Banca popolare dell'Emilia Romagna
GRUPPO BPER

PRESS RELEASE

Quarterly report as at 31 March 2013 approved

Total consolidated net profit for the period of € 15.4 million in an economic environment that is still difficult

The Group's financial solidity is confirmed by a Core Tier 1 ratio of 8.20% (8.33% net of CR Bra, an increase of 6 bps from the end of 2012)[1]

The liquidity position has improved even more and leverage[2] is still limited (14.5x versus 14.2x as in December 2012)

Net commission income has held up well, net interest income is down due to the sharp decrease in market interest rates and weak demand for commercial loans

The results of ordinary operations are in any case positive: the difference between net interest and other banking income, net of financial activities, and operating costs is substantially stable compared with the first quarter of 2012

- ✓ Net interest and other banking income of € 497.6 million, a decrease of 12.2% compared with the first quarter of 2012, mainly due to a lower net contribution from finance activities; the sharp decline in market interest rates and the weak trend in loans had a negative impact on net interest income (-7.5%). Net commission income is stable, but well up on a comparable scope of consolidation and considering regulatory changes that took place in the period (+4.2%)[3].

- ✓ Operating profit of € 329.9 million penalised by still high loan loss provisions due to the continuing economic crisis and an assessment approach in line with the one followed at the end of last year, making it possible to maintain more or less the same level of coverage as in December 2012.

- ✓ Loan loss provisions increased on the first quarter of 2012, but fell significantly compared with the previous quarter. Overall cost of credit for the quarter of 33 bps compared with 21 bps in first quarter 2012; on an annualised basis, it comes to 133 bps versus 199 bps for the whole of 2012.

- ✓ Operating costs 7.4% down on the first quarter of last year; without the consolidation of CR Bra and on a consistent basis, the decrease amounts to 2.2%[4]. Cost/income ratio of 57.4%

- ✓ Increased liquidity compared with the end of 2012, thanks to the rise in total eligible assets (+17.7%) and of those freely available for refinancing with the ECB (+51.7%)

- ✓ Gross loans to customers, on a comparable scope of consolidation, slightly down from the beginning of the year, confirming the BPER Group's commitment to support its local economies.

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[1] Cassa di Risparmio di Bra became part of the BPER Group in the first quarter of 2013 and is now included in the scope of consolidation. The figure used to calculate the capital ratios includes the share of profits to be allocated to equity for the first quarter of 2013 and the net effects at 31 March 2013 of applying the fair value option.
[2] Ratio of Total Assets (net of Intangible Assets) and Total Group Equity (net of Intangible Assets).
[3] Figures restated on a comparable basis (in terms of scope of consolidation) and taking into account the regulatory changes introduced by the "Save Italy" decree in force since the fourth quarter of 2012, as well as a different accounting allocation.
[4] See note 3

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The Board of Directors of Banca popolare dell'Emilia Romagna today reviewed and approved the separate results of the Bank and the consolidated results of the Group for the first quarter of 2013.

At the end of the Board meeting, Luigi Odorici, CEO of the BPER Group, declared: "In this first quarter of the year, the economic crisis has shown no signs of improvement and difficult conditions persist for the real economy and for employment. In this context, I consider the Group's return to profitability to be very positive, taking into account the fact that we have continued to apply particularly prudent criteria in the assessment of problem loans and maintained high coverage in line with what happened in the latter part of 2012. In my opinion, the first part of this year has to be considered "interlocutory"; in other words, a period of transition towards a stage of normalisation that will hopefully take place in the second half of the year, when we expect to see a consolidation of core profitability, a further reduction in costs and a slow and gradual improvement in credit quality. I would also emphasise the Group's strong capital position with a Core Tier 1 ratio of 8.20%, despite the consolidation of CR Bra, without which it would have increased to all of 8.33%, compared with 8.27% in 2012, and a further improvement in the liquidity profile. On the strategic front, the quarter saw the inclusion of Cassa di Risparmio di Bra in the scope of consolidation, while the measures to streamline and simplify the Group continue: after the merger of Meliorbanca last November, the three subsidiaries in Central Italy, Carispaq, Banca Popolare di Aprilia and Banca Popolare di Lanciano e Sulmona, will be merged with the Parent Company by the end of May."

Net interest income comes to € 311.1 million, a decrease of 7.5% compared with the same period last year, mainly due to the significant reduction in market interest rates (average 3-month Euribor for the quarter decreased by approximately 80 bps compared with the first quarter of 2012) and weak demand for commercial loans, only partially offset by the increase in the contribution from the portfolio of financial assets. The important measures taken to reduce funding costs have already started to produce results, but higher benefits are expected over the coming quarters. In comparison with the previous quarter, the decline in margin has fallen to 5.4%, mainly because of the weakness in volumes and the "calendar" effect (two days less than the last quarter of 2012).

Net commission income, € 171.3 million (-0.3% year on year), is essentially stable compared with the same period last year, driven mainly by the contribution of traditional banking activities. The result restated on a pro-forma basis, on the other hand, shows a significant improvement (+4.2% year on year) based on the same scope of consolidation[5] and considering regulatory changes during the period; this result is even more important (+5.1%) if we take into account the higher costs incurred in setting up new eligible assets that were only partially present in the first quarter of 2012.

Net result from trading activities (including dividends of € 0.6 million) amounts to € 15.2 million, down from € 58.3 million in the first quarter of 2012. This result was achieved with the help of realised gains of € 25.7 million, net losses of € 0.5 million, for the most part attributable to the mark-to-market adjustment to Italian government bonds in portfolio, the negative contribution of the fair value option on financial liabilities for € 20.9 million (negative for € 68.6 million at 31 December 2012 and negative for € 35.3 million at 31 March 2012) and the positive contribution of other components for € 10.3 million.

[5] In comparing the two quarters, account should have been taken of changes in the scope of consolidation for the commissions contributed by Cassa di Risparmio di Bra included from the first quarter of 2013, and those relating to the custodian bank activity and Arca Impresa Gestioni SGR S.p.A. ("AIG") included in the results of the first quarter of 2012 and no longer present at 31 March 2013 (the custodian bank activities were sold in July 2012, whereas AIG was sold in March).

Net interest and other banking income amount to € 497.6 million at 31 March 2013, a decrease of 12.2% compared with the same period of 2012.

Net adjustments to loans and other financial assets amount to € 167.8 million, primarily due to the adjustments made in the lending sector (€ 161.6 million). The increase in loan loss provisions over the previous year is the result of a further deterioration in the economic climate and the serious difficulties faced by businesses and households, as well as a more prudent approach in the assessment of loans and guarantees. The total cost of credit at 31 March 2013 comes to 33 bps (133 bps annualised compared with 199 bps in 2012).

The level of **coverage of doubtful loans** is satisfactory and adequate for the risk level of the portfolio: the coverage ratio of total impaired loans comes to 36.3% versus 36.8% in December 2012, whereas the coverage of non-performing loans is 54.3% versus 54.9% in December 2012; based on the same scope of consolidation and taking into account important changes in status that already had adequate provisions, overall coverage is substantially in line with the end of 2012.

Net profit from financial activities, € 329.9 million in the period, has decreased by 29.4% compared with the same period of 2012.

Operating costs, net of other operating charges/income, amount to € 285.5 million in the first quarter of the year, 7.4% down year on year, mainly thanks to "Other income", which includes the effects of changes in the law relating to the structure for fees and commissions under the "Save Italy" decree in force from the fourth quarter of 2012, as well as a different accounting allocation for them: net of this change and the consolidation of CR Bra, operating costs have decreased by 2.2%. In particular, **payroll costs** amount to € 198.4 million, substantially stable compared with the same period last year (+0.3% year on year), but 1.4% down on the pro-forma figure net of CR Bra. **Other administrative expenses** amount to € 124.6 million, up by 1.4% year on year, while essentially stable considering the pro-forma figure net of CR Bra (+0.2% year on year).

The profit from current operations before tax amounts to € 44.4 million in the quarter (€ 158.5 million in the first quarter of 2012). **Income taxes for the period** amount to € 30.5 million; the *tax rate* is 68.7% (40.8% in December 2012).

The **net profit** amounts to € 15.4 million, with a **share attributable to the Parent Company** of € 14.4 million (€ 93.8 million and € 87.7 million respectively in the same period of the previous year), after the portion of net profit pertaining to minority interests of € 1 million.

Direct customer deposits (due to customers, debt securities in issue and financial liabilities designated at fair value through profit and loss) amount to € 47.4 billion (+0.4% compared with the end of 2012); the pro-forma figure net of CR Bra shows deposits down by 1.9%, mainly attributable to the reduction in financial transactions with institutional counterparties, above all bonds that expired and were not renewed.

Indirect customer deposits, at market price, amount to € 25.5 billion, an increase of 1.5% on the start of the year; the pro-forma figure net of CR Bra shows a substantial stability in terms of volumes (-0.3%). The **insurance policy portfolio**, which is not included in indirect deposits, comes to € 2.4 billion (+7.9% since the start of the year), almost entirely for life insurance; the pro-forma figure net of CR Bra shows an increase of 6.3% compared with the end of 2012.

Loans to customers, net of adjustments, amount to € 48.7 billion (+1.3% from the end of 2012); the pro-forma figure net of CR Bra shows a 1.1% decline in volumes. The decline recorded on a gross basis (calculated pro-forma) comes to just 0.7%, well below the average for the system, while reflecting the difficulties of the economy and the decline in demand for investment at system level.

Net doubtful loans come to € 5.6 billion, +7.7% from the end of 2012, including non-performing loans of € 2.2 billion (+14.4%); these amounts are respectively 11.5% and 4.4% of total loans to customers. In detail, at period-end there were net watchlist loans of € 2.6 billion, net restructured loans of € 0.3 billion and net past due loans of € 0.5 billion. The increase in non-performing loans in the quarter is mainly due to changes in the administrative status (approximately € 310 million on a gross basis and € 150 million of net loans), mainly due to watchlist and restructured loans on which adequate provisions had already been made in the 2012 financial statements, in line with the results of the Bank of Italy's inspection on the system that ended last March. Excluding the effect mentioned above, net inflows to non-performing loans are much lower than in the previous three quarters.

The **net interbank position** is negative for € 5.9 billion, compared with a negative balance of € 5 billion at the end of 2012. This derives from the imbalance between amounts due from banks of € 1.9 billion and amounts due to banks of € 7.8 billion, of which € 4.6 billion from the use of the refinancing facility with the European Central Bank, mainly attributable to the 3-year Long-Term Refinancing Operation (LTRO); the increased exposure has offset the decrease in short-term financial borrowing from customers. Financial instruments eligible for use as collateral for refinancing transactions on the market amount to € 11.9 billion at 31 March 2013, net of the haircut, of which € 4.1 billion are available.

Financial assets amount in total to € 8 billion, an increase of 10.8% on the end of 2012. Debt securities represent 88.9% of the total portfolio and amount to € 7.1 billion: of these, € 5.7 billion relate to government securities (almost all of which represented by Italian government bonds) and € 1.3 billion to banks. Exposure to the debt securities of the Eurozone's peripheral countries amounts to € 158.6 million, made up as follows: Portugal € 21.6 million, Ireland € 30.1 million and Spain € 106.9 million.

Against the assets available for sale ("AFS") of € 5.3 billion, there are positive valuation reserves for a total of € 165.7 million, net of the related tax effect, which is the net result of positive reserves for debt securities, equities and UCITS of € 193.5 million less negative reserves of € 27.8 million; the net reserve only for government bonds was a positive € 45.4 million.

Total Group equity amounts to € 4.7 billion (-0.8%), with minority interests of € 0.7 billion. Consolidated shareholders' equity of the Group, including the result for the year, comes to € 4.0 billion, -0.8% on the start of the year.

The **capital ratios**[6], based on the Basel 2 Standardised Approach are as follows:

- Core Tier 1 ratio of 8.20% (8.27% at the end of 2012) and Tier 1 ratio of 8.25% (8.30% at the end of 2012); ratios show an improvement of 6 bps compared with December 2012 on the same scope of consolidation (8.33% and 8.36% respectively)
- Total capital ratio of 11.78% (12.13% at the end of 2012); this figure is equal to 11.9% net of CR Bra.

The slight reduction in capital ratios compared with the end of 2012 is primarily attributable to the inclusion of CR Bra in the Group's scope of consolidation, put at around -13 bps and -11 bps on the Core Tier 1 and Tier 1 ratios respectively, whereas the downward trend in risk-weighted assets was maintained.

[6] See note 1.

The Group has a presence in 18 Regions of Italy, with 1,321 branches, of which 26 relate to CR Bra, as well as the head office of BPER (Europe) International s.a. in Luxembourg. On the same scope of consolidation, the quarter shows a reduction of two branches.

The Group currently has 11,981 employees, of whom 190 relate to CR Bra; net of these, there has been a reduction of 43 compared with the end of 2012 (11,834) and a decrease of 155 compared with March 2012 (11,946).

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Significant subsequent events

On 23 April 2013, after the approval of the Shareholders' Meetings of the three banks involved, Cassa di Risparmio della Provincia dell'Aquila, Banca Popolare di Lanciano e Sulmona and Banca Popolare di Aprilia, on 18, 14 and 18 April respectively, the Board of Directors of the Parent Company BPER (the merging company) approved the merger by absorption of the three subsidiaries. The transaction is scheduled to take place on the weekend of 25 and 26 May, with legal effect from 27 May 2013 and effective for accounting and tax purposes from 1 January 2013.

Outlook for operations

In these first few months of the year, the economy of the Eurozone countries, and Italy in particular, continue to show a recessionary climate and it is difficult to predict how long it will last. In Italy, the prospects for economic recovery still appear weak, being conditioned by the uncertainties related to the impact of the economic policies to be adopted within the new institutional framework. With regard to the banking system, expectations remain modest with regard to growth in volumes handled and the continued weakness in the economic environment could have an impact on revenues; benefits to the cost of funding should come from the expansionary monetary policy put in place by the ECB and the abundant liquidity in the system. Credit quality will continue to influence the banking system's earnings prospects, albeit to a lesser extent than last year, while the process of cost control should continue.

In line with the 2012-2014 Business Plan, the BPER Group is strongly committed to achieving the ordinary and extraordinary measures already planned. And although conditioned by the complex situation mentioned above, it maintains the goal of developing an adequate level of profitability that is sustainable over time. This should be realised through increased efficiency and cost containment and by strengthening the operational machine.

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Note that the consolidated quarterly report of the BPER Group at 31 March 2013 is unaudited. The document will be made available to the general public at the Head Office of the Bank, at the offices of Borsa Italiana S.p.a. and on the websites of the Bank and the Group (www.bper.it and www.gruppobper.it) as required by law.

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To complete the information provided, we attach the consolidated balance sheet and income statement (split into quarters with comparative figures) at 31 March 2013, as well as a summary of the main indicators.

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Modena, 14 May 2013

Chief Executive Officer
Luigi Odorici

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The Manager responsible for preparing the Company's financial reports, Emilio Annovi, declares in accordance with art. 154-bis, para. 2, of D.Lgs. 58/1998 (Consolidated Finance Act) that the accounting information contained in this press release agrees with the books of account, accounting entries and supporting documentation.

Modena, 14 May 2013

Manager responsible for preparing the
Company’s financial reports
Emilio Annovi

This is a translation into English of the original in Italian. The Italian text shall prevail over the English version.

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A conference call has been organised for **Wednesday, 15 May 2013 at 11.00 a.m. (CET)** to explain the BPER Group's results at 31 March 2013. The conference will be chaired by **Luigi Odorici**, **the Chief Executive Officer** and by **Alessandro Vandelli, the Chief Financial Officer.**

To join the conference call, dial the following number:

ITALY: +39 02 805 88 11
UK: +44 1212 818003
USA: +1 718 7058794

A set of slides supporting the presentation will be available the same day before the start of the presentation and conference call in the Investor Relations section of the website of the Bank and of the Group www.bper.it and www.gruppobper.it.

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Consolidated balance sheet as at 31 March 2013

(in thousands of Euro)

Assets	31.03.2013	31.12.2012	Change	%Change
10. Cash and balances with central banks	359,568	488,873	(129,305)	-26.45
20. Financial assets held for trading	1,371,961	1,596,048	(224,087)	-14.04
30. Financial assets designated at fair value through profit and loss	147,244	151,450	(4,206)	-2.78
40. Financial assets available for sale	5,294,000	4,679,402	614,598	13.13
50. Financial assets held to maturity	1,211,586	818,050	393,536	48.11
60. Due from banks	1,896,971	2,250,781	(353,810)	-15.72
70. Loans to customers	48,684,469	48,048,735	635,734	1.32
80. Hedging derivatives	2,416	-	2,416	n.s.
90. Remeasurement of financial assets backed by general hedges (+/-)	827	1,060	(233)	-21.98
100. Equity investments	266,294	269,094	(2,800)	-1.04
120. Property, plant and equipment	994,328	984,217	10,111	1.03
130. Intangible assets	477,684	467,488	10,196	2.18
of which: goodwill	383,045	375,935	7,110	1.89
140. Tax assets	960,300	957,066	3,234	0.34
a) current	71,964	113,483	(41,519)	-36.59
b) deferred	888,336	843,583	44,753	5.31
b1) of which L. 214/2011	760,792	715,316	45,476	6.36
150. Non-current assets and disposal groups held for sale	2,817	18,329	(15,512)	-84.63
160. Other assets	727,999	907,165	(179,166)	-19.75
Total assets	**62,398,464**	**61,637,758**	**760,706**	**1.23**

Liabilities and shareholders' equity	31.03.2013	31.12.2012	Change	%Change
10. Due to banks	7,810,745	7,269,461	541,284	7.45
20. Due to customers	33,079,866	32,288,488	791,378	2.45
30. Debt securities in issue	10,802,537	11,047,786	(245,249)	-2.22
40. Financial liabilities held for trading	211,879	216,864	(4,985)	-2.30
50. Financial liabilities designated at fair value through profit and loss	3,525,410	3,865,649	(340,239)	-8.80
60. Hedging derivatives	40,670	37,661	3,009	7.99
80. Tax liabilities	229,073	169,626	59,447	35.05
a) current	88,866	46,426	42,440	91.41
b) deferred	140,207	123,200	17,007	13.80
90. Liabilities associated with non-current assets held for sale	-	8,800	(8,800)	-100.00
100.Other liabilities	1,427,214	1,465,718	(38,504)	-2.63
110. Provision for termination indemnities	232,904	223,324	9,580	4.29
120. Provisions for risks and charges	287,464	281,329	6,135	2.18
a) pensions and similar commitments	113,790	104,833	8,957	8.54
b) other provisions	173,674	176,496	(2,822)	-1.60
140. Valuation reserves	161,713	199,447	(37,734)	-18.92
170. Reserves	2,244,897	2,264,190	(19,293)	-0.85
180. Share premium reserve	619,463	619,462	1	0.00
190. Share capital	998,165	998,165	-	0.00
200. Treasury shares	(7,266)	(7,266)	-	0.00
210. Minority interests	719,338	700,325	19,013	2.71
220. Profit (loss) for the period pertaining to the Parent Company	14,392	(11,271)	25,663	-227.69
Total liabilities and shareholders' equity	**62,398,464**	**61,637,758**	**760,706**	**1.23**

Consolidated income statement as at 31 March 2013

(in thousands of Euro)

Captions	31.03.2013	31.03.2012	Change	%Change
10. Interest and similar income	522,914	566,498	(43,584)	-7.69
20. Interest and similar expense	(211,799)	(229,990)	18,191	-7.91
30. Net interest income	**311,115**	**336,508**	**(25,393)**	**-7.55**
40. Commission income	184,746	183,096	1,650	0.90
50. Commission expense	(13,457)	(11,292)	(2,165)	19.17
60. Net commission income	**171,289**	**171,804**	**(515)**	**-0.30**
70. Dividends and similar income	575	920	(345)	-37.50
80. Net trading income	8,317	72,137	(63,820)	-88.47
90. Net hedging gains (losses)	(280)	(329)	49	-14.89
100. Gains/losses on disposal of:	24,834	11,984	12,850	107.23
a) loans	36	169	(133)	-78.70
b) financial assets available for sale	23,417	11,077	12,340	111.40
c) financial assets held to maturity	-	(179)	179	-100.00
d) financial liabilities	1,381	917	464	50.60
110. Net results on financial assets and liabilities designated at fair value	(18,215)	(26,380)	8,165	-30.95
120. Net interest and other banking income	**497,635**	**566,644**	**(69,009)**	**-12.18**
130. Net impairment adjustments:	(167,766)	(99,622)	(68,144)	68.40
a) loans	(161,628)	(98,725)	(62,903)	63.72
b) financial assets available for sale	(670)	(201)	(469)	233.33
d) other financial assets	(5,468)	(696)	(4,772)	685.63
140. Net profit from financial activities	**329,869**	**467,022**	**(137,153)**	**-29.37**
180. Administrative costs:	(323,000)	(320,719)	(2,281)	0.71
a) payroll	(198,440)	(197,918)	(522)	0.26
b) other administrative costs	(124,560)	(122,801)	(1,759)	1.43
190. Net provision for risks and charges	(5,318)	(4,907)	(411)	8.38
200. Net adjustments to property, plant and equipment	(10,081)	(10,315)	234	-2.27
210. Net adjustments to intangible assets	(4,958)	(3,581)	(1,377)	38.45
220. Other operating charges/income	57,822	31,283	26,539	84.84
230. Operating costs	**(285,535)**	**(308,239)**	**22,704**	**-7.37**
240. Profit (loss) from equity investments	(5)	(233)	228	-97.85
270. Gains (losses) on disposal of investments	88	(27)	115	-425.93
280. Profit (loss) from current operations before tax	**44,417**	**158,523**	**(114,106)**	**-71.98**
290. Income taxes on current operations	(30,509)	(64,748)	34,239	-52.88
300. Profit (loss) from current operations after tax	**13,908**	**93,775**	**(79,867)**	**-85.17**
310. Profit (loss) after tax on non-current assets held for sale	1,525	-	1,525	n.s.
320. Net profit (loss)	**15,433**	**93,775**	**(78,342)**	**-83.54**
330. Net profit (loss) pertaining to minority interests	(1,041)	(6,038)	4,997	-82.76
340. Profit (loss) for the period pertaining to the Parent Company	**14,392**	**87,737**	**(73,345)**	**-83.60**

Consolidated income statement by quarter as at 31 March 2013

Captions	31.03.2013	31.03.2012	2nd quarter 2012	3rd quarter 2012	4th quarter 2012	31.12.2012
10. Interest and similar income	522,914	566,498	546,668	541,942	541,341	2,196,449
20. Interest and similar expense	(211,799)	(229,990)	(226,019)	(218,298)	(212,603)	(886,910)
30. **Net interest income**	**311,115**	**336,508**	**320,649**	**323,644**	**328,738**	**1,309,539**
40. Commission income	184,746	183,096	195,677	192,233	191,800	762,806
50. Commission expense	(13,457)	(11,292)	(13,955)	(15,329)	(14,289)	(54,865)
60. **Net commission income**	**171,289**	**171,804**	**181,722**	**176,904**	**177,511**	**707,941**
70. Dividends and similar income	575	920	3,288	339	456	5,003
80. Net trading income	8,317	72,137	(19,714)	37,959	7,995	98,377
90. Net hedging gains (losses)	(280)	(329)	(362)	(383)	(160)	(1,234)
100. Gains/losses on disposal of:	24,834	11,984	21,060	16,995	41,941	91,980
a) loans	36	169	(515)	(122)	(306)	(774)
b) financial assets available for sale	23,417	11,077	(351)	15,264	42,024	68,014
c) financial assets held to maturity	-	(179)	-	-	-	(179)
d)financial liabilities	1,381	917	21,926	1,853	223	24,919
110. Net results on financial assets and liabilities designated at fair value	(18,215)	(26,380)	10,768	(26,698)	(14,438)	(56,748)
120. **Net interest and other banking income**	**497,635**	**566,644**	**517,411**	**528,760**	**542,043**	**2,154,858**
130. Net impairment adjustments to:	(167,766)	(99,622)	(195,405)	(128,627)	(548,270)	(971,924)
a) loans	(161,628)	(98,725)	(190,883)	(130,370)	(538,415)	(958,393)
b) financial assets available for sale	(670)	(201)	(4,672)	45	(4,011)	(8,839)
c) financial assets held to maturity	-	-	-	-	-	-
d) other financial assets	(5,468)	(696)	150	1,698	(5,844)	(4,692)
140. **Net profit from financial activities**	**329,869**	**467,022**	**322,006**	**400,133**	**(6,227)**	**1,182,934**
180. Administrative costs:	(323,000)	(320,719)	(333,107)	(312,269)	(293,371)	(1,259,466)
a) payroll	(198,440)	(197,918)	(205,333)	(197,420)	(168,906)	(769,577)
b) other administrative costs	(124,560)	(122,801)	(127,774)	(114,849)	(124,465)	(489,889)
190. Net provisions for risks and charges	(5,318)	(4,907)	(3,654)	(2,135)	(18,436)	(29,132)
200. Net adjustments to property, plant and equipment	(10,081)	(10,315)	(11,414)	(10,434)	(12,685)	(44,848)
210. Net adjustments to intangible assets	(4,958)	(3,581)	(3,637)	(4,061)	(4,733)	(16,012)
220. Other operating charges/income	57,822	31,283	30,255	46,152	35,963	143,653
230. **Operating costs**	**(285,535)**	**(308,239)**	**(321,557)**	**(282,747)**	**(293,262)**	**(1,205,805)**
240. Profit (loss) from equity investments	(5)	(233)	5,384	955	9,085	15,191
260. Adjustments to goodwill	-	-	(36)	-	(12)	(48)
270. Gains (losses) on disposal of investments	88	(27)	(1,633)	(989)	2,964	315
280. **Profit (loss) from current operations before tax**	**44,417**	**158,523**	**4,164**	**117,352**	**(287,452)**	**(7,413)**
290. Income taxes on current operations	(30,509)	(64,748)	(20,701)	(57,031)	117,295	(25,185)
300. **Profit (loss) from current operations after tax**	**13,908**	**93,775**	**(16,537)**	**60,321**	**(170,157)**	**(32,598)**
310. Profit (loss) after tax on non-current assets held for sale	1,525	-	-	482	(482)	-
320. **Net profit (loss)**	**15,433**	**93,775**	**(16,537)**	**60,803**	**(170,639)**	**(32,598)**
330. Net profit (loss) pertaining to minority interests	(1,041)	(6,038)	11,577	(1,873)	17,661	21,327
340. **Profit (loss) for the period pertaining to the Parent Company**	**14,392**	**87,737**	**(4,960)**	**58,930**	**(152,978)**	**(11,271)**

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Performance ratios as at 31 March 2013

	31.03.2013	2012 (*)
Financial ratios		
Structural ratios (%)		
loans to customers\total assets	78.02%	77.95%
loans to customers\direct deposits from customers	102.69%	101.79%
fixed assets/total assets	2.02%	2.03%
total risk-weighted assets (RWA)\total assets	72.81%	72.62%
goodwill\total assets	0.61%	0.61%
total direct deposits\total assets	88.49%	88.37%
deposits under management\indirect deposits	42.48%	41.01%
leverage (**)	14.49	14.24
net interbank lending (in thousands of Euro)	(5,913,774)	(5,018,680)
number of employees	11,981	11,834
number of national bank branches	1,321	1,297
Profitability ratios (%)		
ROE	0.30%	-0.29%
ROA (net profit/total assets)	0.02%	0.15%
Cost\income ratio	57.38%	54.40%
net adjustments to loans\net loans to customers	0.33%	0.21%
Basic EPS	0.042	0.266
Diluted EPS	0.043	0.256
Risk ratios (%)		
net non performing loans\net loans to customers	4.43%	3.92%
net watchlist loans\net loans to customers	5.33%	5.23%
adjustments to non performing loans\gross non performing loans	54.30%	54.87%
adjustments to performing loans\gross performing loans	0.65%	0.66%
Capital for supervisory purposes and capital ratios (***)		
Core Tier 1 capital	3,723,363	3,701,624
Tier 1 capital	3,746,337	3,714,841
Capital for supervisory purposes (including Tier 3)	5,349,420	5,427,499
Risk-weighted assets (RWA)	45,429,525	44,758,313
Core Tier 1 ratio	8.20%	8.27%
Tier 1 capital ratio	8.25%	8.30%
Total capital ratio	11.78%	12.13%
Non-financial ratios		
Productivity ratios (in thousands of Euro)		
direct deposits from customers per employee	3,956.92	3,988.67
loans to customers per employee	4,063.47	4,060.23
assets managed per employee	905.31	871.47
assets administered per employee	1,226.07	1,253.63
net interest and other banking income per employee	41.54	47.43

(*) The comparative figures for the income statement are as at March 2012, except for the ROE which is calculated on a yearly basis.

(**) Leverage= total tangible assets (total assets net of intangible assets)\tangible equity (total shareholders' equity net of intangible assets).

(***)Capital for supervisory purposes (Core Tier 1, Tier 1 e Total) and the capital ratios have been calculated based on equity that includes its share of net profit for the first three months of the year and taking account of the net effects at 31 March 2013 of applying the fair value option, with an impact of 6 bps for the overall portion attributable to the results for the first quarter of 2013.

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