Banca popolare dell'Emilia Romagna
GRUPPO BPER

PRESS RELEASE

Quarterly report as at 30 September 2013 approved

Significant improvement in the BPER Group's financial solidity with a Core Tier 1 ratio of 8.43%[1] under the Basel 2 standardised approach, better than in June 2013 (8.22%) and in December 2012 (8.27%)

Total net profit for the third quarter of € 43.1 million, a significant improvement compared with the previous quarters, helped by the decrease in the cost of credit, which is gradually being normalised

Total consolidated net profit of € 23.2 million in the first nine months

Operating profitability[2] up by 3.7% over the same period of 2012

Liquidity ratios already in line with the Basel 3 minimum requirements and leverage[3] among the lowest in the system (14.4x compared with 14.2x at the end of 2012)

- ✓ Net interest and other banking income of € 1,605.6 million, a slight decrease on the first nine months of 2012 (-0.45%) and down by 12.9% on the previous quarter, which benefited considerably thanks to the result from financial activities. In particular:
  - o net interest income down by 1.7% on the same period last year (-3.4% net of CR Bra), but slightly up on the second quarter (+0.3%), mainly due to the containment of funding costs
  - o net commission income down by 2.1% on the first nine months of 2012, but up based on the same scope of consolidation and considering the regulatory changes that took place during the period (+7.8%)[4]; the performance compared with the second quarter of 2013 (-1.6%) has been influenced by the usual season factors
  - o net result from trading activities slightly up over the same period of 2012 (+1.4% year on year)

- ✓ Operating costs 3.7% down on the same period last year; calculated on a consistent basis, this decrease amounted to 0.5%[5]. Cost/income ratio of 54.75%

- ✓ Adjustments to loans of € 591.4 million during the nine month period (+40.8% year on year) and of € 151.6 million in the third quarter, well down on the second quarter (-45.5%) and lower than the figure recorded in the previous three quarters with coverage of doubtful loans essentially stable compared with June 2013. The cost of credit in the third quarter amounted to 32 bps, the lowest level for the last three quarters

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[1] The figure for capital used to determine the capital ratios was calculated taking into account the share of profits attributable to equity earned during the third quarter of the year and the net effects accrued during the same period from application of the fair value option. Note that 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, with a negative impact on Core Tier 1 ratio of 13 bps.
[2] Difference between "net interest and other banking income" and "operating costs".
[3] Ratio of total assets, net of intangible assets, and Group shareholders' equity, net of intangible assets.
[4] Figures recalculated on the basis of the same scope of consolidation, so excluding the contribution of CR Bra at 30 September 2013 (€ 7.7 million) and that of Custodian Bank at 30 September 2012 (€ 1.8 million), while taking into account the changes introduced by the "Save Italy" decree from the fourth quarter of 2012 which led to a different accounting allocation of commission income (€ 58 million at 30 September 2013).
[5] Figures recalculated at 30 September 2013 on the basis of the same scope of consolidation (excluding the operating costs of CR Bra: € 15.6 million), taking into account the changes to the commission structure introduced by the "Save Italy" decree from the fourth quarter of 2012, which led to a different accounting allocation (€ 58 million in the first nine months of 2013) and net of extraordinary items recorded in the two periods: 1) extraordinary provisions for redundancy incentives and the Solidarity Fund recorded in 2013 and 2012 (€ 9 million and € 22.5 million respectively) 2) change relating to the recognition of legal costs in the first nine months of 2013, which were allocated differently in previous periods (€ 6.5 million) 3) gain of € 20.9 million realised on the sale of the "custodian bank" business in the third quarter of 2012.

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 nine months of 2013.

At the end of the Board meeting, Luigi Odorici, CEO of the BPER Group, declared: "I am satisfied with the positive results achieved in the third quarter as we were able to maintain a satisfactory level of revenues and hold down the cost base, at the same time recording a significant reduction in the cost of credit. The result for the first nine months of the year therefore turns positive again after the "extraordinary" review phase of the Group's loan portfolio, in line with the instructions of the Supervisory Authority. It is important to note that the Group's financial solidity has improved at the same time, with the Core Tier 1 ratio now standing at 8.43%, well up on the end of 2012, despite the consolidation of CR Bra and the considerable economic effort made to ensure adequate loan loss provisions; we also expect further improvements in the Core Tier 1 ratio from the validation of internal models, for which the implementation activities can now be considered completed. The quarter just ended marks the beginning of a period of "normalisation" of the Group's ordinary operations, which will allow us to deal with the important events that await the European banking system in 2014 with tranquillity. As regards key strategic issues, we are particularly involved in reviewing the Group's structure. With reference to the this matter, we want to continue the path towards greater rationalisation and internal simplification, to be carried out both through the absorption of other territorial banks in mainland Italy, as we have already done successfully with the absorption by the Parent Company of Meliorbanca and the three central Italian banks (Banca Popolare di Lanciano e Sulmona, Cassa di Risparmio della Provincia dell'Aquila and Banca Popolare di Aprilia), with benefits expected in terms of greater efficiency and lower operating costs; these activities will also be accompanied by the reorganisation of certain sectors that are currently served by our product companies."

Income statement: key figures

Net interest income comes to € 964.2 million, a decrease compared with the same period last year (-1.7% year on year), mainly due to the significant reduction in market interest rates (average 3-month Euribor for the first nine months down by almost 50 bps compared with the same period in 2012) and weak demand for commercial loans, only partially offset by the increase in the contribution from the portfolio of financial assets; net of CR Bra, there has been a decrease of 3.4%. Compared with the previous quarter, however, net interest income showed a slight increase (€ 327 million compared with € 326.1 million, +0.3% quarter on quarter) with the yield spread at much the same levels as last quarter, with both the mark-up and mark-down falling by the same amount.

Net commission income of € 519.5 million shows a decrease on the same period of last year (-2.1% year on year), but an increase of 7.8%[6] based on the same scope of consolidation and considering the regulatory changes that took place during the two periods being compared. Also in the quarterly comparison, there has been a decrease in commissions (-1.6% quarter on quarter), mainly due to the usual seasonal factors. The areas that contributed the most to this good overall result included indirect deposits and "bancassurance" (+16.7% year on year).

The **net result from trading activities** (including dividends of € 23.5 million, of which a significant portion (€ 18.4 million) from Arca Vita, collected in the second quarter) comes to € 121.9 million, a substantial increase on € 101.6 million in the first nine months of 2012. This result was achieved with the help of realised gains of € 116.4 million (of which € 75.8 million in the second quarter), net capital gains of € 11.1 million, for the most part attributable to the mark-to-market adjustment of Italian government bonds in portfolio, the negative contribution of the "Fair Value Option" on financial liabilities for € 54.2 million (negative for € 68.6 million at 31 December 2012 and negative for € 51.8 million at 30 September 2012) and the positive contribution of other components for € 25.1 million.

Net interest and other banking income amount to € 1,605.6 million at 30 September 2013, slightly down on the same period of 2012 (-0.4% year on year).

[6] See note 4.

Net adjustments to loans and other financial assets amount to € 623.1 million (+47.1% year on year), influenced not only by the continuing recession in the Italian economy, but also by the more restrictive approach to classification and provisioning criteria. The total cost of credit at 30 September 2013 comes to 125 bps (167 bps annualised compared with 199 bps in 2012); net of provisions made in the second quarter that could be classified as extraordinary, the restated pro-forma cost of credit for the period comes to 92 bps.

The **coverage of doubtful loans** is satisfactory and suitable for the portfolio's level of risk. In detail, the coverage of non-performing loans comes to 54.6%, substantially in line with the figure at the end of June 2013 and December 2012 (54.8% and 54.9% respectively); taking into account the direct write-downs on non-performing loans still outstanding of € 1.5 billion, the coverage of non-performing loans amounts to 64.4%. The coverage of total doubtful loans amounts to 35.7% compared with 35.8% in June 2013, and 36.8% at year end, down because of a higher proportion of watchlist loans which, being less risky, need a lower level of coverage; if we then take into account the direct write-downs of non-performing loans mentioned above, the overall coverage of doubtful loans stands at 43.6%.

The **net profit from financial activities** for the period, € 982.5 million, has decreased by 17.4% compared with the same period of 2012, as a result of these net adjustments to loans.

Operating costs, net of other operating charges/income, amount to € 879.1 million in the first nine months of the year, 3.7% down year on year; calculated on a consistent basis, this decrease comes to 0.5%[7]. In particular, **payroll costs** amount to € 591.8 million, down by 1.5% on the same period last year (-3.2% excluding the figures for CR Bra, € 10.2 million at 30 September 2013). **Other administrative expenses** amount to € 384 million, an increase of 5.1% year on year; in addition, these expenses only show a slight increase (+0.3% year on year) excluding expenses for the period attributable to CR Bra (€ 6.9 million) and the impact of "Taxation" included in administrative expenses[8].

The profit from current operations before tax amounts to € 99.3 million in the period (€ 280 million in the first nine months of 2012). **Income taxes for the period** are estimated at € 77.3 million, giving an effective tax rate that is particularly high (77.9%), mainly because of the non-deductibility of loan loss provisions and most payroll costs for IRAP purposes.

Total net profit for the period amounts to € 23.2 million (€ 138 million at 30 September 2012), including a profit for the period pertaining to minority interests of € 9 million. The **profit pertaining to the Parent Company** therefore comes to € 14.2 million (€ 141.7 million in the same period last year).

Balance sheet: key figures

Direct borrowing from customers (due to customers, debt securities in issue and financial liabilities designated at fair value through profit and loss) amounts to € 45.5 billion, 3.7% down on the end of 2012 (-6.0% for the pro-forma figure excluding CR Bra which shows a balance of € 1.1 billion). The decrease is the result of a management decision to reduce funding costs in order to improve net interest income. This is being achieved by lowering the amount of funds raised through bonds sold to institutional counterparties, abandoning particularly onerous positions and switching part of the direct customer deposits into asset management products and insurance policies with the help of good market timing. Direct borrowing is made up almost entirely by retail deposits (75.1%) and 63.7% are current accounts, demand deposits and short-term restricted deposits.

[7] See note 5.
[8] "Taxation" excluding the figure for CR Bra: € 97.8 million at 30 September 2013 and € 86.9 million at 30 September 2012.

Indirect borrowing from customers, at market price, amount to € 25.9 billion, up by 3.2% from the beginning of the year (+1.1% excluding CR Bra, which has a balance of € 0.5 billion). The **insurance policy portfolio**, which is not included in indirect borrowing, comes to € 2.5 billion (+13.8% since the start of the year), almost entirely for life insurance.

Loans to customers, net of adjustments, amount to € 47.2 billion (-1.7% from the end of 2012); the pro-forma figure excluding CR Bra shows a 4.2% decline in volumes. The gross decline (calculated on a pro-forma basis) is quite low, however, at 2.9%, and while still reflecting the difficulties of the economy and the decline in demand for investment at system level, it reflects the Group's willingness to continue supporting the activities of its local customers.

Net doubtful loans come to € 6.5 billion, up 25.9% from the end of 2012, including non-performing loans of € 2.4 billion (+26.8%); these amounts are respectively 13.9% and 5.1% of total net loans to customers. In detail, at 30 September there were net watchlist loans of € 3.2 billion (+28.9%), net restructured loans of € 0.3 billion (-17.2%) and net past due loans of € 0.6 billion (+43.7%). Note that the increase in watchlist loans was recorded mainly in the second quarter of this year, essentially because of changes in classification - approximately € 590 million on a gross basis reclassified from performing to watchlist - on which adequate provisions have been made in the financial statements, in line with the results of the review of credit quality carried out by the Bank of Italy that was completed at the beginning of July: these reclassifications mainly concerned secured positions in the property sector.

The **net interbank position** is negative for € 6.3 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 € 1.7 billion and amounts due to banks of € 8 billion, of which € 4.6 billion from the use of the refinancing facility with the European Central Bank, attributable to the 3-year Long-Term Refinancing Operation (LTRO); this increase in exposure offsets a parallel increase in the securities portfolio. Financial instruments eligible for use as collateral for refinancing transactions on the market amount to € 12.2 billion at 30 September 2013, net of the haircut, of which € 3.8 billion are available (having been € 10 billion and € 2.1 billion respectively at 30 September 2012).

Financial assets amount in total to € 8.4 billion, an increase of 16.4% on the end of 2012; they account for 13.7% of total assets, among the lowest exposures at the system level. Debt securities represent 90% of the total portfolio and amount to € 7.6 billion: of these, € 6.2 billion relate to government securities (almost entirely represented by Italian government bonds) and € 1.2 billion to banks and supranational entities. Exposure to the debt of peripheral Eurozone countries is limited to just € 140 million, down from € 168.9 million at year-end, consisting mainly of Spanish bonds.

Against the assets available for sale (“AFS”) of € 5.9 billion, there are positive valuation reserves for a total of € 111.6 million, net of the related tax effect, which is the net result of positive reserves for debt securities, equities and UCITS of € 148 million less negative reserves of € 36.4 million; the net reserve only for government bonds was a positive € 15.6 million. Moreover, with regard to the portfolio of financial assets held to maturity of € 1.2 billion, the difference between the fair value and the book value is positive, producing an "implicit reserve" of € 48 million.

Total Group equity amounts to € 4.7 billion (-1.4%), with minority interests of € 0.7 billion. Consolidated shareholders' equity of the Group, including the result for the year, comes to € 4.0 billion, -1.1% on the start of the year.

Capital ratios

The **capital ratios**[9] based on the Basel 2 Standardised Approach are as follows:

- Core Tier 1 ratio of 8.43% and Tier 1 ratio of 8.48%, a significant increase compared with the end of 2012 (8.27% and 8.30% respectively); this increase would be even more significant net of the consolidation of CR Bra (8.56% and 8.59% respectively)
- Total capital ratio of 12.05% (12.13% at the end of 2012); this figure is equal to 12.17% net of CR Bra.

Key figures at 30 September 2013

The Group has a presence in 18 Regions of Italy, with 1,326 branches, of which 28 relate to CR Bra, as well as the head office of BPER (Europe) International s.a. in Luxembourg.

The Group currently has 11,723 employees, of whom 198 relate to CR Bra; net of these, there has been a reduction of 309 compared with the end of 2012 (11,834) and a decrease of 340 compared with September 2012 (11,865); note that the reduction in the workforce during the third quarter of 2013 includes 269 employees who terminated as a consequence of applying the trade union agreement signed on 15 September 2012 regarding voluntary redundancies and the "Solidarity Fund", effective from 1 July 2013.

Significant subsequent events

On 30 October 2013, the Board of Directors of Banca popolare dell'Emilia Romagna società cooperativa approved the guidelines of a strategic project to simplify and streamline the organisational and governance structure of the Banking Group: the plan is for the mainland Italian-registered banks to be absorbed by the Parent Company between the end of 2014 and the first half of 2015. This integrates what was already planned and implemented under the 2012-2014 Business Plan and forms a base on which to establish priorities for the next Plan. Note, in this regard, that the Parent Company has already successfully absorbed Meliorbanca and the three central Italian banks (Banca Popolare di Lanciano e Sulmona, Cassa di Risparmio della Provincia dell'Aquila and Banca Popolare di Aprilia) in November 2012 and May 2013, respectively.

Outlook for operations

In the latter part of the year, it seems that a slow and gradual recovery in economic activity has begun, despite a business environment that remains difficult, conditioned by significant uncertainty on the political and economic front. The weakness in domestic demand will continue to limit the chances of a recovery in lending activities and could lead to pressure on the revenues of the banking 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.

The BPER Group's main objectives for the latter part of the year are to maintain an adequate level of financial solidity, to strengthen traditional banking profitability and to reduce operating costs even more. While initial signs of normalisation are visible, the cost of credit is expected to remain high, but still lower than in 2012.

[9] See note 1.

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Note that the consolidated quarterly report of the BPER Group at 30 September 2013 is unaudited. The document will be available at the head office, at 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.
To complete the information provided, we attach the consolidated balance sheet and income statement (split into quarters with comparative figures) at 30 September 2013, as well as a summary of the main indicators.

Modena, 12 November 2013

Chief Executive Officer
Luigi Odorici

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, 12 November 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, 13 November 2013 at 11.00 a.m. (CET)** to explain the BPER Group's results at 30 September 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 8020911
UK: +44 1212 818004
USA: +1 718 7058796

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 websites of the Bank and of the Group: www.bper.it and www.gruppobper.it.

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Consolidated balance sheet as at 30 September 2013

(in thousands of Euro)

Assets	30.09.2013	31.12.2012	Change	%change
10. Cash and balances with central banks	421,763	488,873	(67,110)	-13.73
20. Financial assets held for trading	1,159,484	1,596,048	(436,564)	-27.35
30. Financial assets designated at fair value through profit and loss	151,919	151,450	469	0.31
40. Financial assets available for sale	5,915,811	4,679,402	1,236,409	26.42
50. Financial assets held to maturity	1,203,539	818,050	385,489	47.12
60. Due from banks	1,702,179	2,250,781	(548,602)	-24.37
70. Loans to customers	47,207,476	48,048,735	(841,259)	-1.75
80. Hedging derivatives	2,381	-	2,381	n.s.
90. Remeasurement of financial assets backed by general hedges (+/-)	-	1,060	(1,060)	-100.00
100. Equity investments	257,371	269,094	(11,723)	-4.36
120. Property, plant and equipment	982,487	984,217	(1,730)	-0.18
130. Intangible assets	475,991	467,488	8,503	1.82
of which: goodwill	383,045	375,935	7,110	1.89
140. Tax assets	987,426	957,066	30,360	3.17
a) current	64,270	113,483	(49,213)	-43.37
b) deferred	923,156	843,583	79,573	9.43
b1) of which L. 214/2011	785,990	715,316	70,674	9.88
150. Non-current assets and disposal groups held for sale	2,817	18,329	(15,512)	-84.63
160. Other assets	967,758	907,165	60,593	6.68
Total assets	**61,438,402**	**61,637,758**	**(199,356)**	**-0.32**

Liabilities and shareholders' equity	30.09.2013	31.12.2012	Change	%change
10. Due to banks	8,035,535	7,269,461	766,074	10.54
20. Due to customers	32,504,053	32,288,488	215,565	0.67
30. Debt securities in issue	9,818,702	11,047,786	(1,229,084)	-11.13
40. Financial liabilities held for trading	196,530	216,864	(20,334)	-9.38
50. Financial liabilities designated at fair value through profit and loss	3,143,502	3,865,649	(722,147)	-18.68
60. Hedging derivatives	39,920	37,661	2,259	6.00
80. Tax liabilities	165,348	169,626	(4,278)	-2.52
a) current	57,820	46,426	11,394	24.54
b) deferred	107,528	123,200	(15,672)	-12.72
90. Liabilities associated with non-current assets held for sale	-	8,800	(8,800)	-100.00
100.Other liabilities	2,352,135	1,465,718	886,417	60.48
110. Provision for termination indemnities	206,888	223,324	(16,436)	-7.36
120. Provisions for risks and charges	279,419	281,329	(1,910)	-0.68
a) pensions and similar commitments	107,063	104,833	2,230	2.13
b) other provisions	172,356	176,496	(4,140)	-2.35
140. Valuation reserves	118,263	199,447	(81,184)	-40.70
170. Reserves	2,266,222	2,264,190	2,032	0.09
180. Share premium reserve	624,154	619,462	4,692	0.76
190. Share capital	1,001,482	998,165	3,317	0.33
200. Treasury shares	(7,272)	(7,266)	(6)	0.08
210. Minority interests	679,315	700,325	(21,010)	-3.00
220. Profit (loss) for the period pertaining to the Parent Company	14,206	(11,271)	25,477	-226.04
Total liabilities and shareholders' equity	**61,438,402**	**61,637,758**	**(199,356)**	**-0.32**

Consolidated income statement as at 30 September 2013

(in thousands of Euro)

Captions	30.09.2013	30.09.2012	Change	%change
10. Interest and similar income	1,555,772	1,655,108	(99,336)	-6.00
20. Interest and similar expense	(591,589)	(674,307)	82,718	-12.27
30. Net interest income	**964,183**	**980,801**	**(16,618)**	**-1.69**
40. Commission income	559,585	571,006	(11,421)	-2.00
50. Commission expense	(40,099)	(40,576)	477	-1.18
60. Net commission income	**519,486**	**530,430**	**(10,944)**	**-2.06**
70. Dividends and similar income	23,530	4,547	18,983	417.48
80. Net trading income	32,874	90,382	(57,508)	-63.63
90. Net hedging gains (losses)	(191)	(1,074)	883	-82.22
100. Gains/losses on disposal or repurchase of:	112,496	50,039	62,457	124.82
a) loans	(1,215)	(468)	(747)	159.62
b) financial assets available for sale	110,062	25,990	84,072	323.48
c) financial assets held to maturity	-	(179)	179	-100.00
d) financial liabilities	3,649	24,696	(21,047)	-85.22
110. Net results on financial assets and liabilities designated at fair value	(46,820)	(42,310)	(4,510)	10.66
120. Net interest and other banking income	**1,605,558**	**1,612,815**	**(7,257)**	**-0.45**
130. Net impairment adjustments to:	(623,106)	(423,654)	(199,452)	47.08
a) loans	(591,383)	(419,978)	(171,405)	40.81
b) financial assets available for sale	(4,621)	(4,828)	207	-4.29
d) other financial assets	(27,102)	1,152	(28,254)	--
140. Net profit from financial activities	**982,452**	**1,189,161**	**(206,709)**	**-17.38**
180. Administrative costs:	(975,761)	(966,095)	(9,666)	1.00
a) payroll	(591,780)	(600,671)	8,891	-1.48
b) other administrative costs	(383,981)	(365,424)	(18,557)	5.08
190. Net provision for risks and charges	(20,078)	(10,696)	(9,382)	87.72
200. Net adjustments to property, plant and equipment	(30,426)	(32,163)	1,737	-5.40
210. Net adjustments to intangible assets	(15,817)	(11,279)	(4,538)	40.23
220. Other operating charges/income	162,975	107,690	55,285	51.34
230. Operating costs	**(879,107)**	**(912,543)**	**33,436**	**-3.66**
240. Profit (loss) from equity investments	(4,415)	6,106	(10,521)	-172.31
260. Adjustments to goodwill	-	(36)	36	-100.00
270. Gains (losses) on disposal of investments	341	(2,649)	2,990	-112.87
280. Profit (loss) from current operations before tax	**99,271**	**280,039**	**(180,768)**	**-64.55**
290. Income taxes on current operations	(77,309)	(142,480)	65,171	-45.74
300. Profit (loss) from current operations after tax	**21,962**	**137,559**	**(115,597)**	**-84.03**
310. Profit (loss) after tax on non-current assets held for sale	1,258	482	776	161.00
320. Net profit (loss)	**23,220**	**138,041**	**(114,821)**	**-83.18**
330. Net profit (loss) pertaining to minority interests	(9,014)	3,666	(12,680)	-345.88
340. Profit (loss) for the period pertaining to the Parent Company	**14,206**	**141,707**	**(127,501)**	**-89.98**

Consolidated income statement by quarter as at 30 September 2013

Captions	1st quarter 2013	2nd quarter 2013	3rd quarter 2013	30.09.2013	1st quarter 2012	2nd quarter 2012	3rd quarter 2012	30.09.2012	4th quarter 2012	31.12.2012
10. Interest and similar income	522,914	522,451	510,407	1,555,772	566,498	546,668	541,942	1,655,108	541,341	2,196,449
20. Interest and similar expense	(211,799)	(196,370)	(183,420)	(591,589)	(229,990)	(226,019)	(218,298)	(674,307)	(212,603)	(886,910)
30. Net interest income	**311,115**	**326,081**	**326,987**	**964,183**	**336,508**	**320,649**	**323,644**	**980,801**	**328,738**	**1,309,539**
40. Commission income	184,746	188,519	186,320	559,585	183,096	195,677	192,233	571,006	191,800	762,806
50. Commission expense	(13,457)	(12,997)	(13,645)	(40,099)	(11,292)	(13,955)	(15,329)	(40,576)	(14,289)	(54,865)
60. Net commission income	**171,289**	**175,522**	**172,675**	**519,486**	**171,804**	**181,722**	**176,904**	**530,430**	**177,511**	**707,941**
70. Dividends and similar income	575	22,415	540	23,530	920	3,288	339	4,547	456	5,003
80. Net trading income	8,317	12,041	12,516	32,874	72,137	(19,714)	37,959	90,382	7,995	98,377
90. Net hedging gains (losses)	(280)	74	15	(191)	(329)	(362)	(383)	(1,074)	(160)	(1,234)
100. Gains/losses on disposal or repurchase of:	24,834	73,324	14,338	112,496	11,984	21,060	16,995	50,039	41,941	91,980
a) loans	36	(723)	(528)	(1,215)	169	(515)	(122)	(468)	(306)	(774)
b) financial assets available for sale	23,417	74,004	12,641	110,062	11,077	(351)	15,264	25,990	42,024	68,014
c) financial assets held to maturity	-	-	-	-	(179)	-	-	(179)	-	(179)
d) financial liabilities	1,381	43	2,225	3,649	917	21,926	1,853	24,696	223	24,919
110. Net results on financial assets and liabilities designated at fair value	(18,215)	(17,230)	(11,375)	(46,820)	(26,380)	10,768	(26,698)	(42,310)	(14,438)	(56,748)
120. Net interest and other banking income	**497,635**	**592,227**	**515,696**	**1,605,558**	**566,644**	**517,411**	**528,760**	**1,612,815**	**542,043**	**2,154,858**
130. Net impairment adjustments to:	(167,766)	(300,049)	(155,291)	(623,106)	(99,622)	(195,405)	(128,627)	(423,654)	(548,270)	(971,924)
a) loans	(161,628)	(278,131)	(151,624)	(591,383)	(98,725)	(190,883)	(130,370)	(419,978)	(538,415)	(958,393)
b) financial assets available for sale	(670)	(2,528)	(1,423)	(4,621)	(201)	(4,672)	45	(4,828)	(4,011)	(8,839)
d) other financial assets	(5,468)	(19,390)	(2,244)	(27,102)	(696)	150	1,698	1,152	(5,844)	(4,692)
140. Net profit from financial activities	**329,869**	**292,178**	**360,405**	**982,452**	**467,022**	**322,006**	**400,133**	**1,189,161**	**(6,227)**	**1,182,934**
180. Administrative costs:	(323,000)	(340,128)	(312,633)	(975,761)	(320,719)	(333,107)	(312,269)	(966,095)	(293,371)	(1,259,466)
a) payroll	(198,440)	(208,169)	(185,171)	(591,780)	(197,918)	(205,333)	(197,420)	(600,671)	(168,906)	(769,577)
b) other administrative costs	(124,560)	(131,959)	(127,462)	(383,981)	(122,801)	(127,774)	(114,849)	(365,424)	(124,465)	(489,889)
190. Net provision for risks and charges	(5,318)	(13,060)	(1,700)	(20,078)	(4,907)	(3,654)	(2,135)	(10,696)	(18,436)	(29,132)
200. Net adjustments to property, plant and equipment	(10,081)	(10,155)	(10,190)	(30,426)	(10,315)	(11,414)	(10,434)	(32,163)	(12,685)	(44,848)
210. Net adjustments to intangible assets	(4,958)	(5,307)	(5,552)	(15,817)	(3,581)	(3,637)	(4,061)	(11,279)	(4,733)	(16,012)
220. Other operating charges/income	57,822	55,765	49,388	162,975	31,283	30,255	46,152	107,690	35,963	143,653
230. Operating costs	**(285,535)**	**(312,885)**	**(280,687)**	**(879,107)**	**(308,239)**	**(321,557)**	**(282,747)**	**(912,543)**	**(293,262)**	**(1,205,805)**
240. Profit (loss) from equity investments	(5)	(8,200)	3,790	(4,415)	(233)	5,384	955	6,106	9,085	15,191
260. Adjustments to goodwill	-	-	-	-	-	(36)	-	(36)	(12)	(48)
270. Gains (losses) on disposal of investments	88	39	214	341	(27)	(1,633)	(989)	(2,649)	2,964	315
280. Profit (loss) from current operations before tax	**44,417**	**(28,868)**	**83,722**	**99,271**	**158,523**	**4,164**	**117,352**	**280,039**	**(287,452)**	**(7,413)**
290. Income taxes on current operations	(30,509)	(5,374)	(41,426)	(77,309)	(64,748)	(20,701)	(57,031)	(142,480)	117,295	(25,185)
300. Profit (loss) from current operations after tax	**13,908**	**(34,242)**	**42,296**	**21,962**	**93,775**	**(16,537)**	**60,321**	**137,559**	**(170,157)**	**(32,598)**
310. Profit (loss) after tax on non-current assets held for sale	1,525	(1,082)	815	1,258	-	-	482	482	(482)	-
320. Net profit (loss)	**15,433**	**(35,324)**	**43,111**	**23,220**	**93,775**	**(16,537)**	**60,803**	**138,041**	**(170,639)**	**(32,598)**
330. Net profit (loss) pertaining to minority interests	(1,041)	(532)	(7,441)	(9,014)	(6,038)	11,577	(1,873)	3,666	17,661	21,327
340. Profit (loss) pertaining to the Parent Company	**14,392**	**(35,856)**	**35,670**	**14,206**	**87,737**	**(4,960)**	**58,930**	**141,707**	**(152,978)**	**(11,271)**

Performance ratios as at 30 September 2013

	30.09.2013	2012 (*)
Financial ratios		
Structural ratios (%)		
loans to customers/total assets	76.84%	77.95%
loans to customers/direct deposits from customers	103.83%	101.79%
fixed assets/total assets	2.02%	2.03%
total risk-weighted assets (RWA)/total assets	72.13%	72.62%
goodwill/total assets	0.62%	0.61%
total direct deposits/total assets	87.08%	88.37%
deposits under management/indirect deposits	43.23%	41.01%
leverage (**)	14.44	14.24
net interbank lending (in thousands of Euro)	(6,333,356)	(5,018,680)
number of employees	11,723	11,834
number of national bank branches	1,326	1,297
Profitability ratios (%)		
ROE	0.47%	-0.29%
ROA (net profit/total assets)	0.04%	0.22%
cost/income ratio	54.75%	56.58%
net loan loss provisions/net loans to customers	1.25%	0.87%
Basic EPS	0.041	0.421
Diluted EPS	0.046	0.425
Risk ratios (%)		
net non-performing loans/net loans to customers	5.06%	3.92%
net watchlist loans/net loans to customers	6.86%	5.23%
provisions for losses on non-performing loans/gross non-performing loans	54.60%	54.87%
provisions for losses on performing loans/gross performing loans	0.59%	0.66%
Capital for supervisory purposes and capital ratios (***)		
Core Tier 1 capital	3,734,046	3,701,624
Tier 1 capital	3,756,411	3,714,841
Capital for supervisory purposes (including Tier 3)	5,337,739	5,427,499
Risk-weighted assets (RWA)	44,313,688	44,758,313
Core Tier 1 ratio	8.43%	8.27%
Tier 1 capital ratio	8.48%	8.30%
Total capital ratio	12.05%	12.13%
Non-financial ratios		
Productivity ratios (in thousands of Euro)		
direct deposits from customers per employee	3,878.38	3,988.67
loans to customers per employee	4,026.91	4,060.23
assets managed per employee	956.84	871.47
assets administered per employee	1,256.70	1,253.63
net interest and other banking income per employee	136.96	135.93

(*) The comparative figures for the income statement are as at 30 September 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).

(***) The ratios have been calculated based on equity that includes its share of net profit for the first nine months of the year and taking account of the net effects at 30 September 2013 of applying the fair value option, with an impact of 11 bps for the overall portion attributable to the results for the third quarter of 2013.

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