PRESS RELEASE

CONSOLIDATED RESULTS AT 30 JUNE 2018

The Board of Directors of Banco di Desio e della Brianza S.p.A. has approved the "Consolidated Interim Financial Report at 30 June 2018"

- ✓ **SALE OF NON-PERFORMING LOANS for a nominal value of approximately Euro 1.0 billion with securitisation through the GACS scheme shown under *Assets held for sale* in accordance with IFRS 5**
  Gross non-performing loans/Gross loans ratio down to 7.4% (from 15.1% at 31.12.2017)
  Net non-performing loans/Net loans ratio down to 4.3% (from 8.4%)
  Gross doubtful loans/Gross loans ratio down to 3.3% (from 10.8%)
  Net doubtful loans/Net loans ratio down to 1.3% (from 5.0%)

- ✓ **HIGH LEVELS OF COVERAGE for both non-performing loans (after the sale) and performing loans[1]**
  Coverage ratio of doubtful loans at 62.6%, 67.9% gross of write-offs (57.2% and 61.1% at 31.12.2017)
  Coverage ratio of non-performing loans at 44.3%, 48.1% gross of write-offs (previously 49.0% and 52.4%)
  Coverage of performing loans at 0.58% (previously 0.45%)

- ✓ **CONSOLIDATED NET PROFIT (pertaining to the Parent Company) Euro 13.6 million (Euro 18.2 million at 30 June 2017), influenced by the charge deriving from the GACS transaction**

- ✓ **CAPITAL REQUIREMENTS[2]**

Capital ratios	Calculated as of 30 June 2018[3]			
	Banco di Desio e della Brianza	Banca Popolare di Spoleto	Banco Desio Group	Brianza Unione Group
CET 1 Ratio	16.81%	9.94%	11.18%	8.67%
TIER 1 Ratio	16.86%	9.94%	11.31%	9.55%
Total Capital Ratio	19.07%	10.65%	12.89%	11.42%

The consolidated ratios at the level of Brianza Unione di Luigi Gavazzi and Stefano Lado SApA, the parent company that controls 52.084% of Banco di Desio and Brianza SpA, have been calculated on the basis of articles 11, paragraphs 2 and 3 and 13, paragraph 2, of the CRR Regulation.

Simulating at the reference date of 30 June 2018, the expected capital and supervisory benefits of the GACS due to the application of the "significant risk transfer" and the benefit of the Italian State guarantee on the senior securities, the following pro-forma ratios have been estimated:

Banco Desio Group: 11.64% (*CET 1 ratio*), 11.77% (*Tier 1 ratio*) and 13.41% (*Total capital ratio*)

Brianza Unione Group: 8.97% (*CET 1 ratio*), 9.87% (*Tier 1 ratio*) and 11.80% (*Total capital ratio*)

---

1 The increase in the levels of coverage compared with 31 December 2017 reflects the impact of First-Time Adoption of IFRS 9

2 Based on the Bank of Italy's instructions sent to the Parent Company, which contained the minimum capital requirements to be met at consolidated level following completion of the Supervisory Review and Evaluation Process (SREP): CET1 ratio of 6.625%, binding - pursuant to art. 67-ter TUB - for 4.8% (minimum regulatory requirement of 4.5% and additional requirements of 0.3%) with the difference represented by the capital conservation buffer, Tier 1 ratio of 8.225%, binding - pursuant to art. 67-ter TUB - for 6.4% (minimum regulatory requirement of 6.0% and additional requirements of 0.4%) with the difference represented by the capital conservation buffer, and Total Capital Ratio of 10.375%, binding - pursuant to art. 67-ter TUB - for 8.5% (minimum regulatory requirement of 8% and additional requirements of 0.5%) with the difference represented by the capital conservation buffer.

3 In application of the transitional provisions introduced by Regulation (EU) 2017/2395 of 12 December 2017.

- ✓ **LOANS TO ORDINARY CUSTOMERS: Euro 9.5 billion (-4.1% compared with the stock outstanding at the end of the previous year) mainly due to reclassification of the loans sold (Euro 287.8 million) to *Non-current assets and disposal groups held for sale* and the impact of First Time Adoption of IFRS 9 – Financial Instruments (Euro 96.9 million).**

- ✓ **TOTAL CUSTOMER DEPOSITS: Euro 25.4 billion (+1.0%), of which DIRECT DEPOSITS Euro 11.2 billion (+1.6%), with a ratio of Ordinary customer loans/Direct deposits of 84.8% (previously 89.8%) and INDIRECT DEPOSITS of Euro 14.2 billion (+0.6% on the end of the prior year)**

* * *

The Board of Directors of Banco di Desio e della Brianza S.p.A., met on 2 August 2018 and approved the Consolidated Interim Financial Report at 30 June 2018, prepared pursuant to art. 154-*ter* of D.Lgs. 58/1998 (CFA), implementing D.Lgs. 195 of 6 November 2007 (the so-called "Transparency Directive") and drawn up in compliance with applicable international accounting standards recognised in the European Community in accordance with EU Regulation 1606 of 19 July 2002, especially IAS 34 - Interim financial statements, and Bank of Italy Circular 262 of 22 December 2005 (5th update).

Consolidated balance sheet

Total customer funds under management at 30 June 2018 reached Euro 25.4 billion, representing an increase of some Euro 0.3 billion with respect to the 2017 year end balance (+1.0%), attributable to the upward trend in both indirect (+0.6%) and direct deposits (+1.6%).

Direct deposits at the end of the first half amounted to Euro 11.2 billion, an increase of 1.6% which comes from the higher amounts due to customers of Euro 0.3 billion (+2.7%), partially offset by a reduction in debt securities in issue for Euro 0.1 billion (-4.8%).

Overall, at 30 June 2018 *indirect deposits* posted an increase of 0.6% compared with the end of the previous year, rising to Euro 14.2 billion. In particular, this was attributable to deposits from ordinary customers, up by Euro 0.1 billion (+0.8%), due to the trend in assets under management (+2.7%), partially offset by a decrease in assets under administration (-2.5%). Overall, indirect deposits from institutional customers posted an increase of 0.2%, coming in at Euro 5.2 billion.

The total amount of *loans to customers* at the end of the first half of the year amounted to Euro 9.7 billion, a decrease compared to the balance at the end of 2017 (-1.9%), mainly due to the transactions carried out on non-performing loans. In this regard, it should be noted that, pursuant to IFRS 5, *Assets held for sale* include loans classified as doubtful, so that during the month of July 2018, the steps taken to sell them were completed, resulting in their derecognition (mainly the portfolio involved in the securitisation with the Italian State guarantee on the securitisation of doubtful loans on the senior securities pursuant to Decree Law No. 18/2016, known as "GACS").

At 30 June 2018, the Group's *total financial assets* amounted to some Euro 2.8 billion, an increase of some Euro 0.5 billion compared with the end of 2017 (+24.4%). During the first half of the year, the portfolio of securities valued at amortised cost ("held to collect") was increased, equal to Euro 1.4 billion at 30 June 2018, consisting of government securities and bonds diversified by issuer, geographical area and type of rate.

The Group's *net interbank position* at 30 June 2018 is negative for Euro 1.1 billion, compared with the position at the end of the previous year, which was also negative for Euro 0.5 billion. The change mainly reflects the fact that part of the cash deposited with banks was invested in the securities portfolio.

Shareholders' equity pertaining to the Parent Company at 30 June 2018, including net profit for the period, amounts to Euro 845.6 million, compared with Euro 927.1 million at the end of 2017. The negative change of Euro 81.5 million is due to FTA of IFRS 9 for Euro 54.4 million, to payment of the 2017 dividend for Euro 13.3 million and to the negative other comprehensive income for the period of Euro 13.7 million.

On 23 January and 25 January 2018, the respective Boards of Directors of Banca Popolare di Spoleto and Banco di Desio e della Brianza, taking account of a best estimate of the higher adjustments for expected losses on performing and non-performing loans on first-time application of the standard, resolved to join the transitional regime introduced by the Regulation (EU) 2017/2395 of 12 December 2017, aimed at mitigating the impact of the new standard on own funds and capital ratios, with reference to both the increase in adjustments for expected losses on performing and non-performing loans on first-time application of the standard and to the increase in expected losses on performing loans compared with the date of first-time application of the standard.

Against risk-weighted assets (RWA) that are substantially consistent with those at the end of 2017, at 30 June 2018 *Consolidated own funds of the Banco Desio Group* amounted to Euro 1,032.1 million (CET1 + AT1 Euro 905.6 million + T2 Euro 126.5 million), while the Common Equity Tier1 ratio, being the ratio between Tier 1 capital (CET1) and Risk-weighted assets, came to 11.2%. The Tier 1 ratio (T1/Risk-weighted assets) came to 11.3%, while the Total capital ratio (Total Own Funds/Risk-weighted assets) was 12.9%.

Note that the Bank of Italy's minimum requirements at consolidated level (based on the SREP) are as follows:

- 6.625% for the Common Equity Tier 1 ratio, binding - pursuant to art. 67-ter TUB - to the extent of 4.8% (of which 4.5% for the minimum regulatory requirements and 0.3% for additional requirements) and the capital conservation buffer for the remainder;

- 8.225% for the Tier 1 ratio, binding - pursuant to art. 67-ter TUB - to the extent of 6.4% (of which 6.0% for the minimum regulatory requirements and 0.4% for additional requirements) and the capital conservation buffer for the remainder;
- 10.375% for the Total Capital ratio, binding - pursuant to art. 67-ter TUB - to the extent of 8.5% (of which 8% for the minimum regulatory requirements and 0.5% for additional requirements) and the capital conservation buffer for the remainder.

As a result, at 30 June 2018 the Group again had capital ratios well above the established minimum requirements.

Consolidated income statement

The *net profit attributable to the Parent Company* at 30 June 2018 is around Euro 13.6 million, influenced by the charge deriving from the GACS transaction concluded in July by means of the sale of 95% of the mezzanine and junior securities, with a contraction of 25.1% compared with the profit for the comparative period of Euro 18.2 million.

The *Profit (loss) from operations after tax* is down by around 9.4 million (- 41.1%) compared with 30 June 2017, mainly due to the negative effect on the cost of credit linked to the sale of doubtful loans by means of a GACS as mentioned previously. The *Non-recurring profit (loss) after tax*, on the other hand, benefited from non-recurring revenue components due to an adjustment of the liabilities provided for under the current redundancy plan, compared with the prior period, which included the adjustment of certain investments classified in financial assets available for sale (in application of IAS 39, which was in force at the time).

The main cost and revenue items in the reclassified income statement are analysed below.

Operating income
Core revenues decreased by about Euro 4.6 million compared with the previous period (-2.2%), coming in at Euro 204.8 million. The trend is mainly attributable to the net interest income which, in consideration of the persistent effects of the expansive monetary policy which strongly compresses interest income, shows a reduction of Euro 9.7 million (-8.4%), partially offset by the positive contribution from net commissions, up by Euro 1.3 million (+1.7%) and dividends, which came to Euro 3.2 million (formerly Euro 0.6 million).
The *net results on financial assets and liabilities* were Euro 8.3 million (formerly Euro 6.0 million); the item includes capital losses on mutual funds that are mandatorily measured at fair value for Euro 1.7 million (in the comparative period, the positive valuation effect of Euro 0.6 million was recognised in other comprehensive income in accordance with IAS 39).
Other operating income/expense has fallen by Euro 1.0 million.

Operating costs
Operating costs, which include *payroll costs*, *other administrative expenses* and *net adjustments to property, plant and equipment and intangible assets* amounted to around Euro 139.0 million and have decreased, with respect to the comparative period, by Euro 0.4 million (-0.3%).
In particular, other administrative expenses have increased by Euro 2.4 million (+5.4%). The balance includes Euro 3.9 million of the ex-ante gross ordinary contribution to the Single Resolution Mechanism (SRM) versus Euro 3.5 million in the comparative period.
Payroll costs have decreased by 2.7% on the prior period, whereas the balance of net adjustments to property, plant and equipment and intangible assets came to Euro 5.7 million (-6.2%).

Results of operations
The results of operations at 30 June 2018 therefore amounted to Euro 65.8 million, Euro 4.1 million down on the prior period (-5.9%).

Net profit (loss) from operations after tax
The result of operations of Euro 65.8 million leads to a net profit (loss) from operations after tax of Euro 13.4 million, 41.1% down on the Euro 22.7 million in the comparative period, mainly because of:

- the *cost of credit* (*net impairment adjustments to financial assets measured at amortized cost* plus *gains (losses) on disposal or repurchase of loans*) of Euro 46.5 million (formerly Euro 30.1 million), affected by:
  - the adjustments made to reflect the overall economic effects of the securitisation using the "GACS" scheme;
  - application of the new models for the determination of the expected loss on loans adopted by the bank in application of IFRS 9 starting from 1 January 2018, and therefore not fully comparable with the prior period figure;
- net adjustments to proprietary securities of Euro 1.3 million (formerly Euro 3.1 million), which during the period includes the adjustments deriving from application of the new models for the determination of the expected loss on the proprietary securities portfolio in accordance with IFRS 9 starting from 1 January 2018 and therefore not comparable with the previous period;
- *net provisions for risks and charges* of Euro 0.3 million (formerly Euro 2.3 million);
- income taxes on current operations of Euro 4.3 million (formerly Euro 11.7 million).

Result of non-recurring items after tax
At 30 June 2018 there was a *non-recurring profit after tax* of Euro 0.2 million. This item basically consists of:

- the revenue component of Euro 1.8 million relating to the adjustment of the liabilities recorded to cover the redundancy plan at the end of 2016, reclassified from *personnel costs*,
- the Euro 1.5 million charge for the extraordinary contribution to the SRM requested by the national resolution authority on 25 May 2018,

net of the related tax effect (negative for Euro 0.1 million).
The prior period loss of Euro 4.1 million essentially consists of impairment adjustments (net of any uses) recognised:

- for Euro 1.8 million on a minority bank shareholding that has been sold in the meantime,
- for Euro 3.6 million on the Atlante Fund following the write-off of the value of the banking interests held by the fund,

net of the related tax effect (positive for Euro 1.3 million).

Profit for the period pertaining to the Parent Company
The total of the *profit from operations after tax* and the *non-recurring profit after tax*, as well as the *result attributable to minority interests*, leads to a net profit for the Parent Company at 30 June 2018 of Euro 13.6 million.

***

The Group's distribution network al 30 June 2018 consists of 265 branches of which 146 belong to the Parent Company Banco di Desio e della Brianza S.p.A. and 122 to Banca Popolare di Spoleto S.p.A.

***

At 30 June 2018, the Group had 2,290 employees, a decrease of 13 people (-0.6%) compared with the end of the previous period.

***

Non-performing loans (NPL) disposal programme
In execution of its capital management strategy defined in the last months of 2017 and reflected in the Business Plan 2018-2020 approved on 11 January 2018, the Board of Directors of Banco di Desio e della Brianza has approved on 27 March 27 2018 a program for the sale of NPL for a gross value of Euro 1.1 billion, which includes a securitisation transaction making use of the Italian Government guarantee on the securitisation of doubtful loans on senior securities pursuant to Decree Law 2018/2020 ("GACS") aimed at deconsolidating Banco Desio Group loans for a gross value of Euro 1.0 billion (the "Transaction").
The Transaction was structured in order to carry out the significant transfer of the credit risk associated with the securitised loans ("SRT") pursuant to art. 243 et seq. of Regulation (EU) no. 575/2013; the NPL portfolio sold on June 12 to the "2Worlds

srl" (the "SPV" or "Vehicle" set up specifically for this purpose) consists of mortgage or unsecured loan contracts granted by Banco di Desio and Brianza and by Banca Popolare di Spoleto in favour of secured customers, i.e. with relationships guaranteed by mortgages, and unsecured customers, i.e. with relationships that do not have any collateral.

On 25 June, the SPV issued the following types of asset-backed securities (ABS):

- senior securities for Euro 288.5 million, corresponding to 28.8% of the GBV at the date of identification of the loans at 31 December 2017, to which DBRS Ratings Ltd and Scope Ratings GmbH have given "BBB low" and "BBB" ratings respectively;
- mezzanine securities for Euro 30.2 million to which DBRS Ratings Ltd and Scope Ratings GmbH have given "B low" and "B" ratings respectively;
- junior securities for Euro 9.0 million, with no rating.

At the date of issue all of these securities (senior, mezzanine and junior) were subscribed by the Banco Desio Group, which on 4 July 2007 then submitted a request to obtain the guarantee on the securitisation of non-performing loans pursuant to Legislative Decree 18/2016 ("GACS").

At the end of a competitive process that saw the participation of several international institutional investors, on 11 July, the Banco Desio Group accepted the final binding agreement for the sale of 95% of the mezzanine and junior securities, which was finalised on 23 July by settling the transaction, which in turn permitted deconsolidation (or "derecognition") of the NPLs concerned.

The economic effects of the Transaction were reflected in the income statement at 30 June 2018 in consideration of the best binding offer received for the sale of 95% of the mezzanine and junior securities, while the related capital and regulatory benefits will be fully reflected in the quarterly report at 30 September 2018 as a result of applying the "significant risk transfer" and the benefit of the Italian State guarantee on the senior securities.

At the reference date, 30 June 2018, as a result of the reclassification of NPLs subject to disposal (including, primarily, the doubtful loans subject to GACS) included in assets held for sale, there was a significant reduction in the ratio of "gross non-performing loans/gross loans" to 7.4% and in "net non-performing loans/net loans" to 4.3%, below their respective targets of 10% and 5% forecast at the end of the 2018-2020 Business Plan, and the ratio of "gross doubtful loans/gross loans" to 3.3% and "net doubtful loans/net loans" to 1.3%.

***

The Financial Reporting Manager, Mauro Walter Colombo, declares pursuant to paragraph 2 of Article 154-bis of the Consolidated Finance Act that the accounting information contained in this press release agrees with the supporting documents, books of account and accounting records.

Desio, 2 August 2018

BANCO DI DESIO E DELLA BRIANZA S.p.A.

Financial Reporting Manager

Mauro Walter Colombo

***

The tables relating to the consolidated balance sheet and reclassified income statement at 30 June 2018 are attached.

The consolidated interim financial report at 30 June 2018 are subject to a limited audit by Deloitte & Touche S.p.A., which is currently being completed.

Desio, 2 August 2018

BANCO DI DESIO E DELLA BRIANZA S.p.A.

The Chairman

Stefano Lado

***

Investor Relator
Giorgio Federico Rossin

Tel. 0362/613.469
Mobile 335/7764435
Fax 0362/613,219
g.rossin@bancodesio.it

General and
Corporate Secretariat

Tel. 0362/613.214
Fax 0362/613,219
segreteriag@bancodesio.it

Marco Rubino di Musebbi
Community Srl
Communications consultancy
Tel. 02.89404231
Mobile 335/6509552
Fax 02/8321605
marco.rubino@communitygroup.it

Attachments

Consolidated balance sheet

Assets	30.06.2018	31.12.2017	Change amount	%
10. Cash and cash equivalents	44,536	59,413	(14,877)	-25.0%
20. Financial assets at fair value through profit and loss	70,965	20,981	49,984	238.2%
a) Financial assets held for trading	19,493	20,981	(1,488)	-7.1%
c) Other financial assets mandatorily at fair value	51,472		51,472	
30. Financial assets at fair value through other comprehensive income	1,360,170	1,511,467	(151,297)	-10.0%
40. Financial assets at amortised cost	11,654,767	11,828,618	(173,851)	-1.5%
a) Due from banks	750,267	1,342,552	(592,285)	-44.1%
b) Loans to customers	10,904,500	10,486,066	418,434	4.0%
50. Hedging derivatives	3	5	(2)	-40.0%
60. Adjustment to financial assets with generic hedge (+/-)	740	875	(135)	-15.4%
90. Property, plant and equipment	179,070	180,566	(1,496)	-0.8%
100. Intangible assets	17,417	17,946	(529)	-2.9%
of which:				
- goodwill	15,322	15,322		
110. Tax assets	245,291	212,527	32,764	15.4%
a) current	41,077	35,097	5,980	17.0%
b) deferred	204,214	177,430	26,784	15.1%
120. Non current assets and disposal groups classified as held for sale	287,829		287,829	
130. Other assets	249,335	163,424	85,911	52.6%
Total assets	**14,110,123**	**13,995,822**	**114,301**	**0.82%**

Liabilities and shareholders' equity	30.06.2018	31.12.2017	Change amount	%
10. Financial liabilities measured at amortised cost	12,801,452	12,686,585	114,867	0.9%
a) Due to banks	1,649,271	1,705,928	(56,657)	-3.3%
b) Due to customers	9,525,242	9,272,337	252,905	2.7%
c) Debt securities in issue	1,626,939	1,708,320	(81,381)	-4.8%
20. Financial liabilities held for trading	5,862	7,976	(2,114)	-26.5%
40. Hedging derivatives	5,034	4,724	310	6.6%
60. Tax liabilities	28,742	30,226	(1,484)	-4.9%
a) current	4,929	3,425	1,504	43.9%
b) deferred	23,813	26,801	(2,988)	-11.1%
80. Other liabilities	313,157	210,961	102,196	48.4%
90. Provision for termination indemnities	28,519	28,962	(443)	-1.5%
100. Provisions for risks and charges	39,812	46,547	(6,735)	-14.5%
a) commitments and guarantees given	1,874		1,874	
c) other provisions for risks and charges	37,938	46,547	(8,609)	-18.5%
120. Valuation reserves	19,133	38,307	(19,174)	-50.1%
150. Reserves	729,035	761,201	(32,166)	-4.2%
160. Share premium reserve	16,145	16,145		
170. Share capital	67,705	67,705		
190. Minority interests (+/-)	41,925	52,785	(10,860)	-20.6%
200. Net profit (loss) for the period (+/-)	13,602	43,698	(30,096)	-68.9%
Total liabilities and shareholders' equity	**14,110,123**	**13,995,822**	**114,301**	**0.82%**

Note: **the balances of the comparative period have been restated conventionally** in the financial statement schedules required by Circular 262 – fifth update. In particular, the securities previously recorded under IAS 39 as "Financial assets available for sale" have been entirely classified as "Financial assets at fair value through comprehensive income".

Banco Desio

Reclassified consolidated income statement

Captions *Amounts in thousands of Euro*		30.06.2018	30.06.2017	Change Amount	%
10+20	Net interest income	105,367	115,076	-9,709	-8.4%
70	Dividends and similar income	3,192	610	2,582	423.3%
40+50	Net commission income	81,346	80,020	1,326	1.7%
80+90+100+110	Net results on financial assets and liabilities	8,251	6,002	2,249	37.5%
230	Other operating income/expense	6,674	7,685	-1,011	-13.2%
	Operating income	**204,830**	**209,393**	**-4,563**	**-2.2%**
190 a	Payroll costs	-86,943	-89,373	2,430	-2.7%
190 b	Other administrative costs	-46,393	-44,010	-2,383	5.4%
210+220	Net adjustments to property, plant and equipment and intangible assets	-5,710	-6,086	376	-6.2%
	Operating costs	**-139,046**	**-139,469**	**423**	**-0.3%**
	Result of operations	**65,784**	**69,924**	**-4,140**	**-5.9%**
130a+100a	Cost of credit	-46,491	-30,103	-16,388	54.4%
130 b	Net adjustments to proprietary securities	-1,315	-3,057	1,742	-57.0%
200 a	Net provisions for risks and charges - commitments and guarantees given	90	-24	114	n.s.
200 b	Net provisions for risks and charges - other	-354	-2,330	1,976	-84.8%
	Profit (loss) from operations before tax	**17,714**	**34,410**	**-16,696**	**-48.5%**
300	Income taxes on current operations	-4,330	-11,676	7,346	-62.9%
	Profit (loss) from operations after tax	**13,384**	**22,734**	**-9,350**	**-41.1%**
250+280	Profit (Loss) of equity investments and on disposal of investments	0	41	-41	-100.0%
	Net provisions for risks and charges - commitments and guarantees given	253	-5,427	5,680	n.s.
	Non-recurring result before tax	**253**	**-5,386**	**5,639**	**n.s.**
	Income taxes from non-recurring items	-89	1,283	-1,372	n.s.
	Non-recurring result after tax	**164**	**-4,103**	**4,267**	**n.s.**
330	**Net profit (loss) for the period**	**13,548**	**18,631**	**-5,083**	**-27.3%**
340	Minority interests	54	-474	528	n.s.
350	**Profit (Loss) for the period pertaining to the Parent Company**	**13,602**	**18,157**	**-4,555**	**-25.1%**

Note: **the balances of the comparative period have been restated conventionally** in the financial statement schedules required by Circular 262 – fifth update. In particular, the "Impairment adjustments to other financial transactions" (referred to in caption "130. d)" of the formats previously envisaged) are transferred to caption "200. a) Provisions for risks and charges - commitments and guarantees given".

"Net interest income" at 30 June 2018 is shown net of the release of the time value component of impaired financial assets, equal to Euro 4,738 thousand, and net of adjustments on interest related to non-performing loans for Euro 1,784 thousand, both reclassified to "Cost of credit" for Euro 2,954 thousand.