PRESS RELEASE – FIRST HALF 2014

Core business growth underpins Banca IFIS's accounts
Growing margin, over 4.000 financed SMEs (+11,5%)

Volumes up 51,5%, 50,1 million Euro profit. Credit quality continually improving

Table of Contents

1st half 2014 1 January - 30 June	• Net banking income: 143,0 million Euro (+8,5%) • Profit for the period: 50,1 million Euro (+13,7%) • Net profit from financial activities: 121,8 million Euro (+15,5%) • Bad loans ratio in the Trade Receivables sector down from 2,6% to 1,8% • Hiring up: 69 new resources employed in the first half of 2014 • Total Capital Ratio: 14,2%
2nd quarter 2014 1 April - 30 June	• Net banking income: 73,6 million Euro (+13,5%) • Net profit from financial activities: 60,9 million Euro (+16,4%) • Net profit: 25,4 million Euro (+17,6%)

Comment on operations

Mestre, 04 August 2014 – The Board of Directors of Banca IFIS met today under the chairmanship of Sebastien von Furstenberg and approved the interim report for the first half of 2014.

"We are satisfied with the performance recorded in the first six months of 2014 and with the quality of profits" stated **Giovanni Bossi**, the CEO of Banca IFIS. He also commented: "They are in line with the actions planned and undertaken in recent years, and are fully consistent with expectations.

We continued to pursue a very aggressive policy as far as the provisions for impaired loans in the commercial trade receivables sector are concerned: as a result, credit quality is excellent and has been improving steadily for the last six quarters.

Group profit rose also thanks to the contribution of the Government bonds portfolio, which is decreasing naturally. The performance of the commercial trade receivables sector grew strongly, with increasing loans and sharply rising volumes. New initiatives have been launched with the aim of boosting the effectiveness of the collection of distressed retail loans (DRL), the results of which will become evident as from the second part of the year.

We believe we can continue improving in the sectors we traditionally operate in, also to the benefit of the Italian economy, with profit continuing to grow over coming quarters. With the current economic scenario, thanks to the initiatives being undertaken, we expect that the results for 2014 will be the best in the Group's history. Should this scenario remain unchanged, the Bank believes it can distribute to its shareholders a growing dividend per share, bearing a pay-out which shall not be lower than the 35% already assigned in 2013".

Operating performance

Consolidated Income Statement analysis

Net banking income increased by 8,5% to 143,0 million Euro (compared to 131,7 million Euro in the prior-year period), due to the constantly growing net interest income and to the commissions earned for management and guarantee services provided by the Group to companies.

The Trade Receivables sector made an outstanding contribution to consolidated net banking income, i.e. 55,0% of the total (43,6% at 30 June 2013).

The other sectors made the following contributions: DRL (Distressed Retail Loans) sector 9,1% (11,3% in the first half of 2013), Tax Receivables 3,1% (4,2% at 30 June 2013), Governance and Services 32,9% (41,0% at 30 June 2013).

The +37,0% rise in the net banking income of the Trade Receivables sector (78,6 million Euro compared to 57,4 million Euro in the prior-year period) was due, on the one hand, to the higher number of financed companies (+11,5% for over 4.000 SMEs) – the sector's turnover exceeded 3,8 billion Euro compared to 2,5 billion Euro in the first half of 2013 (+51,5%) – and, on the other hand, the increase in interest on arrears collected by the Pharma business area (10,9 million Euro compared to 3,4 million Euro in the prior-year period). In particular, the Pharma business area's collections and turnover grew during the first half of 2014 from the prior-year period figures.

Net banking income in the DRL sector, which deals with acquiring and managing non-performing loans in the consumer credit segment, totalled 13,0 million Euro compared with 14,8 million Euro in the prior-year period. It should be noted that net banking income is not representative of the DRL sector's operating performance since, as far as bad loans in the DRL sector are concerned, it does not account for the economic impact of the changes in expected cash flows, which are recognised under impairment losses/reversals on receivables according to the Bank's current interpretation of IAS/IFRS. On the other hand, from the operating viewpoint, the DRL sector's operating performance shall be recognised accounting for this item, too. The performance in the period was influenced by the new credit collection system with higher use of the settlement plans (expression of willingness) instead of bills of exchange. In particular voluntary settlement plans agreed with the debtors (generating an increase in debtors' underwriting) impact the income statement about one quarter after the date they are signed, due to the conservative approach adopted by the Bank. Recognition at amortised cost only happens when the customer has paid an amount at least equal to three monthly instalments.

The Tax Receivables sector was 4,4 million Euro (5,5 million Euro at the end of the first half of 2013). The result at 30 June 2013 included the impact of the revision of estimated cash flows, higher than expected, and debt collection time, shorter than expected, of 2,2 million Euro, with a non-recurring impact on the net banking income. Net of this non-recurring item, net banking income for the first half of 2014 was up 31,6% compared to the prior-year period; the Governance and Services sector amounted to 47,0 million Euro, compared to 54,0 million Euro at 30 June 2013. The performance reflects the lower margins in terms of interest income on the securities portfolio (57,8 million Euro compared to 64,1 million Euro in 2013), the result of both lower average returns, is only partially offset by higher average volumes, and the cost of retail funding exceeding core loans and held in order to guarantee an adequate level of liquidity under economic stress scenarios.

> In the **second quarter**, net banking income stood at 73,6 million Euro, from 64,9 million Euro in the second quarter of 2013 (+13,5%). Trade receivables contributed 41,1 million Euro (+43,4% vs. 28,7 million Euro), the DRL sector contributed 6,4 million Euro (-14,7% vs. 7,4 million Euro) tax receivables contributed 2,2 million Euro (-7,0% vs. 2,4 million Euro) and the Governance and Services sector contributed 23,9 million Euro compared to 26,4 million Euro in the prior-year period (-9,2%).

Net impairment losses on receivables stood at 21,2 million Euro, compared to 26,3 million Euro at 30 June 2013 (-19,4%). The trend is partly due to the slight recovery in the economic scenario: the Bank’s rigorous provisioning policy, aimed at improving asset quality, is thus accompanied by a reduction in the flows of new bad loans, to the benefit of credit quality indicators. The decrease in impairment losses resulted in a significant improvement in the ratio of credit risk cost to the Group's overall average loan balance over the last 12 months, down to 204 bp from 349 bp at 30 June 2013. The ratio of bad loans to loans in the trade receivables sector fell to 1,8%, down 0,8% from 2,6% at 31 December 2013. Impairment losses on receivables include 1,4 million Euro in net reversals of impairments losses on DRL (compared to 0,9 million Euro). For the purpose of correctly assessing the sector's operating performance, they should be considered together with net banking income.

The Group's **net profit from financial activities** totalled 121,8 million Euro compared to 105,4 million Euro at 30 June 2013, up 15,5%.

The net profit from financial activities in the Trade Receivables sector rose by 88,3% to 56,2 million Euro compared to 29,8 million in the first half of 2013, due to the increase in net banking income and the fall in impairment losses on loans and receivables; the DRL sector stood at 14,3 million compared to 15,7 million at 30 June 2013 (-9,1%) due to the new collection methods introduced in the DRL sector by the CrediFamiglia brand (expression of willingness and postal payments); the Tax Receivables sector stood at 4,3 million Euro compared to 5,9 million at 30 June 2013, down 27,3%. Finally, net profit from financial activities in the Governance and Services sector fell 12,8% to 47,0 million Euro, compared to 53,9 million Euro in the prior-year period.

> In the **second quarter**, net profit from financial activities totalled 60,9 million Euro (+16,4% compared to 52,3 million Euro in the second quarter of 2013). Trade receivables contributed 27,8 million Euro (+93,3% compared to 14,4 million Euro in the second quarter of 2013), the DRL sector contributed 7,1 million Euro (-22,5% compared to 9,1 in the prior-year period); tax receivables contributed 2,0 million Euro (-17,1%

compared to 2,4 million Euro in the second quarter of 2013); the Governance and Services sector totalled 23,9 million Euro compared to 26,3 million Euro at 30 June 2013 (-9,1%).

At 30 June 2014 **operating costs** of 46,6 million Euro compared to 37,1 million Euro in the first half of 2013 rose by 25,9% due to the new staff recruited—69 additional staff in the first six months of 2014 alone, up 8% compared to 31 December 2013—consistently with the goal to strengthen some areas and services supporting the business and the scenario in which the Group operates. At 30 June 2014, the Group employees numbered 592.

The **cost/income ratio** stood at 32,6% at 30 June 2014, up from 28,1% at 30 June 2013. The increase was mainly attributable to the 1,1 million Euro non-recurring provision for the share of the FITD's intervention net of which the cost/income ratio is 31,9%. The ratio also rose due to the proportional stamp duty costs (the so-called "mini wealth tax") concerning retail funding, which grew by nearly 1 million Euro compared to 30 June 2013 following the hike in the tax rate for 2014 and that, as a result of the Bank's commercial policy, are not charged back to customers. Personnel expenses, totalling 21,2 million Euro compared to 18,1 million Euro, rose 17,5% compared to 30 June 2013; this increase is essentially the result of the higher number of the Group's employees, amounting to 592 at the end of the period (compared to 509 at 30 June 2013). There was an increase also in the fees paid to debt collection companies for the collection of receivables in the DRL sector, which are proportioned to the amounts recovered. Said fees are recognised under "outsourced services" and fell from 2,9 million Euro to 2,7 million Euro. Also consulting fees rose due to the re-engineering of business processes and the internal control system (to comply with new prudential regulations for banks concerning the internal control and IT system as well as business continuity). Finally, an increase was registered in costs relating to the brands Credi Impresa Futuro and CrediFamiglia.

Pre-tax profit for the period stood at 75,2 million Euro compared to 68,4 million Euro, an increase of 10,0% compared to 30 June 2013.

Income tax expense amounted to 25,1 million Euro, compared to 24,3 million Euro at 30 June 2013 (+3,2%). The Group's tax rate fell to 33,4% in the first half of 2014 from 35,6% at 30 June 2013, mainly following the deduction of impairment losses on receivables from the taxable IRAP.

Profit for the period totalled 50,1 million Euro, compared to 44,0 million Euro at 30 June 2013 (+13,7%).

In the **second quarter** gross profit amounted to 37,5 million Euro compared to 33,0 million Euro in the prior-year period (+13,8%), while net profit stood at 25,4 million Euro compared to 21,6 million Euro in the second quarter of 2013 (+17,6%).

Consolidated Statement of Financial Position analysis

The Bank's assets are largely represented by Loans to customers and by the securities held in the portfolio.

At the end of the period, total **loans to customers** reached 2.538,4 million Euro, up 10,5% or +241,4 million Euro compared to 2.296,9 million Euro at the end of 2013. In detail, trade receivables increased by 222,2 million Euro from the end of 2013 (+11,5%). The sharp growth in loans occurred despite significant collections concerning positions due from the Public Administration. Receivables due from the Public Administration at 30 June 2014 accounted for 26,7% of the total compared to 27,0% at 31 December 2013; receivables due from the private sector accounted for 73,3% (compared to 73,0% at 31 December 2013). Distressed retail loans rose by 6,7 million Euro (+5,3%) and tax receivables rose by 24,9 million Euro (+27,5%). A 40,3 million Euro increase (+50,4%) was also registered in margin lending related to repurchase agreements in Government bonds on the MTS platform. Reverse repurchase agreements with Cassa di Compensazione e Garanzia outstanding at the end of 2013 came to maturity, generating a 52,7 million Euro decrease.

With regard to activities in support of SMEs, the loans duration was confirmed as short-term, in line with the strategy to support working capital that represents the Bank's core business

Total net impaired loans decreased to 287,6 million Euro, compared to 291,1 million Euro at the end of 2013 (-1,2%). In the Trade Receivables sector, whose performance is crucial for the purpose of assessing the Bank's overall credit quality, total impaired loans dropped 6,4%, from 162,6 million Euro at the end of 2013 to 152,3 million Euro. ***The ratio of bad loans to total loans in the Trade Receivables sector*** improved sharply, falling from 2,6% to 1,8%.

Specifically, here below is the breakdown of the Group's impaired loans in the trade receivables sector:

Total **net bad loans** to customers at 30 June 2014, net of impairment losses, were 39,6 million Euro, compared to 50,8 million Euro in December 2013 (down 22,1%). This decrease is due to the slowing pace of new bad loans, as well as the adjustments made during the period.

At the end of the first quarter, total **substandard loans** were 59,9 million Euro, compared to 61,8 million Euro in December 2013 (-3,1%).

Past due loans, referring exclusively to the Trade Receivables sector, totalled 45,3 million Euro, compared with 41,7 million Euro at the end of 2013 (+8,7%). It should be noted that net past due loans refer for 10,6 million Euro (6,0 million Euro at the end of 2013) to receivables due from the Public Administration purchased outright as part of financing operations.

Available for sale (AFS) financial assets include debt and equity securities and stood at 1.302,4 million Euro at 30 June 2014, down 48,5% compared to 2.529,2 million Euro at the end of 2013. The relevant valuation reserve, net of taxes, amounted to 10,9 million Euro at 30 June 2014. The change from the end of 2013 in the fair value of securities classified under AFS financial assets, although it had no operating impact, caused the Group's Equity to fall by 5,0 million Euro, mostly as a result of the Government bonds in the portfolio.

The portfolio of held to maturity (HTM) financial assets amounted to 5.071,3 million Euro at the end of the period, -12,8% from the end of 2013. At the reporting date, the HTM portfolio showed unrecognised net capital gains amounting to 169,0 million Euro before taxes. These capital gains were not recognised according to the amortised cost method applicable to this portfolio.

At 30 June 2014, **receivables due from banks** totalled 351,3 million Euro, compared to 415,8 million Euro at 31 December 2013 (-15,5%). This item includes some securities not listed on an active market with banking counterparties, totalling 16,0 million Euro (-33,3% compared to 31 December 2013), and treasury loans with other lenders, amounting to 335,3 million Euro (-14,4% compared to 31 December 2013), largely related to maintaining excess liquidity in the system.

The three above items comprise the whole portfolio of debt securities outstanding at the end of June 2014, which is detailed below according to their maturity:

The debt securities portfolio at 30 June 2014 amounted to 6.376,9 Euro, -23,7% from 31 December 2013 as a result of 2.228,0 million Euro in redemptions of bonds maturing in the period. It should be noted that the Bank does not carry out any trading activity on the security portfolio. Based on the characteristics of the securities and in accordance with IAS 39, they were classified as either available for sale financial assets, held to maturity financial assets, or receivables due from banks. At the end of the period, 20,6% of securities in the portfolio would mature in the next six months, 34,8% in December 2015, 12,0% in December 2016, and 32,6% in 2018.

This significant resource allowed Banca IFIS to access funding at reasonable costs through repurchase agreements on the MTS platform or refinancing operations on the Eurosystem.

Total funding, which amounted to 8.889,7 million Euro at 30 June 2014, down 18,0% compared to 31 December 2013, is represented for 77,7% by **Payables due to customers** and for 22,3% by **Payables due to banks**.

Funding, net of the rendimax savings account and the contomax current account, shall be analysed in a comprehensive manner based on market trends; it consists of wholesale funding through repurchase agreements (classified under payables due to customers, as they are carried out with counterparties formally other than banks), refinancing transactions on the Eurosystem, and short-term treasury transactions with other lenders.

The significant decrease in Payables due to banks compared to the end of the previous year is due to the fact that the Bank carried out less refinancing operations on the Eurosystem, rather using the MTS platform and dealing with Cassa di Compensazione e Garanzia as counterparty (classified as payables due to customers). The Bank turns to the ECB or the MTS platform exclusively based on which is more convenient. The tensions observed in the liquidity market towards the end of 2013, causing interest rates on the MTS platform to rise slightly and making it more convenient to turn to the Eurosystem, gradually abated during 2014. Therefore, the Bank once again turned almost exclusively to the MTS platform.

Payables due to customers at 30 June 2014 totalled 6.910,2 million Euro, (+65,4% compared to 31 December 2013). Such remarkable increase was mainly due to the greater use of repurchase agreements with underlying Government bonds and Cassa di Compensazione e Garanzia as counterparty, amounting to 3.060,9 million Euro at the end of the period (compared to 263,7 million Euro at the end of 2013). Despite the decrease in interest rates to bring them in line with the market, which benefited the Bank, retail funding, carried out through the rendimax savings account and the contomax current account, amounted to 3.795,8 million Euro at 30 June 2014 vs. 3.868,1 million Euro in December 2013 (-1,9%). The Bank still bears proportional stamp duty costs on rendimax and contomax, which amount to 0,20%.

Payables due to banks, which totalled 1.979,5 million Euro (compared to 6.665,8 million Euro in December 2013), mainly consisted of funding from refinancing operations on the Eurosystem for 1.907,1 million Euro compared to 6.656,5 million Euro at 31 December 2013. These amounts include LTRO transactions of 500,0 million Euro at a 0,15% rate (ECB's key interest rate) maturing on 26 February 2015. The Bank's funding on the Eurosystem is made by using its bond portfolio and issuing and repurchasing 138 million Euro in bonds that the Italian Government had guaranteed for a three-year period and 69 million Euro in bonds the Government had guaranteed for a five-year period, paying 1,03% in fees.

The remainder of payables due to banks consists of 72,4 million Euro in interbank deposits, including 55,0 million Euro on the E-Mid platform.

At 30 June 2014, consolidated **Equity** was 397,9 million Euro, compared to 380,3 million Euro at 31 December 2013 (+4,6%). The change is the result, on the one hand, of the profit for the period, and on the other, of the fall in the valuation reserve on AFS securities to the tune of 5,0 million Euro.

Capital adequacy ratios were calculated in accordance with Basel 3 regulations that require for the inclusion of the Bank's Parent Company, La Scogliera S.p.A., in the consolidation scope. Core Tier 1 and Solvency ratios are therefore classified in accordance with the new Common Equity Tier 1 and total capital ratios, standing at 13,84% and 14,16%, respectively. The same ratios calculated on the basis of previous regulations stand at 14,64% and 14,44%, respectively.

Outlook

The Group's prospects for the second half of 2014 remain largely positive.

On the economic front, the moderate optimism of the first months of the year has progressively decreased and very modest growth rates are expected only in 2015. There are still significant factors of instability. The most significant risk is represented by a negative trend in prices, a focus also for the monetary authorities. It is possible, after the recent actions aimed at reducing the cost of money for the banks operating in the Eurosystem, that the ECB will intervene more actively in the market: the impact on the availability of lending to the real economy and the costs/returns of debt and assets will need to be assessed. The current imbalance in the Eurozone would require a price growth trend, notably in Northern countries; however, based on the political issues analysed, this scenario is not likely to occur, entailing a more severe restructuring process for Southern countries.

The Bank can count on sustainable margins thanks to the soundness and flexibility of its business model.
Operations in support of businesses could be positively influenced by the opportunities to continue acquiring new customers and new loans. The protracted scarce availability of lending to businesses, attributable to both non-specialist banks' use of conventional credit instruments in supporting them and the credit system's intention to improve capital ratios thus reducing risks.
The performance will in any case depend on the trend in credit quality, a key variable for the banking market in challenging economic times. Should the promising signs of improvement in credit quality observed during 2013 and the first half of 2014 be confirmed, it would noticeably bolster the Group's operations as far as lending to SMEs is concerned. This could both prompt the Bank to step up its efforts and positively impact returns on loans net of credit costs.

As far as *Non-Performing Loans* are concerned, following the conclusion of transactions recognised in the very first days of the second half, the Bank will continue to pay attention to the several portfolios of receivables due from households that originators are expected to place on the market.
The Bank will relentlessly continue to buy the portfolios offered by the sellers in all segments, adopting also innovative approaches to intervene faster.
As far as the management of portfolios is concerned, the focus on debt sustainability and the possibility of extending payments terms will most probably be crucial to boost the turnover and profitability of this business area, which operates in a social segment that has been badly hit by the crisis. In this sector, the introduction of new position collection and management instruments and the necessarily conservative accounting of expected cash flows temporarily influenced the Business Area’s results in the first part of the year, which are expected to accelerate in the second half of 2014.

As for the *Tax Receivables* sector, which is strongly dependent on the time it takes for the Italian Treasury to make payments, the Bank is actively acquiring often sizeable positions, given the good medium-term profitability of these investments.

The Group will continue to develop its two brands, Credi Impresa Futuro and CrediFamiglia, dedicated to financing companies operating in the domestic market and ensuring households settle their financial debts, respectively. Both brands will grow further thanks to their increasingly sophisticated web presence and, especially in the case of Credi Impresa Futuro, the fast ways to communicate with customers.

As for *funding*, the reduction in interest rates paid to customers due to market changes caused a further significant fall in the average cost of funding, and will continue to do so in the second half, also as a result of term deposits with high interest rates coming to maturity. Funding has reached an outstanding level in absolute terms, and retail funding shall not increase further in order to prevent economic imbalances deemed unnecessary in the current scenario.

The current trends in market rates have made it no longer profitable for the Bank to continue purchasing *Government bonds*, which ended at the end of 2013. The portfolio will continue to shrink over time as the bonds mature.

Therefore, the Group can reasonably expect a positive profit trend in the near future.

Significant subsequent events

On 4 July 2014 Banca IFIS announced the purchase of a Non-Performing Loans portfolio in the Personal Loans and Credit cards/Revolving segments of the Consumer Credit sector. This is the largest portfolio purchased by the Bank so far, with a par value of 1.263,0 million Euro, and consisting of over 120.000 positions of Italian households. Banca IFIS's overall positions total 739.000 for a 5,4 billion Euro par value.

Declaration of the Corporate Accounting Reporting Officer

Pursuant to art. 154 bis, paragraph 2 of the Consolidated Law on Finance, the Corporate Accounting Reporting Officer, Carlo Sirombo, declares that the accounting information contained in this press release corresponds to the company's accounting records, books and entries.

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Consolidated statement of financial position

	Assets (in thousands of Euro)	AMOUNTS AT		CHANGE	
		30.06.2014	31.12.2013	ABSOLUTE	%
10	Cash and cash equivalents	28	30	(2)	(6,7)%
20	Financial assets held for trading	-	10	(10)	(100,0)%
40	Available for sale financial assets	1.302.425	2.529.179	(1.226.754)	(48,5)%
50	Held to maturity financial assets	5.071.312	5.818.019	(746.707)	(12,8)%
60	Due from banks	351.349	415.817	(64.468)	(15,5)%
70	Loans to customers	2.538.371	2.296.933	241.438	10,5%
120	Property, plant and equipment	50.798	40.739	10.059	24,7%
130	Intangible assets	6.776	6.361	415	6,5%
	of which:				
	- goodwill	837	837	-	0,0%
140	Tax assets	34.854	37.922	(3.068)	(8,1)%
	a) current	803	3.940	(3.137)	(79,6)%
	b) deferred	34.051	33.982	69	0,2%
160	Other assets	63.969	192.787	(128.818)	(66,8)%
	Total assets	**9.419.882**	**11.337.797**	**(1.917.915)**	**(16,9)%**

	Liabilities and equity (in thousands of Euro)	AMOUNTS AT		CHANGE	
		30.06.2014	31.12.2013	ABSOLUTE	%
10	Due to banks	1.979.493	6.665.847	(4.686.354)	(70,3)%
20	Due to customers	6.910.171	4.178.276	2.731.895	65,4%
40	Financial liabilities held for trading	-	130	(130)	(100,0)%
80	Tax liabilities	13.321	17.362	(4.041)	(23,3)%
	a) current	17	1.022	(1.005)	(98,3)%
	b) deferred	13.304	16.340	(3.036)	(18,6)%
100	Other liabilities	115.262	93.844	21.418	22,8%
110	Post-employment benefits	1.537	1.482	55	3,7%
120	Provisions for risks and charges	2.171	533	1.638	307,3%
	b) other reserves	2.171	533	1.638	307,3%
140	Valuation reserves	5.820	10.959	(5.139)	(46,9)%
170	Reserves	237.843	163.055	74.788	45,9%
180	Share premiums	57.113	75.560	(18.447)	(24,4)%
190	Share capital	53.811	53.811	-	0,0%
200	Treasury shares (-)	(6.715)	(7.903)	1.188	(15,0)%
220	Profit (loss) for the year (+/-)	50.055	84.841	(34.786)	(41,0)%
	Total liabilities and equity	**9.419.882**	**11.337.797**	**(1.917.915)**	**(16,9)%**

Consolidated income statement

Items (in thousands of Euro)		1st HALF		CHANGE	
		2014	2013 (1)	ABSOLUTE	%
10	Interest receivable and similar income	168.838	174.826	(5.988)	(3,4)%
20	Interest due and similar expenses	(55.223)	(71.950)	16.727	(23,2)%
30	**Net interest income**	**113.615**	**102.876**	10.739	10,4%
40	Commission income	32.502	31.710	792	2,5%
50	Commission expense	(3.513)	(2.934)	(579)	19,7%
60	**Net commission income**	**28.989**	**28.776**	**213**	**0,7%**
70	Dividends and similar income	-	83	(83)	(100,0)%
80	Net profit (loss) from trading	155	7	148	2114,3%
100	Profit (loss) from sale or buyback of:	231	-	231	100,0%
	b) available for sale financial assets	231	-	231	100,0%
120	**Net banking income**	**142.990**	**131.742**	**11.248**	**8,5%**
130	Net impairment losses/reversal on	(21.168)	(26.312)	5.144	(19,6)%
	a) receivables	(21.168)	(26.265)	5.097	(19,4)%
	b) available for sale financial assets	-	(47)	47	(100,0)%
140	**Net profit from financial activities**	**121.822**	**105.430**	**16.392**	**15,5%**
180	Administrative expenses:	(44.551)	(37.110)	(7.441)	20,1%
	a) personnel expenses	(21.218)	(18.057)	(3.161)	17,5%
	b) other administrative expenses	(23.333)	(19.053)	(4.280)	22,5%
190	Net allocations to provisions for risks and charges	(1.639)	-	(1.639)	100,0%
200	Net impairment losses/reversal on plant, property and equipment	(658)	(616)	(42)	6,8%
210	Net impairment losses/reversal on intangible assets	(882)	(881)	(1)	0,1%
220	Other operating income (expenses)	1.090	1.555	(465)	(29,9)%
230	**Operating costs**	**(46.640)**	**(37.052)**	**(9.588)**	**25,9%**
280	**Pre-tax profit (loss) for the period from continuing operations**	**75.182**	**68.378**	**6.804**	**10,0%**
290	Income taxes for the period relating to current operations	(25.127)	(24.338)	(789)	3,2%
340	**Profit (loss) for the period attributable to the parent company**	**50.055**	**44.040**	**6.015**	**13,7%**

(1) Data restated after initial publication. See the Notes - Accounting Policies on basis of preparation

Consolidated income statement: second quarter

Items (in thousands of Euro)		2nd QUARTER		CHANGE	
		2014	2013(1)	ABSOLUTE	%
10	Interest receivable and similar income	84.389	88.743	(4.354)	(4,9)%
20	Interest due and similar expenses	(25.666)	(38.190)	12.524	(32,8)%
30	**Net interest income**	**58.723**	**50.553**	**8.170**	**16,2%**
40	Commission income	16.504	15.730	774	4,9%
50	Commission expense	(1.639)	(1.444)	(195)	13,5%
60	**Net commission income**	**14.865**	**14.286**	**579**	**4,1%**
70	Dividends and similar income	-	83	(83)	(100,0)%
80	Net profit (loss) from trading	50	(42)	92	(219,0)%
120	Profit (loss) from sale or buyback of:	**73.638**	**64.880**	**8.758**	**13,5%**
130	b) available for sale financial assets	(12.786)	(12.596)	(190)	1,5%
	Net banking income	(12.786)	(12.549)	(237)	1,9%
	Net impairment losses/reversal on	-	(47)	47	(100,0)%
140	a) receivables	**60.852**	**52.284**	**8.568**	**16,4%**
180	b) available for sale financial assets	(22.786)	(19.189)	(3.597)	18,7%
	Net profit from financial activities	(10.884)	(9.254)	(1.630)	17,6%
	Administrative expenses:	(11.902)	(9.935)	(1.967)	19,8%
190	a) personnel expenses	79	-	79	n.a.
200	b) other administrative expenses	(342)	(319)	(23)	7,2%
210	Net allocations to provisions for risks and charges	(450)	(495)	45	(9,1)%
220	Net impairment losses/reversal on plant, property and equipment	141	669	(528)	(78,9)%
230	Net impairment losses/reversal on intangible assets	**(23.358)**	**(19.334)**	**(4.024)**	**20,8%**
280	Other operating income (expenses)	**37.494**	**32.950**	**4.544**	**13,8%**
290	**Operating costs**	(12.115)	(11.364)	(751)	6,6%
340	**Pre-tax profit (loss) for the period from continuing operations**	**25.379**	**21.586**	**3.793**	**17,6%**

(1) Data restated after initial publication. See the Notes - Accounting Policies on basis of preparation

Reclassified consolidated income statement: quarterly evolution

RECLASSIFIED CONSOLIDATED INCOME STATEMENT: QUARTERLY EVOLUTION (in thousands of Euro)	YEAR 2014		YEAR 2013(1)			
	2nd Q.	1st Q.	4th Q.	3rd Q.	2nd Q.	1st Q.
Net interest income	**58.723**	**54.892**	**55.756**	**48.112**	**50.553**	**52.323**
Net commission income	**14.865**	**14.124**	**14.397**	**13.991**	**14.286**	**14.490**
Dividends and similar income	-	-	-	1	83	-
Net result from trading	50	105	(96)	282	(42)	49
Profit from sale of available for sale financial assets	-	231	-	11	-	-
Net banking income	**73.638**	**69.352**	**70.057**	**62.397**	**64.880**	**66.862**
Net value adjustments/revaluations due to impairment of:	(12.786)	(8.382)	(10.023)	(8.252)	(12.596)	(13.716)
Receivables	(12.786)	(8.382)	(10.023)	(8.240)	(12.549)	(13.716)
Available for sale financial assets	-		-	(12)	(47)	-
Net profit from financial activities	**60.852**	**60.970**	**60.034**	**54.145**	**52.284**	**53.146**
Personnel expenses	(10.884)	(10.334)	(9.858)	(9.179)	(9.254)	(8.803)
Other administrative expenses	(11.902)	(11.431)	(11.023)	(8.946)	(9.935)	(9.118)
Net allocations to provisions for risks and charges	79	(1.718)	(202)	(13)	-	-
Net value adjustments to property, plant and equipment and intangible assets	(792)	(748)	(932)	(575)	(814)	(683)
Other operating income (expenses)	141	949	619	813	669	886
Operating costs	**(23.358)**	**(23.282)**	**(21.396)**	**(17.900)**	**(19.334)**	**(17.718)**
Pre-tax profit from continuing operations	**37.494**	**37.688**	**38.638**	**36.245**	**32.950**	**35.428**
Income tax expense for the period	(12.115)	(13.012)	(20.907)	(13.175)	(11.364)	(12.974)
Profit for the period	**25.379**	**24.676**	**17.731**	**23.070**	**21.586**	**22.454**

EQUITY: BREAKDOWN (in thousands of Euro)	AMOUNTS AT		CHANGE	
	30.06.2014	31.12.2013	ABSOLUTE	%
Capital	53.811	53.811	-	*0,0%*
Share premiums	57.113	75.560	(18.447)	*(24,4)%*
Valuation reserve:	5.820	10.959	(5.139)	*(46,9)%*
- AFS securities	*10.938*	*15.980*	*(5.042)*	*(31,6)%*
- TFR post-employment benefit	*(161)*	*(76)*	*(85)*	*111,8%*
- exchange differences	*(4.957)*	*(4.945)*	*(12)*	*0,2%*
Reserves	237.843	163.055	74.788	*45,9%*
Treasury shares	(6.715)	(7.903)	1.188	*(15,0)%*
Profit for the period	50.055	84.841	(34.786)	*(41,0)%*
Equity	**397.927**	**380.323**	**17.604**	**4,6%**

DRL RECEIVABLES PERFORMANCE	(thousands of Euro)
Receivables portfolio at 31.12.2013	**127.945**
Purchases	7.274
Interest income from amortised cost	12.891
Other components of net interest income from change in cash flow	1.965
Losses/Reversals of impairment losses from change in cash flow	1.354
Collections	(16.729)
Receivables portfolio at 30.06.2014	**134.700**

CAPITAL ADEQUACY RATIOS (in thousands of Euro)	AMOUNTS AT		
	30.06.2014 (1)	30.06.2014 (2)	31.12.2013 (3)
Common equity Tier 1 Capital (CET1) (4)	356.461	369.181	332.851
Tier 1 Capital (AT)	358.782	369.181	332.851
Total own funds	**364.582**	**364.354**	**328.131**
Total RWA	**2.574.799**	**2.522.355**	**2.433.597**
Common Equity Tier 1 Ratio	13,84%	14,64%	13,68%
Tier 1 Capital Ratio	13,93%	14,64%	13,68%
Total own funds Capital Ratio	**14,16%**	**14,44%**	**13,48%**

(1) Data recognised according to the new regulations (Basel 3), which require the inclusion of the Group holding in the consolidation scope.
(2) Data recognised according to the previous regulations (Basel 2)
(3) Data recognised according to the previous regulations (Basel 2)
(4) Common equity Tier 1 Capital includes profit for the quarter net of estimated dividends