakdown

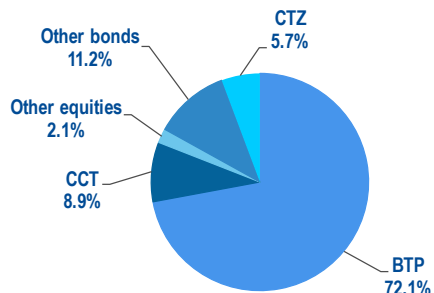
€/m

	31/03/2018	30/06/2018	Change
FVOCI portfolio	3,491	2,027	-1,464
FVTPL portfolio	211	243	+32
Amortized cost portfolio	2,062	5,904	+3,842
Total	5,764	8,174	+2,410



FVOCI portfolio breakdown

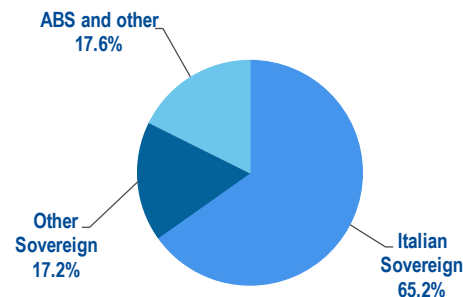
(As at 30/06/2018)



**Average
Duration : 2.45y**

Amortized cost portfolio breakdown

(As at 30/06/2018)



Indirect deposits

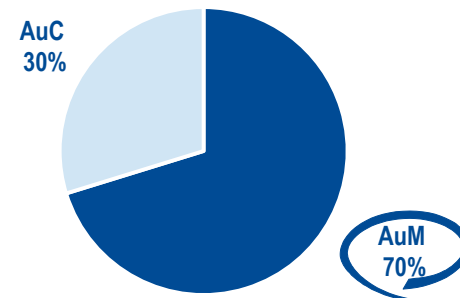
Development of the strategic partnership with ANIMA SGR



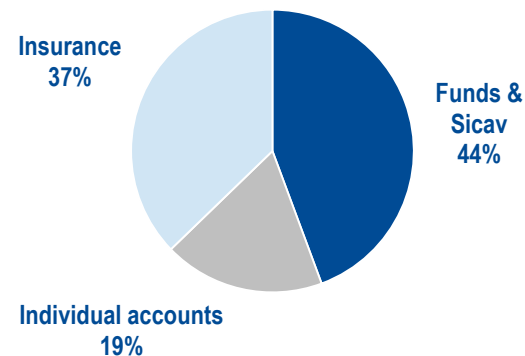
€/m	31/03/2018	30/06/2018	Chg. %
Funds & Sicav	3,221	3,251	0.9%
Asset under Custody	3,270	3,107	-5.0%
Individual accounts	1,541	1,350	-12.4%
Insurance	2,724	2,730	0.2%
Total	10,758	10,438	-3.0%

The negative trend in Q2 18 in the indirect deposits was mainly due to the negative performance of the financial markets, which affected both the AUM and assets under custody

Indirect deposit breakdown

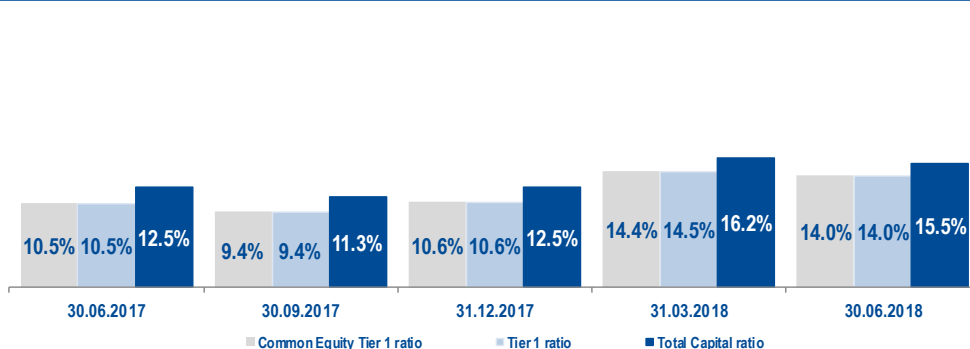


AUM breakdown



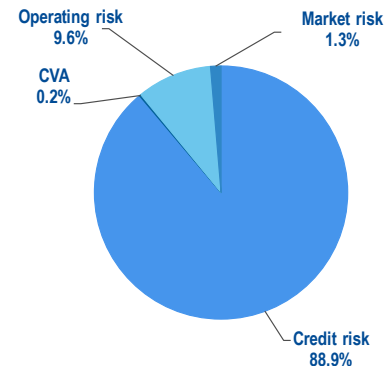
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Phased-in capital ratios evolution



Capital ratio	30/06/2017	30/09/2017	31/12/2017	31/03/2018	30/06/2018	30/06/2018PF
COMMON EQUITY (€/m)	1,511	1,295	1,374	1,971	1,939	1,987
TIER 1 (€/m)	1,511	1,295	1,374	1,972	1,939	1,987
TOTAL CAPITAL (€/m)	1,795	1,557	1,623	2,208	2,158	
RWA (€/m)	14,361	13,739	12,944	13,642	13,892	13,220
TIER 1 RATIO	10.5%	9.4%	10.6%	14.5%	14.0%	15.0%
TOTAL CAPITAL RATIO	12.5%	11.3%	12.5%	16.2%	15.5%	

RWA Breakdown

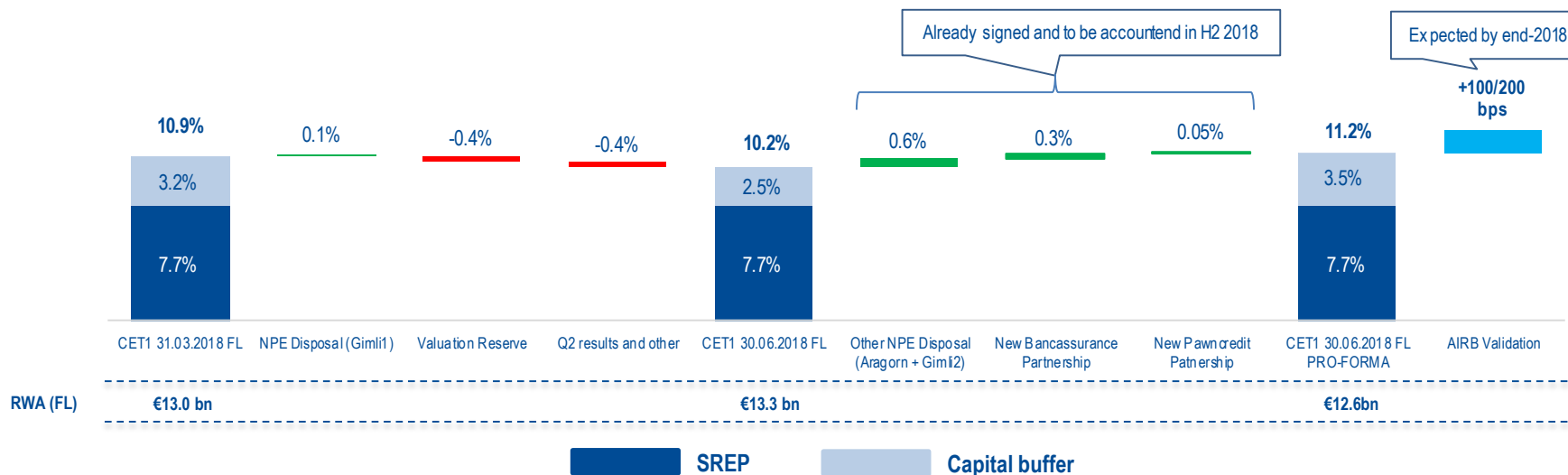


Capital ratios fully loaded

€/m

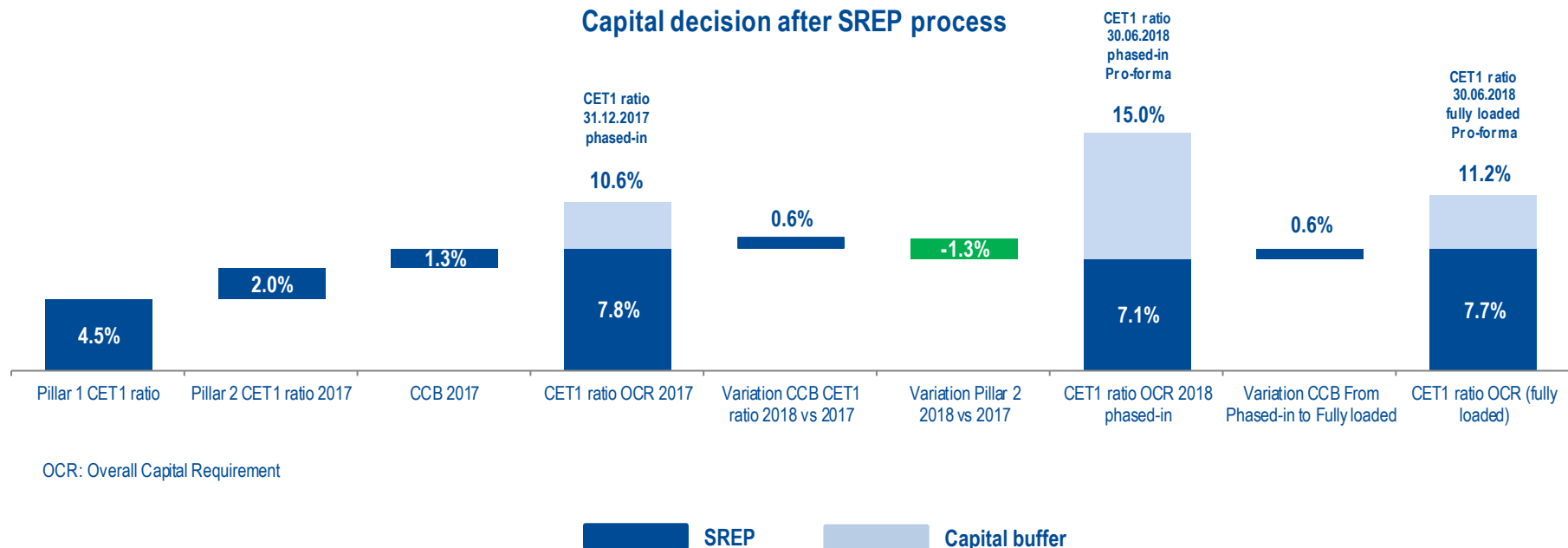
	30/06/18	30/06/18 proforma
CET1 Capital	1,355	1,403
RWA	13,252	12,581
CET1 ratio	10.2%	11.2%

CET1 ratio Fully loaded - q/q trend



- **CET1 ratio FL proforma as at 30 June 2018 equal to 11.2%** including the transaction already signed whose impacts will be booked in H2 2018 (disposal of NPE portfolios, new partnerships in the bancassurance business and consumer credit).
- **Additional positive impact (+100/200bps) from the validation of AIRB models expected by the third quarter of 2018**

SREP process



1. Update on Business Plan execution
2. Asset quality
3. Funding, liquidity and securities portfolio
4. Capital ratios
5. Consolidated P&L results
6. Annexes

€/m				Details of Extraordinary Items			P&L adjusted		
Income statement	H1 2018	Q1 18	Q2 18	Q1 18	Q2 18	Description	Q1 18	Q2 18	H1 18
Net interest income	178.9	88.6	90.3				88.6	90.3	178.9
Net fee and commission income	139.4	70.6	68.8				70.6	68.8	139.4
Net trading, hedging income (expense) and profit (loss) on sales/repurchase	16.5	5.3	11.1				5.3	11.1	16.5
Other income (1)	6.2	1.3	4.9		-3.7	Project Aragorn and Elrond	1.3	8.6	9.9
Operating income	341.0	165.9	175.1		-3.7		165.9	178.8	344.7
Personnel expenses	-193.4	-121.9	-71.5	-57.5	-6.0	Redundancy fund	-64.4	-65.5	-129.9
Other administrative expenses	-101.0	-51.3	-49.7		-9.5	3.4m for SRF extraord. contribution and 6.1m costs related to the Project Aragorn	-51.3	-40.2	-91.5
Depreciation/amortisation	-12.6	-6.2	-6.3				-6.2	-6.3	-12.6
Operating costs	-307.0	-179.4	-127.6	-57.5	-15.5		-121.9	-112.1	-233.9
Net operating profit	34.0	-13.5	47.5	-57.5	-19.2		44.0	66.8	110.8
Impairment or reversal of impairment and modification gains (losses)	22.2	-27.8	50.0		-13.7		-27.8	63.7	35.9
Net gains (losses) on financial assets at amortized cost	-95.2	0.0	-95.2				0.0	-95.2	-95.2
Net accruals to provisions for risks and charges	-4.6	-5.0	0.4	-1.2		Extraordinary provision related to the pawnbroker business	-3.8	0.4	-3.3
Net gains (losses) on sales of investments	0.0	0.0	0.0				0.0	0.0	0.0
Badwill	15.4	0.0	15.4		15.4	Badwill for the Acquisition of Claris Factor	0.0	0.0	0.0
Pre-tax profit (loss) from continuing operations	-28.2	-46.4	18.1	-57.5	-17.5		12.4	35.7	48.1
Income taxes	30.8	17.0	13.7	17.6	22.9	Of which 13m in Q2 due to DTA reversal	-0.6	-9.1	-9.7
Post-tax profit (loss) from continuing operations	2.5	-29.3	31.9				11.8	26.5	38.3
Profit (loss) for the period attributable to non-controlling interests	-1.7	-0.8	-1.0				-0.8	-1.0	-1.7
Profit (Loss) for the period	0.8	-30.1	30.9				11.0	25.6	36.6

-€59.3m

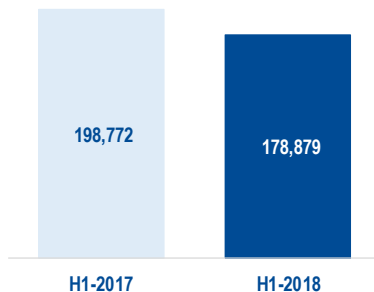
36.6

(1) Includes the following P&L items: 'Dividends and similar income', 'Profit of equity-accounted investments', 'Other operating net income'.

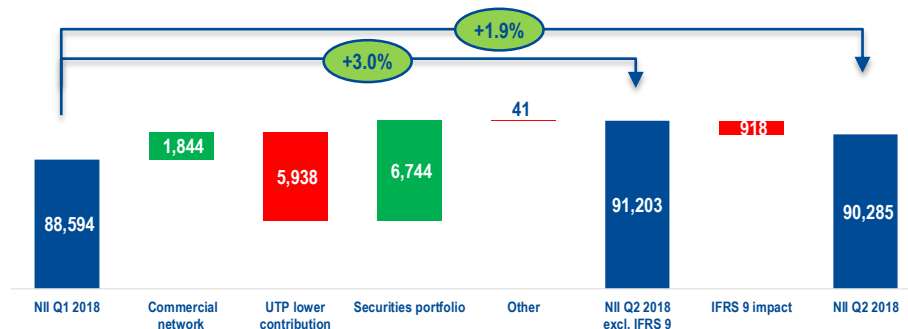
Net interest income trend

€/000

Yearly trend

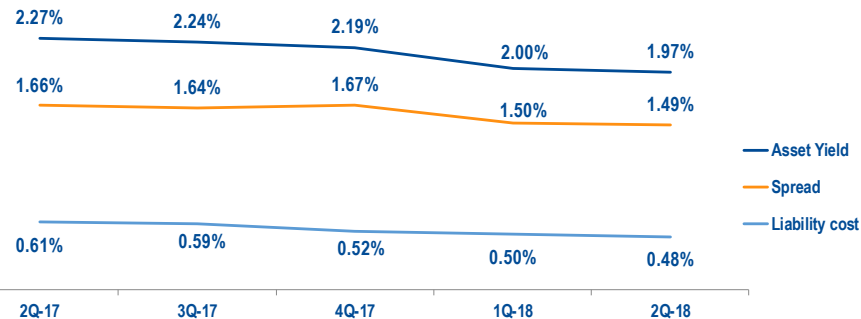
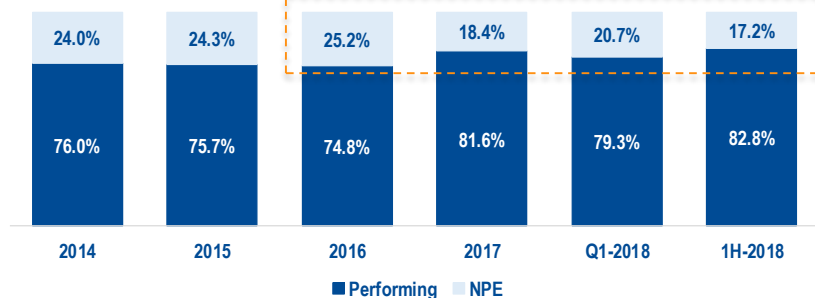


Quarterly evolution



Breakdown of NII contribution

-8% NPE Contribution

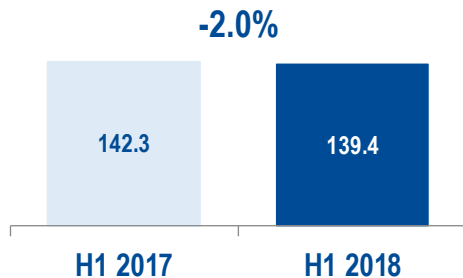


Asset yield calculated as annualized interest income / interest bearing assets

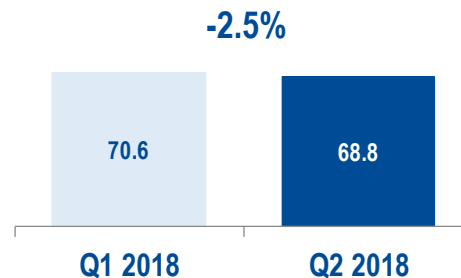
Liability cost calculated as annualized interest expenses / interest bearing liabilities

Net fees

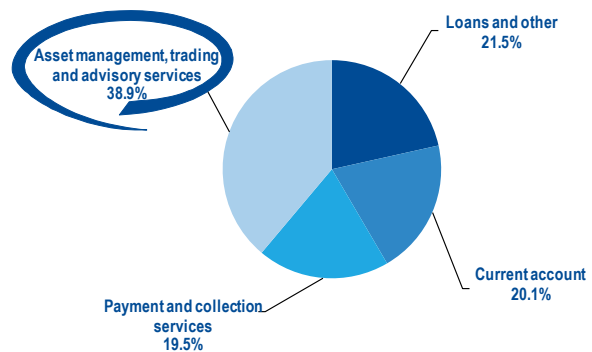
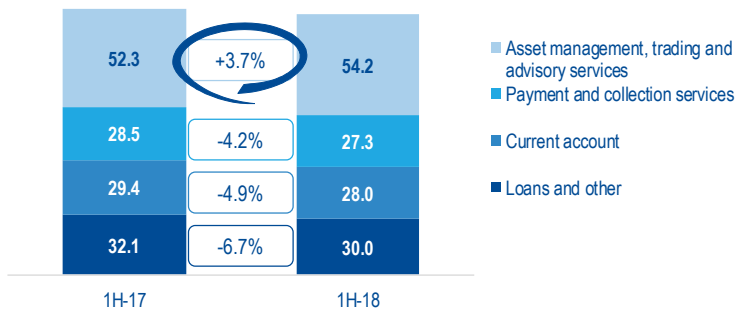
Yearly trend



Quarterly trend



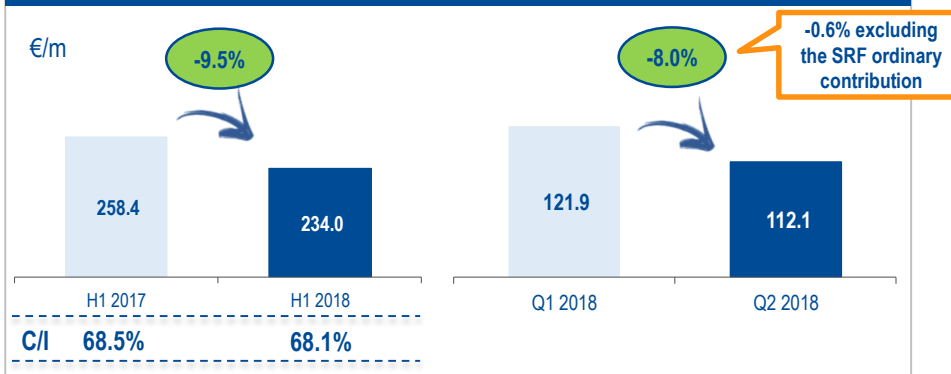
Net fees breakdown



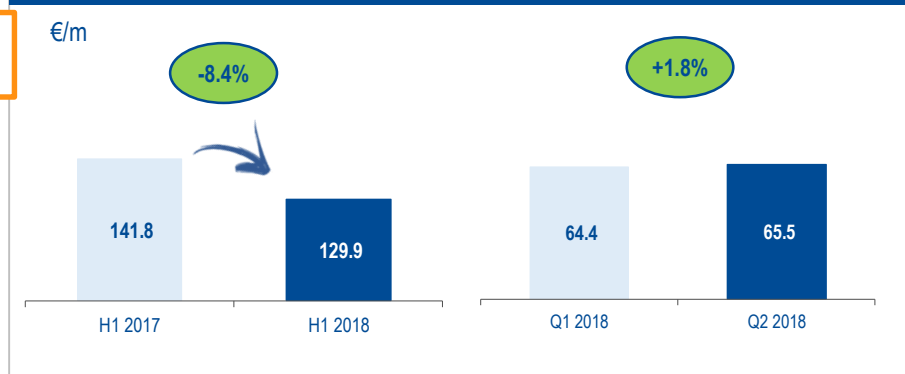
~ 11.9% of up front fees on total*

* Up front fees: placement of insurance and AUM, fees received from commercial partners (Alba Leasing, Compass, IBL) and Factoring fees.

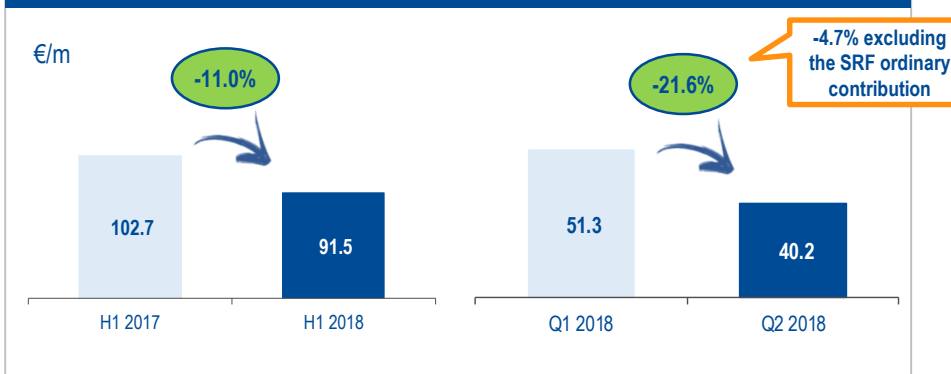
Core operating Costs trend



Focus on Core personnel costs



Focus on Core other Administrative costs



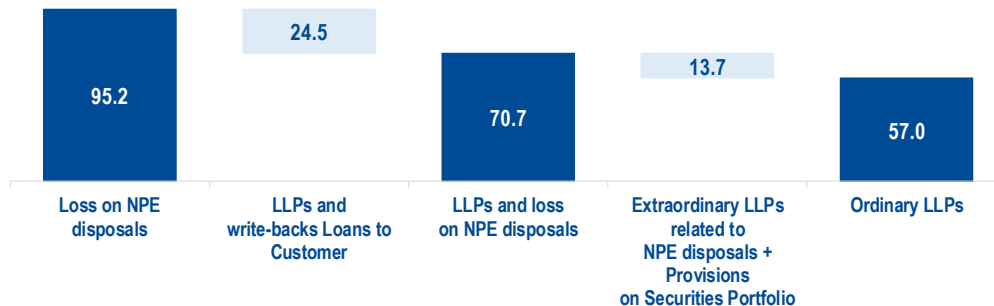
Extraordinary Items

P&L item	Description	H1 2017	H1 2018
Other Income	Project Elrond	-2.0	
Other Income	Project Elrond and Aragorn		3.7
Personnel expenses	Redundancy fund	7.5	-63.5
Other administrative expenses	Cost related to Elrond	-5.0	
Other administrative expenses	Costs related to Aragorn		-6.1
Other administrative expenses	SRF extraordinary contribution		-3.4

* Excluding extraordinary items

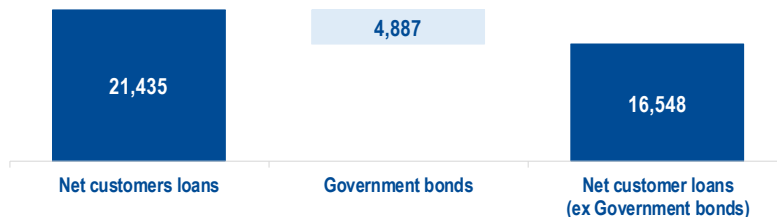
1H 2018 LLPs

€/m



H1 2018 Customers loans

€/m



Cost of credit*:


* Ordinary LLPs annualized / Loans to Customers (ex Government bonds)

DTA as of 30 June 2018	Amount (€/m)	RWA weighting
DTA that can be converted into tax credit (pursuant to law L. 214/11)	374.7	100%
Tax losses carried forward	88.8	Fully deducted from CET1 capital
Other DTA	113.2	250% of the amount not deducted from the CET 1 capital
Total DTA on balance sheet	576.6	
Total DTA off balance sheet	271.7	

Creval 



Annexes

	2017A	2018E	2020E
CET1 pre AIRB (fully loaded)	10.4%	11.0%	11.6%
Texas ratio	124.8%	74.7%	62.4%
LCR	259%	>100%	>100%
Net NPE ratio	13.2%	5.5%	4.2%
Gross NPE ratio	21.7%	10.5%	9.6%
NPE coverage	45.3%	50.3%	59.1%
C/I ratio	65.5% ¹	71.8%	57.5%
RoTE	Neg.	4.6%	8.2%

Note: 1) Calculated on adjusted figures

Project Gimli 1 - Algebris

GBV	Gross Book Value: 245 €m
PRICE	Price (% of GBV): 43%

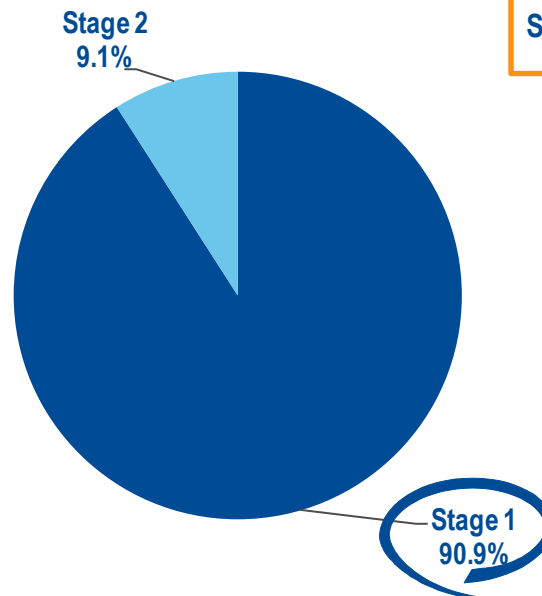
Project Gimli 2 – Credito Fondiario

GBV	Gross Book Value : 222 €m
PRICE	Price (% of GBV): 41%

- Disposals consistent with the de-risking objectives, as envisaged in the new Business Plan 2018-2020 with a gross NPE ratio target below 10% by 2020.
- Portfolios composed for the large part by **UTP loans**
- The so-called **“Project Gimli”** for 2018 is almost **completed**.
- Portfolios reclassified in to the **“non current assets”** at the end of **Q1**.
- The operation will have negligible effects on the Income Statement for the current year, also considering the loans impairments to be recognized as part of the **first application of the new accounting standard IFRS9**, with effects at CET1 level through the phasing-in mechanism.
- **Expected completion of Aragorn Project (GACS securitization) by the end of June (confirmed)**

*Breakdown stage 1-2 (net amount)*Classification in Stage 2 for:

- Significant Increase in Credit Risk (SICR);
- 30 days Past Due;
- Forbearance

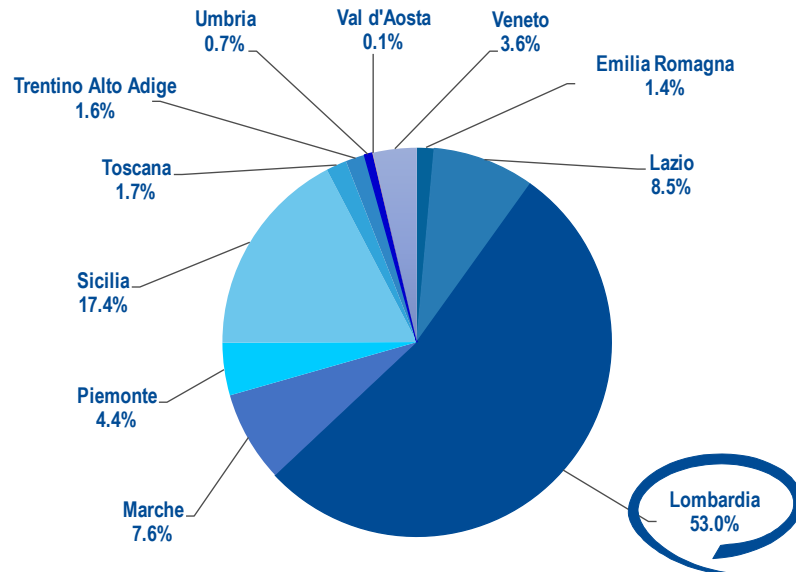


STAGE 1	18,609
STAGE 2	1,857

Gross loan book breakdown by geography (%)

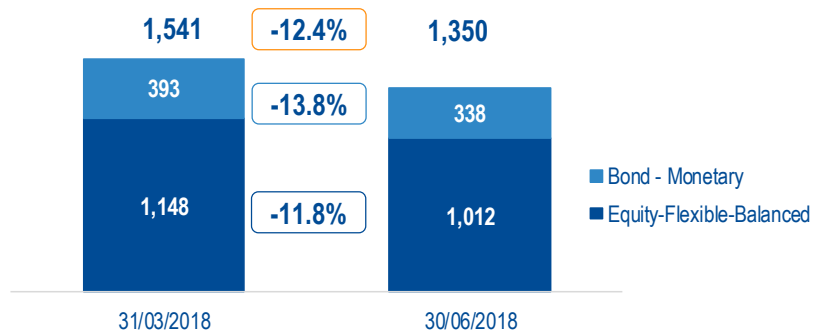
- ~ 83% of loans in North / Center Italy, of which ~ 53.0% in Lombardy
- Average loan granted to real estate and construction sectors (“ATECO”) ~ 188 k€
- Conservative LTV (~ 53%), both for households and SMEs

Average ~ EUR 86 k per loan

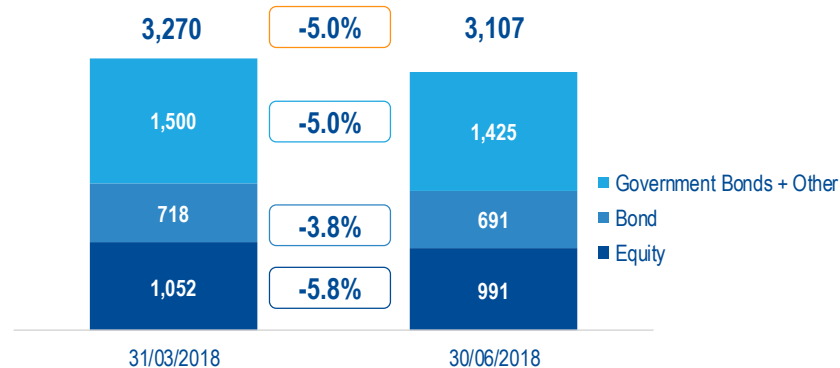


Loan Concentration					
	30/06/2017	30/09/2017	31/12/2017	31/03/2018	30/06/2018
Top 20 exposures	6.6%	6.8%	6.1%	6.7%	8.0%

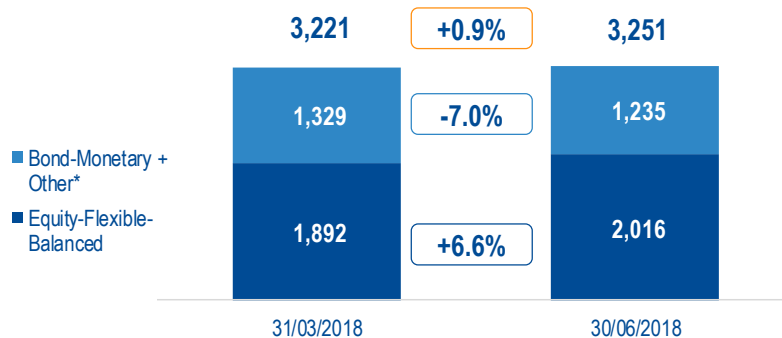
Breakdown Individual accounts (€/m)



Breakdown Custody (€/m)



Breakdown Funds & Sicav (€/m)

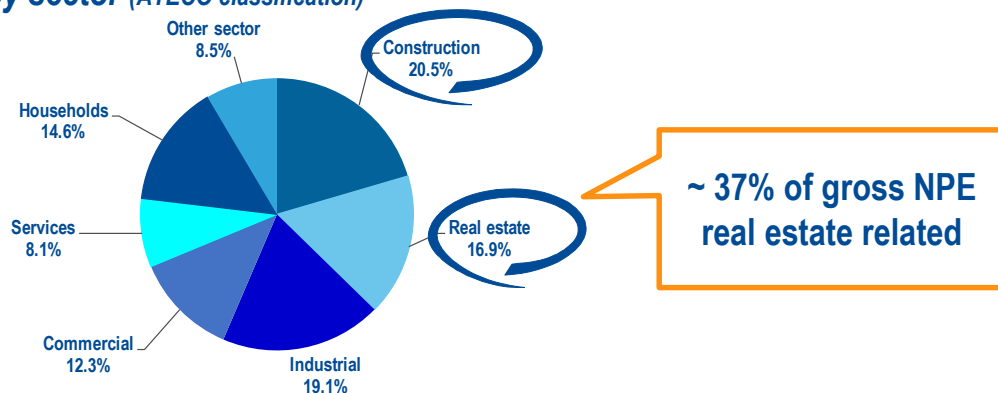


* Other including funds not of our placement.

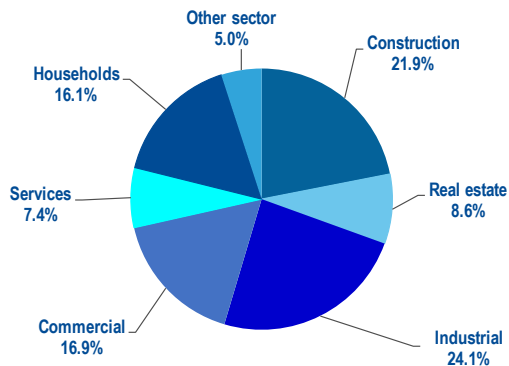
€/000

	Q1 18	Q2 18
Gross performing	16,382	20,585
<i>o/w securities</i>	2,062	5,904
<i>o/w institutionals</i>	980	926
<i>o/w commercial</i>	13,340	13,755
Gross NPE	3,537	1,970
<i>o/w bad loans</i>	1,683	802
<i>o/w UTP</i>	1,746	1,054
<i>o/w past due</i>	108	114
NPE provisions	-2,083	-1,003
Performing exposure provisions	-112	-117
Net customer loans	17,724	21,435

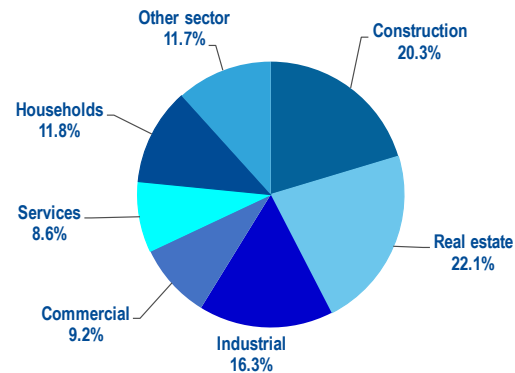
*Breakdown Npe by sector (ATECO classification)**



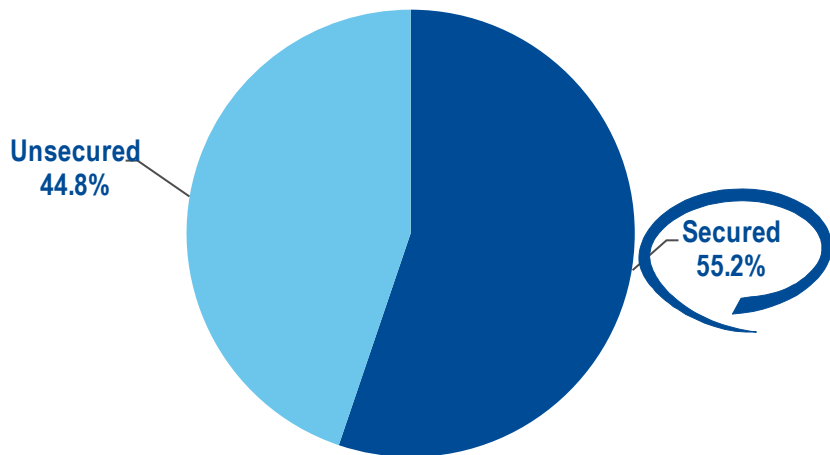
*Breakdown bad loans by sector (ATECO classification)**



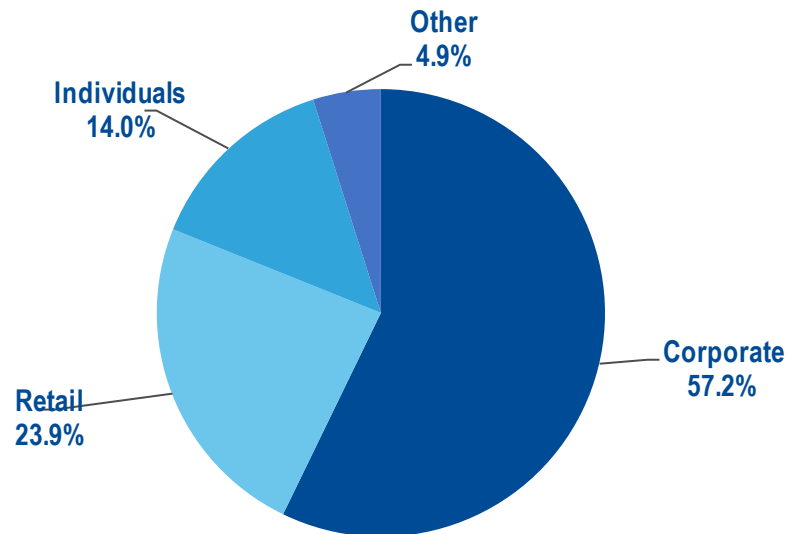
*Breakdown UTP by sector (ATECO classification)**



Gross NPE- Guarantees



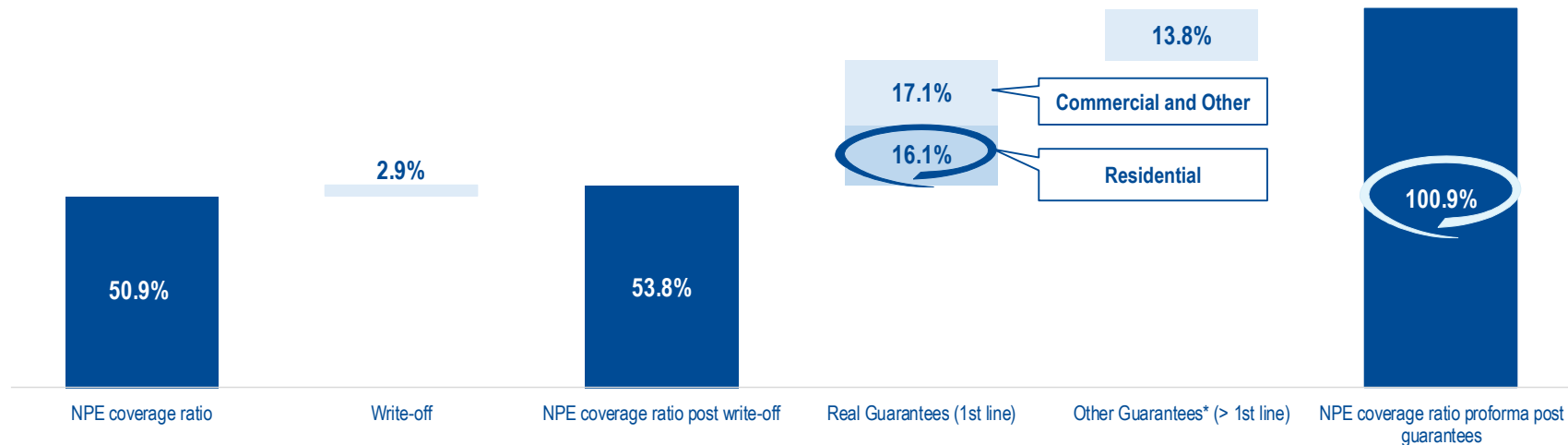
Gross NPE- Segment



Personal guarantees not included

Source: internal data

NPE Coverage Ratio (%)



* Real estate 2nd line + judicial + financial + APS + Confidi

Real estate value equal to the last **market value** (according to the specific appraisal, delivered by **third party** appraiser), **capped** at the maximum amount represented by the value of the loans.

Only «cash guarantees» considered, like financial guarantees, APS. **No consideration at all for personal guarantees.**

€/000

Assets	30/06/2018	31/12/2017
Cash and cash equivalents	150,237	197,829
Financial assets FVTPL	243,265	20,681
Financial assets FVTOCI	2,026,565	4,419,352
Loans and receivables with banks	596,586	2,033,413
Loans and receivables with customers	21,434,668	16,680,944
Hedging derivatives	-	199
Equity Investments	25,167	24,371
Property, equipment and investment property and intangible assets	487,760	486,524
Non-current assets and disposal groups held for sale	89,471	3,955
Other assets	979,878	1,089,556
Total assets	26,033,597	24,956,824
Liabilities and Equity	30/06/2018	31/12/2017
Due to banks	3,124,573	3,143,189
Direct funding from customers	20,414,126	19,631,283
Financial liabilities held for trading	198	713
Hedging derivatives	135,599	138,691
Other liabilities	622,929	421,399
Provisions for specific purpose	242,602	174,103
Equity attributable to non-controlling interests	511	5,352
Equity	1,493,059	1,442,094
Total liabilities and equity	26,033,597	24,956,824

€/000

Income statement	30/06/2018	30/06/2017
Net interest income	178,879	198,772
Net fee and commission income	139,422	142,316
Dividends and similar income	1,867	2,876
Profit (loss) of equity-accounted investments	1,299	158
Net trading, hedging income (expense) and profit (loss) on sales/repurchases	16,473	24,221
Other operating net income	3,039	10,700
Operating income	340,979	379,043
Personnel expenses	-193,432	-134,315
Other administrative expenses	-100,957	-107,711
Depreciation/amortisation and net impairment losses on property, equipment and investment property and intangible assets	-12,567	-13,854
Operating costs	-306,956	-255,880
Net operating profit	34,023	123,163
Impairment or reversal of impairment and modification gains (losses)	22,202	-328,562
Net gains (losses) on sales or repurchase of financial assets valued at the amortised cost	-95,220	-13,411
Net accruals to provisions for risks and charges	-4,575	-40,493
Net gains (losses) on sales of investments	-19	68,780
Badwill	15,357	0
Pre-tax profit (loss) from continuing operations	-28,232	-190,523
Income taxes	30,777	-2,477
Post-tax profit (loss) from continuing operations	2,545	-193,000
Profit (loss) for the period attributable to non-controlling interests	-1,721	-1,828
Profit (Loss) for the period	824	-194,828

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**Consolidated Results as at
June 30th 2018**