PRESS RELEASE

Approval of Interim report as at 31 March 2014 and of a capital strengthening exercise of up to maximum € 750 million

Total net profit for the period of € 31.2 million,
showing a significant growth on the same period of last year

Considerable increase in core revenues due to the significant increase in net interest income and resilience of net commission income

Coverage ratios substantially increased as a result of a still conservative approach in the assessment of loans and guarantees, also in view of the Asset Quality Review currently in progress and subsequent stress tests

Group's capital soundness confirmed with a Phased-in CET1 ratio of 9.24%[1] (Fully Phased equal to 8.75%) under the standardised approach for the measurement of credit and market risk

Liquidity ratios already in line with Basel 3 minimum requirements with leverage ratio[2] among the best in the system (14.0x compared with 14.5x at the end of 2013)

The Board of Directors has approved a capital strengthening exercise by way of a share capital increase of up to € 750 million, fully underwritten by a syndicate made up of Citigroup Global Markets Limited, J.P. Morgan Securities plc and Mediobanca - Banca di Credito Finanziario S.p.A.

Extraordinary Shareholders' Meeting to approve the capital increase convened for 6-7 June 2014, in first and second call respectively

Fully Phased CET1 ratio[3] of 10.44% including the effects of capital increase and without considering the benefits of the validation of internal models ("AIRB")

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[1] *Common Equity Tier 1 ratio ("CET1")* estimated according to the new Basel 3 regulations under the transitional application (so-called "Phased-in") at 31 March 2014. 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 first quarter of the year. The calculation of risk-weighted assets ("RWA") includes the estimated amount attributable to counterparty risk on derivatives ("CVA"). The Supervisory Authorities have authorised another deferral in prudential reporting at March 2014 to 30 June 2014.

[2] Ratio of total assets, net of intangible assets, and Group shareholders' equity, net of intangible assets; no reference is therefore made to the leverage index required under the new regulations from 2014 onwards.

[3] *Common Equity Tier 1 ratio ("CET1")* estimated according to the new Basel 3 regulations on a "fully phased" basis at January 2024.

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 March 2014 and resolved a capital strengthening exercise by way of a share capital increase for up to a maximum of € 750 million.

At the end of the Board meeting, Alessandro Vandelli, CEO of the BPER Group, declared: "The net profit for the period is well up on the same period last year, highlighting our Group's ability to improve the level of core revenues, particularly net interest income, even in a period of prolonged economic crisis like the one we are currently experiencing. During the first quarter, also in view of the Asset Quality Review and European stress tests that will be completed in the second half of this year, we continued to apply an extremely prudent approach to the valuation of loans, which resulted in another significant increase in the coverage of doubtful loans compared with the already high figures at the end of 2013. In this context of a good operating performance, the Board of Directors has resolved a capital strengthening exercise for up to a maximum of € 750 million that will enable us to achieve a Basel 3 Fully Phased Common Equity Tier 1 ratio above 10%, bringing us in line with the new market standards.This result is even more significant if we consider that it does not take into account the benefits that will result from validation of advanced internal models for measuring credit and market risk. I would like on this occasion to recall that, despite the fact that this long crisis can be considered the worst since the World War II, the last capital increase for the bank dates back to 2006, demonstrating an ability to generate profits even in difficult conditions and to maintain adequate and structural financial solidity. The capital raised will allow us to support our customers in the growth opportunities offered by an economic scenario by an economic scenario whose recovery prospects appear, today, more tangible; at the same time it will provide us with an adequate capital base that will allow us to face the ECB's Comprehensive Assessment with comfort. In addition, we are highly motivated to improve our competitiveness through a structural plan of actions that will be outlined in the new business Plan that will be presented early next year. One of the objectives of this Plan will be to redesign the Group's distribution model in a modern and innovative way and a structural reduction in the cost base in order to achieve an adequate and sustainable level of profitability. Based on these premises, we believe that our Members and Shareholders will be able to make a positive assessment of our work and the desire to make the Bank even more solid, consolidating its leadership in our key areas."

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Income statement: key data

Net interest income comes to € 329.8 million, a significant improvement compared with the same period last year (+6% year on year), mainly due to the benefits arising from the steps taken in 2013 to lower the cost of funding. Also in comparison with the previous quarter, net interest income shows an increase (+1.2% quarter on quarter) due to a significant improvement in the interest rate spread thanks to the incisive repricing of assets and despite the higher incidence of institutional funding costs as a result of issuing a further tranche of covered bonds for € 250 million in February (re-opening of the inaugural issue carried out in October 2013 for € 750 million).

Net commission income of € 171.4 million is substantially in line with the same period last year (+0.1%). The areas that contributed the most to this overall result included indirect deposits and bancassurance (+12.4% year on year), thanks to the growth in volumes which offset the decline in fee and commission income on loans. Comparison with the previous quarter (-4.1% quarter on quarter) reflects the period's recurring seasonality.

The net result from trading activities (including dividends of € 0.6 million) amounts to € 63.9 million, a significant increase both in comparison with the same period last year and with the previous quarter, when the figures came respectively to € 15.2 million and € 41.3 million, 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 € 71.3 million, net capital gains of € 13 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 € 12.7 million (also negative for € 20.9 million at 31 March 2013) and the negative contribution of other components for € 8.3 million.

Net interest and other banking income comes to € 565.1 million, a substantial increase compared with the first quarter of 2013 (€ 497.6 million; +13.6% year on year), and compared with the previous quarter (€ 545.9 million; +3.5% quarter on quarter), 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 € 214.7 million, 28% up on the same period in 2013, primarily due to the adjustments made in the lending sector (€ 211.8 million). The increase in loan loss provisions compared with the same period last year is due to a combination of the continuing recession in the national economy and the application of an extremely conservative approach in the assessment of credit and, in particular, of guarantees, also with reference to the Asset Quality Review that the Supervisory Authorities are conducting on the larger European banks. The total cost of credit at 31 March 2014 comes to 46 bps (185 bps annualised).

The **coverage of doubtful loans** improved compared with the end of 2013. In detail, the coverage of non-performing loans comes to 55.4%, up on both December 2013 and March 2013 (55.0% and 54.3% respectively); taking into account the direct write-downs on non-performing loans still outstanding of € 1.4 billion, the coverage of non-performing loans comes to 64.3%. The coverage ratio of watchlist loans has increased by almost one percentage point, and now stands at 19.0%, compared with 18.2% at the end of the year and 17.5% in the same period last year; the coverage ratio of restructured and past due loans has also increased (to 15.0% and 6.9% respectively at 31 March 2014). The coverage of total doubtful loans amounts to 38.5%, significantly up on December 2013 (37.3%) and on March 2013 (36.3%); if we then take into account the direct write-downs of non-performing loans mentioned above, the overall coverage of doubtful loans stands at 45.9%, up from 45.1% at the end of 2013 (45.5% in March 2013).

The net profit from financial activities of € 350.4 million shows an increase of 6.2% on March 2013, benefiting primarily from the good performance of net interest income and the result from financial activities, which more than offset the increase in net adjustments to loans. Comparison with the previous quarter shows an even more positive result (+19.8% quarter on quarter), when the decline in total adjustments could be added to the positive items mentioned above.

Operating costs, net of other operating charges/income, amount to € 297.5 million in the first quarter of the year, 4.2% up on the same period last year, mainly due to the decrease in "other operating charges/income" (- € 9.4 million; -16.2% year on year), mainly affected by the reduction in the rapid preliminary investigation fee for € 4.4 million. Net of "Taxation", the costs relating to ordinary operations (payroll costs, administrative expenses and amortisation and depreciation) are 0.7% down compared with March 2013. In particular, payroll costs amount to € 196.8 million, down by 0.8% on the same period in 2013. Other administrative expenses amount to € 126.1 million, an increase of 1.3% year on year, though they mark a significant reduction if we exclude the impact of "Taxation" (-2% year on year)[4].

The profit from current operations before tax amounts to € 52 million in the period (+17% year on year). **Income taxes for the period** amount to € 20.8 million, giving a tax rate of 39.9%.

Total net profit for the period amounts to € 31.2 million, compared with € 15.4 million at 31 March 2013 (+102.3% year on year), including a profit for the period pertaining to minority interests of € 2.9 million. **The profit pertaining to the Parent Company** therefore comes to € 28.3 million, versus € 14.4 million in March 2013 (+96.4% year on year).

[4] "Taxation": € 34.9 million at 31 March 2014 and € 31.6 million at 31 March 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 € 46.2 billion, 1.2% 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 almost entirely of retail & private deposits (74.4%) and 63.3% is in the form of current accounts, demand deposits and short-term restricted deposits.

Indirect customer deposits, at market price, amount to € 27.7 billion, an increase of 4.4% on the start of the year. **The insurance policy portfolio**, which is not included in indirect borrowing, comes to € 2.8 billion (+10.6% since the start of the year), almost entirely for life insurance.

Loans to customers, net of adjustments, amount to € 45.8 billion (-1.4% from the end of 2013), reflecting the difficulties of the economy and the decline in demand for investment, even if there were a few timid signs of a return to normality in the latter part of the quarter.

Net doubtful loans come to € 6.5 billion, substantially in line with the end of 2013 (+1.1%), including non-performing loans of € 2.6 billion (+4.2% since the end of the year); these amounts are respectively 14.1% and 5.6% of total net loans to customers. In detail, other items consist of net watchlist loans of € 3.1 billion, down by 1.2% since the end of 2013, net restructured loans of € 0.5 billion (+20.6% from December 2013) and net past due loans of € 0.3 billion (-25.5% since the end of last year). As we said previously, all of these items have good coverage levels, which were boosted significantly during the quarter.

The net interbank position, which was negative for € 4.9 billion, an improvement since the end of 2013 (€ 6.2 billion), is the difference between amounts due from banks of € 1.9 billion and amounts due to banks of € 6.8 billion; among the latter, € 3.8 billion derive from the refinancing facility with the European Central Bank, attributable to 3-year Long-Term Refinancing Operations (LTRO), down by € 750 million due to the partial repayment made during the quarter. Financial instruments eligible for use as collateral for refinancing transactions on the market amount to € 11.5 billion, net of the haircut, of which € 3.9 billion are available (having been € 12.4 billion and € 3.9 billion respectively at 31 December 2013).

Financial assets amount in total to € 8.9 billion, a decrease of 2.5% on the end of 2013; they account for 14.6% of total assets, among the lowest exposures at the system level. Debt securities represent 90.8% of the total portfolio and amount to € 8.1 billion: of these, € 6.2 billion relate to government securities (mostly represented by Italian government bonds) and € 1.6 billion to banks and supranational entities.

Against the assets available for sale (AFS) of € 6.4 billion, there are positive valuation reserves for a total of € 185.8 million, net of the related tax effect, which is the net result of positive reserves for debt securities, equities and UCITS of € 205.7 million less negative reserves of € 19.9 million; the net reserve only for government bonds was a positive € 85.9 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 € 108.9 million.

Total Group equity amounts to € 4.8 billion (+1.5%) at year-end, with minority interests of € 0.7 billion. Consolidated shareholders' equity of the Group, including the result for the period, comes to € 4.1 billion, +1.6% since the end of 2013.

Capital ratios

The **capital ratios** at 31 March 2014 have been calculated on the basis of the standardised approach according to the new regulations in force since 1 January 2014 and the clarifications and interpretations endorsed to date. They take into account the portion of net profit at 31 March 2014 that is attributable to equity, and estimates in the calculation of risk-weighted assets (RWA), particularly as regards the element of counterparty risk on derivative contracts ("CVA"). The results are as follows:

- "*Basel 3 Common Equity Tier 1 Ratio Phased-in"* of 9.24%, an increase of about 10 bps over the equivalent figure estimated at 31 December 2013. This figure, calculated on a "*Fully Phased*" basis, comes to 8.75%.
- "*Basel 3 Total Capital Ratio Phased-in*" of 11.48%.

Key figures at 31 March 2014

The Group has a presence in 18 Regions of Italy, with 1,301 branches, 6 fewer than the end of 2013, as well as the head office of BPER (Europe) International s.a. in Luxembourg.

The Group currently has 11,641 employees (11,718 at the end of 2013).

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Significant subsequent events

On 29 April 2014, the international rating agency Standard & Poor's, as part of a broad review of the European banking system, confirmed BPER's long-term and short-term ratings at "BB-" and "B", respectively, and revised its outlook from "stable" to "negative".

The change in the outlook is a result of an analysis that Standard & Poor's performed on the potential extraordinary Government support in the event that a European bank found itself in difficulty; this as part of implementation of the regulatory framework for the EU's "Bank Recovery and Resolution Directive", which should come into force from January 2016. On this basis, Standard & Poor's is of the opinion that this European legislation could decrease the likelihood of Government support in the event of the Bank finding itself in difficulty.

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Capital strengthening exercise

The Board of Directors of Banca popolare dell'Emilia Romagna, today, has also resolved to propose to the Extraordinary Shareholders' Meeting convened on 6-7 June 2014 in first and second call, respectively, a capital strengthening exercise to be carried out through a share capital increase by way of an offer of pre-emptive subscription rights to members (*Soci*) and shareholders pursuant to Article 2441 of the Italian Civil Code for a total maximum amount of € 750 million (inclusive of share premium) to be executed by 31 December 2014, through issuance of new BPER ordinary shares, with a nominal value of € 3.00 each with regular dividend (the "Transaction" or the "Rights Issue").

Rationale and use of Rights Issue proceeds

The Transaction is aimed at further strengthening the already strong capital position of the Group (capital ratios as at March 31, 2014 already well above the minimum regulatory requirements), immediately achieving a Basel 3 Fully Phased Common Equity Tier 1 ratio above 10%, in line with market best practices, even before considering the potential benefits from the expected validation of the advanced internal models for measuring credit risk.

The capital strengthening will also allow to face with comfort the Asset Quality Review and the subsequent stress tests that the European Central Bank is conducting at the European level as part of the Comprehensive Assessment, as well as to optimise the capital structure, increase the Group's financial flexibility in terms of cost of funding and allow the gradual return to a policy of dividend distribution.

The Rights Issue will allow BPER Group to continue to pursue its strategy of organic growth in serving its customers and supporting them in the growth opportunities offered by an economic scenario whose recovery prospects appear, today, more tangible. Additionally, the capital base thus achieved will help to improve our competitiveness in the key territories through a structural plan of actions that will be outlined in the new business Plan that will be presented early next year. Such Plan will have, among others, the objective of re-designing and innovating the distribution model of the Group and reducing structurally the operating costs in order to achieve an adequate and sustainable level of profitability estimated higher than 9%[5] in terms of ROTE in 2017, after the Rights Issue.

Moreover, the successful completion of the Transaction, assuming the full subscription of the Rights Issue for the maximum amount of € 750 million, will allow Group BPER to achieve the following capital ratios (pro-forma as at March 31, 2014, calculated [6] using a standard methodology, and thus excluding the potential benefits arising from the adoption of the advanced models for measuring credit risk)

- Basel 3 Phased-in Common Equity Tier 1 ratio: 10.93%
- Basel 3 Fully Phased Common Equity Tier 1 ratio: 10.44%

Period for the execution of the Transaction

Subject to the issuance of the relevant authorisations by the competent authorities, it is expected that the offer of new ordinary shares by way of pre-emptive subscription rights to members (*Soci*) and shareholders may take place by 31 July 2014 and, in any case, within the current year.

Underwriting consortium

In the context of the Transaction, Citigroup Global Markets Limited, J.P. Morgan Securities plc and Mediobanca – Banca di Credito Finanziario SpA will act as Joint Global Coordinators and Joint Bookrunners, having entered into a stand-by underwriting agreement for the entire amount of the Transaction.

BPER is also assisted by Studio Chiomenti as legal advisor.

[5] Estimate based on a consensus-based economic scenario, with interest rates implied in market curves and a cost of risk internally estimated at 75bps in 2017.
[6] Estimates based on current evidence and interpretations, taking into account that the Supervisory Authorities have recently adopted a further postponement to 30 June 2014 of the communication in relation to prudential reports as at March 2014, with respect to the provisions of the new regulations in force since 1 January 2014.

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Note that the consolidated quarterly report of the BPER Group at 31 March 2014 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 31 March 2014, as well as a summary of the main indicators.

The report of the Board of Directors on the proposed increase in capital, containing proposals for the Extraordinary Shareholders' Meeting, will be made available to the public at the registered office and on the Bank's website as required by law.

Modena, 6 May 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, 6 May 2014

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

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A conference call has been organised for **Wednesday, 7 May 2014 at 11.00 a.m. (CET)** to explain the BPER Group's results at 31 March 2014. The conference will be chaired by **Alessandro Vandelli, the Chief Executive Officer**. To join the conference call, dial one of the following numbers:

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

Consolidated balance sheet as at 31 March 2014

(in thousands of Euro)

Assets	31.03.2014	31.12.2013	Change	%change
10. Cash and cash equivalents	352,564	488,522	(135,958)	-27.83
20. Financial assets held for trading	1,053,291	1,117,939	(64,648)	-5.78
30. Financial assets designated at fair value through profit and loss	138,983	149,899	(10,916)	-7.28
40. Financial assets available for sale	6,400,095	6,630,062	(229,967)	-3.47
50. Financial assets held to maturity	1,282,026	1,207,868	74,158	6.14
60. Due from banks	1,861,654	1,587,781	273,873	17.25
70. Loans to customers	45,849,318	46,514,738	(665,420)	-1.43
80. Hedging derivatives	11,782	3,751	8,031	214.10
100. Equity investments	254,197	250,970	3,227	1.29
120. Property, plant and equipment	1,013,735	1,022,430	(8,695)	-0.85
130. Intangible assets	487,625	491,215	(3,590)	-0.73
of which: goodwill	380,416	380,416	-	-
140. Tax assets	1,174,233	1,184,567	(10,334)	-0.87
a) current	88,894	145,989	(57,095)	-39.11
b) deferred	1,085,339	1,038,578	46,761	4.50
b1) of which L. 214/2011	938,763	893,224	45,539	5.10
150. Non-current assets and disposal groups held for sale	2,817	2,817	-	-
160. Other assets	828,765	1,105,493	(276,728)	-25.03
Total assets	**60,711,085**	**61,758,052**	**(1,046,967)**	**-1.70**

Liabilities and shareholders' equity	31.03.2014	31.12.2013	Change	%change
10. Due to banks	6,758,626	7,820,719	(1,062,093)	-13.58
20. Due to customers	33,082,762	33,681,447	(598,685)	-1.78
30. Debt securities in issue	10,716,050	10,186,690	529,360	5.20
40. Financial liabilities held for trading	214,552	198,059	16,493	8.33
50. Financial liabilities designated at fair value through profit and loss	2,442,213	2,952,035	(509,822)	-17.27
60. Hedging derivatives	35,573	37,825	(2,252)	-5.95
80. Tax liabilities	214,337	134,873	79,464	58.92
a) current	67,048	12,405	54,643	440.49
b) deferred	147,289	122,468	24,821	20.27
100. Other liabilities	1,938,832	1,520,458	418,374	27.52
110. Provision for termination indemnities	208,040	208,390	(350)	-0.17
120. Provisions for risks and charges	316,864	305,796	11,068	3.62
a) pensions and similar commitments	129,498	120,859	8,639	7.15
b) other provisions	187,366	184,937	2,429	1.31
140. Valuation reserves	158,643	139,472	19,171	13.75
170. Reserves	2,290,578	2,267,929	22,649	1.00
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	687,376	678,816	8,560	1.26
220. Profit/Loss for the period	28,272	7,176	21,096	293.98
Total liabilities and shareholders' equity	**60,711,085**	**61,758,052**	**(1,046,967)**	**-1.70**

Consolidated income statement as at 31 March 2014

(in thousands of Euro)

Captions	31.03.2014	31.03.2013	Change	%change
10. Interest and similar income	494,548	522,914	(28,366)	-5.42
20. Interest and similar expense	(164,728)	(211,799)	47,071	-22.22
30. Net interest income	**329,820**	**311,115**	**18,705**	**6.01**
40. Commission income	184,023	184,746	(723)	-0.39
50. Commission expense	(12,573)	(13,457)	884	-6.57
60. Net commission income	**171,450**	**171,289**	**161**	**0.09**
70. Dividends and similar income	574	575	(1)	-0.17
80. Net trading income	4,290	8,317	(4,027)	-48.42
90. Net hedging gains (losses)	231	(280)	511	-182.50
100. Gains/losses on disposal or repurchase of:	67,761	24,834	42,927	172.86
a) loans	107	36	71	197.22
b) financial assets available for sale	67,430	23,417	44,013	187.95
d) financial liabilities	224	1,381	(1,157)	-83.78
110. Net results on financial assets and liabilities designated at fair value	(8,982)	(18,215)	9,233	-50.69
120. Net interest and other banking income	**565,144**	**497,635**	**67,509**	**13.57**
130. Net impairment adjustments to:	(214,710)	(167,766)	(46,944)	27.98
a) loans	(211,820)	(161,628)	(50,192)	31.05
b) financial assets available for sale	(466)	(670)	204	-30.45
d) other financial assets	(2,424)	(5,468)	3,044	-55.67
140. Net profit from financial activities	**350,434**	**329,869**	**20,565**	**6.23**
180. Administrative costs:	(322,923)	(323,000)	77	-0.02
a) payroll	(196,796)	(198,440)	1,644	-0.83
b) other administrative costs	(126,127)	(124,560)	(1,567)	1.26
190. Net provision for risks and charges	(6,658)	(5,318)	(1,340)	25.20
200. Net adjustments to property, plant and equipment	(10,402)	(10,081)	(321)	3.18
210. Net adjustments to intangible assets	(5,955)	(4,958)	(997)	20.11
220. Other operating charges/income	48,455	57,822	(9,367)	-16.20
230. Operating costs	**(297,483)**	**(285,535)**	**(11,948)**	**4.18**
240. Profit (loss) from equity investments	(973)	(5)	(968)	--
270. Gains (losses) on disposal of investments	1	88	(87)	-98.86
280. Profit (loss) from current operations before tax	**51,979**	**44,417**	**7,562**	**17.03**
290. Income taxes on current operations	(20,760)	(30,509)	9,749	-31.95
300. Profit (loss) from current operations after tax	**31,219**	**13,908**	**17,311**	**124.47**
310. Profit (loss) after tax on non-current assets held for sale	-	1,525	(1,525)	-100.00
320. Net profit (loss)	**31,219**	**15,433**	**15,786**	**102.29**
330. Net profit (loss) pertaining to minority interests	(2,947)	(1,041)	(1,906)	183.09
340. Profit (loss) for the period pertaining to the Parent Company	**28,272**	**14,392**	**13,880**	**96.44**

Consolidated income statement by quarter as at 31 March 2014

Captions	31.03.2014	31.03.2013	2nd quarter 2013	3rd quarter 2013	4th quarter 2013	31.12.2013
10. Interest and similar income	494.548	522.914	522.451	510.407	504.813	2.060.585
20. Interest and similar expense	(164.728)	(211.799)	(196.370)	(183.420)	(179.007)	(770.596)
30. Net interest income	**329.820**	**311.115**	**326.081**	**326.987**	**325.806**	**1.289.989**
40. Commission income	184.023	184.746	188.519	186.320	191.601	751.186
50. Commission expense	(12.573)	(13.457)	(12.997)	(13.645)	(12.829)	(52.928)
60. Net commission income	**171.450**	**171.289**	**175.522**	**172.675**	**178.772**	**698.258**
70. Dividends and similar income	574	575	22.415	540	556	24.086
80. Net trading income	4.290	8.317	12.041	12.516	15.239	48.113
90. Net hedging gains (losses)	231	(280)	74	15	(401)	(592)
100. Gains/losses on disposal or repurchase of:	67.761	24.834	73.324	14.338	53.082	165.578
a) loans	*107*	*36*	*(723)*	*(528)*	*286*	*(929)*
b) financial assets available for sale	*67.430*	*23.417*	*74.004*	*12.641*	*51.992*	*162.054*
d) financial liabilities	*224*	*1.381*	*43*	*2.225*	*804*	*4.453*
110. Net results on financial assets and liabilities designated at fair value	(8.982)	(18.215)	(17.230)	(11.375)	(27.170)	(73.990)
120. Net interest and other banking income	**565.144**	**497.635**	**592.227**	**515.696**	**545.884**	**2.151.442**
130. Net impairment adjustments to:	(214.710)	(167.766)	(300.049)	(155.291)	(253.441)	(876.547)
a) loans	*(211.820)*	*(161.628)*	*(278.131)*	*(151.624)*	*(190.202)*	*(781.585)*
b) financial assets available for sale	*(466)*	*(670)*	*(2.528)*	*(1.423)*	*(53.812)*	*(58.433)*
d) other financial assets	*(2.424)*	*(5.468)*	*(19.390)*	*(2.244)*	*(9.427)*	*(36.529)*
140. Net profit from financial activities	**350.434**	**329.869**	**292.178**	**360.405**	**292.443**	**1.274.895**
180. Administrative costs:	(322.923)	(323.000)	(340.128)	(312.633)	(333.524)	(1.309.285)
a) payroll	*(196.796)*	*(198.440)*	*(208.169)*	*(185.171)*	*(195.699)*	*(787.479)*
b) other administrative costs	*(126.127)*	*(124.560)*	*(131.959)*	*(127.462)*	*(137.825)*	*(521.806)*
190. Net provision for risks and charges	(6.658)	(5.318)	(13.060)	(1.700)	(9.832)	(29.910)
200. Net adjustments to property, plant and equipment	(10.402)	(10.081)	(10.155)	(10.190)	(13.304)	(43.730)
210. Net adjustments to intangible assets	(5.955)	(4.958)	(5.307)	(5.552)	(6.455)	(22.272)
220. Other operating charges/income	48.455	57.822	55.765	49.388	48.876	211.851
230. Operating costs	**(297.483)**	**(285.535)**	**(312.885)**	**(280.687)**	**(314.239)**	**(1.193.346)**
240. Profit (loss) from equity investments	(973)	(5)	(8.200)	3.790	(10.533)	(14.948)
260. Adjustments to goodwill	-	-	-	-	(112)	(112)
270. Gains (losses) on disposal of investments	1	88	39	214	(6)	335
280. Profit (loss) from current operations before tax	**51.979**	**44.417**	**(28.868)**	**83.722**	**(32.447)**	**66.824**
290. Income taxes on current operations	(20.760)	(30.509)	(5.374)	(41.426)	25.341	(51.968)
300. Profit (loss) from current operations after tax	**31.219**	**13.908**	**(34.242)**	**42.296**	**(7.106)**	**14.856**
310. Profit (loss) after tax on non-current assets held for sale	-	1.525	(1.082)	815	-	1.258
320. Net profit (loss)	**31.219**	**15.433**	**(35.324)**	**43.111**	**(7.106)**	**16.114**
330. Net profit (loss) pertaining to minority interests	(2.947)	(1.041)	(532)	(7.441)	76	(8.938)
340. Profit (loss) pertaining to the Parent Company	**28.272**	**14.392**	**(35.856)**	**35.670**	**(7.030)**	**7.176**

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Performance ratios as at 31 March 2014

	31.03.2014	2013(*)
Financial ratios		
Structural ratios (%)		
net loans to customers/total assets	75.52%	75.32%
net loans and advances to customers/direct deposits from customers	99.15%	99.35%
financial assets/total assets	14.62%	14.74%
fixed assets/total assets	2.09%	2.06%
goodwill/total assets	0.63%	0.62%
direct deposits/total assets	87.30%	88.48%
deposits under management/indirect deposits	42.97%	43.01%
financial assets/tangible equity (**)	2.07	2.16
leverage (***)	14.02	14.52
net interbank lending/borrowing (in thousands of Euro)	(4,896,972)	(6,232,938)
number of employees	11,641	11,718
number of national bank branches	1,301	1,307
Profitability ratios (%)		
ROE (Return On Equity)	2.83%	0.18%
ROA (net profit/total assets)	0.05%	0.02%
Cost/income ratio	52.64%	57.38%
Net adjustments to loans and advances/net loans to customers	0.46%	0.33%
Basic EPS	0.084	0.042
Diluted EPS	0.084	0.043
Risk ratios (%)		
net doubtful loans/net loans to customers	14.11%	13.76%
net non-performing loans/net loans to customers	5.64%	5.33%
net watchlist loans/net loans to customers	6.75%	6.74%
adjustments to doubtful loans/gross doubtful loans	38.49%	37.34%
adjustments to non-performing loans/gross non-performing loans	55.39%	54.97%
adjustments to watchlist loans/gross watchlist loans	19.04%	18.17%
adjustments to performing loans/gross performing loans	0.53%	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 [1]	9.24%	
Common Equity (CET1) Ratio - Fully Phased [1]	8.75%	
Total capital ratio – Phased-in [1]	11.48%	

[1] *The **capital ratios at 31 March 2014** have been calculated on the basis of the standardised approach according to the new regulations in force since 1 January 2014 and the clarifications and interpretations endorsed to date. They take into account the portion of net profit at 31 March 2014 that is attributable to equity, and estimates in the calculation of risk-weighted assets (RWA), particularly as regards the element of counterparty risk on derivative contracts (CVA).*

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	31.03.2014	2013(*)
Non-financial ratios		
Productivity ratios (in thousands of Euro)		
direct deposits per employee	3,972.26	3,995.58
loans and advances to customers per employee	3,938.61	3,969.51
assets managed per employee	1,023.91	975.66
assets administered per employee	1,359.00	1,292.96
core revenues per employee (****)	43.06	40.26
net interest and other banking income per employee	48.55	41.54
operating costs per employee	25.55	23.83

(*) The comparative figures for the income statement are as at 31 March 2013, except for the ROE which is calculated on a yearly basis.

(**) Tangible equity = total shareholders' equity net of intangible assets.

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

(****) Core revenues = net interest income + net commission income.