PRESS RELEASE

Consolidated results for H1 2014 approved

Capital increase of € 750 million concluded successfully in July

Fully Phased CET1 ratio[1] of 10.43% including the capital increase and without considering the benefits of validation of internal models ("AIRB")

Total net profit for H1 of € 42.5 million;
€ 69.0 million net of € 26.5 million of non-recurring items[2] for the half-year

Net interest and other banking income are up,
helped by the rise in net interest income and the result from financial activities

Coverage ratio have again improved significantly (+210 bps on December 2013)

- ✓ The profit from current operations before tax amounts to € 84.2 million in the period (€ 15.5 million in the first six months of 2013)
- ✓ Net interest and other banking income of € 1,131.8 million, up by 3.9% on H1 2013. In particular:
  - net interest income is up by 3.3% y/y mainly because of the decline in funding cost
  - net commission income substantially stable on the H1 of last year (-0.4% y/y)
  - good net trading result: up by 32.4% y/y
- ✓ Net adjustments to loans down by 5.2% in H1 with respect to the H1 2013
- ✓ Coverage of doubtful loans up significantly to 39.4% (+210 bps on December 2013 and +360 bps on June 2013)

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[1] Common Equity Tier 1 ratio ("CET1") estimated according to the new Basel 3 regulations on a "Fully Phased" basis at January 2024.
[2] The total pro-forma net profit of € 69.0 million takes the following extraordinary items into account: 1) extraordinary value adjustments to a portfolio of "non-core" loans, originated by third-party networks and equal to € 18.4 million, net of tax (€ 27.4 million before tax); 2) higher income taxes are due to the increase in the retroactive substitute tax (€ 2.8 million) on BPER's stake in the Bank of Italy and the recalculation of deferred tax assets following the reduction in the IRAP rate of € 5.3 million (see notes 6 and 7).

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 half of 2014.

At the end of the Board meeting, Alessandro Vandelli, CEO of the BPER Group, declared: "Approval of the half-year results follows by a few days the closing of the operation to strengthen our capital by € 750 million; we are extremely pleased with the outcome, especially the good reception it had among our members and shareholders, who sustained us despite the country's difficult economic situation. This demonstrates that there is still a very strong bond between the Bank and the territories in which it operates. The capital resources that we have raised will enable us to further improve the Group's financial solidity and achieve a level of "Fully Phased" Common Equity Tier 1 ratio under the Basel 3 rules of 10.43%*, in line with best market standards, and without considering the benefits that will come from validation of the advanced internal models for measuring credit risk. What's more, we recently had a first concrete response from the rating agency Standard & Poor's, which immediately improved its assessment of the Bank's long-term creditworthiness. As regards the H1 results, net profit comes to € 42.5 million, compared to the loss of around € 20 million reported in the same period last year. This is thanks to an operating profit, measured as the difference between net interest and other banking income and operating costs, that has increased by more than 4.0%, bolstered above all by the good trend in net interest income and the result from financial activities. The half-year's profitability would have been even more positive, coming to around € 69 million, if it hadn't been for the extraordinary items booked during the period. I also think it important to emphasise that the good result was achieved despite having continued to apply an extremely prudent approach to the valuation of loans, as is well demonstrated by the further significant increase in the level of provisions for doubtful loans, now close to 40%, compared with figures that were already high both at the end of 2013 and at the end of the last quarter. All these elements contribute to make us confident about the outcomes of the Asset Quality Review and Stress Tests currently being carried out in Europe, the results of which will only be announced in October. From a corporate point of view, we are continuing the important task of rationalising and simplifying the Group with the parent company absorbing the three banks in central Italy. It then continued with the merger of ABF Leasing and Sardaleasing early this year and will see a further acceleration in the second half of the year, when the Parent Company will absorb another three banks, Banca Popolare di Ravenna, Banca della Campania and the Banca popolare del Mezzogiorno, for which the Supervisory Authority recently gave its approval. We have now started preparing the new Business Plan for the period 2015-2017, which will be presented at the beginning of next year. One of its goals will be to redesign the Group's distribution model and structurally reduce our cost base in order to achieve an adequate and sustainable level of profitability, consolidating BPER's leadership in our key territories."*

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Income statement: key data

Net interest income comes to € 658.5 million, an improvement of 3.3% compared with the same period last year, mainly due to the benefits arising from the steps taken in the second half of 2013 to lower the cost of funding, which are continuing in the period under review. Compared with the previous quarter, net interest income is substantially in line (-0.4% q/q) with the rate spread at much the same level, but with deposit and loans volumes again slightly down.

Net commission income of € 345.5 million is substantially in line with the same period last year (-0.4%), while comparison with the previous quarter shows a rise of 1.5%. It is worth pointing out the good performance of commission income on indirect deposits and bancassurance (+11.9% y/y; +8.1% q/q), thanks to the growth in funds under management and administration, which did well to offset the decline in commission income on loans.

The **net result from trading activities** (including dividends of € 18.2 million) amounts to € 127.9 million, a significant increase in comparison with the same period last year (+20.8% y/y), benefiting from the good performance of financial markets and the profits made on reserves for government securities held as available for sale ("AFS") This result was achieved with the help of net realised gains of € 105.9 million, net capital gains of €

17.9 million, for the most part attributable to the mark-to-market adjustment of the Italian government bonds held in portfolio, the negative contribution of the fair value option on financial liabilities for € 6.6 million (also negative for € 40.2 million at 30 June 2013) and the negative contribution of other components for € 7.5 million.

Net interest and other banking income amounts to € 1,131.8 million a significant rise on the first half 2013(€ 1,089.9 million: +3.9% y/y) mainly due to the good performance of net interest income and the result from financial activities.

Net adjustments to loans and other financial assets amount to € 423.5 million, 9.5% down on the same period in 2013, primarily due to the adjustments made in the lending sector (€ 416.8 million). This amount also includes extraordinary value adjustments to loans for a total of € 27.4 million (€ 18.4 million, net of tax) related to the sale of a portfolio of non-performing residential mortgage loans placed by third-party networks for a nominal amount of € 164 million[3]. This transaction was completed successfully, based on an assessment of its overall convenience, on 10 July, with the transfer of the loans and payment of the consideration under a contract that was signed at the end of June; from that date, the provision of € 27.4 million mentioned above will be reallocated to "gains (losses) on sale of loans" in the income statement. This transaction is consistent with the Group's strategic decision to apply a very conservative approach in assessing credit, guarantees in particular, with the aim of significantly improving the coverage of doubtful loans. The total cost of credit at 30 June 2014 comes to 92 bps (184 bps annualised), which decreases to 86 bps net of the one-off adjustments mentioned previously (171 bps annualised).

The level of **coverage of doubtful loans** is again well up on the end of 2013 and year on year, as a result of the strict application of an extremely conservative approach to the assessment of credit. in detail, the coverage of non-performing loans comes to 56.5%, 150 bps up on the the end of last year (55.0) and 170 bps up on June 2013 (54.8%); taking into account the direct write-offs of non-performing loans still outstanding of € 1.4 billion, the coverage of non-performing loans comes to 64.8%. There has also been a significant increase in the coverage of watchlist loans, now at 19.3% compared with 18.2% at the end of 2013 (+110 bps) and 17.4% in the same period last year (+190 bps); the coverage of restructured and past due loans has also increased (to 14.3% and 6.7% respectively at 30 June 2014). The coverage ratio of total doubtful loans comes to 39.4%, significantly up on 37.3% at the end of 2013 (+210 bps) and 35.8% in June 2013 (+360 bps); taking the write-offs into account, this ratio comes to 46.5%, up from 45.1% at the end of 2013 (having been 44.2% in June 2013).

The **net profit from financial activities** of € 708.3 million shows an increase of 13.9% on June 2013, benefiting primarily from the good performance of net interest income and the result from financial activities and the reduction in adjustments.

Within **operating costs**, **payroll costs** amount to € 397.9 million, down by 2.1% on the same period in 2013 (-0.1% net of extraordinary costs of the redundancy incentives and Solidarity Fund). **Other administrative expenses** amount to € 261.8 million, an increase of 2.1% year on year, but they remain unchanged if we exclude the impact of taxation[4]. Overall, operating costs, including other operating charges/income, amount to € 620.4 million in the first half of the year, 3.7% up on the same period last year, mainly due to the decrease in "other operating charges/income" (- € 21.6 million; -19.0% year on year), mainly affected by the reduction of fees related to "*Commissione di istruttoria veloce*" ("*CIV*") for € 9.1 million.
Excluding the extraordinary costs of the redundancy incentives and Solidarity Fund[5], net of taxation for the two periods, the costs relating to ordinary operations (payroll costs, administrative expenses and amortisation and depreciation) are more or less stable (+0.3% on June 2013).

[3] The portfolio being sold is made up of residual residential mortgage loans, secured by a voluntary mortgage on property, distributed by Systema Mutui S.p.A., an external network of promoters, and paid out mainly between 2007 and 2009 by Meliorbanca S.p.A. (merged with the Parent Company in 2012) originally intended mainly to be securitised. This sale makes it possible to reduce the overall stock of non-performing loans in exchange for a cash consideration that is certain, immediate and interest-earning; it also aims to eliminate the administrative expense of handling these loans, including management, legal and funding costs.
[4] Taxation: € 72.0 million at 30 June 2014 (€ 66.6 million at 30 June 2013).
[5] The extraordinary costs of redundancy incentives and the Solidarity Fund amounted to € 0.7 million in the first half of 2014 (€ 9.0 million in the first half of 2013).

The **profit from current** operations before tax amounts to € 84.2 million in the period (€ 15.5 million in the first six months of 2013). **Income taxes for the period** come to € 41.7 million and take account of the retroactive additional substitute tax (€ 2.8 million)[6] calculated on the capital gain realised in 2013 on the revaluation of BPER's stake in the Bank of Italy, in addition to the one-off effects (€ 5.3 million) of recalculating deferred tax assets following the cut in the rate of IRAP[7]. This has led to an overall tax rate of 49.5%.

Total net profit for the period amounts to € 42.5 million, compared with a negative result of € 19.9 million at 30 June 2013, including the profit for the period pertaining to minority interests of € 6.6 million (€ 1.6 million at 30 June 2013). The **profit pertaining to the Parent Company** therefore comes to € 35.9 million, compared with a loss of € 21.5 million in the same period of 2013.

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 € 45.7 billion, 2.4% down on the end of 2013, mostly due to seasonal components, abandoning particularly onerous positions, switching part of the direct customer deposits into asset management and insurance policies, helped by a positive trend in the market. Direct borrowing is made up principally of retail & private deposits (78.5%) and 63.0% is in the form of current accounts, demand deposits and short-term restricted deposits.

Indirect customer deposits, at market price, amount to € 28.2 billion, an increase of 6.2% on the start of the year. In particular, assets under management are up by 3.4% on the end of 2013, while assets under administration in the same period are showing a decrease of 1.3%. The **insurance policy portfolio**, which is not included in indirect borrowing, comes to € 2.9 billion (+15.8% since the start of the year), almost entirely for life insurance.

Loans to customers, net of impairment losses, amount to € 45.4 billion (-2.3% since the end of 2013) and still suffer from the difficulties of the economy and the decline in demand for capital investment, despite some signs of stabilisation especially in the latter part of the period, with positive evidence in the residential mortgage sector, which grew by 5.1% year on year (+23.5% quarter-on-quarter).

Net doubtful loans come to € 6.6 billion, 2.6% up on the end of 2013, including non-performing loans of € 2.6 billion (+6.8% since the end of the year); these amounts are respectively 14.4% and 5.8% of total net loans to customers. In detail, other items consist of net watchlist loans of € 3.0 billion, down by 3.7% since the end of 2013, net restructured loans of € 0.6 billion (+27.5% from December 2013) and net past due loans of € 0.3 billion (-2.8% since the end of last year). As we said previously, all of these items have good coverage ratios, which were boosted significantly during the half-year.

The **net interbank position**, which was negative for € 5.7 billion, a decrease since the end of 2013 (€ 6.2 billion), is the difference between amounts due from banks of € 1.6 billion and amounts due to banks of € 7.3 billion; among the latter, € 3.4 billion derive from the refinancing facility with the European Central Bank, of which € 3.0 billion attributable to 3-year Long-Term Refinancing Operations (LTRO), down by € 1.5 billion due to the partial repayment made during the period. Financial instruments eligible for use as collateral for refinancing transactions on the market amount to € 12.1 billion, net of the haircut, of which € 4.2 billion are available (having been € 12.4 billion and € 3.9 billion respectively at 31 December 2013). In order to increase the Group's financial flexibility, we expect to take part in the TLTRO ("Targeted Longer Term Refinancing Operations") programme launched by the European Central Bank on 5 June to support the banks in providing credit to the economy.

[6] Art. 4, paragraph 12 of Decree Law 66/2014 (the so-called "Renzi Decree") amended the substitute tax rate from 12% to 26%.
[7] Art. 2, paragraph 1 of Decree Law 66/2014 reduced the rate of IRAP from tax year 2014.

Financial assets amount in total to € 9.4 billion, an increase of 3.7% on the end of 2013; they account for 15.5% of total assets, among the lowest percentages for the entire banking system. Debt securities represent 91.1% of the total portfolio and amount to € 8.6 billion: of these, € 6.4 billion relate to government securities (mostly represented by Italian government bonds) and € 1.9 billion to banks and supranational entities.

Against the assets available for sale (AFS) of € 6.9 billion, there are positive valuation reserves for a total of € 204.6 million, net of the related tax effect, which is the net result of positive reserves for debt securities, equities and UCITS of € 227.2 million less negative reserves of € 22.6 million; the net reserve only for government bonds was a positive € 110.2 million. Moreover, with regard to the portfolio of financial assets held to maturity (HTM) of € 1.3 billion, the difference between the fair value and the book value is positive, producing an implicit reserve of € 137.7 million.

Total Group equity amounts to € 4.8 billion (+1.4%) at 1H, with minority interests of € 0.7 billion. Consolidated shareholders' equity of the Group, including the result for the period, comes to € 4.1 billion, +1.4% since the end of 2013. This equity does not take into account the capital increase of € 750 million completed in July 2014; net of costs, this will have an impact of approximately € 737 million.

Capital ratios

The **capital ratios** have been determined on the basis of the standardised approach for calculation of credit and market risk, according to the new regulations (Basel 3) in force since 1 January 2014 and the clarifications and interpretations endorsed to date, including the portion of net profit at 30 June 2014 that is attributable to equity. Taking into account the net impact of the € 750 million increase in capital completed in July, the following table shows that all ratios are well over the regulatory limits:

- "Common Equity Tier 1 ratio (Phased in)" of 11.02% (the minimum requirement at 30 June 2014 is 9.30%). This figure calculated on a "Fully Phased" basis comes to 10.43%;
- "Tier 1 ratio (Phased in)" of 11.07%;
- "Own Funds (Phased in)" of 13.13%.

Key figures at 30 June 2014

The Group has a presence in 18 Regions of Italy, with 1,291 branches, 16 fewer than at the end of 2013, as well as the head office of BPER (Europe) International s.a. in Luxembourg.

The Group currently has 11,623 employees (11,718 at the end of 2013).

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Significant subsequent events

On 10 July 2014, as part of various rating changes on mid-sized Italian banks, Fitch Ratings confirmed its long-term rating and its short-term rating at "BB+" and "B" respectively. The outlook remains negative. The viability rating was revised to “bb” from “bb+”, while the support rating and support rating floor were confirmed at "3" and "BB+”, respectively.

On 28 July 2014, BPER successfully concluded a cash increase in capital of € 750 million, as announced to the market on 6 May 2014 and approved by BPER's Extraordinary Shareholders' Meeting on 7 June 2014. The Offer had an underwriting syndicate made up of Citigroup Global Markets Limited, J.P. Morgan Securities plc and Mediobanca - Banca di Credito Finanziario S.p.A., acting as Joint Global Coordinators and Joint Bookrunners, with Barclays Bank PLC, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG London Branch, HSBC Bank plc and Société Générale S.A. acting as Joint Bookrunners. This operation to strengthen the Bank's capital ended with the full subscription of 145,850,334 newly issued BPER ordinary shares for a total of Euro 749,670,717, so without any intervention on the part of the underwriting syndicate.

Outlook for operations

Having successfully completed the task of strengthening BPER's capital, which has further increased the already satisfactory level of financial solidity, the BPER Group is waiting with confidence for the results of the AQR exercise and subsequent stress tests which the ECB is carrying out at a European level as part of the Comprehensive Assessment. In the second half of the year, we expect to see a stabilisation of the economic situation, supported by tentative signs of recovery in terms of domestic demand and capital investment and with a positive contribution from exports, while a more substantial improvement in the economic situation seems to have been postponed to 2015. The earnings prospects of the Italian banking system, which should see a gradual improvement during the current year, are mainly affected by the trend in credit quality and uncertainties about the outcome of the AQR and the Stress Tests.

The BPER Group's main objectives for the current year are to strengthen traditional banking profitability, to maintain a satisfactory levels of coverage of doubtful loans and to hold down operating costs. The second half of the year will see the start of activities on the new Business Plan that will be presented early next year. One of its goals will be to redesign and innovate the Group's distribution model and structurally reduce operating costs in order to achieve an adequate and sustainable level of profitability.

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The Interim Financial Report of the BPER Group at 30 June 2014, together with the audit opinion, 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.

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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 30 June 2014, as well as a summary of the main indicators.

Modena, 7 August 2014

Chief Executive Officer
Alessandro Vandelli

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, 7 August 2014

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

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A conference call has been organised for **Thursday, 7 August 2014 at 5.00 p.m. (CET)** to explain the BPER Group's results at 30 June 2014.
The conference will be chaired by **Alessandro Vandelli, the Chief Executive Officer**

To join the conference call, key in 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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The press release is available in 1INFO storage device.

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

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Consolidated balance sheet as at 30 June 2014

(in thousands of Euro)

Assets	30.06.2014	31.12.2013	Change	%change
10. Cash and cash equivalents	396,682	488,522	(91,840)	-18.80
20. Financial assets held for trading	1,047,737	1,117,939	(70,202)	-6.28
30. Financial assets designated at fair value through profit and loss	126,416	149,899	(23,483)	-15.67
40. Financial assets available for sale	6,920,238	6,630,062	290,176	4.38
50. Financial assets held to maturity	1,344,268	1,207,868	136,400	11.29
60. Due from banks	1,611,930	1,587,781	24,149	1.52
70. Loans to customers	45,416,633	46,514,738	(1,098,105)	-2.36
80. Hedging derivatives	29,530	3,751	25,779	687.26
100. Equity investments	253,609	250,970	2,639	1.05
120. Property, plant and equipment	1,023,525	1,022,430	1,095	0.11
130. Intangible assets	487,322	491,215	(3,893)	-0.79
of which: goodwill	380,416	380,416	-	-
140. Tax assets	1,213,905	1,184,567	29,338	2.48
a) current	135,806	145,989	(10,183)	-6.98
b) deferred	1,078,099	1,038,578	39,521	3.81
b1) of which L. 214/2011	927,358	893,224	34,134	3.82
150. Non-current assets and disposal groups held for sale	2,817	2,817	-	-
160. Other assets	1,056,303	1,105,493	(49,190)	-4.45
Total assets	**60,930,915**	**61,758,052**	**(827,137)**	**-1.34**

Liabilities and shareholders' equity	30.06.2014	31.12.2013	Change	%change
10. Due to banks	7,316,650	7,820,719	(504,069)	-6.45
20. Due to customers	32,509,875	33,681,447	(1,171,572)	-3.48
30. Debt securities in issue	11,106,518	10,186,690	919,828	9.03
40. Financial liabilities held for trading	225,570	198,059	27,511	13.89
50. Financial liabilities designated at fair value through profit and loss	2,096,066	2,952,035	(855,969)	-29.00
60. Hedging derivatives	35,834	37,825	(1,991)	-5.26
80. Tax liabilities	167,522	134,873	32,649	24.21
a) current	5,244	12,405	(7,161)	-57.73
b) deferred	162,278	122,468	39,810	32.51
100.Other liabilities	2,150,531	1,520,458	630,073	41.44
110. Provision for termination indemnities	221,914	208,390	13,524	6.49
120. Provisions for risks and charges	323,424	305,796	17,628	5.76
a) pensions and similar commitments	141,420	120,859	20,561	17.01
b) other provisions	182,004	184,937	(2,933)	-1.59
140. Valuation reserves	164,559	139,472	25,087	17.99
170. Reserves	2,270,350	2,267,929	2,421	0.11
180. Share premium reserve	624,156	624,156	-	-
190. Share capital	1,001,483	1,001,483	-	-
200. Treasury shares	(7,272)	(7,272)	-	-
210. Minority interests	687,835	678,816	9,019	1.33
220. Profit (loss) for the period	35,900	7,176	28,724	400.28
Total liabilities and shareholders' equity	**60,930,915**	**61,758,052**	**(827,137)**	**-1.34**

Consolidated income statement as at 30 June 2014

(in thousands of Euro)

Captions	30.06.2014	30.06.2013	Change	%change
10. Interest and similar income	984,333	1,045,365	(61,032)	-5.84
20. Interest and similar expense	(325,874)	(408,169)	82,295	-20.16
30. Net interest income	**658,459**	**637,196**	**21,263**	**3.34**
40. Commission income	370,233	373,265	(3,032)	-0.81
50. Commission expense	(24,755)	(26,454)	1,699	-6.42
60. Net commission income	**345,478**	**346,811**	**(1,333)**	**-0.38**
70. Dividends and similar income	18,191	22,990	(4,799)	-20.87
80. Net trading income	9,936	20,358	(10,422)	-51.19
90. Net hedging gains (losses)	322	(206)	528	-256.31
100. Gains/losses on disposal or repurchase of:	100,421	98,158	2,263	2.31
a) loans	166	(687)	853	-124.16
b) financial assets available for sale	100,214	97,421	2,793	2.87
d) financial liabilities	41	1,424	(1,383)	-97.12
110. Net results on financial assets and liabilities designated at fair value	(990)	(35,445)	34,455	-97.21
120. Net interest and other banking income	**1,131,817**	**1,089,862**	**41,955**	**3.85**
130. Net impairment adjustments to:	(423,485)	(467,815)	44,330	-9.48
a) loans	(416,792)	(439,759)	22,967	-5.22
b) financial assets available for sale	(3,655)	(3,198)	(457)	14.29
d) other financial assets	(3,038)	(24,858)	21,820	-87.78
140. Net profit from financial activities	**708,332**	**622,047**	**86,285**	**13.87**
180. Administrative costs:	(659,736)	(663,128)	3,392	-0.51
a) payroll	(397,895)	(406,609)	8,714	-2.14
b) other administrative costs	(261,841)	(256,519)	(5,322)	2.07
190. Net provision for risks and charges	(19,634)	(18,378)	(1,256)	6.83
200. Net adjustments to property, plant and equipment	(20,655)	(20,236)	(419)	2.07
210. Net adjustments to intangible assets	(12,315)	(10,265)	(2,050)	19.97
220. Other operating charges/income	91,980	113,587	(21,607)	-19.02
230. Operating costs	**(620,360)**	**(598,420)**	**(21,940)**	**3.67**
240. Profit (loss) from equity investments	(3,765)	(8,205)	4,440	-54.11
270. Gains (losses) on disposal of investments	23	127	(104)	-81.89
280. Profit (loss) from current operations before tax	**84,230**	**15,549**	**68,681**	**441.71**
290. Income taxes on current operations	(41,682)	(35,883)	(5,799)	16.16
300. Profit (loss) from current operations after tax	**42,548**	**(20,334)**	**62,882**	**-309.25**
310. Profit (loss) after tax on non-current assets held for sale	-	443	(443)	-100.00
320. Net profit (loss)	**42,548**	**(19,891)**	**62,439**	**-313.91**
330. Net profit (loss) pertaining to minority interests	(6,648)	(1,573)	(5,075)	322.63
340. Profit (loss) for the period pertaining to the Parent Company	**35,900**	**(21,464)**	**57,364**	**-267.26**

Consolidated income statement by quarter as at 30 June 2014

Captions	1st quarter 2014	2nd quarter 2014	30.06.2014	1st quarter 2013	2nd quarter 2013	30.06.2013	3rd quarter 2013	4th quarter 2013	31.12.2013
10. Interest and similar income	494,548	489,785	984,333	522,914	522,451	1,045,365	510,407	504,813	2,060,585
20. Interest and similar expense	(164,728)	(161,146)	(325,874)	(211,799)	(196,370)	(408,169)	(183,420)	(179,007)	(770,596)
30. Net interest income	**329,820**	**328,639**	**658,459**	**311,115**	**326,081**	**637,196**	**326,987**	**325,806**	**1,289,989**
40. Commission income	184,023	186,210	370,233	184,746	188,519	373,265	186,320	191,601	751,186
50. Commission expense	(12,573)	(12,182)	(24,755)	(13,457)	(12,997)	(26,454)	(13,645)	(12,829)	(52,928)
60. Net commission income	**171,450**	**174,028**	**345,478**	**171,289**	**175,522**	**346,811**	**172,675**	**178,772**	**698,258**
70. Dividends and similar income	574	17,617	18,191	575	22,415	22,990	540	556	24,086
80. Net trading income	4,290	5,646	9,936	8,317	12,041	20,358	12,516	15,239	48,113
90. Net hedging gains (losses)	231	91	322	(280)	74	(206)	15	(401)	(592)
100. Gains/losses on disposal or repurchase of:	67,761	32,660	100,421	24,834	73,324	98,158	14,338	53,082	165,578
a) loans	107	59	166	36	(723)	(687)	(528)	286	(929)
b) financial assets available for sale	67,430	32,784	100,214	23,417	74,004	97,421	12,641	51,992	162,054
d) financial liabilities	224	(183)	41	1,381	43	1,424	2,225	804	4,453
110. Net results on financial assets and liabilities designated at fair value	(8,982)	7,992	(990)	(18,215)	(17,230)	(35,445)	(11,375)	(27,170)	(73,990)
120. Net interest and other banking income	**565,144**	**566,673**	**1,131,817**	**497,635**	**592,227**	**1,089,862**	**515,696**	**545,884**	**2,151,442**
130. Net impairment adjustments to:	(214,710)	(208,775)	(423,485)	(167,766)	(300,049)	(467,815)	(155,291)	(253,441)	(876,547)
a) loans	(211,820)	(204,972)	(416,792)	(161,628)	(278,131)	(439,759)	(151,624)	(190,202)	(781,585)
b) financial assets available for sale	(466)	(3,189)	(3,655)	(670)	(2,528)	(3,198)	(1,423)	(53,812)	(58,433)
d) other financial assets	(2,424)	(614)	(3,038)	(5,468)	(19,390)	(24,858)	(2,244)	(9,427)	(36,529)
140. Net profit from financial activities	**350,434**	**357,898**	**708,332**	**329,869**	**292,178**	**622,047**	**360,405**	**292,443**	**1,274,895**
180. Administrative costs:	(322,923)	(336,813)	(659,736)	(323,000)	(340,128)	(663,128)	(312,633)	(333,524)	(1,309,285)
a) payroll	(196,796)	(201,099)	(397,895)	(198,440)	(208,169)	(406,609)	(185,171)	(195,699)	(787,479)
b) other administrative costs	(126,127)	(135,714)	(261,841)	(124,560)	(131,959)	(256,519)	(127,462)	(137,825)	(521,806)
190. Net provision for risks and charges	(6,658)	(12,976)	(19,634)	(5,318)	(13,060)	(18,378)	(1,700)	(9,832)	(29,910)
200. Net adjustments to property, plant and equipment	(10,402)	(10,253)	(20,655)	(10,081)	(10,155)	(20,236)	(10,190)	(13,304)	(43,730)
210. Net adjustments to intangible assets	(5,955)	(6,360)	(12,315)	(4,958)	(5,307)	(10,265)	(5,552)	(6,455)	(22,272)
220. Other operating charges/income	48,455	43,525	91,980	57,822	55,765	113,587	49,388	48,876	211,851
230. Operating costs	**(297,483)**	**(322,877)**	**(620,360)**	**(285,535)**	**(312,885)**	**(598,420)**	**(280,687)**	**(314,239)**	**(1,193,346)**
240. Profit (loss) from equity investments	(973)	(2,792)	(3,765)	(5)	(8,200)	(8,205)	3,790	(10,533)	(14,948)
260. Adjustments to goodwill	-	-	-	-	-	-	-	(112)	(112)
270. Gains (losses) on disposal of investments	1	22	23	88	39	127	214	(6)	335
280. Profit (loss) from current operations before tax	**51,979**	**32,251**	**84,230**	**44,417**	**(28,868)**	**15,549**	**83,722**	**(32,447)**	**66,824**
290. Income taxes on current operations	(20,760)	(20,922)	(41,682)	(30,509)	(5,374)	(35,883)	(41,426)	25,341	(51,968)
300. Profit (loss) from current operations after tax	**31,219**	**11,329**	**42,548**	**13,908**	**(34,242)**	**(20,334)**	**42,296**	**(7,106)**	**14,856**
310. Profit (loss) after tax on non-current assets held for sale	-	-	-	1,525	(1,082)	443	815	-	1,258
320. Net profit (loss)	**31,219**	**11,329**	**42,548**	**15,433**	**(35,324)**	**(19,891)**	**43,111**	**(7,106)**	**16,114**
330. Net profit (loss) pertaining to minority interests	(2,947)	(3,701)	(6,648)	(1,041)	(532)	(1,573)	(7,441)	76	(8,938)
340. Profit (loss) for the period pertaining to the Parent Company	**28,272**	**7,628**	**35,900**	**14,392**	**(35,856)**	**(21,464)**	**35,670**	**(7,030)**	**7,176**

Performance ratios as at 30 June 2014

	30.06.2014	2013[1]
Financial ratios		
Structural ratios (%)		
net loans to customers/total assets	74.54%	75.32%
net loans and advances to customers/direct deposits from customers	99.35%	99.35%
financial assets/total assets	15.49%	14.74%
fixed assets/total assets	2.10%	2.06%
goodwill/total assets	0.62%	0.62%
direct deposits/total assets	87.03%	88.48%
deposits under management/indirect deposits	43.92%	43.01%
financial assets/tangible equity[2]	2.20	2.16
leverage[3]	14.09	14.52
net interbank lending/borrowing (in thousands of Euro)	(5,704,720)	(6,232,938)
number of employees	11,623	11,718
number of national bank branches	1,291	1,307
Profitability ratios (%)		
ROE (Return On Equity)	1.79%	0.18%
ROA (net profit/total assets)	0.07%	-0.03%
Cost/income ratio	54.81%	54.91%
Net adjustments to loans and advances/net loans to customers	0.92%	0.92%
Basic EPS	0.106	(0.065)
Diluted EPS	0.106	(0.063)
Risk ratios (%)		
net doubtful loans/net loans to customers	14.45%	13.76%
net non-performing loans/net loans to customers	5.83%	5.33%
net watchlist loans/net loans to customers	6.65%	6.74%
adjustments to doubtful loans/gross doubtful loans	39.42%	37.34%
adjustments to non-performing loans/gross non-performing loans	56.46%	54.97%
adjustments to watchlist loans/gross watchlist loans	19.26%	18.17%
adjustments to performing loans/gross performing loans	0.52%	0.56%
Capital for supervisory purposes and capital ratios		
Core Tier 1 ratio		8.56%
Total capital ratio		11.87%
Common Equity (CET1) ratio – Phased in	9.30%	
Tier 1 ratio – Phased in	9.35%	
Total capital ratio – Phased in	11.42%	
Common Equity (CET1) Ratio - Fully Phased[4]	10.43%	

[1] The comparative figures for the income statement are as at 30 June 2013, except for the ROE which is calculated on a yearly basis.
[2] Tangible equity = total shareholders' equity net of intangible assets.
[3] Leverage = total tangible assets (total assets net of intangible assets)/tangible equity (total shareholders' equity net of intangible assets).
[4] Common Equity Tier 1 ratio ("CET1") ratio estimated according to the new Basel 3 regulations under the full application (so-called "Fully Phased") in January 2024, including the effects of the capital increase and without considering the benefits the validation of internal models ("AIRB").

	30.06.2014	2013
Non financial ratios		
Productivity ratios (in thousands of Euro)		
direct deposits per employee	3,932.93	3,995.58
loans and advances to customers per employee	3,907.48	3,969.51
assets managed per employee	1,066.41	975.66
assets administered per employee	1,361.65	1,292.96
core revenues per employee[5]	86.38	82.22
net interest and other banking income per employee	97.38	91.06
operating costs per employee	53.37	50.00

[5] *Core revenues = net interest income + net commission income.*