

PRESS RELEASE

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BPER Extraordinary Shareholders' Meeting approved the increase in share capital for payment approved for up to a maximum of Euro 750 million

Modena – 7 June 2014. Banca popolare dell'Emilia Romagna would like to announce that the Extraordinary Shareholders' Meeting approved the proposal to increase the share capital for payment and in tranches, to be executed by 31 December 2014, for up to a maximum of Euro 750,000,000, including any share premium, by issuing new BPER ordinary shares with a nominal value of Euro 3.00 each, to be offered in the form of a rights issue to those entitled to them pursuant to art. 2441 of the Civil Code (the "**Increase in Capital**"). The Meeting therefore:

- a) gave the Board of Directors the broadest possible powers to decide:
 - (i) the issue price of the newly issued ordinary shares, including any share premium, taking into account, among other things, market conditions, the price performance of the Company's shares, its economic and financial results, as well as market practice for similar operations, nearer the time of the offer. The issue price will be determined by applying, according to market practice for similar operations, a discount to the theoretical ex-right price ("TERP") of the ordinary shares, calculated using current methods, based on the official market price on the trading day prior to the final decision or, if available, based on the official market price on the same day as the final decision is made. The issue price of each ordinary share, taking into account any share premium, cannot be lower than its par value (Euro 3.00);
 - (ii) as a result of the provisions of paragraph (i), the portion of the price attributable to share capital, the maximum number of shares to be issued and the option allocation ratio, making any roundings that may be necessary;
 - (iii) the timing for the execution of the Increase in Capital, in particular for the launch of the offering prior to the final deadline of 31 December 2014, and the subsequent offer of any unexercised rights to the market at the end of the subscription period. If by 31 December 2014, the Increase in Capital is not fully subscribed, the share capital will be increased by an amount equal to the subscriptions received;

- b) approved the amendment to art. 6 of the Articles of Association, already authorised by the Bank of Italy, by inserting a new paragraph 10, which sets the terms of the Increase in Capital.

The purpose of the Increase in Capital is to further strengthen the Group's already capitalisation which is already very solid (capital ratios at 31 March 2014 already well above the minimum regulatory requirements), with the Fully Phased Basel 3 Common Equity Tier 1 (CET 1) ratio immediately reaching a level of more than 10%, in line with market best practice, even before considering the potential benefits from the expected validation of the advanced internal models for measuring credit risk and market risk.

This strengthening of the Bank's capital will also help BPER not to worry too much about the Asset Quality Review and subsequent Stress Tests, which the European Central Bank is carrying out at a European level as part of its Comprehensive Assessment; it will also help BPER to optimise its capital structure and increase the Group's financial flexibility in terms of funding cost and allow a gradual return to a dividend distribution policy.

The Increase in Capital will allow the BPER Group to continue pursuing its strategy of organic growth at the service of its customers, providing them with financial support wherever there are development opportunities offered by an economic scenario where there now appear to be real prospects of recovery. In addition, the capital base achieved in this way will help to improve BPER's competitiveness in its chosen territories through a structural plan of action that will be outlined in the new Strategic Plan that will be presented early next year.

Hopefully, it will be possible to carry out this Increase in Capital by 31 July 2014 and, in any case, no later than the end of this year, at the same time issuing new BPER ordinary shares with regular dividend and voting rights.

For the Increase in Capital, Citigroup Global Markets Limited, J.P. Morgan Securities plc and Mediobanca - Banca di Credito Finanziario S.p.A. will act as Joint Global Coordinators and Joint Bookrunners, having signed a pre-underwriting agreement with the Company, on 6 May 2014. In it, they have taken a commitment to guarantee - in standard terms and conditions for this type of operation - the subscription of the Increase in Capital for any portion not exercised at the end of the offer, up to a maximum of Euro 750,000,000.

Since this is a rights issue, the new BPER shares will be offered directly by the Company and other forms of placement are not anticipated.

Any information that is not yet available will be provided at the time of the final decision, in accordance with the law.

The full text of the Articles of Association as amended by these changes will be sent to CONSOB and Borsa Italiana S.p.A. in accordance with the law and will be made available on the Bank's website (www.bper.it) in the Governance - Documents Section.

The minutes of the Meeting will be made available to the public in the terms provided by law.

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