PRESS RELEASE

BANCA CARIGE'S BOARD OF DIRECTORS APPROVES RESULTS AS AT 30 JUNE 2015[1]

- ***Banca Carige back to profit: positive 1H net result of EUR 16.7 mln (-EUR 45.5 mln in 2014)***
- ***Planned capital strengthening actions completed, with 12.3% phased-in CET1 ratio and 15.2% Total Capital Ratio achieved as at 30/6/2015***
- ***Liquidity profile further strengthened, with LCR ratio at 145%***
- ***Gradual credit cost reduction (25 bps in Q2) in line with Business Plan forecasts***

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- Planned capital strengthening actions completed, with a 12.3% phased-in CET1 ratio (and a Total capital Ratio of 15.2%) achieved as early as by 30 June 2015, amongst the highest in the Italian banking system and significantly higher than the 11.5% *target*

[1] It is noted that the Bank has classified, measured and presented data relating to groups of assets held for sale (Creditis) and discontinued operations (Insurance Group) according to the provisions of IFRS 5. Further to the resolution adopted by the Board of Directors on 30 June 2015, Banca Cesare Ponti has ceased to be classified under groups of assets held for sale. Some comparative data contained in this press release, in addition to those reported in the attached Financial Statements, have consequently been restated, as necessary and even where not provided for by the afore-mentioned accounting standard, in order to take account of changes made to groups of assets held for sale and allow for a like-for-like comparison.

level which the ECB had required the bank to attain by the end of July. Key actions include:

- successful completion of the EUR 850 mln rights issue and EUR 15.8 mln capital increase for the buyback of non-controlling interests held in the subsidiaries, Cassa di Risparmio di Savona and Cassa di Risparmio di Carrara (+400 bps in total)
- finalisation of the disposal of Carige Assicurazioni and Carige Vita Nuova (+50 bps) and signing of long-term distribution agreements

* Progress made on the additional *capital management* initiatives set out in the 2015 - 2019 Business Plan:
  - plan approved for merger by absorption of Cassa di Risparmio di Savona, Cassa di Risparmio di Carrara, Columbus Carige Immobiliare and Immobiliare Carisa by and into Banca Carige
  - preliminary agreement signed for disposal of the 2.2% stake held in Istituto Centrale Banche Popolari (ICBPI) as part of the rationalisation of non-core assets
  - negotiations with Apollo for the disposal of the consumer credit company, Creditis Servizi Finanziari, are ongoing
* Liquidity profile further strengthened, with EUR 3.3 bn worth of unencumbered assets as at the end of June and the LCR and NSFR ratios respectively estimated at 145% and 105%[2]

[2] Figures result from accounting and management estimates, pending the consolidated official disclosure.

- Continuation of Business Plan roll-out activities preparatory for the Group's commercial relaunch, including network rationalisation (15 branches closed out of the 45 targeted by the end of the Plan period) and preparation of the new distribution layout:
  - pilot phase of the *Hub & Spoke* model completed on 9 branches; full-scale release to follow for 294 branches by the end of the year and for 315 branches by the first quarter of 2016
  - *layout* redesign of a first batch of branches completed, with full release to follow in parallel with *roll out* of the *hub & spoke model*
  - 450 employees freed up and re-deployed to commercial roles
- Positive parent company's share of net income for the six-month period: +EUR 16.7 mln (vs. -EUR 45.5 mln in 2014):
  - in its key revenue and cost components, the result - which includes a EUR 68 mln positive effect from disposal of the Insurance Group in H1, arising primarily from reversal to profit or loss of the positive valuation reserves for assets held for sale as part of deconsolidation – is reflective of the *turnaround* actions implemented or still ongoing
  - the in-depth review of the loan book has made it possible to stabilise non-performing loans on the levels of the first quarter of 2015 and secure part of the *non-performing* loan book through the definition of workout agreements for approximately EUR 813 mln worth of positions previously classified as substandard (for a total amount of EUR 1.6 bn, considering also exposures for which a work out agreement has been signed or approved after 30 June)

- gradual cost of credit reduction (25 bps in Q2 vs. 35 bps in Q1) over the six-month period, in line with the assumptions for normalisation contained in the Business Plan
- *coverage* for the various classes of non-performing loans continues to be in line with the industry's highest levels (58.5% for bad loans and 40.0% as a whole)
- the structural reduction in personnel expenses (EUR 174.6 mln over the six months; -8.1%) driven by the definition of incentive-based retirement schemes (approximately 200 staff exits so far) and other remuneration-revising measures set out in the union agreement of 30 September 2014, combined with the rationalisation of administrative expenses (EUR 127.8 mln; -2.5%), have resulted in an overall reduction of operating costs (EUR 279.0 mln) by 7.8% p.a.
- policies and actions laid down for credit management are pointing to a reversal of the downtrend in loans to retail customers (+0.6% for the six-month period to EUR 22.3 bn vs. -3.3% for the year), particularly in the areas outside Liguria; signs of recovery are coming primarily from businesses in the manufacturing *corporate* segment, allowing the Bank to gain access to EUR 160 mln worth of additional T-LTRO funds in June. In addition to the bank's take-up so far, over EUR 500 mln in new TLTRO funds have been approved to date.
- net of the *institutional* component, funding from retail customers proves stable on end-2014 levels and shows a shift to *core* items, i.e. current accounts and deposits (EUR 15.4 bn; +3.2%) and asset management products (EUR 11.6 bn; +2.4%)
- credit, market and interest rate risk mitigation pursued in the previous year by reclassifying part of the loan book to non-performing status and significantly downsizing the portfolio of government bonds is still compressing the Net Interest

Income (EUR 148.4 mln; -20.6% Y/Y); the result for the second quarter was particularly weighed down by the afore-mentioned loan work out agreements, as their grace period has occasionally had effect on prior interest accrued

- downsizing of government bond portfolio (almost halved since 30 June 2014 to EUR 3.2 bn) has led to a major reduction in the contribution from financial activities: EUR 22.7 mln in the first half of 2015 vs. EUR 72.4 mln in the first half of 2014
- net fees and commissions (EUR 131.1 mln) are up both Y/Y (+2.6%) and Q/Q (EUR 68.6 mln in Q2 vs. EUR 62.4 mln in Q1), driven by the positive placement of mutual funds and insurance products

Genoa, 04 August 2015. Banca Carige's Board of Directors has today approved the Half-Year Report as at 30 June 2015.

In a macro-economic environment where signs of recovery are building momentum, business performance in the first half of 2015 witnessed an acceleration of the Group's *turnaround*, thanks to the efforts made to strengthen capital, rationalise and streamline operations and create the pre-requisites for an effective re-launch of sales and distribution activities.

Trendwise, the Group's key balance-sheet and profit-and-loss indicators for the period are reflective of the *turnaround* actions implemented as of 2013 or still in progress and are showing some positive signs of a trend reversal.

Key capital indicators for the Carige Group

In the six-month period, the Group showed substantial funding and lending stability with its retail customers, despite having to face intensified competition from other banking groups even in its traditional footprint areas. In this respect, satisfactory results were observed in “core” funding (current accounts and deposits from retail customers) and asset management, whereas -in lending- an increase was registered in loans to businesses which, amongst other aspects, has allowed the Group to gain access to an additional EUR 160 mln in TLTRO *funding* as a result of higher volumes for the aggregate of reference.

The best results were obtained in the area of the Group's capital strengthening, which could benefit from the successful completion of the EUR 850 mln capital increase and closing of the disposal of the Group's insurance business. In addition, the inflow of financial resources from the afore-mentioned non-recurring transactions has led to an improvement in the Group's liquidity position as witnessed by the LCR and NSFR ratios rising to levels well in excess of supervisory *full compliance* requirements.

In particular, total funding for the Group as at 30 June 2015 amounted to EUR 47.1 bn, down 5.2% from the beginning of the year. Net of the downturn in *institutional* direct funding, which was reflective of a significant reduction in sell/buy back repos, offset by a comparable downturn in buy/sell back repos, coupled with the coming to maturity of EUR 800 mln in *senior* covered bonds and EUR 500 mln in covered bonds in March, the decline of the aggregate shrinks to 1% and is mainly traceable to the market performance of *retail* bonds and assets under custody.

In light of the above, total direct funding (*retail* + *institutional*) amounts to EUR 24.4 bn and has decreased 8.9% since the beginning of the year. Direct funding, in its *retail* component alone, has decreased by a much lower percentage (-1.2%) to EUR 19.3 bn, and shows a 3.2% growth in “core” funding to EUR 15.4 bn in the six-month period, driven by a 5.2% upswing in current accounts. Funding from bonds placed with retail customers amounts to EUR 3.5 bn and is down 16.6% due to large amounts coming to maturity in the first months of the year (EUR 1.3 bn) and partly to the Group's will to give priority to other forms of funding.

Indirect funding amounts to EUR 22.7 bn, down 0.9% in the six-month period despite a good performance in assets under management (EUR 11.6 bn, +2.4%), which came to account for more than 50% of total indirect funding in H1. In the first half of the year, assets under custody were down 4.2% to EUR 11 bn.

More specifically, as part of asset management:

- mutual funds amount to EUR 6.1 bn and are up 0.8% on the year-end balance, growing particularly in the segment of flexible funds which have increased by 2.5% to EUR 2.6 bn; a particularly positive performance was observed for the mutual funds originated by the asset management company, Arca SGR, and distributed by the Group, which were up 4.3% to EUR 4.1 bn;
- Insurance products total EUR 4.4 bn, up 6.9%, with EUR 477.8 mln premiums underwritten in the six-month period (vs. a full-year total of EUR 639.9 mln in 2014), over-performing with respect to commitments taken for the current year with the new insurance partner, Apollo;

- pension funds amount to EUR 0.5 bn and are up 4.7% whereas portfolio management is down 11.3% to EUR 667.1 bn.

As part of assets under custody, a reduction is recorded in the component of bonds held by retail customers (government bonds and other third-party bonds) which accounts for a total of EUR 4.9 bn (-11.5%), whereas shares and other investments held by retail customers amount to EUR 1.3 bn and are broadly stable. Finally, assets pertaining to the insurance companies sold total EUR 4.8 bn, and were up 3.6% in the half year, on the back of business growth over the period.

Before Loan Loss Provisions, loans to customers amount to EUR 24.7 bn and are down 6.9% with respect to the beginning of the year. The downtrend is entirely related to the institutional component, which was down 43.9% to EUR 2.5 bn as a result of the decline in buy/sell back repos (assets) due to treasury re-allocations. Excluding this component, gross loans to retail customers amount to EUR 22.3 bn and are on a slight increase (+0.6%). As part of this aggregate, an increase is registered in loans to businesses (+0.2% to EUR 11.9 bn) as against a reduction in loans to retail customers (-2.1% to EUR 6.5 bn).

Short-term loans to retail customers have slightly increased (+0.2%) to EUR 3.9 bn, driven by a good performance in the factoring business, while the medium/long term component has gone down 0.4% to EUR 15.1 bn (and accounts for 79.6% of performing loans to retail customers). Amongst the reference aggregates, a growth was observed in loans *eligible* for *funding* offered under the T-LTROs which, as noted above, enabled access to an additional EUR 160 mln worth of liquidity in June.

As at 30 June 2015, gross non-performing cash loans amounted to EUR 6.8 bn and accounted for 27.4% of the Group's total gross loans. In net terms, their amount was EUR

4.1 bn and accounted for 18.6% of the aggregate. In the six-month period, a 4.6% increase in the gross aggregate was observed which, although still continuing at a sustained pace, proved to be slowing down as compared to prior periods, with substantial stability noted for the aggregate in the second quarter of the year.

In particular, gross bad loans to customers totalled approximately EUR 3.3 bn and were up 5.8% in the six-month period, accounting for 13.2% of the reference aggregate; in net terms, gross bad loans totalled EUR 1.4 bn and accounted for 6.2% of the aggregate. Gross unlikely-to-pay exposures, entirely attributable to customers, totalled EUR 3.3 bn and were up 1.7% in the six-month period, coming to account for 13.3% of total; in net terms, they amount to EUR 2.5 bn and account for 11.5% of total.

Coverage of non-performing loans to customers is 40.0%, substantially stable on end-2014 levels; in particular, the *coverage* for bad loans, unlikely to pay and past due exposures stood at 58.5%, 23.4% and 15.4%, respectively. Such *coverage* percentages are substantially in line with the Bank's peers[3].

The Group's securities portfolio, amounting to EUR 3.5 bn, was up by approximately EUR 0.5 bn on end-2014. The growth reflects the Group's treasury improvement in the period, partly by reason of the capital increase carried out at the end of the first half of the year, the disposal of the Group's insurance companies and the additional EUR 160 mln in T-LTRO funds becoming available at the end of June.

The loan book mix has essentially remained unchanged, with Italian government bonds accounting for 92.5% of total (vs. 90.5% as at the end of 2014) and the average term to maturity just rising slightly from 1.9 to 2.3 years.

[3] 'Large Banks' sample taken from the Bank of Italy's Stability Report, figures as at the end of 2014.

The Group's liquidity position shows a significant improvement. In particular, the LCR ratio measuring short-term liquidity resilience reached 145% and the NSFR ratio designed to support longer-term liquidity resilience continued to be well in excess of the 100% minimum requirement.

The Group's capital ratios are reflective of a major improvement in the capital position following the *capital management* transactions carried out, including first and foremost the rights issue and the disposal of the Insurance Companies: Tier1 has grown from EUR 1.7 bn to EUR 2.5 bn and the CET1 ratio has increased from 8.4% to 12.3% %, well in excess of the ECB's regulatory requirement under the SREP process. Regulatory capital (own funds) has increased from EUR 2.3 bn to EUR 3.1 bn, with the associated Total Capital Ratio (TCR) rising in turn from 11.2% to 15.2%.

Profit and loss results for the Carige Group

In the first half of 2015 the Carige Group showed a net profit of EUR 16.7 mln as against a loss of EUR 45.5 mln registered in the first half of 2014 and a loss of EUR 45.4 mln in 1Q 2015

These results are affected by non-recurring items connected with the turnaround actions underway including, in particular, the disposal of the Group's *non-core* assets. More specifically, a positive non-recurring item of EUR 68 mln was posted in H1 in connection with the disposal of the Insurance Companies. By contrast, EUR 45.8 mln non-recurring losses were recognised in H1 2014 primarily in relation to a higher tax rate on the revaluation of the stakes held in the Bank of Italy and a non-recurring loss of EUR 18.5 mln was posted in Q1 2015 in connection with measurement of the insurance companies under IFRS 5, a loss which was completely reabsorbed in the second quarter of the year.

As compared to H1 2014, the Group's core business shows a downturn in revenues, affected by the decline in net interest income and net profit from trading in the Group's securities portfolio. Nevertheless, a lower cost of credit is observed with respect to the previous year, as a consequence of the 'normalisation' process undertaken in this area and the results of cost-curbing initiatives are starting to emerge. Net profit (loss) from continuing operations is still in negative territory although gradually improving.

Net interest and Other Banking Income is down 22.2% to EUR 302.1 mln as compared to 1H 2014.

In particular:

- Net Interest Income totals EUR 148.4 mln, down 20.6% Y/Y, primarily as a result of lower interest-bearing assets in connection with exposures reclassified to bad-loan status in 2014 and a lower input from the Group's securities portfolio, both of which contributed to a total reduction by over EUR 36 mln. Of particular significance is the fact that the result of the second quarter was considerably affected by work-out agreements for large-amount non-performing loans whose grace period has occasionally had effect on prior interest income accrued;
- net fee and commission income totals EUR 131.1 mln, higher than the amount registered in the first half of 2014 (EUR 127.8 mln, +2.6%), with two drivers contributing to the growth: on the one hand, an increase was observed in fees on portfolio management, trading and investment advice (EUR 49.2 mln, +EUR 7.1 mln), driven by growing fees on mutual funds and Bancassurance products sold; on the other, a reduction in fee and commission expense was registered (EUR 20.7 mln, -EUR 4.9 mln) in connection with lower fees paid to the Government for backing of

the Group's bonds which came to maturity in March 2015. A negative input is instead associated with trends in current account cost recovery fees (EUR 57.1 mln, -EUR 6.6 mln), which were weighed down by new customer acquisition initiatives launched by the Group with the marketing of lower-fee products for the first year of current account activation, and a drop in fees and commissions payable on collection and payment services (EUR 31.2 mln, -EUR 1.8 mln), partly due to seasonal effects:

- Income from financial activities amounts to EUR 22.7 mln and is over EUR 51 mln lower than in the first half of 2014. A breakdown of the aggregate data shows that:
    - dividend income amounts to EUR 14.4 mln, down EUR 3.5 mln on 1H 2014, partly on the back of the lower dividend paid out by the Bank of Italy and partly due to EUR 1 mln less in dividend income from private equity funds;
    - net profit (loss) from trading amounts to -EUR 2 mln, broadly in line with the first half of 2014.
    - Gains on disposal of financial assets and liabilities total EUR 13.6 mln, down significantly from 1H 2014, when they amounted to EUR 52.4 mln as a result of the divestment of securities held in the AFS portfolio for the purpose of mitigating its risk profile;
    - other net revenues (net profit (loss) from hedging, gains/losses on disposal of loans, net profit (loss) from financial assets designated at *fair value*) show a total loss of EUR 3.4 mln, as compared to a positive result of EUR 5.2 mln in 1H 2014. The gap is principally attributable to aspects of hedge accounting.

With regard to impairment losses on loans and other financial assets and transactions, net provisions totalled EUR 124.1 mln in the first quarter of 2015, as against EUR 162.9 mln in the first quarter of 2014 (-23.8%). The reduction is reflective of the Bank's gradual cost of credit normalisation in line with Business Plan forecasts.

Operating expenses amount to EUR 279 mln with respect to 302.7 mln in the first half of 2014 (-7.8%), and are reflective of the cost-curbing actions implemented in the period. More specifically:

- personnel expenses amount to EUR 174.6 mln, down by over EUR 15 mln from H1 2014 (-8.1%), by reason of the measures implemented for headcount reduction and enforcement of the agreements entered into with the unions on matters of remuneration;
- other administrative expenses amount to EUR 127.8 mln, similarly down 2.5% from the first half of 2014 on the back of the cost-curbing actions introduced under the *Cost Excellence* programme, which placed a special focus on framework supply contracts and agreements (electrical power, leases, maintenance, *infoproviders* and other minor supplies);
- Net adjustments to/recoveries on property plant and equipment and intangible assets amounted to EUR 25.4 mln, down 5.8% from 1H 2014, mainly as a result of the reduced amortisation of intangible fixed assets[4].

As a consequence of the above, the cost/income ratio is 92.3% (vs. 77.9% in 1H 2014) since the upside of sales and distribution initiatives implemented throughout the year has not yet been reflected in the Group's revenues and will only materialise in the months to come. In light of the considerations above and having regard to gains on both equity investments and

[4] In this respect, it is noted that the amortisation cycle for some major investments in IT software was completed in the course of 2014.

disposal of investments, the Group's profit (loss) before tax from continuing operations is -EUR 96.8 mln as against -EUR 74.6 mln in 1H 2014.

Income taxes show a positive net balance of EUR 27.6 mln, vs. EUR 3.6 mln in 1H 2014. The latter value was affected by a higher tax rate for a total amount of EUR 9.7 mln[5].

Profit from disposal of assets held for sale totals approximately EUR 86.0 mln and includes, among other items, the net profit posted by Creditis in the first half (EUR 7 mln) and the EUR 68 mln non-recurring item arising primarily from reversal to profit or loss (under IFRS10) of the positive valuation reserves for assets held for sale of the Insurance Group sold in June. This value was EUR 26.6 mln in 1H 2014. Net of the non-controlling interests' share of profit (loss) for the period, a net profit of EUR 16.7 mln is posted for the period as compared to a EUR 45.5 mln loss in the first half of 2014. As for the quarter, a profit of EUR 62.2 mln is recognised as compared to a loss of EUR 45.4 mln in the first quarter of 2015.

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Declaration of the Manager responsible for preparing the Company's financial reports pursuant to art. 154-bis, para. 2 of Legislative Decree no. 58/1998 (Consolidated Law on Finance)

Pursuant to Article 154-bis, paragraph 2, of the Italian Consolidated Law on Finance, the undersigned, Luca Caviglia, in his capacity as the Manager responsible for preparing Banca Carige S.p.A.'s financial reports, declares that the accounting information contained in this Press Release corresponds to the underlying documentary evidence and accounting records.

[5] The higher tax rate effect was due to the algebraic sum of the negative components arising from a higher tax rate on the stakes held in the Bank of Italy (- EUR 42 mln) and tax realignment of tax assets and liabilities on the back of a lower IRAP (IRAP = Tax on Productive Activities) tax rate (- EUR 7.3 mln) partly offset by the positive component resulting from the tax realignment of properties (EUR +39.7 mln).

The Banca Carige Group's results as at 30 June 2015 will be presented to the financial community in a *conference call* via *live audio webcast* scheduled for 5 August 2015 at 16.30 (CET).

Dial-in numbers and other details to access the conference call can be found on the Bank's corporate website (www.gruppocarige.it) under 'Investor Relations'.

INVESTOR RELATIONS
Roberta Famà
Massimo Turla
Via Cassa di Risparmio 15
16123 GENOVA GE
tel. +39 010 579 4877
fax +39 010 579 4875
e-mail: investor.relations@carige.it

COMMUNICATIONS
Antonello Amato
Alfredo Majo
Via Cassa di Risparmio 15
16123 GENOVA GE
tel. +39 010 579 2697
fax +39 010 579 2731
e-mail: relazioni.esterne@carige.it

AD HOC COMMUNICATION ADVISORS
Giorgio Zambeletti
Sara Balzarotti
Tel: +39 02 7606741
mobile: + 39 335 5347916
e-mail: giorgio.zambeletti@ahca.it
sara.balzarotti@ahca.it

FINANCIAL STATEMENTS
BANCA CARIGE GROUP

CONSOLIDATED BALANCE SHEET

ASSETS *(thousands of EUR)*

	30/06/2015	31/12/2014	Change absolute	%
10 - *CASH AND CASH EQUIVALENTS*	297,294	329,394	(32,100)	-9.7
20 - *FINANCIAL ASSETS HELD FOR TRADING*	50,667	67,762	(17,095)	-25.2
40 - *FINANCIAL ASSETS AVAILABLE FOR SALE*	3,526,855	3,037,414	489,441	16.1
60 - *DUE FROM BANKS*	852,891	754,732	98,159	13.0
70 - *LOANS TO CUSTOMERS*	21,857,654	23,682,831	(1,825,177)	-7.7
80 - *HEDGING DERIVATIVES*	182,909	201,525	(18,616)	-9.2
100 - *EQUITY INVESTMENTS*	91,389	92,482	(1,093)	-1.2
120 - *PROPERTY AND EQUIPMENT*	787,400	769,760	17,640	2.3
130 - *INTANGIBLE ASSETS*	126,979	116,148	10,831	9.3
of which:				
- goodwill	*77,087*	*57,145*	19,942	*34.9*
140 - *TAX ASSETS*	2,128,273	2,032,517	95,756	4.7
a) current	1,235,651	1,034,463	201,188	19.4
b) deferred	892,622	998,054	(105,432)	-10.6
b1) of which pursuant to Law 214/2011	*630,652*	*753,312*	*(122,660)*	*-16.3*
150 - *NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS*	550,472	6,854,768	(6,304,296)	-92.0
160 - *OTHER ASSETS*	350,815	370,227	(19,412)	-5.2
TOTAL ASSETS	**30,803,598**	**38,309,560**	**(7,505,962)**	**-19.6**

LIABILITIES AND SHAREHOLDERS' EQUITY *(thousands of EUR)*

	30/06/2015	31/12/2014	Change absolute	%
10 - *DUE TO BANKS*	1,979,406	1,877,094	102,312	5.5
20 - *DUE TO CUSTOMERS*	16,490,054	17,332,987	(842,933)	-4.9
30 - *SECURITIES ISSUED*	7,301,922	8,121,888	(819,966)	-10.1
40 - *FINANCIAL LIABILITIES HELD FOR TRADING*	8,496	11,667	(3,171)	-27.2
50 - *FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS*	610,848	964,726	(353,878)	-36.7
60 - *HEDGING DERIVATIVES*	406,016	515,252	(109,236)	-21.2
80 - *TAX LIABILITIES*	46,438	24,421	22,017	90.2
(a) current	35,356	12,891	22,465	...
(b) deferred	11,082	11,530	(448)	-3.9
90 - *LIABILITIES ASSOCIATED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS*	4,970	6,474,615	(6,469,645)	-99.9
100 - *OTHER LIABILITIES*	827,697	640,768	186,929	29.2
110 - *EMPLOYEE TERMINATION INDEMNITIES*	77,600	82,588	(4,988)	-6.0
120 - *ALLOWANCES FOR RISKS AND CHARGES:*	418,099	446,011	(27,912)	-6.3
a) post employment benefits	367,554	393,563	(26,009)	-6.6
b) other allowances	50,545	52,448	(1,903)	-3.6
140 - *VALUATION RESERVES*	(209,082)	(190,025)	(19,057)	10.0
170 - *RESERVES*	19,033	(426,348)	445,381	...
180 - *SHARE PREMIUM RESERVE*	204,170	368,856	(164,686)	-44.6
190 - *SHARE CAPITAL*	2,580,819	2,576,863	3,956	0.2
200 - *TREASURY SHARES*	(15,572)	(20,283)	4,711	-23.2
210 - *MINORITY INTERESTS (+/-)*	36,003	52,071	(16,068)	-30.9
220 - *NET INCOME (LOSS) FOR THE PERIOD (+/-)*	16,681	(543,591)	560,272	...
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**30,803,598**	**38,309,560**	**(7,505,962)**	**-19.6**

CONSOLIDATED INCOME STATEMENT

(figures in thousands of EUR)

		1ST H 2015	1ST H 2014(*)	Change absolute	Change %
10 -	INTEREST AND SIMILAR INCOME	333,015	427,743	(94,728)	- 22.1
20 -	INTEREST AND SIMILAR EXPENSE	(184,631)	(240,861)	56,230	- 23.3
30 -	**INTEREST MARGIN**	**148,384**	**186,882**	**(38,498)**	**- 20.6**
40 -	FEE AND COMMISSION INCOME	151,780	153,402	(1,622)	- 1.1
50 -	FEE AND COMMISSION EXPENSE	(20,719)	(25,625)	4,906	- 19.1
60 -	**NET FEE AND COMMISSION INCOME**	**131,061**	**127,777**	**3,284**	**2.6**
70 -	DIVIDENDS AND SIMILAR INCOME	14,435	17,918	(3,483)	- 19.4
80 -	NET PROFIT (LOSS) ON TRADING	(2,020)	(1,792)	(228)	12.7
90 -	FAIR VALUE ADJUSTMENTS IN HEDGE ACCOUNTING	(4,695)	728	(5,423)	...
100 -	PROFIT (LOSSES) ON DISPOSAL OR REPURCHASE OF:	13,518	53,685	(40,167)	- 74.8
	a) loans	*(66)*	*1,278*	*(1,344)*	...
	b) financial assets available for sale	*14,198*	*49,330*	*(35,132)*	*- 71.2*
	d) financial liabilities	*(614)*	*3,077*	*(3,691)*	...
110 -	NET PROFIT (LOSS) FROM FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE	1,397	3,187	(1,790)	- 56.2
120 -	**NET INTEREST AND OTHER BANKING INCOME**	**302,080**	**388,385**	**(86,305)**	**- 22.2**
130 -	NET LOSSES/RECOVERIES ON IMPAIRMENT OF:	(124,052)	(162,861)	38,809	- 23.8
	a) loans	*(131,680)*	*(165,269)*	*33,589*	*- 20.3*
	b) financial assets available for sale	*(1,458)*	*(1,082)*	*(376)*	*34.8*
	d) other financial activities	*9,086*	*3,490*	*5,596*	...
140 -	**NET INCOME FROM BANKING ACTIVITIES**	**178,028**	**225,524**	**(47,496)**	**- 21.1**
170 -	**NET INCOME FROM BANKING AND INSURANCE ACTIVITIES**	**178,028**	**225,524**	**(47,496)**	**- 21.1**
180 -	ADMINISTRATIVE EXPENSES:	(302,400)	(320,959)	18,559	- 5.8
	a) personnel expenses	*(174,621)*	*(189,954)*	*15,333*	*- 8.1*
	b) other administrative expenses	*(127,779)*	*(131,005)*	*3,226*	*- 2.5*
190 -	NET PROVISIONS FOR RISKS AND CHARGES	(781)	(6,004)	5,223	- 87.0
200 -	NET ADJUSTMENTS TO/ RECOVERIES ON PROPERTY AND EQUIPMENT	(11,345)	(11,947)	602	- 5.0
210 -	NET ADJUSTMENTS TO/ RECOVERIES ON INTANGIBLE ASSETS	(14,068)	(15,040)	972	- 6.5
220 -	OTHER OPERATING INCOME (EXPENSES)	49,637	51,230	(1,593)	- 3.1
230 -	**OPERATING EXPENSES**	**(278,957)**	**(302,720)**	**23,763**	**- 7.8**
240 -	PROFIT (LOSSES) ON INVESTMENTS IN ASSOCIATES AND COMPANIES SUBJECT TO JOINT CONTROL	3,933	2,620	1,313	50.1
270 -	PROFIT (LOSSES) FROM DISPOSAL OF INVESTMENTS	203	(20)	223	...
280 -	**INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS**	**(96,793)**	**(74,596)**	**(22,197)**	**29.8**
290 -	TAXES ON INCOME FROM CONTINUING OPERATIONS	27,634	3,632	24,002	...
300 -	**INCOME (LOSS) AFTER TAX FROM CONTINUING OPERATIONS**	**(69,159)**	**(70,964)**	**1,805**	**- 2.5**
310 -	PROFIT (LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS	85,968	26,575	59,393	...
320 -	**NET INCOME (LOSS) FOR THE PERIOD**	**16,809**	**(44,389)**	**61,198**	**...**
330 -	MINORITY INTERESTS	128	1,132	(1,004)	- 88.7
340 -	**NET INCOME (LOSS) ATTRIBUTABLE TO THE PARENT COMPANY**	**16,681**	**(45,521)**	**62,202**	**...**

(*) The balances for the first half of the previous year reflect, with respect to those published, changes resulting from the application of the provisions of IFRS 5 "Non-current Assets Held for sale and Discontinued Operations".