



Banca Popolare di Sondrio

Società cooperativa per azioni - fondata nel 1871
Sede sociale e direzione generale: I - 23100 Sondrio So - Piazza Garibaldi 16
Iscritta al Registro delle Imprese di Sondrio al n. 00053810149
Iscritta all'Albo delle Banche al n. 842
Capogruppo del Gruppo bancario Banca Popolare di Sondrio, iscritto all'Albo dei Gruppi bancari al n. 5696.0
Iscritta all'Albo delle Società Cooperative al n. A160536
Aderente al Fondo Interbancario di Tutela dei Depositi
Codice fiscale e Partita IVA: 00053810149
Capitale Sociale € 1.360.157.331 - Riserve € 947.325.264
(dati approvati dall'Assemblea dei soci del 29/4/2017)

Press Release

Board of Directors of March 23, 2018: approval of consolidated financial statements for the business year 2017; dividend proposal of € 0,07 (previous € 0,06); convening of the Annual Shareholders' General Meeting.

The Board of Directors of Banca Popolare di Sondrio today reviewed and approved the company and consolidated financial statements for the year 2017, expressing strong appreciation for the results achieved. Preliminary consolidated data, approved on 8 February 2018 and made public on the same date with a press release, to which reference should be made, are fully confirmed.

- **All the financial statement indicators provide evidence of the constant progress of company management based on efficiency and effectiveness of the action, respecting the traditional criteria of correctness and goodwill.**

CONSOLIDATED FINANCIAL STATEMENTS **of Banca Popolare di Sondrio Banking Group, financial year 2017**

- **Net income € 159.210 million, the result of ordinary business alone, with an increase of 61.47% compared to the previous year. This result is significantly affected by the extraordinary contributions and the other charges related to the stabilization of the banking system, gross of the tax effect of € 36.920 million, without which it would have been attested to approximately € 184 million.**
- **Direct deposits amounted to € 31,634 million, plus 2.26%.**
- **Net loans to customers total € 25,756 million, plus 1.75%.**
- **New disbursements to households and businesses for over 3.2 billion euro.**

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- Asset under management amounted to € 5,438 million, up 13.1%.
 - Net fee and commission income increased 4.09%.
 - Net adjustments to loans decreased by 7.35%.
 - The cost of credit is 0.90% from 0.99%.
 - The cost-income ratio, with a significant reduction, is 50% from 55.31%.
 - A further increase, compared to the already significant values at the end of 2016, is registered with regard to the coverage of non-performing loans which, calculated on the total of impaired credit, passing from 46.17% to 50.99%, on bad loans, from 63.43% to 66.12% (to 75.23% if we include the amounts passed to the income statement in previous years).
 - The indicators of incidence of impaired loans are on good levels. The ratio between total gross impaired loans and gross customer loans (so-called gross NPL ratio) decreased from 16.10% at the end of 2016 to 15.07%.
 - Patrimonial ratios, further increasing, largely superior to regulatory requirements:
 - CET1 Ratio is 11.60% from 11.07%;
 - Total Capital Ratio is 13.66% from 13.55%.
 - The Texas ratio, the ratio of total net impaired loans to assets tangible net, definitely improved, from 93.47% to 77.99%.
 - 5.77% Leverage Ratio
 - Opening of 6 new branches in: Lombardy, Liguria, Emilia-Romagna and Veneto.
 - Personnel: n. 176 new hires.

CORPORATE FINANCIAL STATEMENT

of the parent company Banca Popolare di Sondrio Scpa, financial year 2017

- Net profit € 118.400 million, the result of ordinary business alone, with an increase of 47.91% compared to the previous year.
Net of the aforementioned extraordinary contributions and other charges related to stabilization of the banking system would have been around € 143 million.
- Direct deposits amounted to € 29,029 million, plus 3.67%.
- Net loans to customers total € 21,819 million, plus 2.28%.
- New disbursements to households and businesses for over € 2.6 billion.
- Asset under management amounted to € 5,012 million, up 14.39%.

- Net fee and commission income increased by 5.30%.
- The cost of credit is positioned at 1.06% from 1.09%.
- The cost-income ratio stood at 46.66% from 52.57%.
- In further increase, compared to the already significant values at the end of 2016, the coverage of non-performing loans which, calculated on the total of impaired loans, from 46.20% to 51.18%, while on bad loans rises from 62.77% to 65.67%.

The following are summary tables of the most significant business data.

Accounting data (in millions of euros).

	31/12/2017	31/12/2016	Variation
Net interest income	426	415	+ 2.52%
Total income	844	776	+ 8.85%
Net financial income	570	515	+ 10.58%
Pre-tax profit on continuing operations	175	106	+ 65.75%
Net profit	118	80	+ 47.91%

	31/12/2017	31/12/2016	Variation
Direct funding from customers	29,029	28,002	+ 3.67%
Indirect funding from customers	28,550	26,888	+ 6.18%
Insurance funding from customers	1,336	1,266	+ 5.50%
Total customer funding	58,915	56,156	+ 4.91%
Cash loans to customers	21,819	21,332	+ 2.28%

In the current year, managerial action and economic growth have determined the decline in the inflow of new impaired loans and allowed the increase of credit quality. In this context, the bank gave continuity to its action in the credit field, continuing to favor the relationship with the economies of the territories, small and medium-sized enterprises, families, in the awareness that this is the mission that has always distinguished the bank.

The efforts made allowed the bank to achieve highly satisfactory results: the **net profit** amounts to € 118.400 million, plus 47.91% compared for the financial year 2016. It is the outcome of ordinary business, without any benefit from extraordinary positive components.

Direct deposits amounted to € 29,029 million, plus 3.67% on 31 December 2016. A significant result that arises from two opposing needs: containing the cost of funding and responding to customer expectations. **Indirect deposits**, at market values, stand at € 28,550 million, plus 6.18%. **Insurance deposits** amounted to

1,336 million, plus 5.5%. The **total deposits from customer** base is therefore € 58,915 million, plus 4.91%.

Net loans to customers amounts € 21,819 million, up 2.28% on the 31st December 2016. **Impaired loans** amount to € 2,006 million, minus 12.32%, and constitute 9.19% of total loans, with a coverage of 51.18% compared to 46.2% on December 31, 2016. In the context of impaired loans, the **net non-performing loans** amount to € 779 million, plus 1.94%, and make up 3.57% of the total loans to customers. The degree of coverage of bad loans, among the highest level in the banking system, is 65.67% compared to 62.77% on 31 December 2016. Taking into account the amounts passed to the financial statement in previous years, the coverage stands at 74.99%.

Financial assets, mainly represented by proprietary securities, amount to € 11,879 million, plus 49.65% on December 31, 2016.

With regard to the components of the financial statement, compared with the results for 2016, the **net interest income** shows € 425.676 million, plus 2.52%.

Net commissions from total services € 262.734 million, plus 5.30%.

The result of the **activity in securities and foreign exchange** is positive for € 137.421 million, plus 47.91%.

The **total income** shows € 844.455 million, plus 8.85%.

Credit risk **net adjustments**, assets available for sale and other financial transactions amount to € 274.949 million, plus 5.42% compared to same period of the previous year when they amounted to € 260.808 million, with a divergent trend in its components. The credit component fell from € 232.177 to € 231.984 million, minus 0.08%. Consequently, the cost of credit showed an improvement, going from 1.09% on 31 December 2016 to 1.06% of 31 December 2017. The value adjustments component on financial assets available for sale, which in the previous financial year was € 25.189 million, amounts to € 35.801 million, of which € 26.022 million is related to the write-down of the shares held by the parent company in the Atlante Fund , an investment fund created to intervene in banking crises; € 3.089 million related to the intervention of the FITD Voluntary Scheme for Cassa di Risparmio di Cesena; the remaining, equal to € 6.690 million, referred to some stocks and other closed-end funds.

The adjustments on other financial transactions amounted to 7.164 million euros and are related to credit commitments.

The net result of **financial management** stands at € 569.506 million, plus 10.58%.

The total **operating costs**, deriving from the sum of administrative costs, provisions, value adjustments on tangible and intangible assets, which sums up with the balance between «other operating expenses and income», amount to € 393.997 million, minus 3.39%. The **administrative expenses** component, which led to a reclassification concerning the provision of income from retirement fund which have a counterpart in other income / expenses of management, reports € 429.659 million, minus 2.16%, of which € 180.423 million, plus 1.73%, relating to personnel expenses, and € 249.236 million, minus 4.79%, relating to other administrative expenses; the latter include € 26.892 million of charges paid for “Fondo di Risoluzione Unico” and “Fondo Interbancario di Tutela dei Depositi”. The other operating income / charges component amounts to € 59.197 million, with a decrease of 1.73%, while the value adjustments on fixed assets amount to € 28.481 million, plus 3.10%, and the net provisions for risks and charges show a release of funds exceeding € 4.946 million.

The **Cost/Income Ratio** stands at 46.66% from 52.57%, due to both the positive increase in the intermediation margin and the contraction of operating costs.

The item “**profits/losses**” on company participations and other investments is negative for € 0.610 million.

The **result of current operations** thus stands at € 174.899 million, plus 65.75%.

After deducting **income taxes**, amounting to € 56.499 million, the **net profit** for the 2017 financial year amounts to € 118.4 million.

Individual **own funds**, including the profit for the year, amount to 2,427 million, an increase of 92.163 million compared to December 31, 2016.

Consolidated own funds, including profit for the year as of December 31, 2017, amount to € 2,679 million, plus 4.12% compared to December 31, 2016.

Consolidated own regulatory funds benefit from self-financing and to December 31, 2017 amounted to € 3,106 million. This amount includes part of the profit for 2017.

The **capital ratios** as of 31 December 2017, calculated on the basis of the supervisory funds as described above, are significantly higher compared to the minimum levels set by the Supervisory Authority for the Banking Group Banca Popolare di Sondrio. More specifically, the CET1 Ratio, the Tier1 Ratio and the Total Capital Ratio stood respectively at (under the “Phased in” regime) 11.60%, 11.63% and 13.66%. These coefficients reflect the use of standard risk weighting

methods of credit as internal rating models, not validated by now, do not find application for the purpose of the calculation of capital absorption ratios .

Last December, the European Central Bank, based on the evidence gathered in the review and prudential evaluation process (Supervisory Review and Evaluation Process - SREP), has set the following minimum levels of capital requirements for the Group in the 2018:

- minimum **Common Equity Tier 1 ratio requirement of 8.375%**, determined as the sum of the minimum regulatory minimum requirement Pillar 1 (4.50%), of the Capital Preservation Buffer (1.875%), and of an additional Second Pillar requirement (2.00%);
- minimum requirement of **Total Capital ratio, equal to 11.875%**, determined as the sum of the minimum Pillar 1 regulatory requirement (8%), of Capital Preservation Buffer (1.875%) and a requirement second pillar surcharge (2.00%).

The **Texas Ratio**, calculated as the ratio between total net non-performing loans and tangible equity, stands at 83.2%.

The consolidated **Leverage Ratio**, at 31 December 2017, is equal to 5.77%, applying transitional criteria in force for 2017 (Phased in) and 5.74% based on the criteria established at full capacity (Fully Phased).

At 31 December 2017, the short-term consolidated **liquidity indicators** (LCR - Liquidity Coverage Ratio) and medium-long term (NSFR - Net Stable Funding Ratio) are respectively 145% and 125%. These values are significantly higher than the minimum requirements for 2017 (80%) and 2018 (100%).

The **net three-month liquidity position** is equal to € 9,173 million on the same date.

The **territorial development** activity continued, also in 2017, with the opening of 6 new branches: the agencies of Piacenza Ag. 2, Fidenza (PR), Milan Ag. 17, Imperia, La Spezia and Venice.

The Group **personnel** counts 3,199 units.

The **share capital** is currently represented by 174,435 members.

With regard to the foreseeable evolution of management, the forecasts are almost unanimous in predicting a progressive consolidation for the Italian economy, due in particular to the driving of domestic demand. All this, in a framework of a more general process of expanding economy of the euro and global area.

Nonetheless , there is no shortage, both nationally and internationally, for reasons of apprehension and risks, which may affect the financial markets.

As for our bank, both the interest margin and the revenues from commissions are expected to improve, despite the high competition in the market. In light of the ongoing economic recovery it is legitimately expected a positive effect on credit quality and on the adjustment values in the financial statement. The trend of international and European financial markets will naturally be able to significantly influence the result of securities, while the action aimed at containing costs will continue through the efficiency of the structure.

Because of the above, without prejudice to the aforementioned uncertainties related to the national and international framework, it is reasonable to assume that it will be possible to continue the process of improving corporate profitability.

Last March 20, the Constitutional Court declared the constitutional legitimacy of the so-called "Reform of Banche Popolari", introduced by the Decree Law n. 3 of 2015, ratified with modifications by the Law of 24 March 2015, n. 33, whose implementation deadline has been suspended by the Consiglio di Stato.

As soon as the regulatory framework is fully clarified, the management will take steps to ensure, as always, full and timely compliance with legal obligations. As for the opinions and hypotheses reported by media on the future conduct of the bank in this regard, they belong to the legitimate public debate on a topic of significant interest and are not attributable to the bank.

Banca Popolare di Sondrio scpa gross unit dividend proposal

The Board of Directors resolved to propose to the Shareholders' Meeting the distribution of a gross unit dividend of € 0.070 compared to € 0.060 paid in respect of the 2016 financial year. Payment of the dividend, coupon no. 40, in compliance with the provisions in force and considering that the detachment is next May 21, will run from May 23, 2018. The profit proposed for the distribution amounts to a total of € 31.7 million. The dividend is subject to the fiscal taxation established by the current legislation; in particular, dividends paid to natural persons are subject to a withholding tax rate of 26%. For the remaining part of the net profit, it will be proposed to allocate as reserves the amount of € 86.563 million and to charity fund for € 0.1 million.

Convocation of the Shareholders' Meeting of Banca Popolare di Sondrio scpa

The Shareholders' Meeting of Banca Popolare di Sondrio scpa is set in first call on 27 April 2018, at 10.00, at the registered office in Sondrio, piazza Garibaldi 16, and in second call on Saturday, April 28, 2018, at 10.30 a.m., in Bormio (So), at the "Pentagono" multi-purpose center, via Manzoni 22.

DECLARATION

Pursuant to art. 154 bis, para. 2, of the Consolidated Finance Law, the Financial Reporting Officer Mr. Maurizio Bertoletti certifies that the accounting information contained in this press release accurately reflects the underlying documents, registers and accounting entries.

Signed: Maurizio Bertoletti, Financial Reporting Officer

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Sondrio, 23 March 2018

Attachments:

Consolidated and parent company statement of financial position and consolidated and parent company income statement; consolidated and parent company summary income statement.

This translation of the original Italian press release is provided for convenience only. In case of discrepancy, the Italian version prevails.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in thousands of euro)

Assets	31/12/2017	31/12/2016
10. Cash and cash equivalents	699,379	789,612
20. Financial assets held for trading	691,411	1,019,712
30. Financial assets at fair value through profit or loss	281,139	96,303
40. Available-for-sale financial assets	6,788,037	6,644,437
50. Held-to-maturity investments	4,132,572	117,023
60. Loans and receivables with banks	1,920,320	1,786,732
70. Loans and receivables with customers	25,755,836	25,313,464
100. Equity investments	217,634	208,575
120. Property, equipment and investment property	327,490	320,922
130. Intangible assets	23,720	23,869
of which:		
- goodwill	7,847	7,847
140. Tax assets	435,064	489,943
a) current	49,618	73,251
b) deferred	385,446	416,692
b1) of which as per Law 214/2011	336,368	360,592
160. Other assets	352,052	390,978
Total assets	41,624,654	37,201,570

CONSOLIDATED STATEMENT OF FINANCIAL
(in thousands of euro)

Liability and Equity	31/12/2017	31/12/2016
10. Due to banks	6,204,835	2,504,510
20. Due to customers	28,800,925	27,702,353
30. Securities issued	2,833,359	3,231,782
40. Financial liabilities held for trading	31,259	73,016
60. Hedging derivatives	22,468	38,734
80. Tax liabilities	38,855	45,636
a) current	2,705	2,963
b) deferred	36,150	42,673
100. Other liabilities	673,672	701,529
110. Post-employment benefits	45,491	44,805
120. Provisions for risks and charges:	204,277	201,724
a) pensions and similar obligations	160,799	151,046
b) other provisions	43,478	50,678
140. Valuation reserves	28,478	27,000
170. Reserves	1,077,440	1,033,417
180. Share premium	79,005	79,005
190. Share capital	1,360,157	1,360,157
200. Treasury shares (-)	(25,370)	(25,349)
210. Equity attributable to minority interests	90,593	84,652
220. Profit for the period	159,210	98,599
Total liabilities and equity	41,624,654	37,201,570

The 2016 data have been restated in order to incorporate the effects of the conclusions reached by the accounting body in Switzerland, that is to account for the “fully insured” Swiss BVG pension as defined benefit plans instead of as defined contribution plans, as defined by IAS 19.

CONSOLIDATED INCOME STATEMENT
(in thousands of euro)

Items	31/12/2017	31/12/2016
10. Interest and similar income	631,639	663,566
20. Interest and similar expense	(141,717)	(189,316)
30. Net interest income	489,922	474,250
40. Fee and commission income	324,053	311,875
50. Fee and commission expense	(18,973)	(18,778)
60. Net fee and commission income	305,080	293,097
70. Dividends and similar income	5,533	7,209
80. Net trading income	60,429	31,545
90. Net hedging income	(115)	262
100. Net gains from sales or repurchases of:	95,244	76,011
a) loans and receivables	-	-
b) available-for-sale financial assets	94,795	76,331
c) held-to-maturity instruments	-	-
d) financial liabilities	449	(320)
110. Net gains on financial assets and liabilities at fair value through profit or loss	5,761	2,309
120. Total income	961,854	884,683
130. Net impairment losses on:	(274,329)	(278,545)
a) loans and receivables	(231,732)	(250,121)
b) available-for-sale financial assets	(35,801)	(25,189)
c) held-to-maturity instruments	-	-
d) other financial transactions	(6,796)	(3,235)
140. Net financial income	687,525	606,138
150. Net insurance premiums	-	-
160. Other net insurance income (expense)	-	-
170. Net financial income and insurance income	687,525	606,138
180. Administrative expenses:	(522,300)	(525,961)
a) personnel expenses	(245,170)	(236,834)
b) other administrative expenses	(277,130)	(289,127)
190. Net accruals to provisions for risks and charges	5,344	(2,439)
200. Depreciation and net impairment losses on property, equipment and investment property	(18,945)	(18,606)
210. Amortisation and net impairment losses on intangible assets	(17,269)	(14,969)
220. Other net operating income	72,276	72,640
230. Operating costs	(480,894)	(489,335)
240. Share of profits of investees	26,517	12,973
250. Net fair value losses on property, equipment and intangible assets measured at fair value	515	130
260. Goodwill impairment losses	-	-
270. Net gains on sales of investments	17	63
280. Pre-tax profit from continuing operations	233,680	129,969
290. Income taxes	(68,496)	(30,094)
300. Post-tax profit from continuing operations	165,184	99,875
310. Post-tax profit (loss) from discontinued operations	-	-
320. Net profit (loss) for the period	165,184	99,875
330. Net profit (loss) of the period attributable to minority interests	(5,974)	(1,276)
340. Net profit (loss) for the period attributable to the owners of Parent bank	159,210	98,599

CONSOLIDATED SUMMARY INCOME STATEMENT

(in thousands of euro)	2017	2016	(+/-)	% change
Net interest income	489,922	474,250	15,672	3.30
Dividends and similar income	5,553	7,209	-1,676	-23.25
Net fee and commission income	305,080	293,097	11,983	4.09
Net gains on financial assets	161,319	110,127	51,192	46.48
Total income	961,854	884,683	77,171	8.72
Net impairment losses	-274,329	-278,545	4,216	-1.51
Net financial income	687,525	606,138	81,387	13.43
Personnel expenses	-236,214	-232,172	-4,042	1.74
Other administrative expenses	-277,130	-289,127	11,997	-4.15
Other net operating income	63,320	67,978	-4,658	-6.85
Net accruals to provisions for risks and charges	5,344	-2,439	7,783	-319.11
Depreciation and amortisation on tangible and intangible assets	-36,214	-33,575	-2,639	7.86
Operating costs	-480,894	-489,335	8,441	-1.72
Operating result	206,631	116,803	89,828	76.91
Share of profits of investees and net gains on sales of investments	27,049	13,166	13,883	105.45
Pre-tax profit from continuing operations	233,680	129,969	103,711	79.80
Income taxes	-68,496	-30,094	-38,402	127.61
Net profit (loss) for the period	165,184	99,875	65,309	65.39
Net profit (loss) of the period attributable to minority interests	-5,974	-1,276	-4,698	368.18
Net profit (loss) for the period attributable to the owners of Parent bank	159,210	98,599	60,611	61.47

Notes: the result of financial activities is made up of the sum of items 80-90-100-110 in the income statement. Personnel expenses and other operating income were reclassified, net of the revolving lot represented by the income from the staff retirement fund of € 8.956 million.

INDIVIDUAL STATEMENT OF FINANCIAL POSITION
(in thousands of euro)

Assets	31/12/2017	31/12/2016
10. Cash and cash equivalents	112,049	96,467
20. Financial assets held for trading	607,920	1,014,377
130. Financial assets at fair value through profit or loss	351,053	163,117
40. Available-for-sale financial assets	6,787,508	6,643,535
50. Held-to-maturity investments	4,132,572	117,023
60. Loans and receivables with banks	2,815,465	2,759,906
70. Loans and receivables with customers	21,819,029	21,331,910
100. Equity investments	506,729	487,348
110. Property, equipment and investment property	184,145	170,970
120. Intangible assets	14,396	14,313
130. Tax assets	385,614	437,950
a) current	41,718	64,075
b) deferred	343,896	373,875
b1) of which as per Law 214/2011	307,113	335,353
150. Other assets	305,821	350,831
Total assets	38,022,301	33,587,747

INDIVIDUAL STATEMENT OF FINANCIAL POSITION
(in thousands of euro)

Liability and Equity	31/12/2017	31/12/2016
10. Due to banks	5,635,657	2,249,797
20. Due to customers	26,244,478	24,913,251
30. Securities issued	2,784,808	3,089,135
40. Financial liabilities held for trading	51,080	87,616
60. Hedging derivatives	-	-
80. Tax liabilities	27,780	30,471
a) current	-	-
b) deferred	27,780	30,471
100. Other liabilities	629,225	666,091
110. Post-employment benefits	42,848	42,271
120. Provisions for risks and charges:	179,477	174,330
a) pensions and similar obligations	141,659	130,874
b) other provisions	37,818	43,456
130. Valuation reserves	38,643	37,357
160. Reserves	856,065	803,540
170. Share premium	79,005	79,005
180. Share capital	1,360,157	1,360,157
190. Treasury shares (-)	(25,322)	(25,322)
200. Profit for the period	118,400	80,048
Total liabilities and equity	38,022,301	33,587,747

INDIVIDUAL INCOME STATEMENT
(in thousands of euro)

Items	31/12/2017	31/12/2016
10. Interest and similar income	547,390	579,230
20. Interest and similar expense	(121,713)	(164,029)
30. Net interest income	425,677	415,201
40. Fee and commission income	277,188	263,786
50. Fee and commission expense	(14,454)	(14,274)
60. Net fee and commission income	262,734	249,512
70. Dividends and similar income	18,624	18,192
80. Net trading income	37,930	12,589
90. Net hedging income	-	-
100. Net gains from sales or repurchases of:	95,244	76,011
a) loans and receivables	-	-
b) available-for-sale financial assets	94,795	76,331
c) held-to-maturity instruments	-	-
d) financial liabilities	449	(320)
110. Net gains on financial assets and liabilities at fair value through profit or loss	4,247	4,307
120. Total income	844,456	775,812
130. Net impairment losses on:	(274,949)	(260,808)
a) loans and receivables	(231,984)	(232,177)
b) available-for-sale financial assets	(35,801)	(25,189)
c) held-to-maturity instruments	-	-
d) other financial transactions	(7,164)	(3,442)
140. Net financial income	569,507	515,004
150. Administrative expenses:	(438,616)	(443,810)
a) personnel expenses	(189,379)	(182,024)
b) other administrative expenses	(249,237)	(261,786)
160. Net accruals to provisions for risks and charges	4,946	(1,280)
170. Depreciation and net impairment losses on property, equipment and investment property	(14,362)	(14,191)
180. Amortisation and net impairment losses on intangible assets	(14,119)	(13,433)
190. Other net operating income	68,153	64,900
200. Operating costs	(393,998)	(407,814)
210. Share of profits of investees	(622)	(1,680)
240. Net gains on sales of investments	12	10
250. Pre-tax profit from continuing operations	174,899	105,520
260. Income taxes	(56,499)	(25,472)
270. Post-tax profit from continuing operations	118,400	80,048
290. Net profit (loss) for the period	118,400	80,048

SUMMARY INCOME STATEMENT

(in thousands of euro)	2017	2016	(+/-)	% change
Net interest income	425,676	415,200	10,476	2.52
Dividends and similar income	18,624	18,191	433	2.38
Net fee and commission income	262,734	249,511	13,223	5.30
Net gains on financial assets	137,421	92,908	44,513	47.91
Total income	844,455	775,810	68,645	8.85
Net impairment losses	- 274,949	- 260,808	- 14,141	5.42
Net financial income	569,506	515,002	54,504	10.58
Personnel expenses	- 180,423	- 177,362	- 3,061	1.73
Other administrative expenses	- 249,236	- 261,786	12,550	- 4.79
Other net operating income	59,197	60,239	- 1,042	- 1.73
Net accruals to provisions for risks and charges	4,946	- 1,280	6,226	- 486.41
Depreciation and amortisation on tangible and intangible assets	- 28,481	- 27,624	- 857	3.10
Operating costs	- 393,997	- 407,813	13,816	- 3.39
Operating result	175,509	107,189	68,320	63.74
Net gains (losses) on equity investments and other investments (+/-)	- 610	- 1,670	1,060	- 63.47
Profit (loss) before tax	174,899	105,519	69,380	65.75
Income taxes	- 56,499	- 25,471	- 31,028	121.82
Profit/(loss)	118,400	80,048	38,352	47.91

Notes: the result of financial activities is made up of the sum of items 80-90-100-110 in the income statement. Personnel expenses and other operating income were reclassified, net of the revolving lot represented by the income from the staff retirement fund of € 8.956 million.