PRESS RELEASE

UBI Group results for the period ended 31st March 2019

Profit for the first quarter of 2019, net of non-recurring items, rose to €124.9 million compared with €121 million in the first quarter of 2018
Stated net profit was €82.2 million[1], influenced by the trade union agreement (€117.7 million in 1Q 2018)

The quarter was characterised by the growth in net interest income - as a consequence of the strategy to safeguard spreads put in place starting from the second half of 2018 - , resilience by fee and commission income, a further contraction in operating expenses and containment of impairment losses on loans

Net interest income rose to €445.6 million, an increase compared with €437.8 million in 1Q 2018, driven by commercial performance
Customer spread of 1.76% (1.70% in 1Q 2018) as a result of growth in the mark-up on loans, while the mark-down on funding remains stable, notwithstanding recent institutional issuances

Net fee and commission income remained firm at €400.9 million (€407.3 million in 1Q 2018, which benefited from higher up-front fees for funds and Sicav)

Operating expenses fell to €604.8 million, down compared with €623.1 million in 1Q 2018

Losses on loans were low at €128.6 million (€117.9 million in 1Q 2018 which benefited from reversals of collective impairment losses)

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Gross non-performing exposures fell further to €9,458 million, to record a reduction of €258.4 million compared with 31st December 2018 (-2.7%)

Texas ratio[2] of 78,6% (85.3% in December 2018 and 100,7% as at 31.3.2018)

An annualised default rate[3] in 1Q 2019 of 0.79%, compared with 1.38% recorded in 4Q 2018 and 1.85% in 1Q 2018

Coverage increased for all categories of non-performing exposures compared to 31.12.2018

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[1] The main non-recurring items include:
- -€42.6 million net (-€63.7 million gross) in 1Q 2019 in relation to the March 2019 trade union agreement;
- -€3.5 million net in 1Q 2018, in relation to Business Plan project expenses;

[2] Calculated as: total net non-performing exposures/((equity excluding profit, profit attributable to minority interests and dividends already approved by the General Meeting) - total intangible assets).

[3] Default rate: annualised gross migrations of performing exposures to non-performing status/initial volumes of gross performing loans and advances (item 40. 2) in the reclassified consolidated balance sheet). *The default rate is calculated consistent with information published previously.*

Total banking funding of €192.4 billion (€187.3 billion as at 1.1.2019[4]), with the indirect component impacted positively both by growth in stocks and by the positive market effect

- **Direct banking funding of €93.6 billion (€92.6 billion as at 1.1.2019)**
- **Indirect funding of €98.8 billion (€94.7 billion as at 31.12.2018)**

Net performing loans[5] of €81.3 billion, down compared with the end of 2018, the result of the strategy pursued to safeguard spreads

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The fully loaded CET1 ratio as at 31st March 2019 was 11.47% (11.34% as at 31.12.2018), including both the positive effect of the changeover to advanced models for the customers of the three banks acquired and of other retail, and, on the other hand, the negative impacts of a further update of the risk parameters used in advanced models and of the introduction of IFRS16

LCR>1

NSFR >1 even net of the contribution from TLTRO2

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Milan, 8th May 2019 – The Board of Directors of Unione di Banche Italiane Spa (UBI Banca) approved its consolidated results for the first quarter of 2019, which include the impacts of first-time adoption of IFRS 16.

Methodological note

The consolidated results of the UBI Group include the impacts of the adoption of IFRS 16 from 1.1.2019, which involves different accounting treatment for outstanding lease transactions both in the income statement and in the balance sheet.
With regard to operating results, the impact of the adoption of IFRS 16 is included in the results for the period ended 31.03.2019, while pro forma figures have not been given for the comparative periods (1Q 2018 and 4Q 2018), which are nevertheless comparable in view of the modest impact made by the introduction of the new accounting standard.
As concerns the balance sheet, on the other hand, the figures as at 31.03.2019 are compared with figures as at 1.1.2019, restated to take account of the impact of IFRS 16.

Operating performance of the Group

The first quarter of 2019 ended with profit net of non-recurring items of €124.9 million compared with €121 million in the first quarter of 2018 and €41.8 million in the fourth quarter of 2018.
Stated net profit amounted to €82.2 million[6], influenced by the trade union agreement, and compares with a profit of €117.7 million in 1Q 2018 and of €215.1 million - inclusive of a positive tax component amounting to 186.4 million - in 4Q 2018.

In 1Q 2019, **net operating income** amounted to €315.9 million, up compared with €249.7 million recorded in 4Q 2018 and €302.3 million in 1Q 2018, mainly as a result of good performance by

[4] Direct funding has been influenced by the introduction of IFRS 16 from 1.1.2019.
[5] Asset item 40. 2) Loans and advances to customers measured at amortised cost in the Reclassified Consolidated Balance Sheet.
[6] The main non-recurring items include:
- -€42.6 million net (-€63.7 million gross) in 1Q 2019 in relation to the March 2019 trade union agreement;
- -€3.5 million net in 1Q 2018, in relation to Business Plan project expenses;
- in 4Q 2018: the write-down of the contribution to the Interbank Deposit Protection Fund's Voluntary Scheme for the intervention to support Carige amounting to -€14.7 million net (-€22 million gross); -€4.9 million net incurred for Business Plan project expenses; and also DTAs recognised following changes in the tax treatment for first-time adoption of IFRS 9, amounting to +€186.4 million.

operating income amounting to €920.6 million (+6.3% vs 4Q 2018 and more or less stable compared with 1Q 2018) and of reduced **operating expenses** amounting to €604.8 million (-1.9% vs 4Q 2018 and -2.9% vs 1Q 2018).

In detail, notwithstanding the effect of -€2 million resulting from the introduction IFRS 16 in 1Q 2019, **net interest income** amounted to €445.6 million (+1% vs 4Q 2018 and +1.8% vs 1Q 2018), with the following components:

- net of the impacts of the adoption of IFRS 9[7], net interest income from banking business with customers amounted to €383 million (including the -2 million IFRS16 impact) compared with approx.. €381 million in 4Q 2018 (which was two days longer than 1Q 2019) and €380 million in 1Q 2018, notwithstanding the lower average volumes of lending.
  The strategy to safeguard spreads pursued from the second half of 2018 had its positive effects during the course of 1Q 2019. The mark-up for new grants of medium to long-term loans recorded growth and was higher than that for maturing loans, while the cost of funding remained almost stable in terms of the mark-down compared with 4Q 2018, notwithstanding the new issuances on institutional markets.
  Consequently the customer spread[8] rose to 176 basis points from 173 basis points before and 170 basis points in 1Q 2018, with a positive impact on the margin for business with customers;
- the contribution from financial activities amounted to approximately €44 million, substantially unchanged compared with 4Q 2018;
- the result for business on the interbank market, which, amongst other things, includes the TLTRO2 benefit, which was partially offset by the cost of abundant deposits of liquidity held with the ECB, amounted to -€7.9 million in 1Q 2019 compared with -€6.2 million in 4Q 2018 (+€1.7 million in 1Q 2018), with a negative differential which reflects greater activity in repurchase agreements with institutional counterparties.

Net fee and commission income grew to €400.9 million in 1Q 2019 compared with €390.6 million in 4Q 2018 (€407.3 million in 1Q 2018).
During the quarter, the **contribution from services relating to securities business** rose to €225.5 million from €205.5 million in 4Q 2018 (€230.5 million in 1Q 2018). Net of performance fees and up front commissions related to funds, Sicav and insurance products, the contribution from services relating to securities business rose to approx. €171 million in 1Q 2019 from €169 million in 4Q 2018 and from €160 million in 1Q 2018.
The contribution from **fees and commissions on ordinary banking business** amounted to €175.4 million and was impacted by -€3.5 million relating to the remuneration of the new synthetic securitisations put in place at the end of 2018. That figure compares with €176.9 million in 1Q 2018 and with €185 million in 4Q 2018, which, however, included non-recurring items typical of the year-end period.

The **finance result** was positive by +€37.4 million in 1Q 2019, and higher than both the figure for 4Q 2018 (negative by -€6.8 million) and that for 1Q 2018 (positive by +€34 million). It summarises the following performances:

- the profit on the disposal/repurchase of financial assets and liabilities amounting to +€12.2 million (+€13 million in 4Q 2018 and +€22.6 million in 1Q 2018), relating to the sale and purchase activity of Italian and foreign govies for +€13.6 million;
- net trading income totalled +€3.6 million (-€1.4 million in 4Q 2018 and +€12.8 million in 1Q 2018);
- net hedging income (loss) amounted to -€4.9 million (-€2.9 million in 4Q 2018 and -€1.5 million in the 1Q 2018);

[7] IFRS 9 impacts on net interest income. In 1Q 2019: +€31.2 million (+€30 million in 4Q 2018 and +€25.7 million in 1Q 2018) relating to interest on loans (time reversal); -€5.2 million (-€7 million in 4Q 2018 and -€8.7 million in the 1Q 2018) relating to contractual modifications that do not determine derecognition of the loan.
[8] These are spreads that do not include the benefits of TLTRO2.

- net income on assets and liabilities measured at fair value was positive by +€26.5 million, partly due to the partial revaluation of the NEXI equity stake, which contributed +€17.7 million (the result was negative by -€15.5 million in 4Q 2018 and amounted to €0.1 million in 1Q 2018).

Constant control over costs again had a positive impact on **operating expenses.**
In fact these totalled €604.8 million in 1Q 2019 and were down by 2.9% compared with €623.1 million in 1Q 2018, notwithstanding the increase in the contribution to the Single Resolution Fund, which rose to €42 million from €34.2 million in 1Q 2018. The figure for 1Q 2019 compares favourably also with €616.2 million in 4Q 2018, although the comparison is less significant in view of the usual seasonal factors that affect the last quarter of the year.

In detail:

- **staff costs** totalled €364.4 million, a reduction of 3% compared with €375.5 million in 1Q 2018, with the decrease mainly attributable to the item “wages and salaries”, down by €9.5 million in relation to the exit of over 840 average resources also in implementation of trade union agreements signed periodically. Staff costs were also down compared with €372.9 million in 4Q 2018, both in relation to the full impact of the benefit resulting from redundancies which took place in the last quarter of 2018 (344 staff) and also in relation to the absence of seasonal factors which normally affect the last quarter of the year.
  Furthermore, progressive redundancies of over 300 staff are planned, most to occur in the current month of May, in relation to the trade union agreement signed on 27th March 2019. Expenses were recognised for that agreement amounting to €63.7 million gross (€42.6 million net), which have been stated under a separate item within “Redundancy scheme incentive expenses” in the income statement, net of taxes and minority interests.
  The new redundancies will generate savings on costs estimated at over €20 million on an annual basis;
- **other administrative expenses** reduced significantly, amounting to €186 million in 1Q 2019 compared with €205.9 million in 1Q 2018. The comparison shows the following: 1Q 2019 was affected by a greater contribution to the Single Resolution Fund (€42 million) compared with €34.2 million in 1Q 2018; again in 1Q 2019, the application of IFRS 16 to lease transactions involved the reduction by €12.4 million mainly of the item “rents payable” and the increase of the item “depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets” by €11.6 million.
  The figure for 1Q 2019 compares favourably also with €198.7 million in 4Q 2018, which included €10.5 million of project expenses (not present previously) and €2.8 million for the contribution to the Deposit Protection Fund;
- **depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets** amounted to €54.3 million in 1Q 2019, largely unchanged compared with 1Q 2018 (€41.6 million) and 4Q 2018 (€44.6 million), if the impact of €11.6 million mentioned above as a consequence of the introduction of IFRS 16 is excluded.

Net impairment losses on loans and advances to customers amounting to €128.6 million were recognised in the first quarter of the year, slightly up compared to approx. €118 million in 1Q 2018, which, however, benefited from a substantial reversal of collective impairment losses. As concerns the main component of this item, specific impairment losses, these reduced significantly down to €126.4 million in 1Q 2019 from €166.9 million in 1Q 2018, which demonstrates the good performance of loans.
Partly as result of the decrease in loans recorded in the first quarter of the year, net impairment losses on loans gave an annualised loan loss rate of 59 basis points, compared with 52 basis points in 1Q 2018.

Finally, estimated **taxes on income** for the period from continuing operations in 1Q 2019 amounted to €50.8 million, to give a tax rate of 27.9%, mainly as a consequence of the application of the participation exemption regime for the revaluation of the NEXI equity stake (compared with an estimate of 32.57% in 1Q 2018 and tax income in 4Q 2018 mainly due to the recognition of a positive non-recurring item due to changes made by the 2019 Budget Law to the deductibility rules for the reserve for the first-time adoption of IFRS 9 relating to expected losses recognised on loans and advances to customers).

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Balance sheet figures

As at 31st March 2019, **net loans and advances to customers**[9] totalled €87.1 billion compared with €89 billion at the end of 2018.
Within the item:

- net performing loans and advances were down to €81.3 billion from €83 billion at the end of December 2018, due primarily to the effect of a policy to safeguard spreads which became more stringent from the beginning of the second half of 2018. This affected the performance of both medium to long-term and short-term loans, but it also led to growth in net interest income to €445.6 million, an increase of 1% compared with 4Q 2018 and of 1.8% compared with 1Q 2018;
- net non-performing exposures reduced constantly. As a result of internal workout activities, net non-performing exposures were down in the quarter by €215.2 million, falling to €5.76 billion from €5.98 billion as at 31st December 2018 (€7.38 billion as at 31.03.2018).

More specifically, with regard to **trends for non-performing exposures**:

- **total[10] gross non-performing exposures amounted €9,458.4 million, a decrease of 2.7%** (€258.4 million) **compared with 31st December 2018.**
  The significant reduction in the totals for non-performing exposures in the quarter is not fully shown by its expression as a percentage of total gross loans, which decreased only slightly to 10.36% from 10.42% as at 31.12.2018, as a result of the decrease in total gross loans, used as the denominator, compared with the end of 2018. If the total gross loans had remained unchanged compared with 31st December 2018, the percentage of gross non-performing exposures would have reduced to approx. 10.1%.

  The **default rate**, which measures the **migration of new inflows of gross loans from performing to non-performing status**, improved further in the first quarter of the year, to reach a new minimum of 0.79% annualised (1.38% in 4Q 2018 and 1.85% in 1Q 2018). It is underlined that the default rate for the full year 2018 was 1.55%.

  The annualised **recovery rate** for gross non-performing exposures, which measures payments collected, was 8.7% in 1Q 2019, compared with 8.9% recorded for 2018. A substantial increase in the recovery rate for bad loans is underlined, which rose to 6.1% annualised compared with 5.2% recorded for the full year 2018.

  At the end of March 2019, **coverage** for total non-performing exposures had grown compared to 2018 year-end, both in terms of stated coverage (39.09% compared with 38.5% at the end of 2018) and inclusive of write-offs (46.96% compared with 46.01% in 2018). The increase in coverage involved **all** categories of non-performing exposures as shown in the attached table.

- **In net terms, total non-performing exposures** fell to €5,760.7 million compared with €5,976 million in December 2018, a decrease of 3.6% (€215.2 million). Non-performing exposures as a percentage of total net loans fell to 6.61% (the level was again affected by the decrease in net loans at the denominator) from 6.72% as at 31.12.2018.

[9] Item 40. 2) in the reclassified consolidated balance sheet.
[10] See the tables attached.

As a result of the decrease in total net non-performing loans, the **Texas ratio fell further to 78,6%,** a further improvement compared with 85.3% in December 2018 and 100,7% in March 2018.

As at 31st March 2019 **direct banking funding** of the Group amounted to €93.6 billion, an increase compared with €92.6 billion as at 1.1.2019, as result of:
- substantial stability for funding from ordinary customers (€75.7 billion compared with €76.2 billion as at 1.1.2019). Maturities of bonds placed with captive customers were almost entirely replaced in the quarter, with end of quarter stocks amounting to €7.1 billion (€7.2 billion at the end of 2018) and "current accounts and sight deposits" remained stable at €65.7 billion (€65.9 billion at the end of 2018), notwithstanding the growth in assets under management;
- an increase in institutional funding (€17.9 billion compared with €16.4 billion before) supported by two institutional issuances (one a covered bond issuance, which increased the total to €13 billion from €12.5 billion before and one a Tier 2 issuance, which partially replaced EMTN bonds maturities that occurred in the quarter) and by greater volumes of repurchase agreements with the CCG amounting to over €1.2 billion. As a reminder, a first "green bond" was issued in April for €500 million, which was received favourably by the institutional market.

Indirect funding has started to grow again, both as result of an increase in total assets and as a consequence of good market performance, amounting to €98.8 billion at the end of March 2019 (+4.2% compared with the end of 2018 and +0.7% net of the performance effect).
Assets under management in the narrow sense of the term totalled €43.5 billion (+4.6% compared with €41.6 billion at the end of 2018), insurance products amounted to €25.5 billion (+3.3% compared with €24.7 billion at the end of 2018) and assets under custody amounted to €29.7 billion (+4.6% compared with €28.5 billion at the end of 2018).

Group exposure to the ECB in TLTRO2 amounted to €12.5 billion nominal. The contractual maturity schedule for that TLTRO2 exposure, recognised under "due to banks", and therefore not included in direct funding, involves repayment of €10 billion in June 2020 and €2.5 billion in March 2021.

The Group continues to benefit from a solid liquidity position, with ratios (Net Stable Funding Ratio and Liquidity Coverage Ratio) constantly higher than one. The NSFR was again greater than one even net of the contribution from TLTRO2.
Eligible assets available to the Group as at 31st March 2019, totalled €32.5 billion (of which €16.8 billion available) already net of haircuts and inclusive of €8.3 billion of liquidity deposited with the ECB.

The Group's **financial assets**[11] grew to €17.2 billion at the end of March 2019 (€15.6 billion in December 2018), the result of: substantial stability for positions in Italian government securities (€9.5 billion compared with €9.4 billion at the end of 2018 and, net of insurance company positions, €8.3 billion compared with €8.2 billion at end of 2018); an increase in investments in government securities of other countries (+€1.1 billion approx., compared with the end of 2018) and in high quality corporate bonds (+€300 million).

As at 31st March 2019, **equity** attributable to the shareholders of the Parent, inclusive of profit, amounted to €9,267,049 thousand, up compared with €9,163,288 thousand in December 2018, due primarily to the good result for the quarter.

Again at the end of March 2019, the Group's **CET1 ratio** was 11.47% fully loaded compared with 11.34% at the end of 2018 and it includes both the positive effect of the changeover to advanced models for the customers of the three banks acquired and of other retail, and, on the other hand, the negative

[11] The sum of items 20.3), 30.3) and 40.3) – government securities in the reclassified consolidated balance sheet.

impacts of a further update of the risk parameters used in advanced models and of the introduction of IFRS16.
As a result primarily of the roll-out to advanced models of credit positions previously subject to the standard model, the phased-in ratio is now substantially in line with the fully loaded ratio and stands at 11.52% (11.70%[12] at the end of 2018). It is underlined that the fully loaded ratio includes neither future DTAs nor capital optimisation actions.
The Group's **Total Capital Ratio** was 14.39% fully loaded (13.44% as at 31.12.2018) and 14.43% phased-in (13.80% as at 31.12.2018).

Finally, the Group's **leverage ratio** in March 2019 was 5.16% phased-in and 5.13% fully loaded.

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As at 31st March 2019, **total staff** of the UBI Banca Group **numbered 20,387** compared with 20,394 at the end of December 2018. As already reported, a further 305 redundancies will take place starting on 1st May partly in implementation of the Trade Union Agreement of 27th March 2019.
Again as at the 31st March 2019, the domestic branch network was composed of **1,640 branches** (1,648 as at 31st December 2018), and was already smaller than the targets set in the 2020 Business Plan.

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Statement of the Senior Officer Responsible for the preparation of company accounting documents

Elisabetta Stegher, as the Senior Officer Responsible for preparing the company accounting documents of Unione di Banche Italiane Spa, hereby declares, in compliance with the second paragraph of article 154 *bis* of the *Testo unico delle disposizioni in materia di intermediazione finanziaria* (Consolidated Finance Law), that the financial information contained in this press release is reliably based on the records contained in corporate documents and accounting records.

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Outlook

The indications concerning the business outlook furnished when the results for the year ended 31.12.2018 were reported are confirmed.

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[12] As already fully described in the press release for the Group's results for the period ended 31.03.2018, impairment losses recognised on first-time adoption of IFRS 9 on credit positions subject to the **standardised** approach (€255 million approx. for the period ended 31.03.2018) were subject to the transition regime provided for by EU Regulation No. 2017/2395 and were therefore recognised progressively in the CET1 ratio (only 5% of the impact was therefore included in the phased-in CET1 ratio as at 31.12.2018, while the total impact was included in the fully loaded CET1 ratio). Following the partial changeover to the advanced approach for credit positions previously recognised according to the standardised approach, the transition regime for the inclusion of the impairment losses in the CET1 capital no longer applied and therefore the negative impact of the remaining amount of the impairment losses recognised in relation to these positions (€220 million approx. as at 31.03.2019) was therefore **fully included**. That impact was only partially offset by the benefit on RWAs resulting from the changeover for the credit positions from the standard approach to the advanced approach.
The main remaining difference between the phased-in and the fully loaded CET1 refers to the progressive inclusion in the phased-in CET1 of impairment losses recognised on first-time adoption of IFRS 9 on leasing positions still under the **standardised** approach.

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Attachments - UBI Banca Group: Reclassified and mandatory financial statements

- Reclassified consolidated balance sheet
- Reclassified consolidated income statement
- Reclassified consolidated quarterly income statements
- Reclassified consolidated income statement net of the most significant non-recurring items

- Consolidated balance sheet – mandatory statement
- Consolidated income statement – mandatory statement
- Loan tables

Explanatory notes on the preparation of the mandatory and reclassified financial statements

The Mandatory Financial Statements have been prepared on the basis of Bank of Italy Circular No. 262/2005 of 22nd December 2005, 6th update, dated 30th November 2018[1]. The latter implement the adoption of the international financial reporting standard IFRS 16 "Leases", which superseded IAS 17 "Leases" from 1st January 2019.

As concerns income statement figures for the first quarter of 2019, the following is underlined on the basis of the provisions of IFRS 16:

- net interest income includes, within interest expense, interest accrued on financial liabilities for leases;
- net depreciation and impairment losses on property, plant and equipment includes depreciation of the right-of-use assets resulting from lease contracts;
- rentals relating to contracts falling within the scope of application of IFRS 16 are no longer recognised within "Other administrative expenses".

In view of the above, the income statement figures for the comparative periods are not fully comparable.

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Reclassified financial statements have been prepared in order to allow a meaningful management accounting commentary on capital and operating figures, not subject to audit by the independent auditors, on the basis of the financial statements pursuant to the 6th update of Bank of Italy Circular No. 262/2005.

Reference is made to the "notes on the reclassified financial statements" contained in the periodic financial reports of the Group for more precise details of the rules followed in preparing the reclassified financial statements.

In order to facilitate analysis of the Group's performance and in compliance with Consob Communication No. DEM/6064293 of 28th July 2006, a special detailed statement has been included which shows the impact on earnings of the main non-recurring events and transactions.

For full information, balance sheet figures presented in the column for 1.1.2019 are the same as those published as at 31.12.2018, with the exception of those items affected by the adoption of IFRS16[2].
As a result of the recognition in the balance sheet of new "right-of-use" assets consisting of real estate properties, motor vehicles and plant and equipment, assets stated under item 90 "Property, plant and equipment" increased by a total of €394.2 million. In like manner, balance sheet liabilities increased against the recognition within item 10 "Financial liabilities measured at amortised cost" of the financial liability represented by the obligation to make future lease rental payments.
In compliance with the provisions of the 6th update of Bank of Italy Circular No. 262/2005, €35.4 million relating to extraordinary maintenance expenses on leased assets, termed "leasehold improvements", relating to contracts covered by the provisions of IFRS 16 were reclassified out of the item "Other assets" and into the item "Property, plant and equipment".

[1] The update is applicable for financial statements ending as at 31st December 2019 or still open on that date.
[2] In other words the column for 1.1.2019 presents balance sheet figures as they result from the first-time adoption of IFRS 16.

UBI Banca Group: Reclassified consolidated balance sheet

	Figures in thousands of euro	31.3.2019 A	1.1.2019 B	Changes A-B	% changes A/B	31.3.2018 C	Changes A-C	% changes A/C
	ASSETS							
10.	Cash and cash equivalents	606,459	735,249	-128,790	-17.5%	612,826	-6,367	-1.0%
20.	Financial assets measured at fair value through profit or loss	1,504,110	1,463,529	40,581	2.8%	1,541,428	-37,318	-2.4%
	1) Loans and advances to banks	*14,715*	*14,054*	*661*	*4.7%*	*14,900*	*-185*	*-1.2%*
	2) Loans and advances to customers	*270,459*	*274,262*	*-3,803*	*-1.4%*	*340,800*	*-70,341*	*-20.6%*
	3) Securities and derivatives	*1,218,936*	*1,175,213*	*43,723*	*3.7%*	*1,185,728*	*33,208*	*2.8%*
30.	Financial assets measured at fair value through other comprehensive income	11,237,472	10,726,179	511,293	4.8%	12,645,089	-1,407,617	-11.1%
	1) Loans and advances to banks	-	-	-	-	-	-	-
	2) Loans and advances to customers	*15*	*15*	-	-	-	15	-
	3) Securities	*11,237,457*	*10,726,164*	*511,293*	*4.8%*	*12,645,089*	-1,407,632	-11.1%
40.	Financial assets measured at amortised cost	103,161,917	102,798,587	363,330	0.4%	102,740,393	421,524	0.4%
	1) Loans and advances to banks	*11,327,078*	*10,065,772*	*1,261,306*	*12.5%*	*8,142,802*	*3,184,276*	*39.1%*
	2) Loans and advances to customers	*87,095,528*	*88,987,596*	*-1,892,068*	*-2.1%*	*91,575,231*	*-4,479,703*	*-4.9%*
	3) Securities	*4,739,311*	*3,745,219*	*994,092*	*26.5%*	*3,022,360*	*1,716,951*	*56.8%*
50.	Hedging derivatives	20,298	44,084	-23,786	-54.0%	67,656	-47,358	-70.0%
60.	Fair value change in hedged financial assets (+/-)	320,370	97,429	222,941	n.s.	-181	320,551	n.s.
70.	Equity investments	263,307	254,128	9,179	3.6%	248,267	15,040	6.1%
80.	Technical reserves of reinsurers	-	-	-	-	331	-331	-100.0%
90.	Property, plant and equipment	2,405,055	2,394,858	10,197	0.4%	1,799,070		
100.	Intangible assets	1,721,712	1,729,727	-8,015	-0.5%	1,723,921	-2,209	-0.1%
	of which: goodwill	*1,465,260*	*1,465,260*	-	-	*1,465,260*	-	-
110.	Tax assets	4,121,232	4,210,362	-89,130	-2.1%	4,017,911	103,321	2.6%
120.	Non-current assets and disposal groups held for sale	10,316	2,972	7,344	n.s.	995	9,321	n.s.
130.	Other assets	1,357,159	1,243,320	113,839	9.2%	1,165,674		
	Total assets	**126,729,407**	**125,700,424**	**1,028,983**	**0.8%**	**126,563,380**		
	LIABILITIES AND EQUITY							
10.	Financial liabilities measured at amortised cost	111,409,557	109,839,891	1,569,666	1.4%	111,520,617		
	a) Due to banks	*17,776,512*	*17,234,579*	*541,933*	*3.1%*	*17,308,468*	468,044	2.7%
	b) Due to customers	*69,830,403*	*68,815,614*	*1,014,789*	*1.5%*	*68,944,514*		
	c) Debt securities issued	*23,802,642*	*23,789,698*	*12,944*	*0.1%*	*25,267,635*	-1,464,993	-5.8%
20.	Financial liabilities held for trading	461,254	410,977	50,277	12.2%	367,105	94,149	25.6%
30.	Financial liabilities designated at fair value	124,296	105,836	18,460	17.4%	59,019	65,277	110.6%
40.	Hedging derivatives	107,022	110,801	-3,779	-3.4%	98,872	8,150	8.2%
50.	Fair value change in hedged financial liabilities (+/-)	124,767	74,297	50,470	67.9%	27,825	96,942	n.s.
60.	Tax liabilities	166,467	162,272	4,195	2.6%	271,990	-105,523	-38.8%
80.	Other liabilities	2,271,216	3,092,941	-821,725	-26.6%	2,035,487	235,729	11.6%
90.	Provision for post-employment benefits	307,910	306,697	1,213	0.4%	336,807	-28,897	-8.6%
100.	Provisions for risks and charges:	495,298	505,191	-9,893	-2.0%	584,088	-88,790	-15.2%
	a) commitments and guarantees granted	*54,026*	*64,410*	*-10,384*	*-16.1%*	*77,284*	*-23,258*	-30.1%
	b) pension and similar obligations	*87,111*	*91,932*	*-4,821*	*-5.2%*	*135,190*	*-48,079*	-35.6%
	c) other provisions for risks and charges	*354,161*	*348,849*	*5,312*	*1.5%*	*371,614*	*-17,453*	-4.7%
110.	Technical reserves	1,962,495	1,877,449	85,046	4.5%	1,901,000	61,495	3.2%
120.+150.+160. +170.+180	Share capital, share premiums, reserves, valuation reserves and treasury shares	9,184,841	8,737,680	447,161	5.1%	9,183,186	1,655	0.0%
190.	Minority interests (+/-)	32,076	50,784	-18,708	-36.8%	59,724	-27,648	-46.3%
200.	Profit (loss) for the period/year (+/-)	82,208	425,608	-343,400	-80.7%	117,660	-35,452	-30.1%
	Total liabilities and equity	**126,729,407**	**125,700,424**	**1,028,983**	**0.8%**	**126,563,380**		

UBI Banca Group: Reclassified consolidated income statement

	Figures in thousands of euro	1Q 2019 (IFRS 16) A	1Q 2018 B	Changes A-B	% changes A/B	FY 2018 C
10.-20.-140.	Net interest income	445,597	437,811	7,786	1.8%	1,790,231
	of which: TLTRO II	*12,391*	*12,554*	*(163)*	*(1.3%)*	*50,788*
	of which: IFRS 9 credit components	*31,159*	*25,663*	*5,496*	*21.4%*	*121,985*
	of which: IFRS 9 contractual modifications without derecognition components	*(5,156)*	*(8,660)*	*(3,504)*	*(40.5%)*	*(37,383)*
70.	Dividends and similar income	5,170	5,137	33	0.6%	22,931
	Profits (losses) of equity-accounted investees	6,315	7,261	-946	(13.0%)	24,602
40.-50.	Net fee and commission income	400,936	407,338	-6,402	(1.6%)	1,579,060
	of which performance fees	*2,982*	*1,744*	*1,238*	*71.0%*	*13,889*
80.+90. +100.+110.	Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities measured at fair value through profit or loss	37,435	33,982	3,453	*10.2%*	(5,404)
160.+170.	Net income from insurance operations	3,502	5,455	(1,953)	(35.8%)	17,034
230.	Other net operating income/expense	21,662	28,367	(6,705)	(23.6%)	90,889
	Operating income	**920,617**	**925,351**	**(4,734)**	**(0.5%)**	**3,519,343**
190. a)	Staff costs	(364,434)	(375,534)	(11,100)	(3.0%)	(1,490,626)
190. b)	Other administrative expenses	(186,031)	(205,914)	(19,883)	(9.7%)	(789,994)
210.+220.	Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(54,294)	(41,617)	12,677	30.5%	(167,575)
	Operating expenses	**(604,759)**	**(623,065)**	**(18,306)**	**(2.9%)**	**(2,448,195)**
	Net operating income	**315,858**	**302,286**	**13,572**	**4.5%**	**1,071,148**
130.	Net impairment losses for credit risk relating to:	(130,003)	(124,345)	5,658	4.6%	(638,277)
130. a)	- financial assets measured at amortised cost: loans and advances to banks	(49)	(1,725)	(1,676)	(97.2%)	2,867
130. a)	- financial assets measured at amortised cost: loans and advances to customers	(127,470)	(117,671)	9,799	8.3%	(624,909)
130. a)	- financial assets measured at amortised cost: loans and advances to customers subject to disposal	(1,098)	(269)	829	n.s.	(17,877)
130. a)	- financial assets measured at amortised cost: securities	(487)	(119)	368	n.s.	916
130. b)	- financial assets measured at fair value through other comprehensive income	(899)	(4,573)	(3,674)	(80.3%)	2,192
130. b)	- financial assets measured at fair value through other comprehensive income subject to disposal	-	12	(12)	(100.0%)	(1,466)
200. a)	Net provisions for risks and charges - commitments and guarantees granted	(562)	11,063	(11,625)	n.s.	23,923
200. b)	Net provisions for risks and charges - other net provisions	(3,467)	(1,413)	2,054	145.4%	(4,491)
250.+280.	Profits (losses) from the disposal of equity investments	273	793	(520)	(65.6%)	5,344
290.	**Profit (loss) before tax from continuing operations**	**182,099**	**188,384**	**(6,285)**	**(3.3%)**	**457,647**
300.	Taxes on income for the year/period from continuing operations	(50,803)	(61,351)	(10,548)	(17.2%)	38,754
340.	(Profit) loss for the year/period attributable to minority interests	(6,415)	(6,009)	406	6.8%	(25,982)
	Profit (loss) for the period/year attributable to the shareholders of the Parent before the Business Plan and other impacts	**124,881**	**121,024**	**3,857**	**3.2%**	**470,419**
190. a)	Redundancy expenses net of taxes and minority interests	(42,585)	164	(42,749)	n.s.	(36,983)
190. b)	Business Plan Project expenses net of taxes and minority interests	(88)	(3,528)	(3,440)	(97.5%)	(4,930)
210.	Impairment losses on property, plant and equipment net of taxes and minority interests	-	-	-	-	(2,898)
350.	**Profit (loss) for the period/year attributable to the shareholders of the Parent**	**82,208**	**117,660**	**(35,452)**	**(30.1%)**	**425,608**

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UBI Banca Group: Reclassified consolidated quarterly income statements

Figures in thousands of euro		2019 (IFRS16) 1st Quarter	2018 4th Quarter	2018 3rd Quarter	2018 2nd Quarter	2018 1st Quarter
10.-20.-140.	Net interest income	445,597	441,066	452,749	458,605	437,811
	of which: TLTRO II	*12,391*	*12,750*	*12,791*	*12,693*	*12,554*
	of which: IFRS 9 credit components	*31,159*	*29,961*	*30,818*	*35,543*	*25,663*
	of which: IFRS 9 contractual modifications without derecognition components	*(5,156)*	*(6,961)*	*(8,350)*	*(13,412)*	*(8,660)*
70.	Dividends and similar income	5,170	14,417	145	3,232	5,137
	Profits (losses) of equity-accounted investees	6,315	10,460	5,129	1,752	7,261
40.-50.	Net fee and commission income	400,936	390,578	380,514	400,630	407,338
	of which performance fees	*2,982*	*1,755*	*3,645*	*6,745*	*1,744*
80.+90. +100.+110.	Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities measured at fair value through profit or loss	37,435	(6,770)	(54,739)	22,123	33,982
160.+170.	Net income from insurance operations	3,502	2,000	4,031	5,548	5,455
230.	Other net operating income/expense	21,662	14,199	24,929	23,394	28,367
	Operating income	**920,617**	**865,950**	**812,758**	**915,284**	**925,351**
190. a)	Staff costs	(364,434)	(372,896)	(367,871)	(374,325)	(375,534)
190. b)	Other administrative expenses	(186,031)	(198,738)	(198,699)	(186,643)	(205,914)
210.+220.	Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(54,294)	(44,612)	(40,962)	(40,384)	(41,617)
	Operating expenses	**(604,759)**	**(616,246)**	**(607,532)**	**(601,352)**	**(623,065)**
	Net operating income	**315,858**	**249,704**	**205,226**	**313,932**	**302,286**
130.	Net impairment losses for credit risk relating to:	(130,003)	(239,138)	(128,666)	(146,128)	(124,345)
130. a)	- financial assets measured at amortised cost: loans and advances to banks	(49)	4,110	217	265	(1,725)
130. a)	- financial assets measured at amortised cost: loans and advances to customers	(127,470)	(242,976)	(123,767)	(140,495)	(117,671)
130. a)	- financial assets measured at amortised cost: loans and advances to customers subject to disposal	(1,098)	(10,505)	(3,914)	(3,189)	(269)
130. a)	- financial assets measured at amortised cost: securities	(487)	1,622	(602)	15	(119)
130. b)	- financial assets measured at fair value through other comprehensive income	(899)	8,607	195	(2,037)	(4,573)
130. b)	- financial assets measured at fair value through other comprehensive income subject to disposal	-	4	(795)	(687)	12
200. a)	Net provisions for risks and charges - commitments and guarantees granted	(562)	12,322	(2,939)	3,477	11,063
200. b)	Net provisions for risks and charges - other net provisions	(3,467)	14,767	(2,145)	(15,700)	(1,413)
250.+280.	Profits (losses) from the disposal of equity investments	273	4,083	298	170	793
290.	**Profit (loss) before tax from continuing operations**	**182,099**	**41,738**	**71,774**	**155,751**	**188,384**
300.	Taxes on income for the period from continuing operations	(50,803)	181,828	(26,166)	(55,557)	(61,351)
340.	(Profit) loss for the period attributable to minority interests	(6,415)	(5,077)	(7,102)	(7,794)	(6,009)
	Profit (loss) for the period attributable to the shareholders of the Parent before the Business Plan and other impacts	**124,881**	**218,489**	**38,506**	**92,400**	**121,024**
190. a)	Redundancy expenses net of taxes and minority interests	(42,585)	(103)	(36,880)	(164)	164
190. b)	Business Plan Project expenses net of taxes and minority interests	(88)	(351)	(22)	(1,029)	(3,528)
210.	Impairment losses on property, plant and equipment net of taxes and minority interests	-	(2,898)	-	-	-
350.	**Profit (loss) for the period attributable to the shareholders of the Parent**	**82,208**	**215,137**	**1,604**	**91,207**	**117,660**

UBI Banca Group: Reclassified consolidated income statement net of the most significant non-recurring items

Figures in thousands of euro	1Q 2019 (IFRS 16)	2017-2020 Business Plan: Redundancy expenses	2017-2020 Business Plan: Business Plan Project Expenses	1Q 2019 (IFRS 16) *net of non-recurring items*	1Q 2018	2017-2020 Business Plan: Redundancy expenses	2017-2020 Business Plan: Business Plan Project Expenses	1Q 2018 *net of non-recurring items*
Net interest income	445,597			445,597	437,811			437,811
of which: TLTRO II	*12,391*			*12,391*	12,554			*12,554*
of which: IFRS 9 credit components	*31,159*			*31,159*	25,663			*25,663*
of which: IFRS 9 contractual modifications without derecognition components	*(5,156)*			*(5,156)*	(8,660)			*(8,660)*
Dividends and similar income	5,170			5,170	5,137			5,137
Profits (losses) of equity-accounted investees	6,315			6,315	7,261			7,261
Net fee and commission income	400,936			400,936	407,338			407,338
of which: performance fees	*2,982*			*2,982*	1,744			*1,744*
Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities measured at fair value through profit or loss	37,435			37,435	33,982			33,982
Net income from insurance operations	3,502			3,502	5,455			5,455
Other net operating income/expense	21,662			21,662	28,367			28,367
Operating income	**920,617**	-	**-**	**920,617**	**925,351**	**-**	**-**	**925,351**
Staff costs	(364,434)			(364,434)	(375,534)			(375,534)
Other administrative expenses	(186,031)			(186,031)	(205,914)			(205,914)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(54,294)			(54,294)	(41,617)			(41,617)
Operating expenses	**(604,759)**	-	**-**	**(604,759)**	**(623,065)**	**-**	**-**	**(623,065)**
Net operating income	**315,858**	-	**-**	**315,858**	**302,286**	**-**	**-**	**302,286**
Net impairment losses for credit risk relating to:	(130,003)			(130,003)	(124,345)			(124,345)
- financial assets measured at amortised cost: loans and advances to banks	(49)			(49)	(1,725)			(1,725)
- financial assets measured at amortised cost: loans and advances to customers	(127,470)			(127,470)	(117,671)			(117,671)
- financial assets measured at amortised cost: loans and advances to customers subject to disposal	(1,098)			(1,098)	(269)			(269)
- financial assets measured at amortised cost: securities	(487)			(487)	(119)			(119)
- financial assets measured at fair value through other comprehensive income	(899)			(899)	(4,573)			(4,573)
- financial assets measured at fair value through other comprehensive income subject to disposal	-			-	12			12
Net provisions for risks and charges - commitments and guarantees granted	(562)			(562)	11,063			11,063
Net provisions for risks and charges - other net provisions	(3,467)			(3,467)	(1,413)			(1,413)
Profits (losses) from the disposal of equity investments	273			273	793			793
Profit (loss) before tax from continuing operations	**182,099**	-	**-**	**182,099**	**188,384**	**-**	**-**	**188,384**
Taxes on income for the period from continuing operations	(50,803)			(50,803)	(61,351)			(61,351)
(Profit) loss for the period attributable to minority interests	(6,415)			(6,415)	(6,009)			(6,009)
Profit (loss) for the period attributable to the shareholders of the Parent before the Business Plan and other impacts	**124,881**	**-**	**-**	**124,881**	**121,024**	**-**	**-**	**121,024**
Redundancy expenses net of taxes and minority interests	(42,585)	42,585		-	164	(164)		-
Business Plan Project expenses net of taxes and minority interests	(88)		88	-	(3,528)		3,528	-
Profit (loss) for the period attributable to the shareholders of the Parent	**82,208**	**42,585**	**88**	**124,881**	**117,660**	**(164)**	**3,528**	**121,024**

UBI Banca Group: Consolidated balance sheet
- mandatory statement -

Figures in thousands of euro		31.3.2019	31.12.2018
	ASSETS		
10.	Cash and cash equivalents	606,459	735,249
20.	Financial assets measured at fair value through profit or loss	1,504,110	1,463,529
	a) financial assets held for trading	455,157	405,716
	b) financial assets designated at fair value	8,937	11,028
	c) other financial assets mandatorily measured at fair value	1,040,016	1,046,785
30.	Financial assets measured at fair value through other comprehensive income	11,237,472	10,726,179
40.	Financial assets measured at amortised cost	103,161,917	102,798,587
	a) loans and advances to banks	11,407,439	10,065,881
	b) loans and advances to customers	91,754,478	92,732,706
50.	Hedging derivatives	20,298	44,084
60.	Fair value change in hedged financial assets (+/-)	320,370	97,429
70.	Equity investments	263,307	254,128
80.	Technical reserves of reinsurers	-	-
90.	Property, plant and equipment	2,405,055	1,965,234
100.	Intangible assets	1,721,712	1,729,727
	of which: goodwill	*1,465,260*	*1,465,260*
110.	Tax assets	4,121,232	4,210,362
	a) current	1,321,507	1,376,567
	b) deferred	2,799,725	2,833,795
	- of which pursuant to Law No. 214/2011	1,783,906	*1,804,988*
120.	Non-current assets and disposal groups held for sale	10,316	2,972
130.	Other assets	1,357,159	1278717
	Total assets	**126,729,407**	**125,306,197**
	LIABILITIES AND EQUITY		
10.	Financial liabilities measured at amortised cost	111,409,557	109,445,664
	a) due to banks	*17,776,512*	17,234,579
	b) due to customers	*69,830,403*	68,421,387
	c) debt securities issued	*23,802,642*	23,789,698
20.	Financial liabilities held for trading	461,254	410,977
30.	Financial liabilities designated at fair value	124,296	105,836
40.	Hedging derivatives	107,022	110,801
50.	Fair value change in hedged financial liabilities (+/-)	124,767	74,297
60.	Tax liabilities	166,467	162,272
	a) current	31,804	30,287
	b) deferred	134,663	131,985
70.	Liabilities associated with assets held for sale	-	-
80.	Other liabilities	2,271,216	3,092,941
90.	Provision for post-employment benefits	307,910	306,697
100.	Provisions for risks and charges:	495,298	505,191
	a) commitments and guarantees granted	*54,026*	64,410
	b) pension and similar obligations	*87,111*	91,932
	c) other provisions for risks and charges	*354,161*	348,849
110.	Technical reserves	1,962,495	1,877,449
120.	Valuation reserves	-274,442	-298,616
150.	Reserves	3,350,017	2,923,589
160.	Share premiums	3,294,604	3,294,604
170.	Share capital	2,843,177	2,843,177
180.	Treasury shares (-)	-28,515	-25,074
190.	Minority interests (+/-)	32,076	50,784
200.	Profit (loss) for the period (+/-)	82,208	425,608
	Total liabilities and equity	**126,729,407**	**125,306,197**

UBI Banca Group: consolidated income statement
- mandatory statement -

Figures in thousands of euro		1Q 2019	1Q 2018
10.	Interest and similar income	551,016	550,221
	- of which: interest income calculated with the effective interest method	501,409	475,575
20.	Interest and similar expense	(87,794)	(94,710)
30.	**Net interest income**	**463,222**	**455,511**
40.	Fee and commission income	456,676	458,950
50.	Fee and commission expense	(55,035)	(51,275)
60.	**Net fee and commission income**	**401,641**	**407,675**
70.	Dividends and similar income	5,333	5,265
80.	Net trading income (loss)	3,711	12,256
90.	Net hedging income (loss)	(4,896)	(1,529)
100.	Income (losses) from disposal or repurchase of:	13,053	23,835
	a) financial assets measured at amortised cost	(658)	(564)
	b) financial assets measured at fair value through other comprehensive income	14,406	26,710
	c) financial liabilities	(695)	(2,311)
110.	Net income (loss) from other financial assets and liabilities measured at fair value through profit or loss	27,206	(756)
	a) financial assets and liabilities designated at fair value	172	(262)
	b) other financial assets mandatorily measured at fair value	27,034	(494)
120.	**Gross income**	**909,270**	**902,257**
130.	Net impairment losses for credit risk relating to:	(130,003)	(124,088)
	a) financial assets measured at amortised cost	(129,104)	(119,515)
	b) financial assets measured at fair value through other comprehensive income	(899)	(4,573)
140.	Profits (losses) from contractual modifications without derecognition	(5,156)	(8,660)
150.	**Financial income**	**774,111**	**769,509**
160.	Net insurance premiums	74,453	129,220
170.	Other income/expenses of insurance operations	(81,011)	(129,481)
180.	**Net income from banking and insurance operations**	**767,553**	**769,248**
190.	Administrative expenses	(670,708)	(646,668)
	a) staff costs	(428,117)	(375,281)
	b) other administrative expenses	(242,591)	(271,387)
200.	Net provisions for risks and charges	(4,029)	9,650
	a) commitments and guarantees granted	(562)	11,063
	b) other net provisions	(3,467)	(1,413)
210.	Depreciation and net impairment losses on property, plant and equipment	(35,736)	(21,196)
220.	Amortisation and net impairment losses on intangible assets	(18,526)	(19,377)
230.	Other net operating income/expense	73,141	83,612
240.	**Operating expenses**	**(655,858)**	**(593,979)**
250.	Profits (losses) of equity investments	6,315	7,261
280.	Profit (loss) on disposal of investments	273	793
290.	**Profit (loss) before tax on continuing operations**	**118,283**	**183,323**
300.	Taxes on income for the year for continuing operations	(29,700)	(59,708)
310.	**Profit (loss) after tax from continuing operations**	**88,583**	**123,615**
330.	**Profit (loss) for the period**	**88,583**	**123,615**
340.	(Profit) loss for the period attributable to minority interests	(6,375)	(5,955)
350.	**Profit (loss) for the period attributable to the shareholders of the Parent**	**82,208**	**117,660**

UBI Banca Group: Loan tables

Loans and advances to customers measured at amortised cost as at 31st March 2019

Figures in thousands of euro	Gross exposure		Impairment losses	Carrying amount		Coverage ratio excluding write-offs	Coverage ratio including write-offs
Non-performing exposures (Stage three)	**(10.36%)**	**9,458,410**	**3,697,678**	**(6.61%)**	**5,760,732**	**39.09%**	**46.96%**
- Bad loans	(5.87%)	5,358,071	2,632,265	(3.13%)	2,725,806	49.13%	59.68%
- Unlikely-to-pay loans	(4.42%)	4,039,595	1,059,103	(3.42%)	2,980,492	26.22%	
- Past-due loans	(0.07%)	60,744	6,310	(0.06%)	54,434	10.39%	
Performing loans (Stages one and two)	**(89.64%)**	**81,876,631**	**541,835**	**(93.39%)**	**81,334,796**	**0.66%**	
Total		**91,335,041**	**4,239,513**		**87,095,528**	**4.64%**	

Loans and advances to customers measured at amortised cost as at 1st January 2019

Figures in thousands of euro	Gross exposure		Impairment losses	Carrying amount		Coverage ratio excluding write-offs	Coverage ratio including write-offs
Non-performing exposures (Stage three)	**(10.42%)**	**9,716,770**	**3,740,806**	**(6.72%)**	**5,975,964**	**38.50%**	**46.01%**
- Bad loans	(5.81%)	5,423,214	2,655,439	(3.11%)	2,767,775	48.96%	59.14%
- Unlikely-to-pay loans	(4.53%)	4,222,577	1,078,162	(3.53%)	3,144,415	25.53%	
- Past-due loans	(0.08%)	70,979	7,205	(0.08%)	63,774	10.15%	
Performing loans (Stages one and two)	**(89.58%)**	**83,562,023**	**550,391**	**(93.28%)**	**83,011,632**	**0.66%**	
Total		**93,278,793**	**4,291,197**		**88,987,596**	**4.60%**	

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

Figures in thousands of euro	Gross exposure		Impairment losses	Carrying amount		Coverage ratio excluding write-offs	Coverage ratio including write-offs
Non-performing exposures (Stage three)	**(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 (Stages one and two)	**(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%**	