PRESS RELEASE

Draft separate and consolidated financial statements for the year ended 31 December 2012 approved

- **The overall consolidated net result of the period negative for € 32.6 million, which falls to € 11.3 million after minority interests.**

- **The result is influenced by high loan loss provisions following the application of an extremely prudent valuation approach with a view to significantly raising the coverage of doubtful loans.**

- **The Group's financial solidity is confirmed with a Core Tier 1 ratio of 8.27%, low leverage and a good liquidity position.**

- **Core revenues have held up well with a good result from financial activities.**

- **Costs are well down (-3%) as a result of structural action to improve efficiency.**

✓ Net interest and other banking income of € 2,154.9 million, an increase of 2.6% on the end of 2011: net interest income has remained reasonably stable (-1.6%) despite the sharp fall in short-term market interest rates, whereas net commissions have increased significantly (+2%) and the net result from financial activities is positive

✓ Operating profit of € 1,182.9 million (-32.4% year-on-year) penalised by a significant increase in loan adjustments due to the continuing economic crisis

✓ Overall cost of credit for the year amounted to 199 bps compared with 71 bps in 2011

✓ Significant increase in the coverage of overall doubtful loans to 36.8% and of non-performing loans to 54.9% (33.8% and 52.8% respectively at the end of 2011)

✓ Operating costs down by 3% on 2011 thanks to effective cost management and containment policies Cost/income ratio of 56.0%, a considerable decrease from 59.1% the previous year

✓ Continuation of the rationalization and simplification of the Group, in line with the objectives of the Business Plan, including the merger of Meliorbanca with the Parent Company

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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 at 31 December 2012.

At the end of the Board meeting, Luigi Odorici, CEO of the BPER Group, declared: "This year's result was penalised by the prolonged recessionary climate that the country is still experiencing. This has led to a general deterioration of credit quality at system level, particularly among small and medium-sized enterprises, to which have to be added the effects of last May's earthquake in Emilia Romagna. In this extraordinary economic situation, given that the growth prospects for 2013 continue to be downgraded and the fact that the housing market has more or less come to a standstill, we have taken an even more prudent approach in our credit assessments and provisioning policies. Although the result for the year has been significantly affected by these very conservative loan loss provisions, the Group managed to keep its core revenues close to last year's with a significant reduction in operating costs. Also worth pointing out is the Group's financial solidity, with Core Tier 1 rising to 8.27% from 7.83% in 2011, and a further improvement in its liquidity profile."

Net interest income amounted to € 1,309.5 million (-1.6% y/y), substantially the same as a year earlier despite the significant reduction in market interest rates (average 3-month Euribor down by more than 80 bps on 2011), largely offset by an increase in the contribution made by financial asset portfolio. In the fourth quarter, net interest income shows signs of improvement over the previous quarter (+1.5%) as a result of the combined effects of incisive asset repricing, a reduction in the cost of funding and the contribution of the securities portfolio.

Net commission income of € 707.9 million (+2% y/y, +0.3% q/q) shows a positive result, mainly due to the contribution of traditional banking activities, which is even more impressive if you consider the additional costs incurred in setting up new eligible assets which were not present in 2011 and the effect of the regulatory changes to the fee structure and their accounting treatment foreseen in the "Save Italy" decree, in force from the fourth quarter of 2012.

The net result from trading activities (including dividends) is a profit of Euro 137.4 million, a significant improvement on 2011 (+79%). This result was largely achieved with the help of the realised gains of € 116.2 million (including the capital gain of € 21.6 million on the repurchase of the Bank's own subordinated debt), net gains of € 80 million mainly attributable to the mark-to-market adjustment to Italian government bonds in portfolio, less the negative contribution of the fair value option on financial liabilities of € 68.6 million (having been positive for € 146.1 million at 31 December 2011 and negative for € 51.8 million at 30 September 2012).

Net interest and other banking income in 2012 amounted to € 2,154.9 million, a growth of 2.6% on 2011.In the fourth quarter, this margin posted an increase of 2.5%, thanks to the contribution of core revenues and net trading income.

Net adjustments to loans and other financial assets amount to € 971.9 million, primarily due to the adjustments made to the credit sector (€ 958.4 million). The significant increase in loan loss provisions over the previous year is the result of adjusting the level of coverage to changed market conditions, particularly with regard to the value of real estate collateral and extended recovery times in the event of enforcement. The total cost of credit at 31 December 2012 comes to 199 bps (71 bps in 2011).

Given the high value of provisions, the level of **coverage of doubtful loans** has improved considerably: in fact, the coverage ratio of total doubtful loans comes in at 36.8% versus 31.6% in

September and 33.8% at the end of 2011, while the coverage of non-performing loans is at 54.9% compared with 51.6% in September and 52.8% at the end of 2011. There has also been a significant improvement in the coverage of other types of loans, especially with regard to watchlist loans, up to 20% from 15.6% in September and 16.8% at the end of 2011.

The **net profit from financial activities**, € 1,182.9 million in the period, has fallen by 32.4% with respect to 2011, mainly due to the net adjustments to loans mentioned previously.

Operating costs, net of other operating charges/income, in 2012 amount to € 1,205.8 million, a decrease of 3% y/y, confirming the Group's ongoing commitment to pursue policies to hold down costs on a structural basis. This result was negatively affected by the Euro 25.8 million of extraordinary provisions for voluntary redundancies and the "Solidarity Fund" made following the agreement signed with the Trade Unions on 15 September 2012, as envisaged by the Business Plan 2012-2014, to which have to be added the costs resulting from the earthquake last May estimated at around € 6.2 million (including € 1.6 million of charitable donations); these extraordinary costs were partially offset by the capital gain of € 20.9 million realised on the sale of the "custodian bank" business, recorded under "other operating income". In particular, **payroll costs** amount to € 769.6 million, 2.1% down on 2011, mainly due to the reduction in the workforce and the scaling down of the variable element of remuneration; this result becomes even more significant when considered net of the extraordinary provision mentioned previously (-5.4% y/y). **Other administrative costs** amount to € 489.9 million, 2.2% lower than at the end of 2011 thanks to efficient management of current expenditure.

The year's **result of current operations before income taxes** is negative for € 7.4 million.

Income taxes for the period amount to € 25.2 million, including the non-recurring items recorded in the fourth quarter in connection with the tax credit for the recovery of prior-year IRES for the tax years 2007 to 2011, deriving from the deductibility of IRAP on labour costs of € 32.8 million and the benefit of freeing up the goodwill arising on the absorption of Meliorbanca by the Parent Company (€ 17.9 million).

The **result** for the year is a loss of € 32.6 million, of which the **Parent Company's share** is € 11.3 million, net of the loss pertaining to minority interests of € 21.3 million.

Direct customer deposits (due to customers, debt securities in issue and financial liabilities designated at fair value through profit and loss) come to € 47.2 billion, down on the end of 2011 (-2.8%), mainly attributable to the reduction in financial transactions with institutional counterparties considered particularly expensive and the transfer of local government liquidity to the State Treasury account at the Bank of Italy provided for in the "Save Italy" decree (€ 0.9 billion).

Indirect customer deposits, at market price, amount to € 25.1 billion, a slight decrease on the start of the year (-1.9%). The **insurance policy portfolio**, which is not included in indirect deposits, comes to € 2.2 billion (+4.2% since the start of the year), almost entirely for life insurance.

Loans to customers, net of adjustments, amount to € 48 billion, substantially in line (-0.3%) with the figures at the end of 2011.

Net doubtful loans come to € 5.2 billion, +20.1% YTD, including non-performing loans of € 1.9 billion (+20.8%); these amounts are respectively 10.8% and 3.9% of total loans to customers. The trend in doubtful loans is on the rise compared with 2011 because of the deepening recession which is affecting the entire Italian economy and, compared with the end of last year, a change in the law regarding past due loans; there is also an appreciable reduction in the total stock in the fourth quarter of the year (to € 5.2 bilion from € 5.6 bilion). In detail, at year-end there were net watchlist loans of € 2.5 billion, net restructured loans of € 0.4 billion and net past due loans of € 0.4 billion.

The **net interbank position** is negative for € 5 billion, compared with a negative balance of € 2.4 billion at the end of 2011. This derives from the imbalance between amounts due from banks of € 2.2 billion and amounts due to banks of € 7.3 billion, of which € 4.4 billion from the use of the refinancing facility with the European Central Bank, all attributable to the 3-year Long-Term Refinancing Operation (LTRO). Since the end of 2011, 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 € 10 billion at 31 December 2012, net of the haircut, of which € 2.7 billion are available.

Financial assets amount in total to € 7.2 billion, an increase of 28.5% on the end of 2011. Debt securities represent 87.3% of the total portfolio and amount to € 6.3 billion: of these, € 4.9 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 € 169 million, made up as follows: Portugal € 21 million, Ireland € 35 million, and Spain € 113 million.

Against the assets available for sale ("AFS") of € 4.7 bilion, there are positive valuation reserves for a total of € 203.4 million, net of the related tax effect, which is the net result of positive reserves for debt securities, equities and UCITS of € 222 million less negative reserves of € 18.7 million; the net reserve only for government bonds was a positive € 81 million.

Total Group equity amounts to € 4.8 billion (+2.5%). Minority interests amount to € 0.7 billion. Consolidated shareholders' equity of the Group, including the result for the year, comes to € 4.1 billion, +3.4% on the start of the year, thanks in particular to the change in the net valuation reserves for financial assets available for sale.

The **capital ratios** based on the Basel 2 Standardised Approach are as follows:

- Core Tier 1 ratio of 8.27% (7.83% at the end of 2011) and Tier 1 ratio of 8.30% (7.86% at the end of 2011), showing a further improvement of 44 bps compared with the end of 2011;
- Total capital ratio of 12.13% (11.54% at the end of 2011).

The improvement in capital ratios has been achieved mainly through a significant reduction in risk-weighted assets, due to effective measures for the restructuring of assets to lower risk levels, on the one hand and, on the other, to a lower absorption of capital on problem loans due to higher provisions.

The Group has a presence in 17 Regions of Italy with 1,297 branches, as well as the head office of BPER (Europe) International s.a. in Luxembourg.

The Group currently has 11,834 employees, 131 fewer than at the end of 2011 (when there were 11,965).

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Banca popolare dell’Emilia Romagna (Parent Company)

The separate financial statements of the Bank at 31 December 2012, which were approved by the Board of Directors at the same time, show the following figures. For presentation purposes, to permit comparison on a consistent basis and to show the real changes between the two years, the comparative figures from the financial statements at 31 December 2011 have been restated on a pro-forma basis to take account of the mergers that took place in 2012, namely BPER's absorption of Em.Ro. popolare and Meliorbanca, with effect for tax and accounting purposes from 1 January 2012.

Balance sheet

direct deposits amount to € 23.9 billion (+0.3%);

indirect deposits come to € 16.9 billion (-4.3%);

net loans to customers amount to € 24.9 billion (+0.9%); net non-performing loans amount to € 0.8 billion, 3.2% of the total;

shareholders' equity, including the result for the year, comes to € 3.5 billion (+1.1%).

Income statement

net interest income amounts to € 497.2 million (+9.1% on 2011);

net commission income amounts to € 315.7 million, an increase of 5.5% y/y;

net interest and other banking income comes to € 919.4 million (+1.6% y/y), thanks to the contribution of core revenues;

net profit from financial activities amounts to € 402.6 million, well down on 2011, mainly because of the net adjustments to loans;

operating costs, net of other operating income, amount to € 423.4 million (-4.6% y/y);

The **result of current operations before income taxes** for the year is negative for € 7.5 million;

Considering that taxes have a positive impact of € 8.3 million, the **net result for the year** 2012 is a profit of € 0.8 million, which has to be allocated to the non-distributable reserve as per art. 6 paragraph 2 of Legislative Decree 38/2005.

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Significant subsequent events

Merger plan for Cassa di Risparmio della Provincia dell’Aquila S.p.A., Banca Popolare di Lanciano e Sulmona S.p.A. and Banca Popolare di Aprilia S.p.A. to be absorbed by Banca popolare dell’Emilia Romagna s.c.

On 11 January 2013, the Board of Directors of Banca popolare dell’Emilia Romagna s.c. and the Boards of Directors of Cassa di Risparmio della Provincia dell’Aquila s.p.a., Banca Popolare di Lanciano e Sulmona s.p.a. and Banca Popolare di Aprilia s.p.a. approved a merger plan for the three banks to be absorbed by BPER. The merger will take place in a simplified form in accordance with art. 2505-bis of the Italian Civil Code, as the merging company holds more than 90% of the share capital of the companies to be merged. This plan obtained Bank of Italy approval on 5 March 2013.

Acquisition of control of Cassa di Risparmio di Bra

On 7 February 2013, having obtained the necessary approvals from the competent authorities, Banca popolare dell'Emilia Romagna s.c and Fondazione Cassa di Risparmio di Bra finalised the sale of 35.98% of the share capital of Cassa di Risparmio di Bra by the Foundation in favour of BPER, for a total of € 23.9 million. This transaction gives BPER ownership of a 67% controlling interest in the share capital of the Cassa (versus the 31.02% that it held previously).

Outlook for operations

The macroeconomic scenario for 2013 will remain conditioned, especially in certain Eurozone countries, by uncertainties about the depth and duration of the current recession; a slow and gradual improvement is only expected from the second half of the year. In Italy, the economic growth prospects are weak and influenced by uncertainties about developments in the institutional picture. As for the banking system, expectations are modest with regard to growth in volumes handled and the weak economic environment could lead to pressure on margins, while the process of cost reduction will continue; credit quality will also continue to influence the banking system's prospects of profitability, though to a lesser extent than in 2012.

In line with the new Business Plan 2012-2014, the BPER Group is strongly committed to achieving the ordinary and extraordinary measures planned to streamline the Group's organisation and, at the same time, to recover those revenue and cost synergies that should permit an adequate and sustainable return on capital, as well as to further strengthen the capital base.

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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 December 2012, as well as a summary of the main indicators. We also attach the financial statements of Banca popolare dell'Emilia Romagna (balance sheet and income statement, the latter also split into quarters) at 31 December 2012, with comparative figures at 31 December 2011 calculated on a pro-forma basis taking into account the mergers of Meliorbanca s.p.a. and Em.Ro. popolare s.p.a. with the Banca popolare dell'Emilia Romagna with effect from 1 January 2012.

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Today, the Board of Directors of Banca popolare dell'Emilia Romagna also examined and approved the report on corporate governance and ownership structure as per art. 123-bis of Legislative Decree 58 dated 24 February 1998, as well as reports and documents on each of the items on the agenda of the upcoming Shareholders' Meeting.

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The draft financial statements, consolidated financial statements and the above mentioned reports and documents 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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The Board of Directors of the Bank today decided to convene the Ordinary and Extraordinary Shareholders' Meeting on 19 April 2013 at 9:00 a.m. at first calling, at the premises of "Modena Fiere", in Modena, main entrance on Viale Virgilio, and on Saturday, 20 April 2013 at second calling, at the same time and place.
The notice of calling will be published in accordance with the law.

Modena, 13 March 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, 13 March 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 **Thursday, 14 March** 2013 at 9.30 a.m. (CET) to explain the BPER Group's results at 31 December 2012.
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, key in 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 December 2012

(in thousands of Euro)

Assets	31.12.2012	31.12.2011	Change	% change
10. Cash and balance with central banks	488,873	463,315	25,558	5.52
20. Financial assets held for trading	1,596,048	2,123,489	(527,441)	-24.84
30. Financial assets designated at fair value	151,450	216,089	(64,639)	-29.91
40. Financial assets available for sale	4,679,402	2,605,192	2,074,210	79.62
50. Financial assets held to maturity	818,050	693,502	124,548	17.96
60. Due from banks	2,250,781	2,832,122	(581,341)	-20.53
70. Loans to customers	48,048,735	48,186,287	(137,552)	-0.29
90. Remeasurement of financial assets backed by general hedges (+/-)	1,060	870	190	21.84
100. Equity investments	269,094	281,806	(12,712)	-4.51
120. Property, plant and equipment	984,217	989,727	(5,510)	-0.56
130. Intangible assets	467,488	457,446	10,042	2.20
of which: goodwill	375,935	376,029	(94)	-0.02
140. Tax assets	957,066	694,047	263,019	37.90
a) current	113,483	43,040	70,443	163.67
b) deferred	843,583	651,007	192,576	29.58
b1) of which law 214/2011	715,316	476,215	239,101	50.21
150. Non-current assets and disposal groups held for sale	18,329	45,820	(27,491)	-60.00
160. Other assets	907,165	898,219	8,946	1.00
Total assets	**61,637,758**	**60,487,931**	**1,149,827**	**1.90**

Liabilities and shareholders' equity	31.12.2012	31.12.2011	Change	% change
10. Due to banks	7,269,461	5,210,768	2,058,693	39.51
20. Due to customers	32,288,488	30,705,177	1,583,311	5.16
30. Debt securities in issue	11,047,786	13,759,886	(2,712,100)	-19.71
40. Financial liabilities held for trading	216,864	212,733	4,131	1.94
50. Financial liabilities designated at fair value through profit and loss	3,865,649	4,115,072	(249,423)	-6.06
60. Hedging derivatives	37,661	33,336	4,325	12.97
80. Tax liabilities:	169,626	100,730	68,896	68.40
a) current	46,426	41,067	5,359	13.05
b) deferred	123,200	59,663	63,537	106.49
90. Liabilities associated with non-current assets	8,800	36,203	(27,403)	-75.69
100. Other liabilities	1,465,718	1,092,968	372,750	34.10
110. Provision for termination indemnities	223,324	207,585	15,739	7.58
120. Provisions for risks and charges	281,329	367,083	(85,754)	-23.36
a) pensions and similar commitments	104,833	227,946	(123,113)	-54.01
b) other provisions	176,496	139,137	37,359	26.85
140. Valuation reserves	199,447	49,349	150,098	304.16
170. Reserves	2,264,190	2,078,268	185,922	8.95
180. Share premium reserve	619,462	675,369	(55,907)	-8.28
190. Share capital	998,165	996,426	1,739	0.17
200. Treasury shares	(7,266)	(83,336)	76,070	-91.28
210. Minority interests	700,325	715,675	(15,350)	-2.14
220. Profit (loss) for the period pertaining to the Parent Company	(11,271)	214,639	(225,910)	-105.25
Total liabilities and shareholders' equity	**61,637,758**	**60,487,931**	**1,149,827**	**1.90**

Consolidated income statement as at 31 December 2012

(in thousands of Euro)

Captions		31.12.2012	31.12.2011	Change	% change
10.	Interest and similar income	2,196,449	2,106,791	89,658	4.26
20.	Interest and similar expense	(886,910)	(776,348)	(110,562)	14.24
30.	**Net interest income**	**1,309,539**	**1,330,443**	**(20,904)**	**-1.57**
40.	Commission income	762,806	735,130	27,676	3.76
50.	Commission expense	(54,865)	(41,436)	(13,429)	32.41
60.	**Net commission income**	**707,941**	**693,694**	**14,247**	**2.05**
70.	Dividends and similar income	5,003	7,298	(2,295)	-31.45
80.	Net trading income	98,377	(70,102)	168,479	-240.33
90.	Net hedging gains (losses)	(1,234)	(1,182)	(52)	4.40
100.	Gains/losses on disposal or repurchase of:	91,980	11,318	80,662	712.69
	a) loans and advances	(774)	219	(993)	-453.42
	b) financial assets available for sale	68,014	5,346	62,668	--
	c) financial assets held to maturity	(179)	-	(179)	--
	d) financial liabilities	24,919	5,753	19,166	333.15
110.	Net results on financial assets and liabilities designated at fair value	(56,748)	129,335	(186,083)	-143.88
120.	**Net interest and other banking income**	**2,154,858**	**2,100,804**	**54,054**	**2.57**
130.	Net impairment adjustments to:	(971,924)	(350,132)	(621,792)	177.59
	a) loans and advances	(958,393)	(344,055)	(614,338)	178.56
	b) financial assets available for sale	(8,839)	(6,616)	(2,223)	33.60
	c) financial assets held to maturity	-	(3,463)	3,463	-100.00
	d) other financial assets	(4,692)	4,002	(8,694)	-217.24
140.	**Net profit from financial activities**	**1,182,934**	**1,750,672**	**(567,738)**	**-32.43**
180.	Administrative costs:	(1,259,466)	(1,286,895)	27,429	-2.13
	a) payroll costs	(769,577)	(785,876)	16,299	-2.07
	b) other administrative costs	(489,889)	(501,019)	11,130	-2.22
190.	Net provisions for risks and charges	(29,132)	(22,412)	(6,720)	29.98
200.	Net adjustments to property, plant and equipment	(44,848)	(43,471)	(1,377)	3.17
210.	Net adjustments to intangible assets	(16,012)	(14,205)	(1,807)	12.72
220.	Other operating charges/income	143,653	124,384	19,269	15.49
230.	**Operating costs**	**(1,205,805)**	**(1,242,599)**	**36,794**	**-2.96**
240.	Profit (loss) from equity investments	15,191	(43,166)	58,357	-135.19
260.	Adjustments to goodwill	(48)	(61,429)	61,381	-99.92
270.	Gains (losses) on disposal of investments	315	2,618	(2,303)	-87.97
280.	**Profit (loss) from current operations before tax**	**(7,413)**	**406,096**	**(413,509)**	**-101.83**
290.	Income taxes on current operations	(25,185)	(162,165)	136,980	-84.47
300.	**Profit (loss) from current operations after tax**	**(32,598)**	**243,931**	**(276,529)**	**-113.36**
310.	Profit (loss) after tax on non-current assets held for sale	-	(6,572)	6,572	-100.00
320.	**Net profit (loss)**	**(32,598)**	**237,359**	**(269,957)**	**-113.73**
330.	Net profit (loss) pertaining to minority interests	21,327	(22,720)	44,047	-193.87
340.	**Profit (loss) for the period pertaining to the Parent Company**	**(11,271)**	**214,639**	**(225,910)**	**-105.25**

Consolidated income statement by quarters as at 31 December 2012

Captions	1st quarter 2012	2nd qurter 2012	3rd quarter 2012	4th quarter 2012	31.12.2012	1st quarter 2011	2nd quarter 2011	3rd quarter 2011	4th quarter 2011	31.12.2011
10. Interest and similar income	566,498	546,668	541,942	541,341	2,196,449	479,437	512,901	545,861	568,592	2,106,791
20. Interest and similar expense	(229,990)	(226,019)	(218,298)	(212,603)	(886,910)	(156,934)	(184,794)	(207,809)	(226,811)	(776,348)
30. **Net interest income**	**336,508**	**320,649**	**323,644**	**328,738**	**1,309,539**	**322,503**	**328,107**	**338,052**	**341,781**	**1,330,443**
40. Commission income	183,096	195,677	192,233	191,800	762,806	181,967	177,712	186,869	188,582	735,130
50. Commission expense	(11,292)	(13,955)	(15,329)	(14,289)	(54,865)	(9,757)	(8,936)	(11,736)	(11,007)	(41,436)
60. **Net commission income**	**171,804**	**181,722**	**176,904**	**177,511**	**707,941**	**172,210**	**168,776**	**175,133**	**177,575**	**693,694**
70. Dividends and similar income	920	3,288	339	456	5,003	825	3,979	577	1,917	7,298
80. Net trading income	72,137	(19,714)	37,959	7,995	98,377	23,909	(9,126)	(61,566)	(23,319)	(70,102)
90. Net hedging gains (losses)	(329)	(362)	(383)	(160)	(1,234)	74	(71)	(942)	(243)	(1,182)
100. Gains (losses) on disposal or repurchase of:	11,984	21,060	16,995	41,941	91,980	95	10,009	1,853	(639)	11,318
a) loans and advances	169	(515)	(122)	(306)	(774)	492	495	8	(776)	219
b) financial assets available for sale	11,077	(351)	15,264	42,024	68,014	(65)	4,990	483	(62)	5,346
c) financial assets held to maturity	(179)	-	-	-	(179)	9	(9)	1	(1)	-
d) financial liabilities	917	21,926	1,853	223	24,919	(341)	4,533	1,361	200	5,753
110. Net results on financial assets and liabilities designated at fair value	(26,380)	10,768	(26,698)	(14,438)	(56,748)	(6,004)	25,080	54,874	55,385	129,335
120. **Net interest and other banking income**	**566,644**	**517,411**	**528,760**	**542,043**	**2,154,858**	**513,612**	**526,754**	**507,981**	**552,457**	**2,100,804**
130. Net impairment adjustments to:	(99,622)	(195,405)	(128,627)	(548,270)	(971,924)	(74,767)	(106,158)	(86,284)	(82,923)	(350,132)
a) loans and advances	(98,725)	(190,883)	(130,370)	(538,415)	(958,393)	(75,088)	(100,631)	(84,068)	(84,268)	(344,055)
b) financial assets available for sale	(201)	(4,672)	45	(4,011)	(8,839)	(2)	(1,713)	(568)	(4,333)	(6,616)
c) financial assets held to maturity	-	-	-	-	-	-	(1,042)	(1,432)	(989)	(3,463)
d) other financial assets	(696)	150	1,698	(5,844)	(4,692)	323	(2,772)	(216)	6,667	4,002
140. **Net profit from financial activities**	**467,022**	**322,006**	**400,133**	**(6,227)**	**1,182,934**	**438,845**	**420,596**	**421,697**	**469,534**	**1,750,672**
180. Administrative costs:	(320,719)	(333,107)	(312,269)	(293,371)	(1,259,466)	(317,491)	(337,206)	(306,759)	(325,439)	(1,286,895)
a) payroll costs	(197,918)	(205,333)	(197,420)	(168,906)	(769,577)	(197,908)	(208,809)	(181,453)	(197,706)	(785,876)
b) other administrative costs	(122,801)	(127,774)	(114,849)	(124,465)	(489,889)	(119,583)	(128,397)	(125,306)	(127,733)	(501,019)
190. Net provisions for risks and charges	(4,907)	(3,654)	(2,135)	(18,436)	(29,132)	(7,268)	(9,006)	(3,276)	(2,862)	(22,412)
200. Net adjustments to property, plant and equipment	(10,315)	(11,414)	(10,434)	(12,685)	(44,848)	(10,695)	(10,963)	(10,637)	(11,176)	(43,471)
210. Net adjustments to intangible assets	(3,581)	(3,637)	(4,061)	(4,733)	(16,012)	(3,326)	(3,398)	(3,507)	(3,974)	(14,205)
220. Other operating charges/income	31,283	30,255	46,152	35,963	143,653	27,367	26,516	25,728	44,773	124,384
230. **Operating costs**	**(308,239)**	**(321,557)**	**(282,747)**	**(293,262)**	**(1,205,805)**	**(311,413)**	**(334,057)**	**(298,451)**	**(298,678)**	**(1,242,599)**
240. Profit (loss) from equity investments	(233)	5,384	955	9,085	15,191	(2,115)	(16,735)	40	(24,356)	(43,166)
260. Adjustments to goodwill	-	(36)	-	(12)	(48)	(60)	(43)	(35)	(61,291)	(61,429)
270. Gains (losses) on disposal of investments	(27)	(1,633)	(989)	2,964	315	289	316	243	1,770	2,618
280. **Profit (loss) from current operations before tax**	**158,523**	**4,164**	**117,352**	**(287,452)**	**(7,413)**	**125,546**	**70,077**	**123,494**	**86,979**	**406,096**
290. Income taxes on current operations	(64,748)	(20,701)	(57,031)	117,295	(25,185)	(53,297)	(47,768)	(55,392)	(5,708)	(162,165)
300. **Profit (loss) from current operations after tax**	**93,775**	**(16,537)**	**60,321**	**(170,157)**	**(32,598)**	**72,249**	**22,309**	**68,102**	**81,271**	**243,931**
310. Profit (loss) after tax on non-current assets held for sale	-	-	482	(482)	-	199	1,307	602	(8,680)	(6,572)
320. **Net profit (loss)**	**93,775**	**(16,537)**	**60,803**	**(170,639)**	**(32,598)**	**72,448**	**23,616**	**68,704**	**72,591**	**237,359**
330. Net profit (loss) pertaining to minority interests	(6,038)	11,577	(1,873)	17,661	21,327	(10,897)	(5,073)	(9,583)	2,833	(22,720)
340. **Profit (loss) for the period pertaining to the Parent Company**	**87,737**	**(4,960)**	**58,930**	**(152,978)**	**(11,271)**	**61,551**	**18,543**	**59,121**	**75,424**	**214,639**

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Performance ratios as at 31 December 2012

	31.12.2012	31.12.2011
Financial ratios		
Structural ratios (%)		
loans to customers\total assets	77.95%	79.66%
loans and advances to customers\direct deposits from customers	101.79%	99.19%
fixed assets/total assets	2.03%	2.10%
total risk-weighted assets (RWA)\total assets	72.62%	77.87%
Goodwill\total assets	0.61%	0.62%
total direct deposits\total assets	88.37%	88.93%
deposits under management\indirect deposits	41.01%	37.43%
leverage*	14.24	14.33
net interbank lending (in thousands of Euro)	(5,018,680)	(2,378,646)
number of employees	11,834	11,965
number of national bank branches	1,297	1,301
Profitability ratios (%)		
ROE	-0.29%	6.43%
ROA (net profit/total assets)**	-0.05%	0.39%
Cost\income ratio	55.96%	59.15%
Net adjustments to loans and advances\net loans to customers	1.99%	0.71%
Basic EPS	-0.038	0.648
Diluted EPS	-0.033	0.646
Risk ratios (%)		
net doubtful loans\net loans to customers	3.92%	3.24%
net watchlist loans\net loans to customers	5.23%	4.51%
adjustments to doubtful loans\gross doubtful loans	54.87%	52.84%
adjustments to performing loans\gross performing loans	0.66%	0.67%
Capital for supervisory purposes and capital ratios		
Core Tier 1 capital	3,701,624	3,686,137
Tier 1 capital	3,714,841	3,700,988
Capital for supervisory purposes (including Tier 3)	5,427,499	5,434,992
Risk-weighted assets (RWA)	44,758,313	47,104,000
Core Tier 1 ratio	8.30%	7.83%
Tier 1 capital ratio	8.27%	7.86%
Total capital ratio	12.13%	11.54%
Non-financial ratios		
Productivity ratios (in thousands)		
direct deposits from customers per employee	3,988.67	4,060.19
loans and advances to customers per employee	4,060.23	4,027.27
assets managed per employee	871.47	801.78
assets administered per employee	1,253.63	1,340.57
net interest and other banking income per employee	182.09	175.58

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

(**) The comparative figure has been reclassified as ROA at 31 December 2011 was calculated as net profit pertaining to the Parent Company/total assets, with a value of 0.35%.

Balance sheet as at 31 December 2012

(in thousands of Euro)

Assets	31.12.2012	31.12.2011 pro-forma	Change	% change
10. Cash and balance with central banks	150,988	164,116	(13,128)	-8.00
20. Financial assets held for trading	1,243,352	1,186,695	56,657	4.77
30. Financial assets designated at fair value through profit and loss	105,350	130,452	(25,102)	-19.24
40. Financial assets available for sale	3,482,184	1,751,169	1,731,015	98.85
50. Financial assets held to maturity	818,050	693,502	124,548	17.96
60. Due from banks	3,132,714	4,225,055	(1,092,341)	-25.85
70. Loans to customers	24,860,426	24,635,217	225,209	0.91
90. Remeasurement of financial assets backed by general hedges (+/-)	1,060	870	190	21.84
100. Equity investments	2,687,564	2,667,052	20,512	0.77
110. Property, plant and equipment	203,216	211,127	(7,911)	-3.75
120. Intangible assets	172,432	170,740	1,692	0.99
of which: goodwill	*160,075*	*157,802*	*2,273*	1.44
130. Tax assets:	544,714	402,445	142,269	35.35
a) current	57,619	20,216	37,403	185.02
b) deferred	487,095	382,229	104,866	27.44
b1) of which law 214/2011	*435,637*	*296,354*	*139,283*	*47.00*
140. Non-current assets and disposal groups held for sale	6,550	10	6,540	--
150. Other assets	317,950	427,938	(109,988)	-25.70
Total assets	**37,726,550**	**36,666,388**	**1,060,162**	**2.89**

Liabilities and shareholders' equity	31.12.2012	31.12.2011 pro-forma	Change	% change
10. Due to banks	9,041,971	8,148,650	893,321	10.96
20. Due to customers	13,067,800	11,920,761	1,147,039	9.62
30. Debt securities in issue	7,356,927	8,430,085	(1,073,158)	-12.73
40. Financial liabilities held for trading	236,988	225,905	11,083	4.91
50. Financial liabilities designated at fair value through profit and loss	3,507,210	3,649,053	(141,843)	-3.89
60. Hedging derivatives	34,783	31,356	3,427	10.93
80. Tax liabilities:	98,993	39,364	59,629	151.48
a) current	35,912	26,553	9,359	35.25
b) deferred	63,081	12,811	50,270	392.40
100. Other liabilities	702,842	465,432	237,410	51.01
110. Provision for termination indemnities	65,833	61,156	4,677	7.65
120. Provisions for risks and charges:	144,175	264,401	(120,226)	-45.47
a) pensions and similar commitments	98,667	221,567	(122,900)	-55.47
b) other provisions	45,508	42,834	2,674	6.24
130. Valuation reserves	107,745	(20,450)	128,195	-626.87
160. Reserves	1,750,136	1,652,056	98,080	5.94
170. Share premium reserve	619,462	675,369	(55,907)	-8.28
180. Share capital	998,165	996,426	1,739	0.17
190. Treasury shares	(7,264)	(83,311)	76,047	-91.28
200. Net profit (loss) (+/-)	784	210,135	(209,351)	-99.63
Total liabilities and shareholders' equity	**37,726,550**	**36,666,388**	**1,060,162**	**2.89**

The figures at 31 December 2011 used for the comparison have been recalculated on a pro-forma basis, taking into account the results of the wholly-owned subsidiaries Em.Ro popolare s.p.a. and Meliorbanca s.p.a., which were absorbed during the year with effect for accounting and tax purposes from 1 January 2012.

Income statement as at 31 December 2012

(in thousands of Euro)

Captions	31.12.2012	31.12.2011 pro-forma	Change	% change
10. Interest and similar income	1,103,068	1,022,843	80,225	7.84
20. Interest and similar expense	(605,826)	(534,743)	(71,083)	13.29
30. Net interest income	**497,242**	**488,100**	**9,142**	**1.87**
40. Commission income	354,769	337,271	17,498	5.19
50. Commission expense	(39,101)	(25,214)	(13,887)	55.08
60. Net commission income	**315,668**	**312,057**	**3,611**	**1.16**
70. Dividends and similar income	35,303	33,789	1,514	4.48
80. Net trading income	49,066	(41,910)	90,976	-217.07
90. Net hedging gains (losses)	(1,184)	(1,213)	29	-2.39
100. Gains/losses on disposal or repurchase of:	88,676	11,132	77,544	696.59
a) loans and advances	(1,014)	(406)	(608)	149.75
b) financial assets available for sale	65,152	5,805	59,347	--
c) financial assets held to maturity	(179)	-	(179)	n.s.
d) financial liabilities	24,717	5,733	18,984	331.14
110. Net results on financial assets and liabilities designated at fair value	(65,378)	122,607	(187,985)	-153.32
120. Net interest and other banking income	**919,393**	**924,562**	**(5,169)**	**-0.56**
130. Net impairment adjustments to:	(516,782)	(153,592)	(363,190)	236.46
a) loans and advances	(505,592)	(153,673)	(351,919)	229.01
b) financial assets available for sale	(7,490)	(3,154)	(4,336)	137.48
c) financial assets held to maturity	-	(3,463)	3,463	-100.00
d) other financial assets	(3,700)	6,698	(10,398)	-155.24
140. Net profit from financial activities	**402,611**	**770,970**	**(368,359)**	**-47.78**
150. Administrative costs:	(485,801)	(510,152)	24,351	-4.77
a) payroll	(253,070)	(267,658)	14,588	-5.45
b) other administrative costs	(232,731)	(242,494)	9,763	-4.03
160. Net provisions for risks and charges	(4,052)	(3,826)	(226)	5.91
170. Net adjustments to property, plant and equipment	(11,266)	(11,411)	145	-1.27
180. Net adjustments to intangible assets	(960)	(1,019)	59	-5.79
190. Other operating charges/income	78,643	51,056	27,587	54.03
200. Operating costs	**(423,436)**	**(475,352)**	**51,916**	**-10.92**
210. Profit (loss) from equity investments	13,153	(48,855)	62,008	-126.92
220. Adjustments to goodwill	-	(3,063)	3,063	-100.00
240. Gains (losses) on disposal of investments	127	234	(107)	-45.73
250. Profit (loss) from current operations before tax	**(7,545)**	**243,934**	**(251,479)**	**-103.09**
260. Income taxes on current operations	8,329	(52,008)	60,337	-116.01
270. Profit (loss) from current operations after tax	**784**	**191,926**	**(191,142)**	**-99.59**
280. Profit (loss) after tax on non-current assets held for sale	-	18,209	(18,209)	-100.00
290. Net profit (loss)	**784**	**210,135**	**(209,351)**	**-99.63**

The figures at 31 December 2011 used for the comparison have been recalculated on a pro-forma basis, taking into account the results of the wholly-owned subsidiaries Em.Ro popolare s.p.a. and Meliorbanca s.p.a., which were absorbed during the year with effect for accounting and tax purposes from 1 January 2012.

Pro-forma financial

Balance Sheet and Income Statement as At 31 December 2011

(in thousands of Euro)

Assets		BPER	EM.RO POPOLARE	MELIORBANCA	Consolidated accounts	Total
10.	Cash and balance with central banks	164,041	-	75	-	164,116
20.	Financial assets held for trading	1,100,431	1	91,607	(5,344)	1,186,695
30.	Financial assets designated at fair value through profit and loss	114,123	16,329	-	-	130,452
40.	Financial assets available for sale	1,437,775	296,303	17,679	(588)	1,751,169
50.	Financial assets held to maturity	693,502	-	-	-	693,502
60.	Due from banks	5,841,418	32,071	38,944	(1,687,378)	4,225,055
70.	Loans to customers	22,609,856	1,880	2,023,490	(9)	24,635,217
90.	Remeasurement of financial assets backed by general hedges (+/-)	-	-	870	-	870
100.	Equity investments	3,155,943	29,695	6,550	(525,136)	2,667,052
110.	Property, plant and equipments	207,249	-	3,879	(1)	211,127
120.	Intangible assets	65,864	-	192	104,684	170,740
	of which: goodwill	*53,118*	-	-	104,684	*157,802*
130.	Tax assets:	315,457	107	86,882	(1)	402,445
	a) current	17,175	107	2,935	(1)	20,216
	b) deferred	298,282	-	83,947	-	382,229
	b1) of which Law 214/2011	232,712	-	63,642	-	296,354
140.	Attività non correnti e gruppi di attività in via di dismissione	-	-	10	-	10
150.	Other assets	417,758	1,869	16,342	(8,031)	427,938
Total assets		**36,123,417**	**378,255**	**2,286,520**	**(2,121,804)**	**36,666,388**

Banca popolare dell'Emilia Romagna
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	Liabilities and shareholders' equity	BPER	EM.RO POPOLARE	MELIORBANCA	Consolidated accounts	Total
10.	Due to banks	8,150,897	-	1,663,943	(1,666,190)	8,148,650
20.	Due to customers	11,882,389	-	70,444	(32,072)	11,920,761
30.	Debt securities in issue	8,158,815	-	272,525	(1,255)	8,430,085
40.	Financial liabilities held for trading	193,404	1	32,501	(1)	225,905
50.	Financial liabilities designated at fair value through profit and loss	3,653,192	-	-	(4,139)	3,649,053
60.	Hedging derivatives	28,912	-	2,444	-	31,356
80.	Tax liabilities:	34,695	4,350	262	57	39,364
	a) current	26,553	-	-	-	26,553
	b) deferred	8,142	4,350	262	57	12,811
100.	Other liabilities	446,442	272	15,771	2,947	465,432
110.	Provision for termination indemnities	59,842	-	1,314	-	61,156
120.	Provisions for risks and charges:	260,372	-	4,029	-	264,401
	a) pensions and similar commitments	221,567	-	-	-	221,567
	b) other provisions	38,805	-	4,029	-	42,834
130.	Valuation reserves	(81,424)	58,047	2,937	(10)	(20,450)
160.	Reserves	1,586,996	101,216	16,711	(52,867)	1,652,056
170.	Share premium reserve	675,369	15,400	59,308	(74,708)	675,369
180.	Share capital	996,426	192,000	126,262	(318,262)	996,426
190.	Treasury shares	(83,311)	-	-	-	(83,311)
200.	Net profit/(loss)	160,401	6,969	18,069	24,696	210,135
Total liabilities and shareholders' equity		**36,123,417**	**378,255**	**2,286,520**	**(2,121,804)**	**36,666,388**

	Voci di Conto economico	BPER	EM.RO POPOLARE	MELIORBANCA	Consolidated accounts	Total
10.	Interest and similar income	980,913	288	66,815	25,173	1,022,843
20.	Interest and similar expense	(525,318)	(3)	(34,601)	(25,179)	(534,743)
30.	**Net interest income**	455,595	285	32,214	(6)	488,100
40.	Commission income	323,842	-	13,432	3	337,271
50.	Commission expense	(24,560)	(2)	(666)	(14)	(25,214)
60.	**Net commission income**	299,282	(2)	12,766	(11)	312,057
70.	Dividends and similar income	64,616	5,049	424	36,300	33,789
80.	Net trading income	(44,696)	(79)	2,917	52	(41,910)
90.	Net hedging gains (losses)	-	-	(1,213)	-	(1,213)
100.	Gains/losses on disposal or repurchase of:	6,922	3,304	906	-	11,132
	a) loans and advances	(406)	-	-	-	(406)
	b) financial assets available for sale	1,600	3,304	901	-	5,805
	c) financial assets held to maturity	-	-	-	-	-
	d) financial liabilities	5,728	-	5	-	5,733
110.	Net results on financial assets and liabilities designated at fair value	123,348	(741)	-	-	122,607
120.	**Net interest and other banking income**	905,067	7,816	48,014	36,335	924,562
130.	Net impairment adjustments to:	(134,904)	(1,786)	(16,901)	1	(153,592)
	a) loans and advances	(137,264)	-	(16,409)	-	(153,673)
	b) financial assets available for sale	(521)	(1,786)	(846)	1	(3,154)
	c) financial assets held to maturity	(3,463)	-	-	-	(3,463)
	d) other financial assets	6,344	-	354	-	6,698
140.	**Net income from financial activities**	770,163	6,030	31,113	36,336	770,970
150.	Administrative costs:	(480,198)	(503)	(29,834)	(383)	(510,152)
	a) payroll	(153,358)	(313)	(13,987)	-	(267,658)
	b) other administrative costs	(226,840)	(190)	(15,847)	(383)	(242,494)
160.	Net provisions for risks and charges	(2,884)	-	(943)	(1)	(3,826)
170.	Net adjustments to property, plant and equipment	(10,819)	-	(593)	(1)	(11,411)
180.	Net adjustments to intangible assets	(930)	-	(89)	-	(1,019)
190.	Other operating charges/income	50,917	34	507	402	51,056
200.	**Operating costs**	(443,914)	(469)	(30,952)	17	(475,352)
210.	Profit (loss) of equity investments	(111,331)	1,364	-	(61,112)	(48,855)
230.	Adjustments to goodwill	-	-	(3,063)	-	(3,063)
240.	Gains (losses) on disposal of investments	242	-	(8)	-	234
250.	**Profit (loss) from current operations before tax**	215,160	6,925	(2,910)	(24,759)	243,934
260.	Income taxes on current operations	(54,759)	44	2,770	63	(52,008)
270.	Profit (loss) from current operations after tax	160,401	6,969	(140)	(24,696)	191,926
280.	**Profit (loss) after tax on non-current assets held for sale**	-	-	18,209	-	18,209
290.	**Net profit/(loss)**	160,401	6,969	18,069	(24,696)	210,135