The UBI Banca Group
Consolidated Results as at 30th June 2018

3rd August 2018

UBI Banca
UNIONE DI BANCHE ITALIANE

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Please be informed that some of the managers of UBI involved in the drawing up and in the presentation of data contained in this document possess stock of the bank. The disclosure relating to shareholdings of top management is available in the annual reports.

References

The "notes on the reclassified financial statements" contained in the periodic financial reports of the Group may be consulted for a fuller comprehension of the rules followed in preparing the reclassified financial statements.

Figures in this presentation slides may not add up exactly to correspond to the total amount indicated, due to rounding differences.

Methodological note

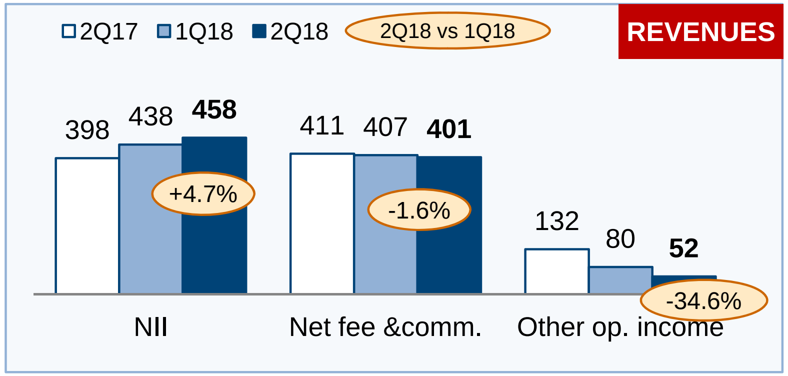
P&L

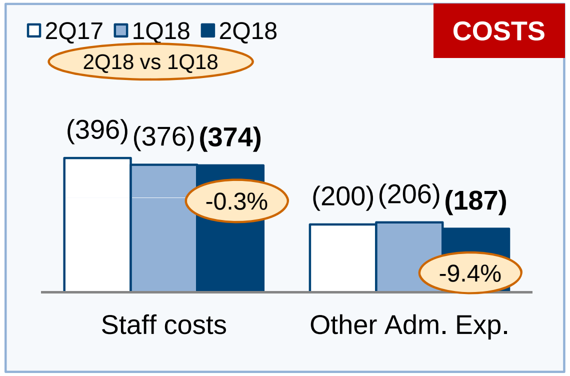
- *The UBI Group's consolidated results include the results of the 3 recently acquired Banks since 1st April 2017. A comparison between 1H18 and 1H17 would **not** therefore be significant because of the **difference in the scope of consolidation***
- *2Q18 results are compared with 1Q18 results, both under IFRS9. When significant, reference may be made in this presentation to 2Q17 results, still pursuant to IAS 39, but restated to take account of the new classifications introduced by the 5th update of the Bank of Italy Circular No 262/2005*

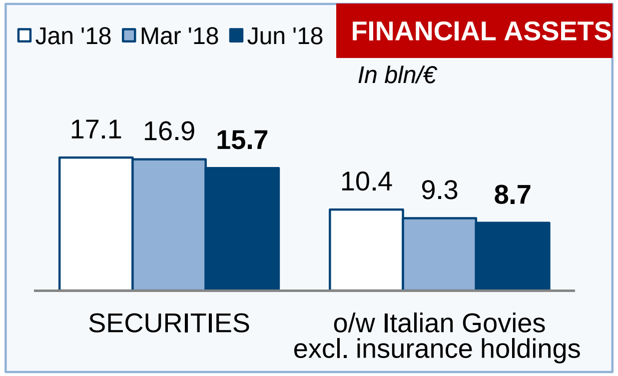
BALANCE SHEET

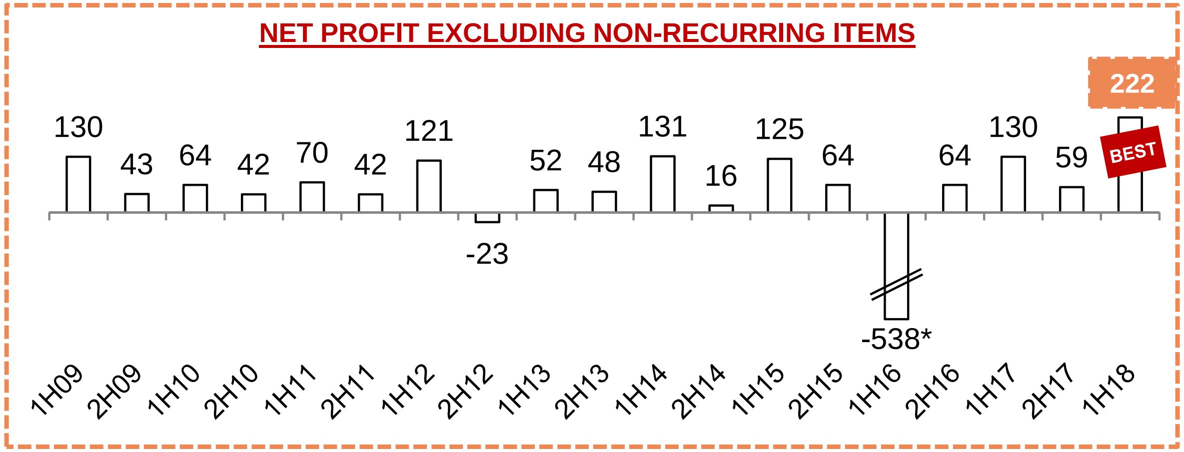
- *Data are shown on three reporting dates (**1.1.2018**, **31.3.2018 and 30.06.2018**) which implement IFRS9 and the application of the 5th update of Bank of Italy Circular No. 262/2005*

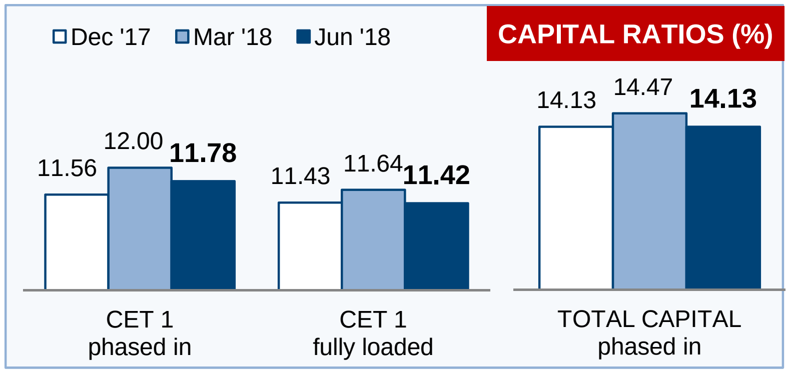
1H18: strong results in a picture

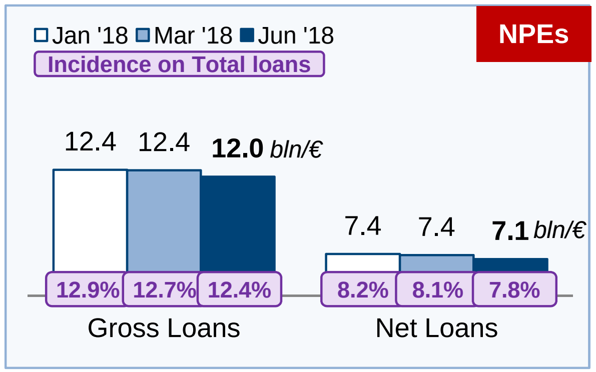


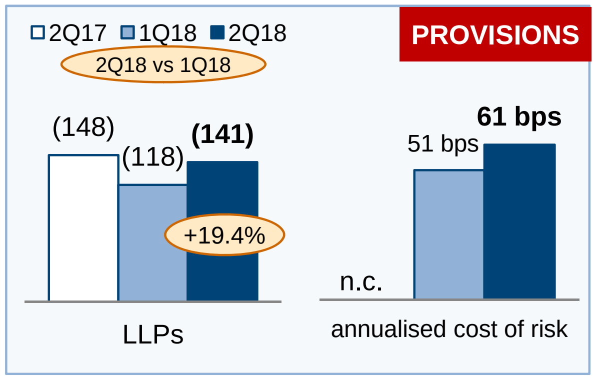










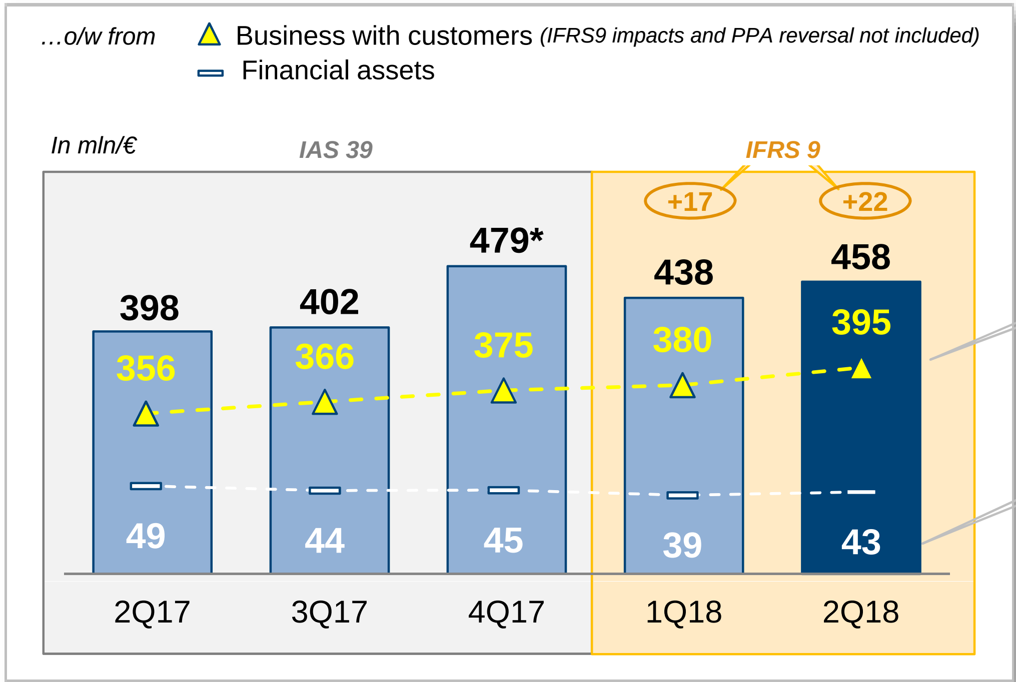


In mln/€, where not otherwise stated

* Restated in compliance with ESMA new regulations and including higher LLPs (approx. 850 mln/€) related to shortfall reabsorption initiative of 2019/20120 Business Plan

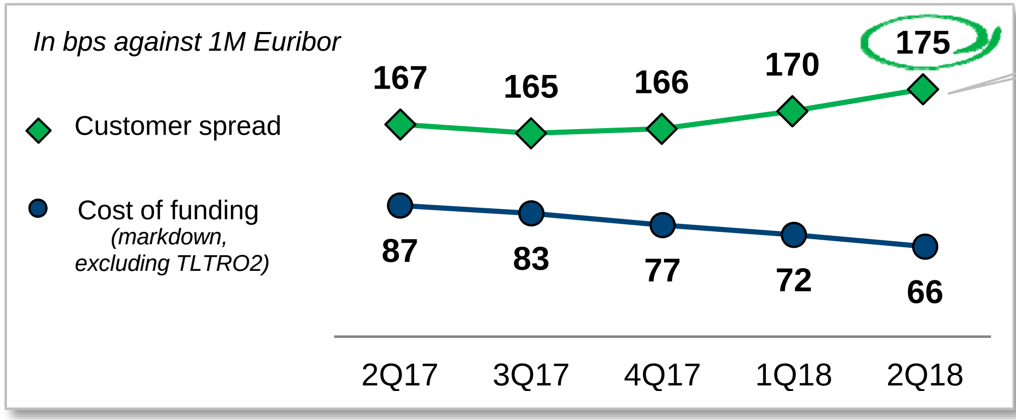
Net interest income at 896 mln/€ in 1H18, o/w 775 mln/€ (86.5%) from customers. Quarterly evolution: in 2Q18 at 458 mln/€, +4.7% vs 1Q18

Net interest income…



NII from Business with customers up for the 4th quarter in a row

Contribution from financial assets back to growth (+8.9% vs 1Q18)



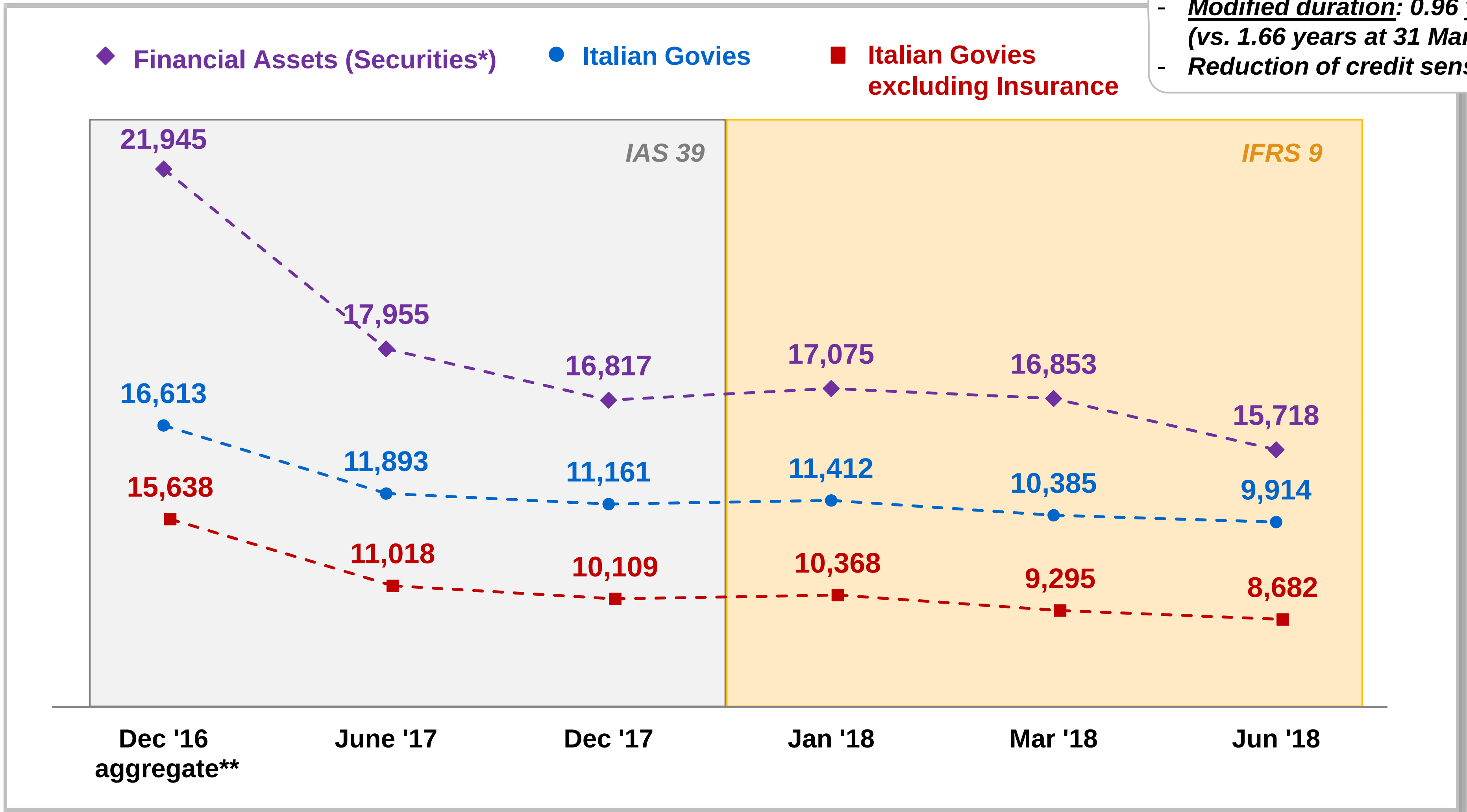
Mark up stabilised since 4Q17

* Including 68.8 mln/€ TLTRO2 benefit referred to 2016 and 2017 (TLTRO2 benefit in 1Q18 and in 2Q18 at 12.6 mln/€)

Financial assets represented by securities at 15.7 bln/€ (lower than 17.7 bln/€ Business Plan target for 2019), down by further 6.7% vs March '18

Italian Govies under 10 bln/€ (-4.5% vs March '18 and -40.3% vs Dec '16)

- ***Modified duration**: 0.96 years (vs. 1.66 years at 31 March '18)*
- *Reduction of credit sensy*

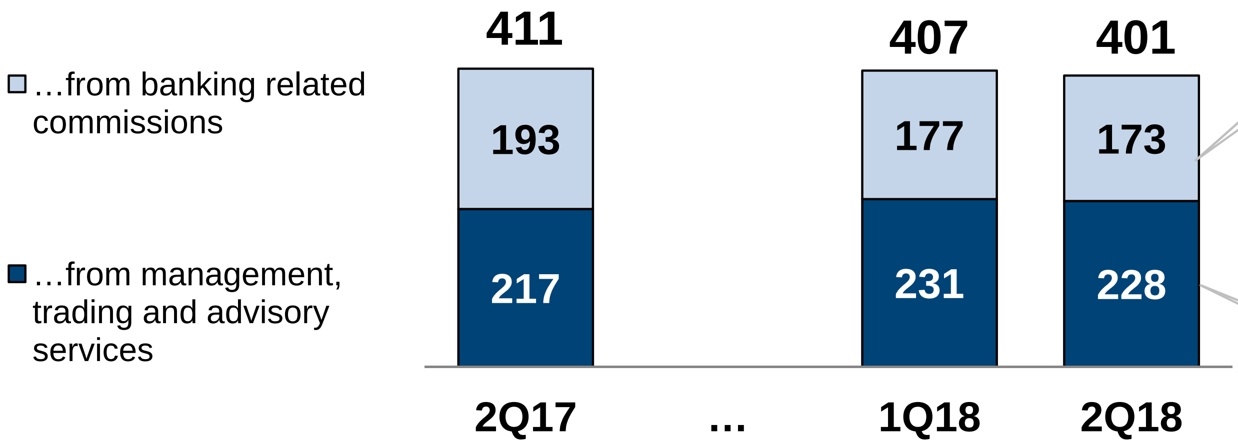


In mln/€

* Includes reclassified balance sheet items 20.3) , 30.3) and 40.3)
** Dec '16 aggregate includes UBI Banca Group Stand Alone (17,859 mln/€) + data of 3 Banks acquired in May 2017

Net fee and commission income at 808 mln/€ in 1H18.
Good resilience of fees and commission in 2Q18, notwithstanding difficult market conditions

Net fee and commission income…



In mln/€

- 2Q18/1Q18: seasonality linked to Corporate and Investment Banking activity
- 2Q18/2Q17:
  - change of perimeter with exit of UBI Intl (-2.5 mln/€)
  - commission expense on securitisation only in 2018 (-4 mln/€)
  - commission on structured finance transactions linked to the acquisition of the 3 Banks present only in 2Q17 (-5.8 mln/€)

- Resilience of securities related commissions thanks to higher management fees on increasing AuM/bancassurance stocks, notwith-standing lower placements in 2Q18

	2Q17	1Q18	2Q18
Volumes Placed** in mln/€ **(AUM and Bancassurance)	3,270	4,125	3,239
Up-front fees	13.9%	16.7%	14.1%
Performance fees	1.0%	0.4%	1.7%

Indirect funding: +2.1% vs Dec '17 and +0.9% vs March '18

Significant growth in bancassurance products: +12.2% vs Dec '17 and +6.5% vs March '18.

In a negative AUM market trend, UBI Banca grows volumes and gains market shares

Market share in Italy (banking companies) - Source Assogestioni

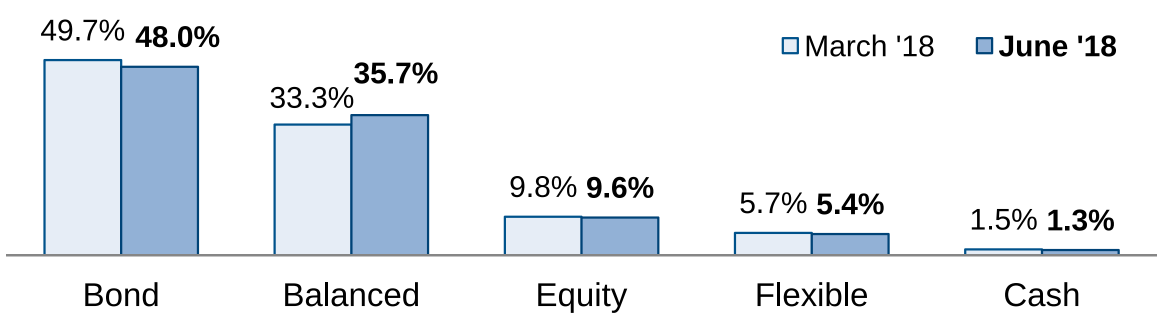
	Dec '15	Mar '16	Jun '16	Sep '16	Dec '16	Mar '17	Jun '17	Sep '17	Dec '17	Mar '18	Jun '18
Market share net AuM	5.86%	5.99%	6.14%	6.28%	6.31%	6.36%	6.38%	6.48%	6.70%	6.81%	6.97%

Quarterly evolution of Indirect Funding

Amounts in bln€	Dec '17	Mar '18	Jun '18	*Jun '18 vs Dec '17*	*Jun '18 vs Mar '18*
AuM	43.8	44.1	44.5	*1.4%*	*0.8%*
Bancassurance	21.6	22.8	24.2	*12.2%*	*6.5%*
AuC	31.0	30.8	29.8	*-3.8%*	*-3.1%*
Total Indirect Funding	**96.5**	**97.7**	**98.5**	***2.1%***	***0.9%***

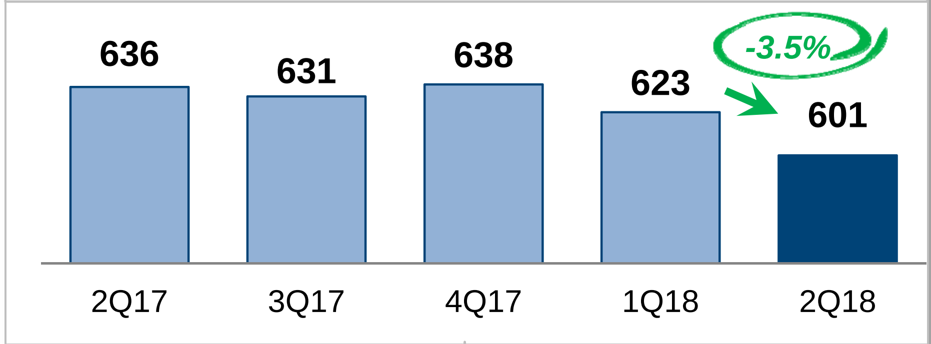
Excluding market performance, (-1.6 bln/€ in 1H2018 o/w -1.4 in 2Q18), AuC volumes increased both in 1Q18 and in 2Q18

UBI PRAMERICA SGR AuM composition

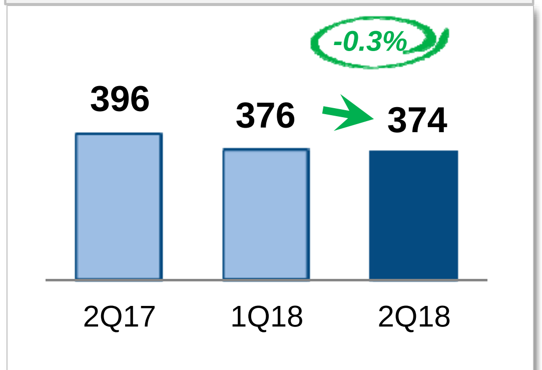


Operating costs at 1,224 mln/€ in 1H18.
2Q18 operating costs at 601 mln/€, the best result since the consolidation of the 3 Banks. All cost components show a QoQ decrease

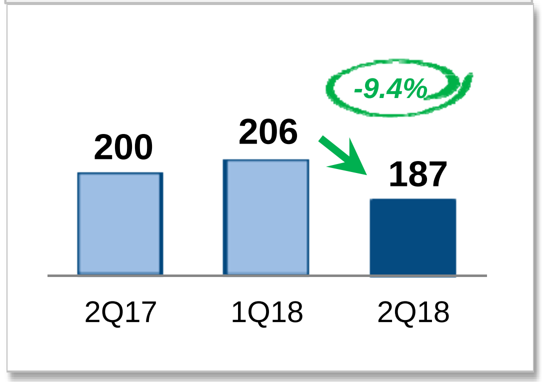
Total Operating Costs *(mln/€)*



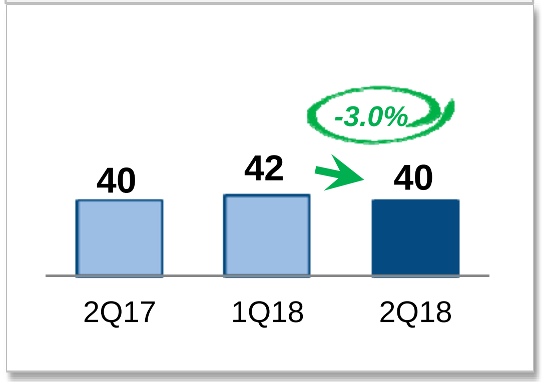
o/w **Staff Costs** *(mln/€)*



o/w **Other Admin. Expense** *(mln/€)*



o/w **Depreciation, Amortisation, etc.** *(mln/€)*

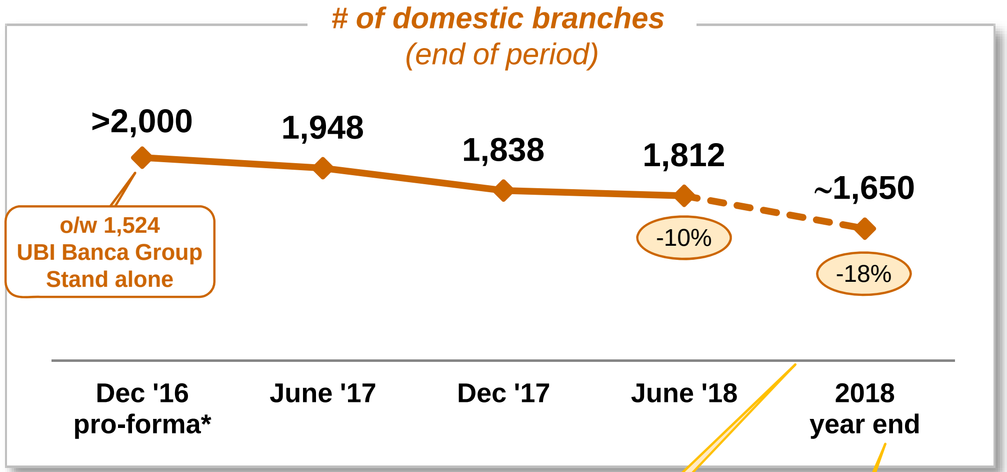


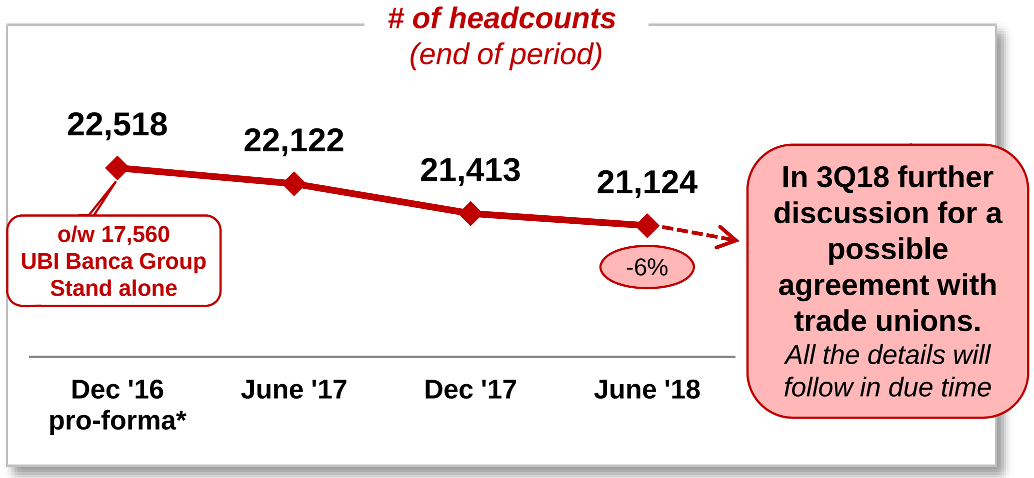
item inclusive of the contribution to SRF

(mln/€)	**-3.4**	**34.2**	**-5+12.9**
	(adj. of ordinary contribution)	(ordinary 1st estimate)	(adj. of ordinary contribution + extraordinary)

SRF = Single Resolution Fund

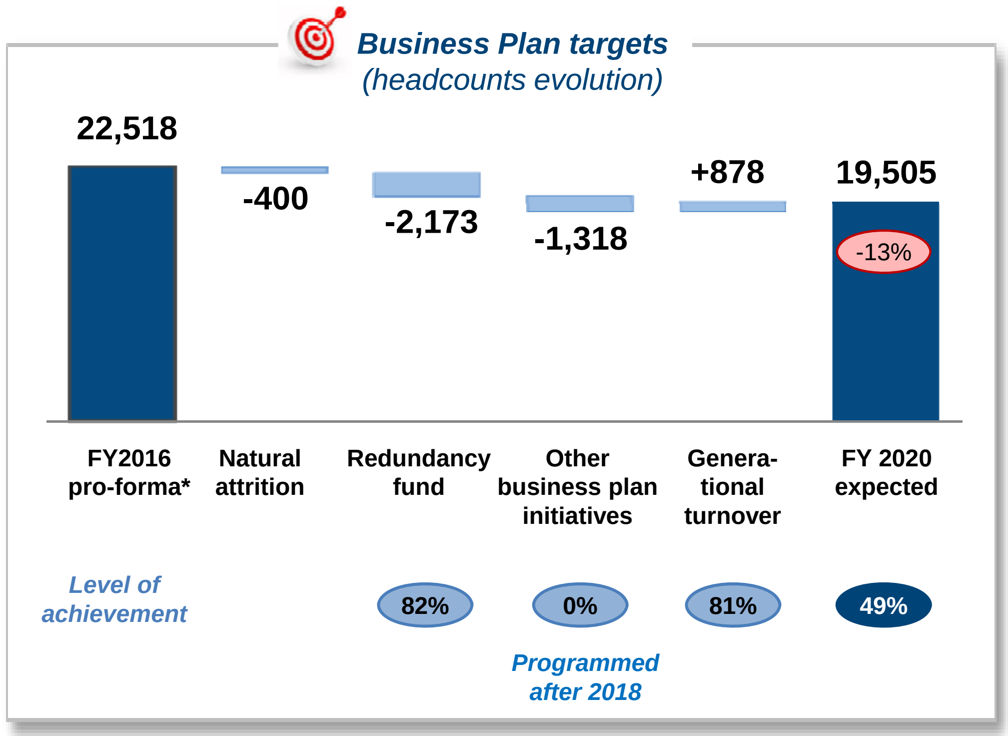
Headcounts and branches: 30 June 2018 vs. Business Plan targets





Approx. 170 new closures expected in 2H18 (mainly mini-branches)

2018 year end expected number of branches represents the Business Plan target envisaged for 2020



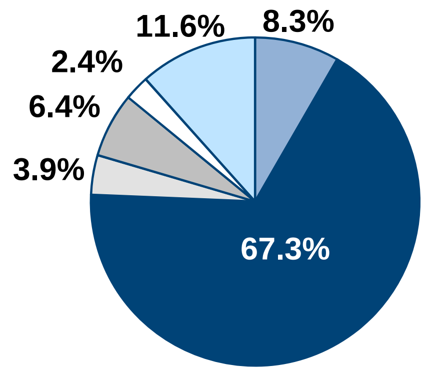
* Dec '16 pro-forma and FY2016 pro-forma include UBI Banca Group Stand Alone + data of 3 Banks acquired in May 2017

Net loans to customers at 91.3 bln/€:
- decreasing NPEs and
- increasing performing m/l term component, also benefitting from new originations of Corporate & Investment Banking division (+1 bln/€ in 6 months)

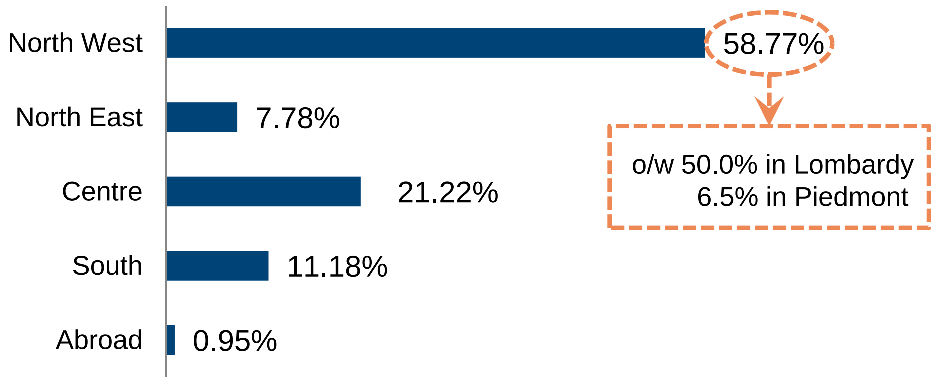
Amounts in bln€	1 Jan '18	31 Mar '18	30 Jun '18
NET LOANS AT AMORTISED COST	**91.0**	**91.6**	**91.3**
of which			
NET PERFORMING EXPOSURES	**83.5**	**84.2**	**84.2**
of which medium-long term	*65.1*	*65.3*	*65.4*
of which short term	*18.3*	*18.7*	*18.7*
of which repos and other with CCG	*0.1*	*0.2*	*0.1*
NET NPEs	**7.5**	**7.4**	**7.1**

NET PERFORMING EXPOSURES *(at amortised cost)* **as at 30 June '18**

- Current account overdraft (7.0 bln/€)
- Mortgage loans and other m/l term financing (56.7 bln/€)
- Credit cards, personal loans and salary backed loans (3.3 bln/€)
- Leasing (5.4 bln/€)
- Factoring (2.1 bln/€)
- Other (portfolio discount, repos, foreign, debt instrum etc; 9.7 bln/€)



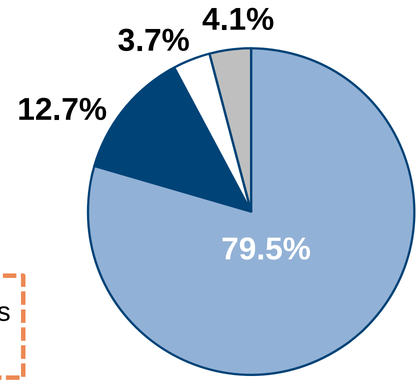
GEOGRAPHICAL DISTRIBUTION OF NET LOANS
as at 30 June '18



BREAKDOWN OF GROSS PERFORMING PORTFOLIO UNDER AIRB
(loans at amortised cost and at fair value through profit or loss)

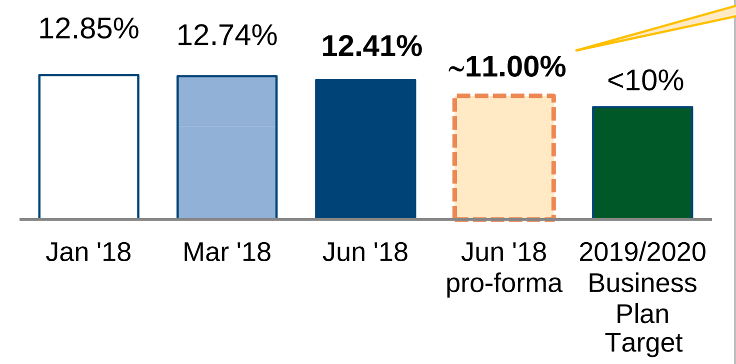
Low risk	79.5%
Medium risk	12.7%
High risk	3.7%
Unrated	4.1%

>83% of high risk positions are collateralised



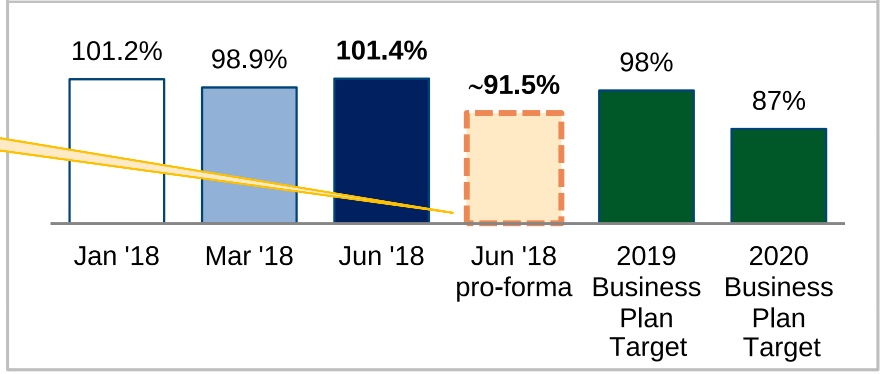
Strongly improving credit quality

GROSS NPEs/TOTAL GROSS LOANS
(at amortised cost)



Taking into account the expected impacts of the recent GACS securitisation announced

TEXAS RATIO*



Loans and advances to customers measured at amortised cost as at 30 June 2018

Figures in thousands of euro	Gross exposure		Impairment losses	Net Carrying amount		Coverage ratio without write-offs	Coverage ratio with write-offs
Non-performing exposures (stage 3)	**(12.41%)**	**12,008,425**	**4,865,777**	**(7.82%)**	**7,142,648**	**40.52%**	**50.53%**
- Bad loans	(7.43%)	7,192,530	3,719,025	(3.80%)	3,473,505	51.71%	63.90%
- Unlikely to pay loans	(4.83%)	4,676,478	1,132,267	(3.88%)	3,544,211	24.21%	
- Past due loans	(0.14%)	139,417	14,485	(0.14%)	124,932	10.39%	
Performing loans (stage 1 and 2)	**(87.59%)**	**84,748,042**	**548,047**	**(92.18%)**	**84,199,995**	**0.65%**	
Total		**96,756,467**	**5,413,824**		**91,342,643**	**5.60%**	

Over -370 mln/€ QoQ
(-405 mln/€ since 1 Jan '18)

Loans and advances to customers measured at amortised cost as at 31 March 2018

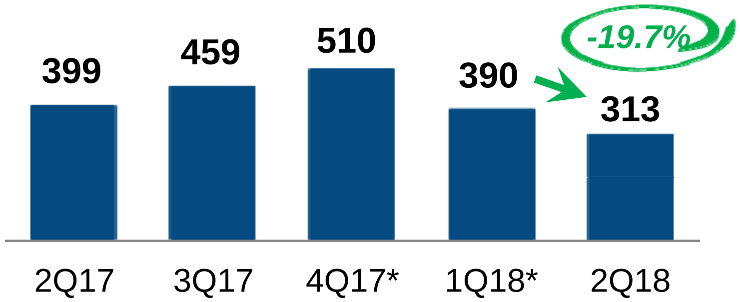
Figures in thousands of euro	Gross exposure		Impairment losses	Net Carrying amount		Coverage ratio without write-offs	Coverage ratio with write-offs
Non-performing exposures (stage 3)	**(12.74%)**	**12,378,749**	**4,994,983**	**(8.06%)**	**7,383,766**	**40.35%**	**49.83%**
- Bad loans	(7.52%)	7,309,326	3,813,243	(3.82%)	3,496,083	52.17%	63.77%
- Unlikely to pay loans	(5.06%)	4,914,595	1,167,872	(4.09%)	3,746,723	23.76%	
- Past due loans	(0.16%)	154,828	13,868	(0.15%)	140,960	8.96%	
Performing loans (stage 1 and 2)	**(87.26%)**	**84,761,765**	**570,300**	**(91.94%)**	**84,191,465**	**0.67%**	
Total		**97,140,514**	**5,565,283**		**91,575,231**	**5.73%**	

* Calculated as net total non performing exposures/((net equity excluding profit and minorities)-total intangible assets)

Flows from performing to non performing loans, recovery rate and default rate

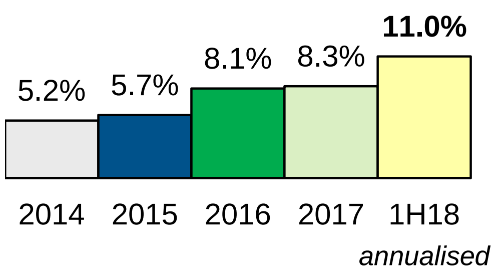
NPEs: GROSS INFLOWS FROM PERFORMING

(in mln/€)

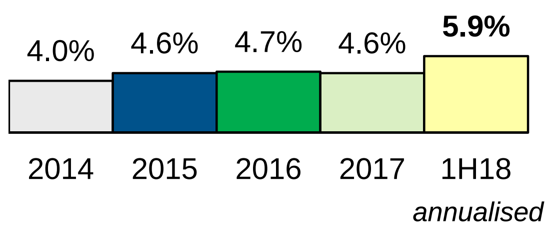


RECOVERY RATE**

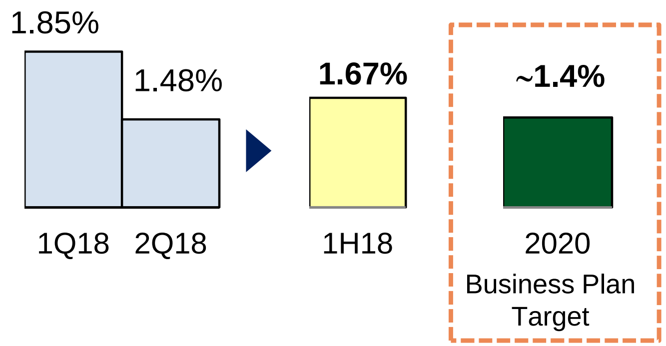
TOTAL NPEs



BAD LOANS



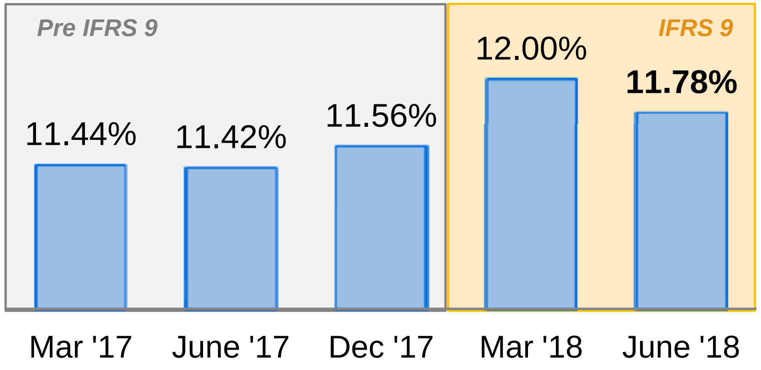
DEFAULT RATE (annualised)***



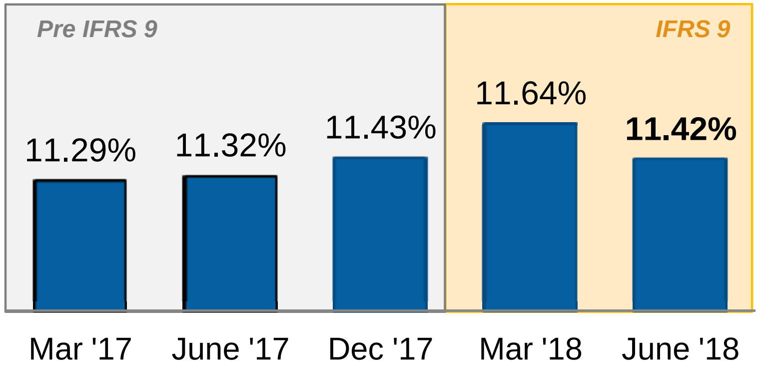
* Process to align NPEs on overlapping customers, and extension of automatisms in use in UBI to 3 banks acquired started in 4Q17 and closed in 1Q18 following incorporation of the same banks; ** Recovery rate = payments received / (initial gross exposure + total increases)
*** Default rate = annualised gross inflows to NPEs / Gross performing loans at the beginning of the period

CET1 ratio at 11.78% phased-in and 11.42% fully loaded.
The impact of sovereign spread widening (-56 bps), partially offset by positive reverse shortfall and profit for the period net of budgeted dividend (+26 bps altogether)

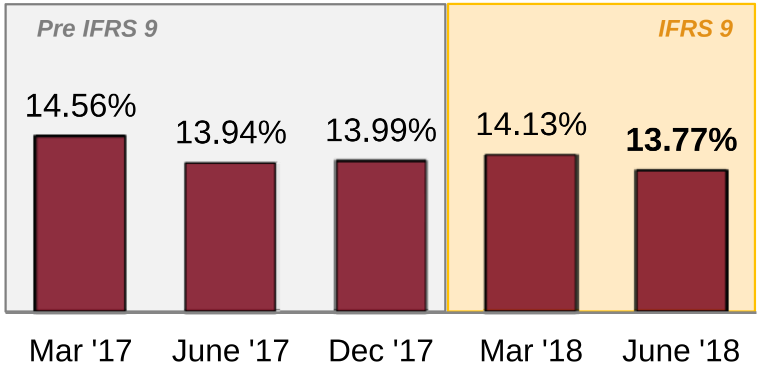
CET 1 phased-in*



CET 1 fully loaded



Total capital fully loaded



Ratios are not inclusive of:
- any benefit from the use of the DTAs of the 3 banks acquired
- 3 acquired banks transition to IRB models**

SREP requirement for 2018 at 8.625%

* Only the negative impacts of the provisions (approx.€255 mln/€) recognised on credit positions subject to the standardised approach carried out on first-time adoption of IFRS 9 will have their effect gradually on the basis of the transition regime provided for by EU Regulation No. 2017/2395 (only 5% of the impact of these provisions is therefore included in the phased-in CET1 ratio, while the total impact is included in the fully loaded CET1 ratio)

** Loans to the New Bank's own customers are still included under the standardised approach. Roll-out of the IRB model is expected during the course of 2018

Business Outlook

- Under current market conditions, the **gradual growth in net interest income** is expected to continue in the second half of 2018
- The prudent management of the Italian government securities portfolio, oriented towards **reducing this exposure**, is confirmed
- **Net fee and commission income** is forecast to be **resilient**
- Attentive monitoring of costs will continue. **In 3Q 2018, UBI will verify the premises to reach a new trade union agreement** which will allow further exits in line with Business Plan forecasts
- The trend for the **reduction in cost of risk** compared with 2017 is forecast to continue
- Finally, in addition to the securitisation (assisted by GACS) of a portfolio of bad loans just concluded, a **new bad loan transaction (without securitisation) is planned for the end of 2018/beginning of 2019**, which will help to achieve a **ratio of gross non-performing loans below 10%**, ahead of schedule compared with previous disclosures. **Both transactions are consistent with the disposal scenarios considered in the IFRS9 FTA**

Annexes

Consolidated income statement *(in mln/€)*	2Q17 (IAS 39)	1Q18 (IFRS 9)	2Q18 (IFRS 9)	2Q18 vs 2Q17	2Q18 vs 1Q18	1H18 (IFRS 9)
Net interest income	398.0	437.8	458.4	*n.s.*	*4.7%*	896.2
- of which: TLTRO2		*12.6*	*12.7*		*1.1%*	*25.2*
- of which: credit components (IFRS9 and PPA)		*25.7*	*35.5*		*38.5%*	*61.2*
- of which: IFRS9 contractual modifications without derecognition		*(8.7)*	*(13.4)*		*54.9%*	*(22.1)*
Net fee and commission income	410.5	407.3	400.6	*(2.4%)*	*(1.6%)*	808.0
Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities as at fair value through profit or loss	83.4	33.7	18.5	*n.s.*	*(45.2%)*	52.2
Profits of equity-accounted investees	6.8	7.3	1.8	*(74.2%)*	*(75.9%)*	9.0
Dividends and similar income	8.0	5.1	3.2	*(59.6%)*	*(37.1%)*	8.4
Net income from insurance operations	4.1	5.5	5.5	*33.8%*	*1.7%*	11.0
Other net operating income/expense	30.0	28.4	23.4	*(21.9%)*	*(17.5%)*	51.8
Operating income	**940.8**	**925.1**	**911.4**	***n.s.***	***(1.5%)***	**1,836.5**
Staff costs	(396.3)	(375.5)	(374.3)	*(5.5%)*	*(0.3%)*	(749.9)
Other administrative expenses	(199.7)	(205.9)	(186.6)	*(6.5%)*	*(9.4%)*	(392.6)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(40.2)	(41.6)	(40.4)	*0.4%*	*(3.0%)*	(82.0)
Operating expenses	**(636.2)**	**(623.1)**	**(601.4)**	***(5.5%)***	***(3.5%)***	**(1,224.4)**
Net operating income	**304.6**	**302.0**	**310.1**	***n.s.***	***2.7%***	**612.1**
Net impairment losses for credit risk relating to:	(228.2)	(124.1)	(142.3)	*n.s.*	*14.6%*	(266.3)
- financial assets measured at amortised cost: loans to banks		*(1.7)*	*0.3*		*n.s.*	*(1.5)*
- financial assets measured at amortised cost: loans to customers	(147.8)	*(117.7)*	*(140.5)*		*19.4%*	*(258.2)*
- financial assets measured at amortised cost: securities		*(0.1)*	*0.0*		*n.s.*	*(0.1)*
- financial assets as at fair value through other comprehensive income		*(4.6)*	*(2.0)*		*(55.5%)*	*(6.6)*
Net impairment losses on other financial assets and liabilities	(82.7)					
Net provisions for risks and charges - commitments and guarantees granted		11.1	3.5		*(68.6%)*	14.5
Net provisions for risks and charges - other net provisions	2.1	(1.4)	(15.7)	*n.s.*	*n.s.*	(17.1)
Profits (losses) from the disposal of equity investments	0.5	0.8	0.2	*(65.7%)*	*(78.6%)*	1.0
Pre-tax profit from continuing operations	**76.7**	**188.4**	**155.8**	***n.s.***	***(17.3%)***	**344.1**
Taxes on income for the period from continuing operations	(40.4)	(61.4)	(55.6)	*37.5%*	*(9.4%)*	(116.9)
Profits/losses for the period attributable to non-controlling interests	(6.4)	(6.0)	(7.8)	*22.5%*	*29.7%*	(13.8)
Profit for the period before Business Plan impacts	**30.0**	**121.0**	**92.4**	***n.s.***	***(23.7%)***	**213.4**
Redundancy expenses net of taxes and non-controlling interests	(2.3)	0.2	(0.2)	*(92.8%)*	*n.s.*	-
Business Plan Project expenses net of taxes and non-controlling interests	(11.6)	(3.5)	(1.0)	*(91.1%)*	*(70.8%)*	(4.6)
Negative consolidation difference	612.9					
Profit for the period	**629.0**	**117.7**	**91.2**	***(85.5%)***	***(22.5%)***	**208.9**
Profit for the period net of non-recurring	**43.7**	**121.0**	**101.1**	***131.3%***	***(16.5%)***	**222.1**

Note: badwill reversal amounted to 15 mln/€ net in 1Q18 and to 16 mln/€ in 2Q18

Portfolio breakdown: Italian Govies Maturities and Sovereign Exposures

Amounts in mln/€	31 March 2018 FVTPL (fair value through profit or loss)	31 March 2018 FVOCI (fair value through other comprehensive income)	31 March 2018 FVAC (fair value measured at amortised cost)	31 March 2018 TOTAL	30 June 2018 FVTPL (fair value through profit or loss)	30 June 2018 FVOCI (fair value through other comprehensive income)	30 June 2018 FVAC (fair value measured at amortised cost)	30 June 2018 TOTAL	% Change of TOTAL amounts
Financial Assets (**Securities**)	1,186	12,645	3,022	**16,853**	1,160	11,528	3,030	**15,718**	**-6.7%**
o/w Italian Govies	*47*	*7,322*	*3,017*	***10,385***	*41*	*6,848*	*3,024*	***9,914***	**-4.5%**
Financial Liabilities held for trading				***367***				***387***	***5.4%***

Maturity of the Italian Govies Portfolio

Amounts in mln/€	FVTPL	FVOCI	FVAC	TOTAL 30.06.18	TOTAL 31.03.18
2018	1	37	-	**37**	**105**
2019-2020	19	460	-	**478**	**73**
2021-2022	1	1,767	-	**1,768**	**2,512**
2023-2025	20	2,357	190	**2,567**	**3,453**
From 2026 and over	1	2,228	2,835	**5,064**	**4,242**
Total portfolio	**41**	**6,848**	**3,024**	**9,914**	**10,385**
% of portfolio on total Italian Govies	**0.4%**	**69.1%**	**30.5%**	**100%**	

Main sovereign exposures as at 30 June 2018

Portfolio: Amounts in bln/€	Consolidated* o/w Govies	Consolidated* o/w Corporates and banks	Consolidated* o/w Loans	*o/w Insurance* *Govies*
Italy	9,934**	286	948	*1,250***
Spain	1,042	85	-	*207*
U.S.A.	1,517	155	-	*1*
France	511	136	-	*4*
Main 4 countries	**13,005**	**662**	**948**	***1,462***
% on total amount	***96.9%***	***53.6%***	***97.9%***	***97.5%***

* The analysis excludes equity holdings and UCITs (overall 0.6 bln/€)

** Including *Cassa Depositi e Prestiti* bonds amounting to approx. 20 mln/€ (consolidated figure, o/w nearly 18 mln/€ referred to insurance business)

Direct funding at 95 bln/€.
Strong performance of currents accounts and deposits confirmed

IAS amounts in bln/€

DIRECT FUNDING	January '18	31 March '18	30 June '18
...from ORDINARY CUSTOMERS	**80.41**	**78.58**	**78.89**
of which			
Current accounts and deposits	*64.26*	*64.62*	*66.73*
Term deposits, financing & other payables	*4.18*	*3.64*	*3.16*
Bonds issued	*10.83*	*9.46*	*8.37*
Certificates of deposit	*1.14*	*0.86*	*0.63*
...from INSTITUTIONAL CUSTOMERS	**14.03**	**15.63**	**16.12**
of which			
Covered Bonds	*9.48*	*10.64*	*10.72*
EMTN	*4.55*	*4.31*	*4.70*
Repos with CCG	-	*0.68*	*0.70*
TOTAL DIRECT FUNDING	**94.44**	**94.21**	**95.01**
INDIRECT FUNDING (AuM+Bancassurance+AuC)	**96.47**	**97.66**	**98.53**
TOTAL FUNDING (DIRECT +INDIRECT)	**190.91**	**191.88**	**193.54**

+8.9% since Dec '16 (61.3 bln/€, aggregate including 3 banks acquired)

500 mln/€ of retail bonds placed in the 2Q18 (value date 29/06). Further **480 mln/€** under placement (within 31/08)

Dual tranche covered bond issuance for **1 bln/€** settled in Jan '18 (exp. in 2024 and 2030)*

On 5th April '18, the first **0.5 bln/€** senior non-preferred benchmark bond issue was launched**

* Pricing: 10 bps over the 6.5y mid swap rate, and 30 bps over the 12y mid swap rate

** Pricing: fixed rate, 5y mid swap +140 basis points, with a coupon of 1.75%

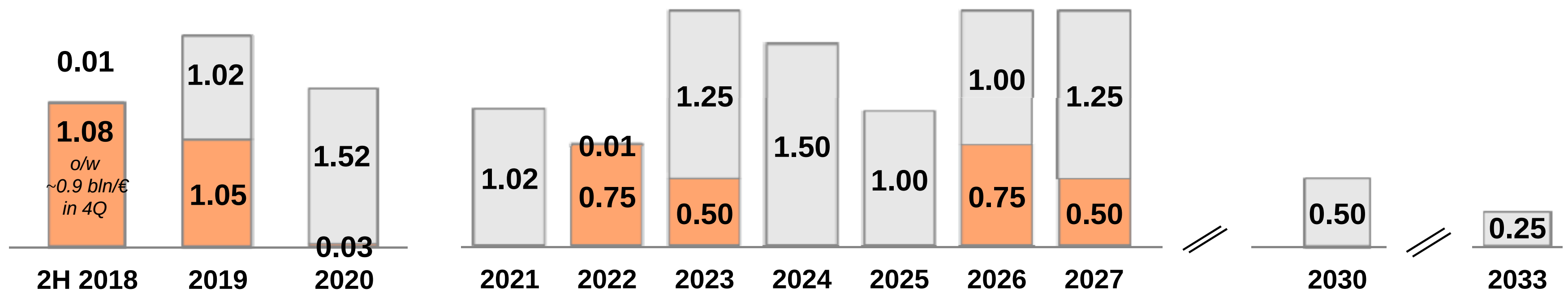
Funding maturity profile: regular maturities, no peaks.
First Senior Non Preferred issue successfully launched last April

INSTITUTIONAL BONDS

(Nominal amounts in € bln)

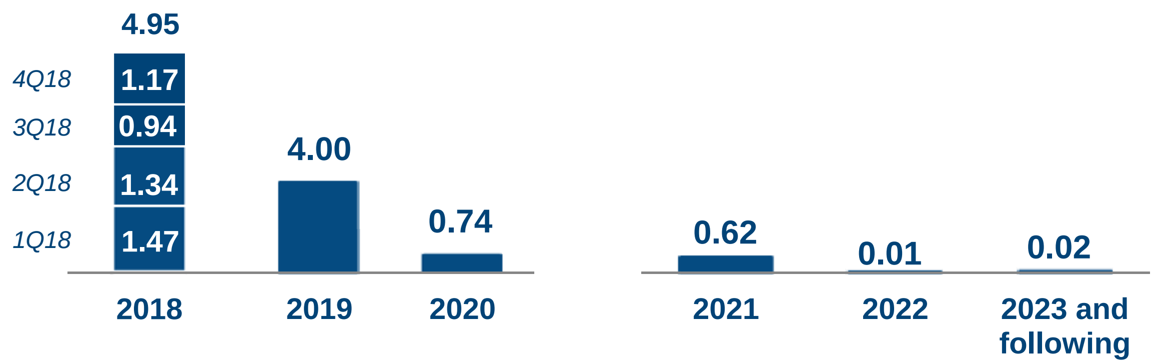
EMTN   COVERED BONDS

(Inclusive of original 0.25 bln/€ of private placement expiring within 2022 and 0.25 bln/€ private placements expiring in 2033. Retained issues not included)



RETAIL BONDS

(Nominal amounts in € bln, net of bond repurchases)



Data as at 30th June '18

Note: as per the 3 banks acquired, in Mar '18 there are in place 3 securitisations for a market outstanding amount of approx. 0.3 bln/€.
(In Dec' 16, there were 11 securitisations, most of which highly amortised and redeemed ahead of maturity)

Liquidity resources at 30.5 bln/€, representing over 45% of current accounts and deposits

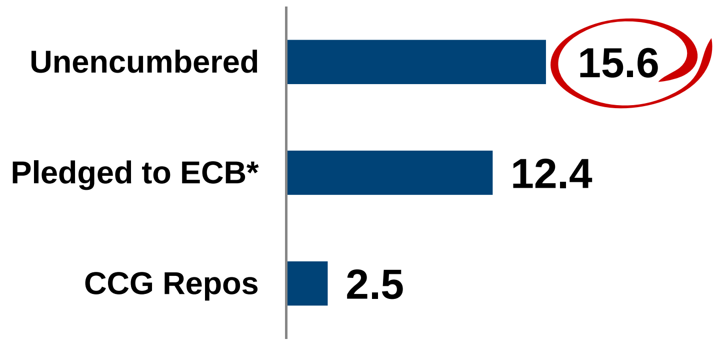
Data as at 30 June'18

30.5 bln/€

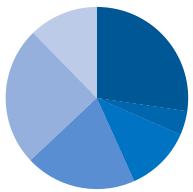
Excess Liquidity on ECB Account
7.0 bln/€

Eligible assets (net of haircut)
23.5 bln/€

Destination *(amounts in €/bln)*



Composition of eligible assets (net of haircut)



Italian Govies	27.3%
Foreign govies	4.3%
Retained covered bonds	11.7%
Retained securitisation	19.7%
ABACO (credit claims)	24.7%
Other (main CCG repos)	12.3%

* The amount of available TLTRO2 funds fell in 2Q18 from 12.5 bln/€ *(debt amounts allotted at the time of the auctions, of which 10 bln/€ expiring in June 2020 and 2.5 bln/€ in March 2021)* to 12.4 bln/€ as a consequence of the application of a negative interest rate of -0.40% notified by the Bank of Italy from 5th June 2018, in compliance with Decision (EU) 2016/810 of the ECB

Capital Ratios as at 30th June ’18.

Common Equity Tier 1 Ratio at 11.78%, Total Capital Ratio at 14.13%

mln/€	Mar '18	Jun '18
Common Equity Tier 1 Capital (before filters and transitional provisions)	7,060.6	6,854.0
Transitional provisions (IFRS9)	242.5	247.0
Common Equity Tier 1 Capital filters	-12.5	-10.9
Common Equity Tier 1 *(after filters)*	**7,290.6**	**7,090.1**
Common Equity Tier 1 regulatory adjustments: negative elements for deduction excess of expected losses over impairment losses	*-95.3*	-
Common Equity Tier 1 Capital (CET1)	**7,195.2**	**7,090.1**
Additional Tier 1 before deductions	-	-
Additional Tier 1 regulatory adjustments	-	-
of which negative elements for deduction excess of expected losses over impairment losses	-	-
Additional Tier 1	-	-
Tier 1 Capital (CET 1 +Additional Tier 1)	**7,195.2**	**7,090.1**
Tier 2 Capital before transitional provisions	1,536.3	1,463.4
Tier 2 instruments grandfathering		
Tier 2 Capital after transitional provisions	**1,536.3**	**1,463.4**
Tier 2 capital regulatory adjustments	-55.4	-51.7
of which: negative elements for deduction excess of expected losses over impairment losses		
Tier 2 Capital	**1,481.0**	**1,411.8**
TOTAL OWN FUNDS	**8,676.2**	**8,501.9**

mln/€	Mar '18	Jun '18
Risk weighted assets	**59,942.5**	**60,176.4**
Total prudential requirements	***4,795.4***	***4,814.1***
Credit risk	*4,374.3*	*4,383.5*
CVA (Credit Value Adjustment) risk	*4.7*	*4.2*
Market risk	*79.3*	*75.4*
Operational risk	*337.0*	*351.0*

CET 1 ratio

	Mar ‘18	Jun ‘18
PHASED –IN	12.00%	11.78%
FULLY LOADED	*11.64%*	*11.42%*

TOTAL CAPITAL ratio

	Mar ‘18	Jun ‘18
PHASED-IN	14.47%	14.13%
FULLY LOADED	*14.13%*	*13.77%*

- B3 Leverage as at 30th June ‘18:
  - ✓ phased in 5.37%
  - ✓ fully loaded 5.19%
- LCR and NSFR > 100%

Reclassified Consolidated Balance Sheet - Assets

Figures in thousands of euro		30.6.2018 A	31.3.2018 B	1.1.2018 C	Change A-B	% change A/B	Change A-C	% change A/C
	ASSETS							
10.	Cash and cash equivalents	616,368	612,826	811,578	3,542	0.6%	-195,210	-24.1%
20.	Financial assets measured at fair value through profit or loss	1,488,445	1,541,428	1,979,802	-52,983	-3.4%	-491,357	-24.8%
	1) loans and advances to banks	*14,796*	*14,900*	*14,755*	*-104*	-0.7%	*41*	0.3%
	2) loans and advances to customers	*313,580*	*340,800*	*362,425*	*-27,220*	-8.0%	*-48,845*	-13.5%
	3) securities and derivatives	*1,160,069*	*1,185,728*	*1,602,622*	*-25,659*	-2.2%	*-442,553*	-27.6%
30.	Financial assets measured at fair value through other comprehensive income	11,527,974	12,645,089	12,435,307	-1,117,115	-8.8%	-907,333	-7.3%
	1) loans and advances to banks	-	-	-	-	-	-	-
	2) loans and advances to customers	-	-	-	-	-	-	-
	3) securities	*11,527,974*	*12,645,089*	*12,435,307*	*-1,117,115*	*-8.8%*	*-907,333*	*-7.3%*
40.	Financial assets measured at amortised cost	103,886,299	102,740,393	101,833,189	*1,145,906*	*1.1%*	*2,053,110*	*2.0%*
	1) loans and advances to banks	*9,513,708*	*8,142,802*	*7,814,815*	*1,370,906*	*16.8%*	*1,698,893*	*21.7%*
	2) loans and advances to customers	*91,342,643*	*91,575,231*	*90,980,959*	*-232,588*	*-0.3%*	*361,684*	*0.4%*
	3) securities	*3,029,948*	*3,022,360*	*3,037,415*	*7,588*	*0.3%*	*-7,467*	*-0.2%*
50.	Hedging derivatives	59,804	67,656	169,907	-7,852	-11.6%	-110,103	-64.8%
60.	Fair value change in hedged financial assets (+/-)	33,826	-181	-2,035	34,007	n.s.	35,861	n.s.
70.	Equity investments	240,509	248,267	243,165	-7,758	-3.1%	-2,656	-1.1%
80.	Technical reserves of reinsurers	373	331	347	42	12.7%	26	7.5%
90.	Property, plant and equipment	1,799,295	1,799,070	1,811,743	225	0.0%	-12,448	-0.7%
100.	Intangible assets	1,711,908	1,723,921	1,728,328	-12,013	-0.7%	-16,420	-1.0%
	of which: goodwill	*1,465,260*	*1,465,260*	*1,465,260*	-	-	-	-
110.	Tax assets	4,122,268	4,017,911	4,184,524	104,357	2.6%	-62,256	-1.5%
120.	Non-current assets and disposal groups held for sale	1,384	995	962	389	39.1%	422	43.9%
130.	Other assets	1,415,721	1,165,674	1,451,059	250,047	21.5%	-35,338	-2.4%
	Total assets	**126,904,174**	**126,563,380**	**126,647,876**	**340,794**	**0.3%**	**256,298**	**0.2%**

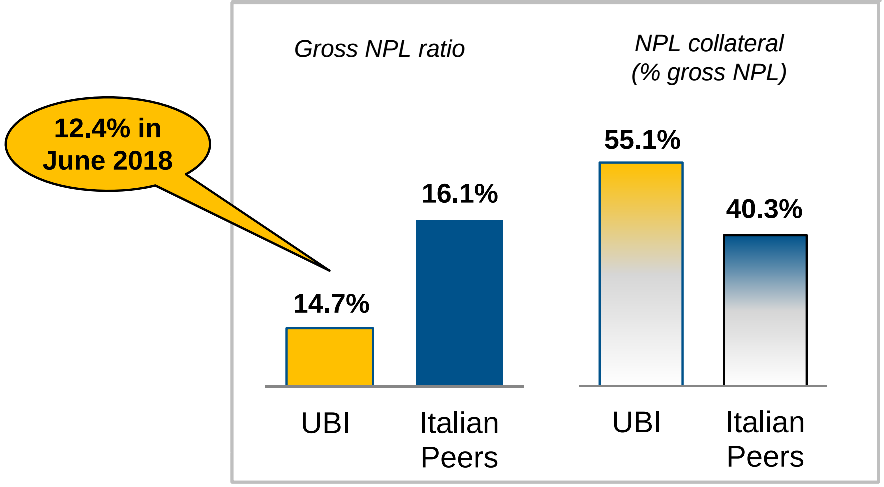
Note: some figures as at 1st January 2018 [(items 20.2), 20.3), 40.1) and 40.3)] differ from those published in the financial report for the period ended 31st March 2018 due to marginal changes, consisting mainly of figures rounded up or down

Reclassified Consolidated Balance Sheet - Liabilities and Equity

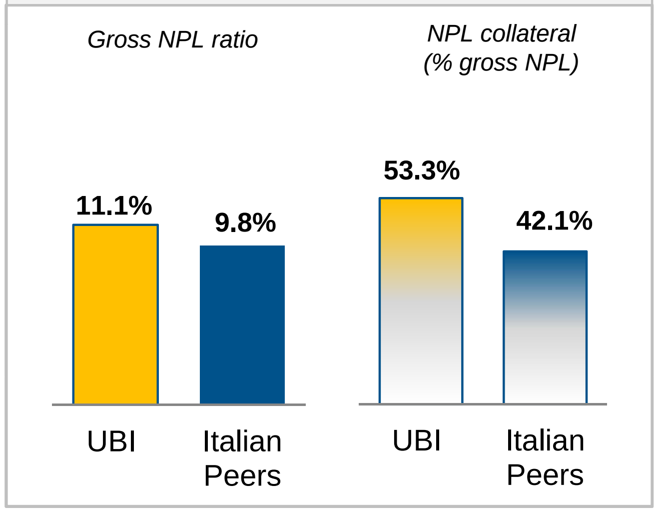
Figures in thousands of euro		30.6.2018 A	31.3.2018 B	1.1.2018 C	Change A-B	% change A/B	Change A-C	% change A/C
	LIABILITIES AND EQUITY							
10.	Financial liabilities measured at amortised cost	111,617,355	111,520,617	111,182,776	96,738	0.1%	434,579	0.4%
	a) Due to banks	*16,607,300*	*17,308,468*	*16,733,006*	*-701,168*	*-4.1%*	*-125,706*	*-0.8%*
	b) Due to customers	*70,582,753*	*68,944,514*	*68,434,827*	*1,638,239*	*2.4%*	*2,147,926*	*3.1%*
	c) Debt securities issued	*24,427,302*	*25,267,635*	*26,014,943*	*-840,333*	*-3.3%*	*-1,587,641*	*-6.1%*
20.	Financial liabilities held for trading	386,959	367,105	411,653	19,854	5.4%	-24,694	-6.0%
30.	Financial liabilities designated as at fair value	75,488	59,019	43,021	16,469	27.9%	32,467	75.5%
40.	Hedging derivatives	102,961	98,872	100,590	4,089	4.1%	2,371	2.4%
50.	Fair value change in hedged financial liabilities (+/-)	54,008	27,825	-	26,183	94.1%	54,008	-
60.	Tax liabilities	208,390	271,990	240,908	-63,600	-23.4%	-32,518	-13.5%
80.	Other liabilities	2,654,081	2,035,487	2,694,744	618,594	30.4%	-40,663	-1.5%
90.	Provision for post-employment benefits	328,484	336,807	350,779	-8,323	-2.5%	-22,295	-6.4%
100.	Provisions for risks and charges:	565,147	584,088	624,612	-18,941	-3.2%	-59,465	-9.5%
	a) commitments and guarantees granted	*73,964*	*77,284*	*88,347*	*-3,320*	*-4.3%*	*-14,383*	*-16.3%*
	b) pension and similar obligations	*130,215*	*135,190*	*137,213*	*-4,975*	*-3.7%*	*-6,998*	*-5.1%*
	c) other provisions for risks and charges	*360,968*	*371,614*	*399,052*	*-10,646*	*-2.9%*	*-38,084*	*-9.5%*
110.	Technical reserves	1,879,072	1,901,000	1,780,701	-21,928	-1.2%	98,371	5.5%
120.+150.+ 160. +170.+180	Share capital, share premiums, reserves, valuation reserves and treasury shares	8,756,026	9,183,186	8,447,847	-427,160	-4.7%	308,179	3.6%
190.	Minority interests (+/-)	67,336	59,724	79,688	7,612	12.7%	-12,352	-15.5%
200.	Profit (loss) for the period/year (+/-)	208,867	117,660	690,557	91,207	77.5%	-481,690	-69.8%
	Total liabilities and equity	**126,904,174**	**126,563,380**	**126,647,876**	**340,794**	**0.3%**	**256,298**	**0.2%**

EBA Transparency Exercise confirms credit quality
(all data on gross amounts as at June 2017)

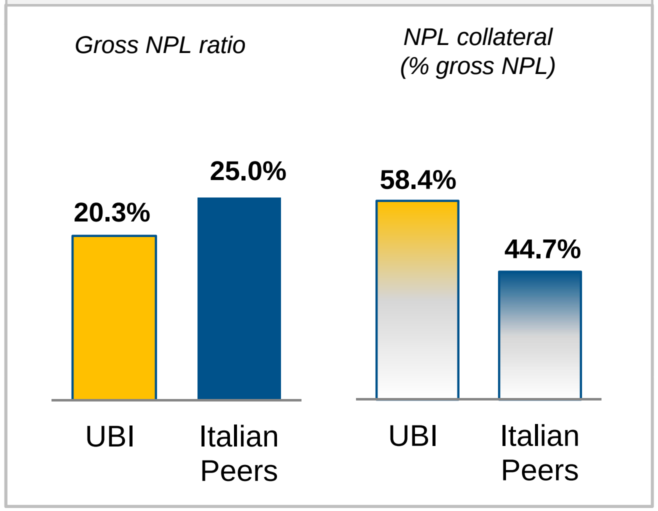
Aggregate (a+b+c)



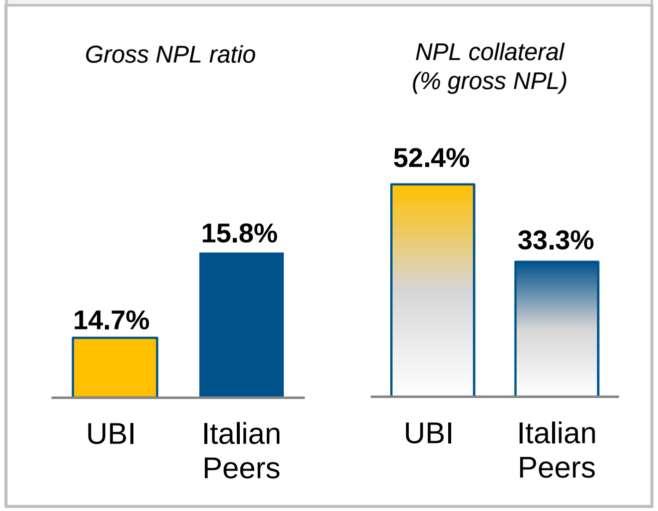
Households (a)



SMEs (b)



Other corporates (c)



Other corporates = Non financial corporations other than SMEs

Source: http://www.eba.europa.eu/risk-analysis-and-data/eu-wide-transparency-exercise/2017/results

EU WideTransparency exercise, June 2017 - EBA and BCE methodology.
Italian Peers = average of the panel of Italian Banks considered by the EU WideTransparency exercise (10 Groups in 2017).
Gross NPL ratio - Italian Peers: the panel is considered as a whole aggregate;
NPLs collateral as a percentage of gross NPL - Italian Peers: average of the single peer incidence