

BANCA IFIS

PRESS RELEASE - RESULTS FOR THE FIRST NINE MONTHS OF 2016

Banca IFIS has strengthened its capital ratios in the first nine months of 2016. Credit cost continues to improve.

The Bank is waiting for the authorisation from the Supervisory Authority to acquire GE Capital Interbanca

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RECLASSIFIED DATA ¹

First nine months of 2016
1 January-30 September

- Net banking income: 237,7 million Euro (-27,6%)
- Net profit from financial activities: 218,2 million Euro (-28,5%)
- Operating costs: 118,7 million Euro (+46,9%)
- Profit for the period: 66,3 million Euro (-55,5%)
- Cost of credit quality for trade receivables: 86 bps
- Bad loans ratio in the trade receivables segment: 1,2%;
- Hiring up: 157 new staff added in the first 9 months of 2016 (+12,1%);
- Common Equity Tier 1 (CET1): 15,8% (15,8% at 31 December 2015) ²;
- Total Own Funds Capital Ratio: 15,8% (15,8% at 31 December 2015) ².

3rd quarter 2016
1 July-30 September

- Net banking income: 86,8 million Euro (+38,4%)
- Net profit from financial activities: 83,0 million Euro (+45,1%)
- Profit for the period: 27,1 million Euro (+50,6%).

Comment on operations

Mestre (Venice), 10 November 2016 – The Board of Directors of Banca IFIS met today under the chairmanship of Sebastien Egon Fürstenberg and approved the interim financial report for the first nine months of 2016.

¹ Net value adjustments on DRL receivables, totalling 23,6 million Euro at 30 September 2016 compared to 3,0 million Euro at 30 September 2015, were reclassified to Interest receivable and similar income to present more fairly this particular business, for which net value adjustments represent an integral part of the return on the margin.

² The reported total Own Funds refers only to the scope of the Banca IFIS Group, thus excluding the effects of the prudential consolidation in the parent company La Scogliera S.p.A. Common Equity Tier 1 capital includes the profit for the period net of estimated dividends. The financial statements attached to this press release show also total Own Funds including said effects.

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“We are very satisfied with the Non-Performing Loans segment – said **Giovanni Bossi**, Banca IFIS CEO - It is proving to be capable of seizing opportunities in a constantly evolving market. In this sector, it is crucial to swiftly adopt innovative solutions, ensuring the entire process is always efficient. In the trade receivables sector, which is the Bank's core business, we continue the strategy of refocusing on smaller-sized but more profitable market segments. The number of corporate customers is rising sharply. We are waiting – added the CEO - for the authorisation from the Supervisory Authority to complete the acquisition of GE Capital Interbanca. We have made significant progress on the analyses required to achieve a smooth integration: we believe we will be efficient starting from the closing date”.

Highlights for the first nine months (reclassified data³)

Here below are the main factors that contributed to the result for the nine months of 2016:

- **Net banking income³** totalled 237,7 million Euro, -27,6% from 328,1 million Euro in the first nine months of 2015. Excluding the gain made in April 2015 as part of the rebalancing of the government bond portfolio (124,5 million Euro), at 30 September 2016 net banking income was up 16,7%. There was a significant increase in the DRL segment (112,0 million Euro, +262,7%). Also the trade receivables segment was positive (121,3 million Euro, +2,0%), while Tax Receivables (10,9 million Euro, -5,6%) and Governance & Services were down. The latter posted a negative 6,4 million Euro margin, compared to a positive 166,9 million Euro at 30 September 2015. The reason for this decrease is twofold: the Group recognised in 2015 the gain on the sale conducted as part of the rebalancing of the AFS securities portfolio, reducing interest income in the following periods; and funding costs increased as a result of rising volumes as well as the introduction of 2-, 3-, and 5-year maturities starting in September 2015.
- **Net value adjustments³** totalled 19,5 million Euro. They referred for 15,5 million Euro to loans to customers (compared to 14,9 million Euro at 30 September 2015, +4,1%), and for 4,0 million Euro to impairment losses on unlisted equity securities
- **Operating costs** totalled 118,7 million Euro, up 46,9% from 80,8 million Euro in September 2015; this was largely attributable to the DRL segment—especially as far as pre-collection and collection costs are concerned. As for **personnel expenses**, amounting to 41,9 million Euro (36,1 million Euro in September 2015, +16,2%), the increase was the result of new hiring in the first nine months of 2016 (157 staff, +12,1%), consistently with the goal to strengthen some areas and services supporting the business, and especially the DRL segment. At 30 September 2016, the Group's employees numbered 823. The cost/income ratio stood at 49,9% at 30 September 2016, compared to 24,6% at 30 September 2015.

Profit for the period totalled 66,3 million Euro, compared to 148,8 million Euro in September 2015 (down 55,5%).

For a better understanding of the result for the period and the relevant comparative data, the following should be noted:

³ Net value adjustments on DRL receivables, totalling 23,6 million Euro at 30 September 2016 compared to 3,0 million Euro at 30 September 2015, were reclassified to Interest receivable and similar income to present more fairly this particular business, for which net value adjustments represent an integral part of the return on the investment.

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- **Interest receivable and similar income:** the item included 9,0 million Euro arising from the reclassification to amortised cost of a sizeable portion of the DRL portfolio following the end of the documentary verification process and the ensuing collection of bills of exchange and settlement plans.
- **Gain on the sale of receivables:** the item largely consisted of 26,8 million euro in gains on the sale of portfolios of DRL receivables (of which 21,0 million Euro made in the third quarter).
- **Gain on the sale of available for sale financial assets,** totalling 5,5 million Euro in the first nine months of 2016 as a result of the sale of part of the bond portfolio, compared to 124,5 million Euro in the prior-year period arising from the rebalancing of the bond portfolio.
- **Other administrative expenses** included the 2,1 million Euro contribution for the whole of 2016 to the Resolution Fund.
- **Net allocations to provisions for risks and charges** included 2,0 million Euro in the estimated annual ex ante contribution for the FITD (“Fondo Interbancario per la Tutela dei Depositi”, Interbank Deposit Protection Fund) on the basis of by the Directive 2014/49/UE (Deposit Guarantee Schemes Directive – DGS).

As for the contribution of individual segments to the result for the first nine months of 2016, here below is a description of how the sectors that made a significant or greater-than-expected contribution performed:

- **Trade Receivables:** the net banking income of the trade receivables segment amounted to 121,3 million Euro (+2,0% compared to 118,9 million Euro in the first nine months of 2015). The segment generated 7,5 billion Euro in turnover (+3,2% from 30 September 2015), with 4.930 financed SMEs (up 14,8% compared to the prior-year period) and 2,6 billion Euro in outstanding loans (-7,0% from December 2015).

As for net value adjustments on receivables, they totalled 15,2 million Euro (14,8 million Euro at 30 September 2015, +3,2%). The ratio of credit risk cost concerning trade receivables to the relevant average loan balance over the last 12 months was down to 86 bps from 79 bps at 30 September 2015 and 90 bps at 31 December 2015.

- **DRL (Distressed Retail Loans):** net banking income amounted to 112,0 million Euro, compared to 30,9 million Euro in the prior-year period (+262,7%). The results for the first nine months of 2016 were positively influenced by the continuing debt collection operations—through bills of exchange and expressions of willingness—as well as the reclassification to amortised cost of a sizeable portion of the portfolio following the end of the documentary verification process and the ensuing collection of bills of exchange and settlement plans, adding nearly 9,0 million Euro to net banking income. Another boost came from the closing of sales that generated 26,8 million Euro in gains, as well as the acceleration in the activation of the plans collected, ensuring a timelier contribution to net banking income. In the period, the Bank revised the compensation policy for debt collection networks, aligning the payment of the commission with the accounting activation of the relevant plan.
- **G&S (Governance and Services):** net banking income was down 103,9%, from a positive 166,8 million Euro to a negative 6,4 million Euro. This was largely the result of the rebalancing of the securities portfolio completed in April 2015, reducing interest income in the following periods, as well as of the increase in funding costs because of rising volumes as well as the introduction of 2-, 3-, and 5-year rendimax maturities. This was partly offset by the sale of 2,1 billion Euro worth of government bonds in

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the first half of 2016, resulting in a 5,5 million Euro gain. As for retail funding, it was slightly above 4,0 billion Euro (3,1 billion Euro at the end of 2015). The relevant cost amounted to 1,42%, compared to 1,22% in September 2015, and is expected to rise marginally as a result of the new rendimax maturities.

Concerning the statement of financial position, here below is the breakdown of **net non-performing exposures** in the **trade receivables segment** alone:

- **Net bad loans** amounted to 31,9 million Euro, +3,2% from the end of 2015; the segment's net bad-loan ratio was 1,2%, compared to 1,1% at 31 December 2015. Net bad loans were unchanged from 31 December 2015, amounting to 5,4% as a proportion of equity. The coverage ratio stood at 88,1% (87,9% at 31 December 2015);
- The balance of **net unlikely to pay** was 49,6 million Euro, +25,4% from 39,6 at the end of 2015. The increase was largely attributable to a number of individually significant positions previously classified under net non-performing and performing past due exposures. The coverage ratio stood at 32,6% (32,1% at 31 December 2015)
- **Net non-performing past due exposures** totalled 130,0 million Euro, compared with 58,2 million Euro in December 2015 (+123,4%). The increase was attributable to past due loans due from the Public Administration that were purchased outright, rising from 1,2 million Euro at the end of 2015 to 48,4 million Euro at 30 September 2016 (with 47,5 million Euro referring to the multi-utility segment). The coverage ratio stood at 1,7% (2,6% at 31 December 2015)

At 30 September 2016, consolidated **Equity** was 586,6 million Euro, compared to 573,5 million Euro at 31 December 2015 (+2,3%). The change was largely attributable to the 66,3 million Euro profit for the period and the 40,3 million Euro dividend payout for 2015.

As for **capital adequacy ratios**, the Total Own Funds Capital Ratio was 14,5% (14,9% at 31 December 2015) and the Common Equity Tier 1 (CET1) 13,5% (14,2% at 31 December 2015).

Consolidated own funds, risk-weighted assets and solvency ratios at 30 September 2016 were determined based on the regulatory principles set out in Directive 2013/36/EU (CRD IV) and Regulation (EU) 575/2013 (CRR) dated 26 September 2013, which were transposed in the Bank of Italy's Circulars no. 285 and 286 of 17 December 2013. Article 19 of the CRR requires to include the unconsolidated holding of the banking group in prudential consolidation. The capital adequacy ratios of the Banca IFIS Group alone, presented exclusively for information purposes, would be as showed in the following table.

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OWN FUNDS AND CAPITAL ADEQUACY RATIOS: BANCA IFIS GROUP'S SCOPE (in thousands of Euro)	AMOUNTS AT	
	30.09.2016	31.12.2015
Common equity Tier 1 Capital ⁽¹⁾ (CET1)	544.758	514.453
Tier 1 Capital	544.758	514.453
Total own funds	544.794	514.453
Total RWA	3.449.443	3.261.103
Common Equity Tier 1 Ratio	15,79%	15,78%
Tier 1 Capital Ratio	15,79%	15,78%
Total own funds Capital Ratio	15,79%	15,78%

(1) Common Equity Tier 1 capital includes the profit for the period net of estimated dividends.

The supervisory authorities have informed the Bank of its new minimum capital requirements, which are the following: Common Equity Tier 1 (CET1) 7%; Tier 1 Ratio 8,5%; Own Funds Capital Ratio 10,5%. In light of the Bank's capital adequacy ratios at 30 September 2016, its position is especially robust.

For more details, please refer to the Consolidated Interim Financial Report at 30 September 2016, available under the "Corporate governance" Section of the website www.bancaifis.com

Declaration of the Corporate Accounting Reporting Officer

Pursuant to Article 154 bis, Paragraph 2 of the Consolidated Law on Finance, the Corporate Accounting Reporting Officer, Mariacristina Taormina, 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)		AMOUNT AT		CHANGE	
		30.09.2016	31.12.2015	ABSOLUTE	%
10	Cash and cash equivalents	23	34	(11)	(32,4)%
20	Financial assets held for trading	98	259	(161)	(62,2)%
40	Available for sale financial assets	1.026.744	3.221.533	(2.194.789)	(68,1)%
60	Due from banks	454.170	95.352	358.818	376,3%
70	Loans to customers	3.303.322	3.437.136	(133.814)	(3,9)%
120	Property, plant and equipment and investment property	62.291	52.163	10.128	19,4%
130	Intangible assets	10.816	7.170	3.646	50,9%
	<i>of which:</i>				
	- goodwill	812	820	(8)	(1,0)%
140	Tax assets:	62.254	61.737	517	0,8%
	a) current	22.291	22.315	(24)	(0,1)%
	b) deferred	39.963	39.422	541	1,4%
160	Other assets	75.881	82.336	(6.455)	(7,8)%
	Total assets	4.995.599	6.957.720	(1.962.121)	(28,2)%

LIABILITIES AND EQUITY (in thousands of Euro)		AMOUNT AT		CHANGE	
		30.09.2016	31.12.2015	ABSOLUTE	%
10	Due to banks	56.788	662.985	(606.197)	(91,4)%
20	Due to customers	4.138.865	5.487.476	(1.348.611)	(24,6)%
40	Financial liabilities held for trading	406	21	385	1833,3%
80	Tax liabilities:	15.116	25.549	(10.433)	(40,8)%
	a) current	821	4.153	(3.332)	(80,2)%
	b) deferred	14.295	21.396	(7.101)	(33,2)%
100	Other liabilities	190.992	204.598	(13.606)	(6,7)%
110	Post-employment benefits	1.554	1.453	101	7,0%
120	Provisions for risks and charges	5.230	2.171	3.059	140,9%
	b) other reserves	5.230	2.171	3.059	140,9%
140	Valuation reserves	(7.325)	5.739	(13.064)	(227,6)%
170	Reserves	420.548	298.856	121.692	40,7%
180	Share premiums	59.090	58.900	190	0,3%
190	Share capital	53.811	53.811	-	0,0%
200	Treasury shares (-)	(5.745)	(5.805)	60	(1,0)%
220	Profit (loss) for the period (+/-)	66.269	161.966	(95.697)	(59,1)%
	Total liabilities and equity	4.995.599	6.957.720	(1.962.121)	(28,2)%

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Reclassified consolidated income statement ⁽¹⁾

ITEMS (in thousands of Euro)		FIRST NINE MONTHS		CHANGE	
		2016	2015	ABSOLUTE	%
10	Interest and similar income	201.244	189.213	12.031	6,4%
20	Interest and similar expenses	(35.154)	(29.512)	(5.642)	19,1%
30	Net interest income	166.090	159.701	6.389	4,0%
40	Commission income	43.846	47.150	(3.304)	(7,0)%
50	Commission expense	(3.795)	(3.191)	(604)	18,9%
60	Net commission income	40.051	43.959	(3.908)	(8,9)%
80	Net loss from trading	(706)	(23)	(683)	2969,6%
100	Profit (loss) from sale or buyback of:	32.254	124.500	(92.246)	(74,1)%
	a) receivables	26.759	-	26.759	n.a.
	b) available for sale financial assets	5.495	124.500	(119.005)	(95,6)%
120	Net banking income	237.689	328.137	(90.448)	(27,6)%
130	Net impairment losses/reversal on:	(19.492)	(23.132)	3.640	(15,7)%
	a) receivables	(15.493)	(14.883)	(610)	4,1%
	b) available for sale financial assets	(3.999)	(8.249)	4.250	(51,5)%
140	Net profit from financial activities	218.197	305.005	(86.808)	(28,5)%
180	Administrative expenses:	(112.420)	(79.485)	(32.935)	41,4%
	a) personnel expenses	(41.919)	(36.076)	(5.843)	16,2%
	b) other administrative expenses	(70.501)	(43.409)	(27.092)	62,4%
190	Net provisions for risks and charges	(3.460)	(242)	(3.218)	1329,8%
200	Net impairment losses/reversal on plant, property and equipment	(1.428)	(1.186)	(242)	20,4%
210	Net impairment losses/reversal on intangible assets	(1.885)	(1.515)	(370)	24,4%
220	Other operating income (expenses)	495	1.644	(1.149)	(69,9)%
230	Operating costs	(118.698)	(80.784)	(37.914)	46,9%
280	Pre-tax profit for the period from continuing operations	99.499	224.221	(124.722)	(55,6)%
290	Income taxes for the period relating to current operations	(33.230)	(75.416)	42.186	(55,9)%
340	Profit (loss) for the period attributable to the parent company	66.269	148.805	(82.536)	(55,5)%

(1) Net value adjustments on DRL receivables, totalling 23,6 million Euro at 30 September 2016 compared to 3,0 million Euro at 30 September 2015, were reclassified to Interest receivable and similar income to present more fairly this particular business, for which net value adjustments represent an integral part of the return on the investment.

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Reclassified consolidated income statement ⁽¹⁾: third quarter

ITEMS (in thousands of Euro)		3rd QUARTER		CHANGE	
		2016	2015	ABSOLUTE	%
10	Interest and similar income	66.233	56.291	9.942	17,7%
20	Interest and similar expenses	(13.245)	(8.128)	(5.117)	63,0%
30	Net interest income	52.988	48.163	4.825	10,0%
40	Commission income	14.299	15.582	(1.283)	(8,2)%
50	Commission expense	(1.212)	(870)	(342)	39,3%
60	Net commission income	13.087	14.712	(1.625)	(11,0)%
80	Net loss from trading	(374)	(179)	(195)	108,9%
100	Profit (loss) from sale or buyback of:	21.065	-	21.065	n.a.
	a) receivables	21.065	-	21.065	n.a.
120	Net banking income	86.766	62.696	24.070	38,4%
130	Net impairment losses/reversal on:	(3.731)	(5.463)	1.732	(31,7)%
	a) receivables	(3.731)	(1.447)	(2.284)	157,8%
	b) available for sale financial assets	-	(4.016)	4.016	(100,0)%
140	Net profit from financial activities	83.035	57.233	25.802	45,1%
180	Administrative expenses:	(38.353)	(28.350)	(10.003)	35,3%
	a) personnel expenses	(14.324)	(12.394)	(1.930)	15,6%
	b) other administrative expenses	(24.029)	(15.956)	(8.073)	50,6%
190	Net provisions for risks and charges	(1.827)	(160)	(1.667)	1041,9%
200	Net impairment losses/reversal on plant, property and equipment	(582)	(396)	(186)	47,0%
210	Net impairment losses/reversal on intangible assets	(724)	(546)	(178)	32,6%
220	Other operating income (expenses)	(415)	478	(893)	(186,8)%
230	Operating costs	(41.901)	(28.974)	(12.927)	44,6%
280	Pre-tax profit for the period from continuing operations	41.134	28.259	12.875	45,6%
290	Income taxes for the period relating to current operations	(13.985)	(10.233)	(3.752)	36,7%
340	Profit (loss) for the period attributable to the parent company	27.149	18.026	9.123	50,6%

(1) Net value adjustments on DRL receivables, totalling 7,1 million Euro at third quarter of 2016 compared to 52 thousand Euros net reversal at third quarter of 2015, were reclassified to Interest receivable and similar income to present more fairly this particular business, for which net value adjustments represent an integral part of the return on the investment.

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Reclassified consolidated income statement ⁽¹⁾: quarterly evolution

RECLASSIFIED CONSOLIDATED INCOME STATEMENT: QUARTERLY EVOLUTION (in thousands of Euro)	YEAR 2016			YEAR 2015			
	3rd Q.	2nd Q.	1st Q.	4th Q.	3rd Q.	2nd Q.	1st Q.
Net interest income	52.988	55.395	57.707	45.312	48.163	53.432	58.106
Net commission income	13.087	13.316	13.648	14.824	14.712	14.878	14.369
Net result from trading	(374)	(86)	(246)	(55)	(179)	36	120
Profit (loss) from sale or buyback of:	21.065	5.694	5.495	16.127	-	124.500	-
Receivables	21.065	5.694	-	14.948	-	-	-
Available for sale financial assets	-	-	5.495	1.179	-	124.500	-
Net banking income	86.766	74.319	76.604	76.208	62.696	192.846	72.595
Net value adjustments/revaluations due to impairment of:	(3.731)	(7.496)	(8.265)	(7.505)	(5.463)	(10.183)	(7.486)
Receivables	(3.731)	(6.449)	(5.313)	(6.777)	(1.447)	(7.969)	(5.467)
Available for sale financial assets	-	(1.047)	(2.952)	(728)	(4.016)	(2.214)	(2.019)
Net profit from financial activities	83.035	66.823	68.339	68.703	57.233	182.663	65.109
Personnel expenses	(14.324)	(14.187)	(13.408)	(12.266)	(12.394)	(12.165)	(11.517)
Other administrative expenses	(24.029)	(28.051)	(18.421)	(35.419)	(15.956)	(11.411)	(16.042)
Net allocations to provisions for risks and charges	(1.827)	2.157	(3.790)	13	(160)	397	(479)
Net value adjustments to property, plant and equipment and intangible assets	(1.306)	(1.069)	(938)	(1.045)	(942)	(927)	(832)
Other operating income (expenses)	(415)	162	748	1.382	478	(2.141)	3.307
Operating costs	(41.901)	(40.988)	(35.809)	(47.335)	(28.974)	(26.247)	(25.563)
Pre-tax profit from continuing operations	41.134	25.835	32.530	21.368	28.259	156.416	39.546
Income tax expense for the period	(13.985)	(8.760)	(10.485)	(8.207)	(10.233)	(51.866)	(13.317)
Profit for the period	27.149	17.075	22.045	13.161	18.026	104.550	26.229

(1) Net value adjustments on DRL receivables were reclassified to Interest receivable and similar income to present more fairly this particular business, for which net value adjustments represent an integral part of the return on the investment.

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EQUITY: BREAKDOWN (in thousands of Euro)	AMOUNTS AT		CHANGE	
	30.09.2016	31.12.2015	ABSOLUTE	%
Capital	53.811	53.811	-	0,0%
Share premiums	59.090	58.900	190	0,3%
Valuation reserve:	(7.325)	5.739	(13.064)	(227,6)%
- AFS securities	(910)	11.677	(12.587)	(107,8)%
- post-employment benefit	(245)	(167)	(78)	46,7%
- exchange differences	(6.170)	(5.771)	(399)	6,9%
Reserves	420.548	298.856	121.692	40,7%
Treasury shares	(5.745)	(5.805)	60	(1,0)%
Profit for the period	66.269	161.966	(95.697)	(59,1)%
Equity	586.648	573.467	13.181	2,3%

OWN FUNDS AND CAPITAL RATIOS (in thousands of Euro)	AMOUNTS AT	
	30.09.2016	31.12.2015 ²
Common equity Tier 1 Capital (CET1) ⁽¹⁾	464.527	464.316
Tier 1 Capital (T1)	479.841	473.956
Total own funds	500.268	486.809
Total RWA	3.450.199	3.264.088
Common Equity Tier 1 Ratio	13,46%	14,22%
Tier 1 Capital Ratio	13,91%	14,52%
Total own funds Capital Ratio	14,50%	14,91%

(1) Common Equity Tier 1 capital includes the profit for the period net of estimated dividends.

(2) Total consolidated own funds (amounting to 486.809 million Euro) differ from the amount reported in the consolidated financial statements for the year ended 31 December 2015 (501.809 million Euro) due to the 15 million Euro dividend payout approved by the Shareholders' Meeting of the parent company La Scogliera S.p.A. on 23 March 2016. The consolidated supervisory reports at 31 December 2015, as well as the relevant capital adequacy ratios, had already been adjusted at the end of March 2016 to account for said dividend payout. The data on consolidated Own Funds and capital adequacy ratios account for the impact of said distribution.

OWN FUNDS AND CAPITAL RATIOS: BANCA IFIS GROUP PERIMETER (in thousands of Euro)	AMOUNTS AT	
	30.09.2016	31.12.2015
Common equity Tier 1 Capital (CET1) ⁽¹⁾	544.758	514.453
Tier 1 Capital (T1)	544.758	514.453
Total own funds	544.794	514.453
Total RWA	3.449.443	3.261.103
Common Equity Tier 1 Ratio	15,79%	15,78%
Tier 1 Capital Ratio	15,79%	15,78%
Total own funds Capital Ratio	15,79%	15,78%

(1) Common Equity Tier 1 capital includes the profit for the period net of estimated dividends.

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DRL RECEIVABLES PERFORMANCE	(thousands of Euro)
Receivables portfolio at 31.12.2015	354.352
Purchases	172.241
Sales	(50.669)
Gains on sale	26.758
Interest income from amortised cost	24.404
Other components of net interest income from change in cash flow ⁽¹⁾	66.664
Collections	(55.632)
Receivables portfolio at 30.09.2016	538.118

(1) Net value adjustments on DRL receivables, totalling 23,6 million Euro at 30 September 2016, were reclassified to Interest receivable and similar income to present more fairly this particular business, for which net value adjustments represent an integral part of the return on the investment.

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Consolidated income statement

ITEMS (in thousands of Euro)		FIRST NINE MONTHS		CHANGE	
		2016	2015	ABSOLUTE	%
10	Interest and similar income	224.827	192.242	32.585	16,9%
20	Interest and similar expenses	(35.154)	(29.512)	(5.642)	19,1%
30	Net interest income	189.673	162.730	26.943	16,6%
40	Commission income	43.846	47.150	(3.304)	(7,0)%
50	Commission expense	(3.795)	(3.191)	(604)	18,9%
60	Net commission income	40.051	43.959	(3.908)	(8,9)%
80	Net loss from trading	(706)	(23)	(683)	2969,6%
100	Profit (loss) from sale or buyback of:	32.254	124.500	(92.246)	(74,1)%
	a) receivables	26.759	-	26.759	n.a.
	b) available for sale financial assets	5.495	124.500	(119.005)	(95,6)%
120	Net banking income	261.272	331.166	(69.894)	(21,1)%
130	Net impairment losses/reversal on:	(43.075)	(26.161)	(16.914)	64,7%
	a) receivables	(39.076)	(17.912)	(21.164)	118,2%
	b) available for sale financial assets	(3.999)	(8.249)	4.250	(51,5)%
140	Net profit from financial activities	218.197	305.005	(86.808)	(28,5)%
180	Administrative expenses:	(112.420)	(79.485)	(32.935)	41,4%
	a) personnel expenses	(41.919)	(36.076)	(5.843)	16,2%
	b) other administrative expenses	(70.501)	(43.409)	(27.092)	62,4%
190	Net provisions for risks and charges	(3.460)	(242)	(3.218)	1329,8%
200	Net impairment losses/reversal on plant, property and equipment	(1.428)	(1.186)	(242)	20,4%
210	Net impairment losses/reversal on intangible assets	(1.885)	(1.515)	(370)	24,4%
220	Other operating income (expenses)	495	1.644	(1.149)	(69,9)%
230	Operating costs	(118.698)	(80.784)	(37.914)	46,9%
280	Pre-tax profit for the period from continuing operations	99.499	224.221	(124.722)	(55,6)%
290	Income taxes for the period relating to current operations	(33.230)	(75.416)	42.186	(55,9)%
340	Profit (loss) for the period attributable to the parent company	66.269	148.805	(82.536)	(55,5)%