Banca Popolare di Sondrio

Società cooperativa per azioni – founded in 1871
Head office: Piazza Garibaldi 16, 23100 Sondrio, Italy
Sondrio Companies Register no. 00053810149.
Official List of Banks no. 842.
Parent Company of the Banca Popolare di Sondrio Group - Official List of Banking Groups no. 5696.0.
Official List of Cooperative Banks no. A160536.
Member of the Interbank Deposits Protection Fund
Fiscal code and VAT number: 00053810149
Share capital: € 1,360,157,331 - Reserves: € 1,034,954,284
(figures approved at the shareholders' meeting held on 28/4/2018)

Press release

Board of Directors of 12 November 2018: approval of the consolidated interim report as at 30 September 2018.

Continued growth of the Group in terms of size and quality of the business. Terms set for the acquisition of Cassa di Risparmio di Cento Spa. The integration of PrestiNuova Spa and Banca della Nuova Terra Spa continues.

The Board of Directors of Banca Popolare di Sondrio, società cooperativa per azioni, today reviewed and approved the **consolidated interim report as at 30 September 2018.**

- **Profit for the period, prior to non-recurring items, comes to € 78.4 million, a reduction of 30.2% compared with the same period last year. The result was affected by the € 25.9 million of contributions to the National Resolution Fund and to the Interbank Deposit Protection Fund.**

- **Direct deposits amount to € 31,312 million (-1%).**

- **Loans to customers total € 25,957 million (+1.02%).**

- **New loans to households and businesses for more than € 2,000 million.**
- **On 30 October 2018, a final contract was signed with Fondazione Cassa di Risparmio di Cento and Holding CR Cento SpA with a view to acquiring a majority stake in Cassa di Risparmio di Cento SpA.**

- **Assets under management come to € 5,633 million, with net inflows of € 229 million.**

- **Net fee and commission income from services, amounting to € 228,017 million, have increased by 2.9%.**

- **Net adjustments for credit risk have fallen by more than 8%.**

- **The cost of credit stands at 0.83% from 0.90% at the end of 2017.**

- **Coverage of non-performing loans (NPL) is up on the considerable amounts already set aside at the end of 2017, adjusted to a minimal extent by first-time adoption (FTA) of IFRS 9. The coverage of non-performing balances has risen from 67.6% to 68.6% and reaches 77.06% if we include the amounts written off in previous years. Coverage calculated on the total of impaired loans has gone from 51.8% to 53.8%.**

- **The indicators of the proportion of impaired loans has also improved as a percentage of total loans to customers. The gross NPL ratio has fallen to 14.88% from 15.08% at the end of 2017, while the net ratio is down to 7.50% from 7.93% in the comparative period.**

- **Capital ratios, including the portion of profit for the period, are well above the regulatory requirements:**
    - **Phased-in CET1 Ratio up from 11.60% to 11.71%; fully phased at 11.59%.**
    - **Phased-in Total Capital Ratio from 13.66% to 13.42%; fully phased at 13.27%.**
- **The Texas Ratio, which is the ratio between total net impaired loans and tangible equity, has improved yet again, to 76.63% from 77.99%.**

- **Phased-in Leverage Ratio at 5.62%; fully phased at 5.56%.**

The following tables summarise the key figures and information on the composition of the Banking Group.
The comparative income statement figures at 30/09/2017 are shown without any adjustments to the balances resulting from application of the accounting standards in force at the time. In other words, they cannot be compared on a like-for-like basis with the figures at 30/09/2018, which reflect the application of IFRS 9 from 1 January 2018.
The comparative balance sheet figures at 31/12/2017, on the other hand, have been restated by incorporating the adjustments made on FTA of the international accounting standards that came into force on 1 January 2018.

Consolidated figures (in millions of euro)

	30/09/2018	**30/09/2017**	**Change**
Net interest income	371.5	357.6	+ 3.9%
Net fee and commission income	228.0	221.6	+ 2.9%
Overall result from securities trading	16.6	80.4	- 79.3%
Total income	620.2	664.6	- 6.7%
Writedowns of loans and financial assets	148.0	161.0	- 8.1%
Operating costs	378.4	349.7	+ 8.2%

Profit before tax	107.6	168.8	- 36.2%
Profit	78.4	112.3	- 30.2%

	30/09/2018	31/12/2017	Change
Direct funding from customers	31,312	31,634	- 1.0 %
Indirect funding from customers	30,978	30,119	+ 2.9%
Insurance deposits from customers	1,403	1,336	+ 5.0%
Total funding from customers	63,693	63,089	+ 1.0%
Loans to customers	25,957	25,696	+ 1.0%

The Banca Popolare di Sondrio Banking Group, which from 30/09/2018 also includes PrestiNuova Spa, a company that grants loans that are repayable through the assignment of one-fifth of the borrower's salary or pension and payment delegation, currently consists of:

- Banca Popolare di Sondrio, società cooperativa per azioni (Parent Company);
- Banca Popolare di Sondrio (SUISSE) SA (held 100%);
- Factorit spa (held 60.5%);
- Banca della Nuova Terra spa (held 100%);
- Sinergia Seconda srl (support company, held 100%);
- Popso Covered Bond srl (held 60%);
- PrestiNuova Spa (held 100%).

Despite the difficult context, due above all to the high volatility of financial markets caused by growing uncertainty about the country's public accounts, the Group was still able to achieve a positive result for the period.
Consolidated profit at 30 September 2018 amounts to € 78.4 million, down by 30.2% compared with € 112.3 million in the first nine months of 2017.

Direct deposits total € 31,312 million, -1% on 31 December 2017. **Indirect funding** at market values, stands at € 30,978 million, +2.9% on 31 December 2017, while **direct funding from insurance premiums** amounts to € 1,403 million, +5% on 31 December 2017. **Total funding from customers** therefore comes to € 63,693 million, +1% on 31 December 2017.

Loans to customers, consisting of loans to customers valued at amortised cost and those measured at fair value through profit or loss, total € 25,957 million, +1% compared with loans to customers at the end of 2017. This aggregate, amounting to € 25,696 million, was written down by € 60 million on FTA of IFRS 9.

Net **impaired loans** amount to € 1,948 million, -4.4%, and represent 7.50% of total loans compared with 7.93% at the end of 2017, with coverage of 53.82% compared with 51.79% at 31 December 2017. Within impaired loans, **net non-performing loans** amount to € 794 million, +6.3%; as a percentage of total loans to customers, they have gone up by 3.06% compared with the end of 2017. The coverage of non-performing loans is 68.61%, versus 67.57% at 31 December

2017. If we include the amounts written off in previous years, the coverage of such loans comes to 77.06%. **Unlikely-to-pay loans** amount to € 1,038 million, -10.1%, with coverage down from 34.67% at the end of 2017 to 33.50% and an incidence on total loans of 4%, while past due and/or impaired overdrawn exposures amount to € 116 million, -13.9%, with coverage of 9.54% and an incidence on total loans of 0.45%. This decrease is due not only to an improvement in the economic climate, but also to the particular attention being paid to credit management.

Financial assets, represented by own securities and derivatives, amount to € 11,404 million, -4.1% on 31 December 2017. **Equity investments** come to € 216 million, remaining substantially stable compared with 31 December 2017.

At 30 September 2018, the short-term (LCR-Liquidity Coverage Ratio) and medium- to long-term (NSFR-Net Stable Funding Ratio) **liquidity indicators** were both well over the minimum requirement for 2018 (100%).
The Group can always rely on a substantial portfolio of assets eligible for refinancing which, net of haircuts, amounts to 12,446 million, -0.94% on the end of 2017, of which € 7,358 million available and € 5,088 million committed.

Following the acquisition of PrestiNuova S.p.A., goodwill of € 13.796 million was provisionally recognised under the so-called "purchase method". In accordance with IFRS 3, the Group then had 12 months from the date of acquisition to calculate the fair value of the assets and liabilities acquired on a definitive basis, allocating any differences found in the meantime to the assets and liabilities in question and adjusting the value of goodwill accordingly.

With regard to the components of the consolidated income statement, compared with the results at 30 September 2017, **net interest income** came to € 371.5 million, +3.9% from € 357.6 million in the first nine months of last year. This figure benefits from the accounting for the negative interest rate on TLTRO II funding, for which there was no provision in the comparative period given the uncertainty about the amount involved, as well as from a higher contribution from the coupons collected on the securities portfolio.

Net fee and commission income from services has been showing a positive trend, coming in at € 228 million, +2.9%, thanks in particular to the positive trend in fees and commissions on the sale of asset management and insurance products, as well as those related to current accounts and collection and payment services.

Dividends received amount to € 4 million, -20.8%.

The **net profit from securities, foreign exchange, derivatives and loans measured at fair value** (the sum of income statement line items 80, 90, 100 and 110) amounted to € 16.6 million, down by 79.3% compared with € 80.4 million in the comparative period. In addition to discounting the negative effects of the higher volatility on financial markets during the third quarter of the current year, this trend was also affected by the fact that there were no longer the significant gains realised last year on the disposal of securities.

Total income therefore fell to € 620.2 million, -6.7% compared with the first nine months of 2017.

Net adjustments for credit risk, income statement line item 130, amounted to € 148 million, down by 8.1% compared with € 161 million in the first nine months of 2017. Net adjustments for credit risk relating to financial assets measured at amortised cost, consisting of exposures to customers and banks in the form of loans and securities, amounted to € 151.9 million, compared with € 129.1 million, due to significant adjustments made to certain large balances.
Net adjustments for credit risk relating to financial assets measured at fair value through other comprehensive income include write-backs of € 3.9 million on fixed-yield securities.
Income statement line item 140, which is used for the recognition of gains/losses on contractual amendments not resulting in derecognition, arising from modifications to contractual cash flows, reported a loss for the period of € 0.7 million.
The ratio between net adjustments to loans to customers, also including the adjustments shown in income statement line item 140, as mentioned previously, and total loans to customers, the so-called cost of credit, has improved, falling to 0.83% from 0.90% at 31 December 2017.

Net financial income comes to € 472 million, -6.4%.

Operating costs amounted to € 378 million, +8.2%, largely due to higher contributions for the National Resolution Fund and the Interbank Deposit Protection Fund paid or provided for during the period.
The ratio of operating costs/total income, known as the "cost/income ratio", is 61.01% compared with 50% at the end of 2017, reflecting both the increase in costs and the reduction in total income.
Analysing each cost item, after reclassifying the deferral of income earned by the fund for post-employment benefits, administrative expenses were 4.2% higher at € 391.7 million; personnel expenses have risen to € 176.8 million, +0.3%. In turn, other administrative expenses have gone from € 199.7 million to € 215 million, +7.6%. As mentioned previously, this significant increase is largely attributable to the charges incurred or foreseen for the stability of the banking system (i.e. contributions to the National Resolution Fund and Interbank Deposit Protection Fund) of € 25.9 million compared with € 16.3 million in the comparative period.
Net accruals to provisions for risks and charges came to € 8 million, compared with a release of € 4.2 million in the comparative period. This now includes provisions for credit risk relating to commitments and guarantees given

(which were previously allocated to income statement line item 130).
Depreciation and amortisation amounted to € 24.1 million, -2%.
Other operating income/expense, subject to reclassification as mentioned above, amounted to € 45.5 million, -2.4%.

The **operating profit** therefore came to € 93.2 million, -39.46%.

Profits on equity and other investments amounted to € 14.4 million, -2.93% compared with € 14.9 million in the comparative period.

Profit before income taxes therefore came to € 107.6 million, -36.2%.

After deducting **income taxes** of € 26.7 million, -47.3%, and the non-controlling interest of € 2.5 million, the **profit for the period** comes to € 78.4 million, -30.2%.
The **effective tax rate**, i.e. the ratio between income taxes and the profit from continuing operations, is 24.8% compared with 30% in the comparative period.

Consolidated own funds, including profit for the period, at 30 September 2018 amounted to € 2,580 million, a decrease of € 54 million compared with the equity at 31/12/2017, already adjusted downwards by € 45 million on FTA of IFRS 9.

Consolidated own funds for supervisory purposes at 30 September 2018 amounted to € 2,930 million compared with € 3,106 million at 31/12/2017.

Capital ratios at 30 September 2018, calculated on the basis of the own funds for supervisory purposes as described above, are significantly higher than the minimum levels set by the Supervisory Authority for the Banca Popolare di Sondrio Banking Group. The CET1 Ratio, the Tier1 Ratio and the Total Capital Ratio (phased-in) come to 11.71%, 11.75% and 13.42%, respectively. The figures represented take into account the portion of profit for the period allocated to self-financing.
These ratios reflect the use of standard credit risk weighting methods, as the Group's internal rating models cannot be used to calculate the capital adequacy ratios because they have not yet been validated.

The **leverage ratio** at 30 September 2018 came to 5.62%, applying the phased-in transitional criteria in force for 2018, and 5.56% based on the fully phased criteria.

The **workforce of the Banking Group** rose to 3,255 from 3,196 at the end of 2017, plus the 29 people who work for Pirovano Stelvio Spa, mainly on a seasonal basis.

The **shareholder base** currently consists of 170,998 shareholders.

As already announced, with a press release dated 30 October 2018, a final contract was signed with Fondazione Cassa di Risparmio di Cento and Holding CR Cento S.p.A. with a view to acquiring a majority stake in Cassa di Risparmio di Cento S.p.A.
Cassa di Risparmio di Cento is a credit institute founded in 1844 that has been operating in the Cento area for more than 170 years; today it serves its customers through a network of 47 branches in the provinces of Ferrara, Bologna, Ravenna and Modena, employing 435 people overall.
Cassa di Risparmio di Cento, which has a high level of geographical and industrial complementarity and a particular cultural compatibility with the BPS Group, is a local reality with strong roots in an area - that of Cento - where the BPS Group does not currently have any sort of presence.
The profitability and capital ratios of Cassa di Risparmio di Cento are also comparable with those of BPS.
In view of these observations, we are of the opinion that the inclusion of CRC in the BPS Group will provide growth opportunities for both our banks, guaranteeing substantial value creation through the implementation of various strategic levers already identified at the time of the due diligence.

As regards the outlook for operations, despite the interruption in the expansive trend seen during the third quarter, with the consequent lowering of the estimated trend rate in GDP for our country, the economic situation remains positive.
On the other hand, the market uncertainty that arose during the second quarter has not yet been reabsorbed, making the prospects of short-term profitability more uncertain for all financial operators.
As far as our Banking Group is concerned, we expect the current financial year to end on a positive note, thanks above all to the resilience shown up to now by the results of the core banking activity, namely net interest income and net fee and commission income from services.
This, of course, without forgetting the possibility - currently unforeseeable - of further turbulence on financial markets, which could in turn affect the result of securities trading.

PRESENTATION OF COMPARATIVE AMOUNTS

In the attached financial statements, the comparative amounts for the balance sheet at 31/12/2017 and the income statement for the period ended 30/09/2017 have simply been repeated using the formats required by the fifth update to Circular 262/2005 without any adjustments to the balances resulting from application of the accounting standards in force at the time.
This means that the balance sheet amounts at 31 December 2017 and the income statement amounts for the period ended 30 September 2017, which do not reflect the impact of applying IFRS 9, are not comparable on a like-for-like basis with the figures presented in the period under review.

The consolidated interim report for the period ended 30 September 2018 will be published on a voluntary basis on the Bank's website "www.popso.it" and will be made available on the authorised storage mechanism "eMarket Storage" at "www.emarketstorage.com" and at the Bank's head office.

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DECLARATION

The Manager responsible for preparing the company's accounting documents, Maurizio Bertoletti, certifies pursuant to art. 154 bis, para. 2, of the Consolidated Finance Law, that the accounting information contained in this press release agrees with the underlying documents, registers and accounting entries.

Signed: Maurizio Bertoletti, Manager responsible for preparing the company's accounting documents

Company contacts:

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Sondrio, 12 November 2018

Appendices:
consolidated balance sheet and income statement;
reclassified consolidated income statement.

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

CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT AT 30 SEPTEMBER 2018

PRESENTATION OF COMPARATIVE AMOUNTS

The Group has exercised its right not to recalculate the comparative amounts on a like-for-like basis in the first year of application of IFRS 9; this means that the 2017 figures are not fully comparable, as they were calculated according to IAS 39.

CONSOLIDATED BALANCE SHEET

(in thousands of euro)

	ASSET ITEMS		30-09-2018		31-12-2017
10.	CASH AND CASH EQUIVALENTS		**1,749,259**		**699,379**
20.	FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		**868,698**		**895,330**
	a) financial assets held for trading	269,668		372,590	
	c) other financial assets mandatorily measured at fair value	599,030		522,740	
30.	FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		**4,898,282**		**6,886,971**
40.	FINANCIAL ASSETS MEASURED AT AMORTISED COST		**32,833,568**		**31,787,014**
	a) loans and receivables with banks	1,259,929		1,927,176	
	b) loans and receivables with customers	31,573,639		29,859,838	
70.	EQUITY INVESTMENTS		**216,098**		**217,634**
90.	PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY		**321,602**		**327,490**
100.	INTANGIBLE ASSETS		**38,155**		**23,720**
	of which:				
	- goodwill	21,643		7,847	
110.	TAX ASSETS		**474,212**		**435,064**
	a) current	50,423		49,618	
	b) deferred	423,789		385,446	
130.	OTHER ASSETS		**262,080**		**352,052**
	TOTAL ASSETS		**41,661,954**		**41,624,654**

THE CHAIRMAN
Francesco Venosta

THE BOARD OF STATUTORY AUDITORS
Piergiuseppe Forni, Chairman
Laura Vitali - Luca Zoani

EQUITY AND LIABILITY ITEMS			30-09-2018		31-12-2017
10.	FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		**37,848,291**		**37,839,119**
	a) due to banks	6,536,275		6,204,835	
	b) customer deposits	28,581,061		28,800,925	
	c) debt securities in issue	2,730,955		2,833,359	
20.	FINANCIAL LIABILITIES HELD FOR TRADING		**73,032**		**31,259**
40.	HEDGING DERIVATIVES		**17,745**		**22,468**
60.	TAX LIABILITIES		**22,758**		**38,855**
	a) current	2,219		2,705	
	b) deferred	20,539		36,150	
80.	OTHER LIABILITIES		**737,034**		**643,520**
90.	POST-EMPLOYMENT BENEFITS		**44,300**		**45,491**
100.	PROVISIONS FOR RISKS AND CHARGES		**246,157**		**234,429**
	a) commitments and guarantees given	42,788		30,152	
	b) pension and similar obligations	164,427		160,799	
	c) other provisions for risks and charges	38,942		43,478	
120.	VALUATION RESERVES		**(71,257)**		**28,478**
150.	RESERVES		**1,159,282**		**1,077,440**
160.	SHARE PREMIUM RESERVE		**79,005**		**79,005**
170.	SHARE CAPITAL		**1,360,157**		**1,360,157**
180.	TREASURY SHARES (-)		**(25,388)**		**(25,370)**
190.	NON-CONTROLLING INTEREST (+/-)		**92,404**		**90,593**
200.	PROFIT (LOSS) FOR THE PERIOD (+/-)		**78,434**		**159,210**
	TOTAL LIABILITIES AND EQUITY		**41,661,954**		**41,624,654**

THE MANAGING DIRECTOR AND GENERAL MANAGER

Mario Alberto Pedranzini

THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S ACCOUNTING DOCUMENTS

Maurizio Bertoletti

CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

ITEMS			30-09-2018		30-09-2017
10.	INTEREST AND SIMILAR INCOME		458,199		463,602
20.	INTEREST AND SIMILAR EXPENSE		(86,656)		(105,994)
30.	**NET INTEREST INCOME**		**371,543**		**357,608**
40.	FEE AND COMMISSION INCOME		243,004		235,400
50.	FEE AND COMMISSION EXPENSE		(14,987)		(13,818)
60.	**NET FEE AND COMMISSION INCOME**		**228,017**		**221,582**
70.	DIVIDENDS AND SIMILAR INCOME		3,992		5,043
80.	NET TRADING INCOME		21,749		52,772
90.	NET HEDGING GAINS (LOSSES)		(5)		(11)
100.	GAINS/LOSSES FROM SALE OR REPURCHASE OF:		8,048		19,677
	a) financial assets measured at amortised cost	2,240		–	
	b) financial assets measured at fair value through other comprehensive income	5,849		19,693	
	c) financial liabilities	(41)		(16)	
110.	NET GAINS/LOSSES ON OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		(13,164)		7,966
	a) financial assets and liabilities designated at fair value	–		7,966	
	b) other financial assets mandatorily measured at fair value	(13,164)		–	
120.	**TOTAL INCOME**		**620,180**		**664,637**
130.	NET ADJUSTMENTS FOR CREDIT RISK RELATING TO:		(147,951)		(161,002)
	a) financial assets measured at amortised cost	(151,867)		(129,131)	
	b) financial assets measured at fair value through other comprehensive income	3,916		(31,871)	
140.	GAINS/LOSSES ON CONTRACTUAL AMENDMENTS NOT RESULTING IN DERECOGNITION		(684)		–
150.	**NET FINANCIAL INCOME**		**471,545**		**503,635**
190.	ADMINISTRATIVE EXPENSES:		(394,953)		(383,771)
	a) personnel expenses	(179,998)		(184,030)	
	b) other administrative expenses	(214,955)		(199,741)	
200.	NET ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES		(7,992)		4,233
	a) commitments and guarantees given	(8,652)		(208)	
	b) other net provisions	660		4,441	
210.	DEPRECIATION AND NET IMPAIRMENT LOSSES ON PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY		(12,957)		(13,658)
220.	AMORTISATION AND NET IMPAIRMENT LOSSES ON INTANGIBLE ASSETS		(11,164)		(10,948)
230.	OTHER OPERATING INCOME/EXPENSE		48,707		54,425
240.	**OPERATING COSTS**		**(378,359)**		**(349,719)**
250.	NET GAINS (LOSSES) ON EQUITY INVESTMENTS		14,787		14,876
260.	NET RESULT OF FAIR VALUE MEASUREMENT OF PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY AND INTANGIBLE ASSETS		(352)		(5)
280.	NET GAINS ON SALE OF INVESTMENTS		9		9
290.	**PRE-TAX PROFIT FROM CONTINUING OPERATIONS**		**107,630**		**168,796**
300.	INCOME TAXES		(26,670)		(50,593)
310.	**POST-TAX PROFIT FROM CONTINUING OPERATIONS**		**80,960**		**118,203**
330.	**PROFIT (LOSS) FOR THE PERIOD**		**80,960**		**118,203**
340.	PROFIT (LOSS) FOR THE PERIOD OF MINORITY INTERESTS		(2,526)		(5,862)
350.	**PROFIT (LOSS) FOR THE PERIOD OF THE PARENT COMPANY**		**78,434**		**112,341**
	BASIC EPS		**0.171**		**0.248**
	DILUTED EPS		**0.171**		**0.248**

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in thousands of euro)	30/09/2018	30/09/2017	(+/-)	% change
Net interest income	371,543	357,608	13,935	3.90
Dividends	3,992	5,043	-1,051	-20.84
Net fee and commission income	228,017	221,582	6,435	2.90
Result of financial activities	16,628	80,404	-63,776	-79.32
Total income	**620,180**	**664,637**	**-44,457**	**-6.69**
Net adjustments to loans and financial assets	-147,951	-161,002	13,051	-8.11
Gains/losses on contractual amendments not resulting in derecognition	-684	–	–	–
Net financial income	**471,545**	**503,635**	**-32,090**	**-6.37**
Personnel costs	-176,778	-176,185	-593	0.34
Other administrative expenses	-214,955	-199,741	-15,214	7.62
Other operating income/expense	45,487	46,580	-1,093	-2.35
Net accruals to provisions for risks and charges	-7,992	4,233	-12,225	–
Adjustments to property, equipment and investment property and intangible assets	-24,121	-24,606	485	-1.97
Operating costs	**-378,359**	**-349,719**	**-28,640**	**8.19**
Operating profit (loss)	**93,186**	**153,916**	**-60,730**	**-39.46**
Net gains (losses) on equity investments and other investments	14,444	14,880	-436	-2.93
Profit (loss) before tax	**107,630**	**168,796**	**-61,166**	**-36.24**
Income taxes	-26,670	-50,593	23,923	-47.29
Profit (loss)	**80,960**	**118,203**	**-37,243**	**-31.51**
Profit pertaining to minority interests	-2,526	-5,862	3,336	-56.91
Profit attributable to the Parent Company	**78,434**	**112,341**	**-33,907**	**-30.18**

Notes: The result of financial activities is made up of the sum of items 80-90-100 and 110 in the income statement.
Personnel expenses and other operating income have been reclassified, netting them off against the proceeds of the post-employment benefits fund of € 3,220 thousand.