Banca popolare dell'Emilia Romagna
GRUPPO BPER

PRESS RELEASE

BPER Group's preliminary 2014 consolidated results approved

Capital position solid with a Fully Phased CET1 ratio[1] of 10.9% (11.3% Phased In) without considering the effects of the validation of internal models[2]

Total net profit for the period of € 29.8 million (€ 16.1 million in 2013), conditioned by a number of extraordinary costs, especially in the last quarter, and by a cost of credit that is still high (185 bps) in accordance with the conservative loan assessment policy and in line with the Asset Quality Review

Coverage ratio of doubtful loans up to 40.7% at the end of the year (+332 bps on December 2013 and +104 bps on September)

The ECB's Asset Quality Review (AQR) was completed last October, indicating an overall gross impact of around € 480 million, which is amply covered by the provisions made during the year on the portfolios that were examined during the AQR.

The new 2015-2017 Business Plan has been approved with a Return On Tangible Equity (ROTE) of 9% in 2017[3]

- ✓ The profit from current operations before tax for the year amounts to € 58.2 million (-13.0% compared with 2013)[4]

- ✓ Operating profit[5] equal to € 2,217.4 million, down by 1.3% on 2013, mainly because of a decrease in "Other operating charges/income". In particular:

    - o net interest income is stable (+0.1%) at a time when the spread stayed largely the same, given that the cost of funding and the yield on assets both fell simultaneously
    - o net commission income is slightly down (-1.1%), negatively affected by the drop in the lending component (-5.3%) and positively affected by the significant increase in the part attributable to indirect deposits and insurance policies (+8.5%)
    - o a good net trading result up 20.5% on 2013
    - o a drop in "Other operating charges/income"[6] (-49.8%), mainly because of a 25.1% decline in "Commissione di Istruttoria Veloce – CIV" during the year

- ✓ Operating costs[7] stable (+0.2)% compared with the previous year, remaining much the same both for personnel (-0.1%) and for administrative expenses (-0.2%), whereas depreciation and amortisation are up (+6.6%)
- ✓ Net adjustments to loans are up by 4.0% compared with the end of 2013 and coverage of doubtful loans is significantly up to 40.7% (+ 332 bps on December 2013; +104 bps on September 2014). Cost of credit comes to 185 bps for the year, higher than the 168 bps in 2013

The Board of Directors of Banca popolare dell'Emilia Romagna today reviewed and approved the preliminary consolidated results of the Group at 31 December 2014 and the new 2015-17 Business Plan, which contains guidelines for the Group's activities over the next three years (as explained in the separate press release issued at the same time as this one).

At the end of the Board meeting, Alessandro Vandelli, CEO of BPER, declared: "The preliminary results for 2014 show a net profit of close to € 30 million. This should be considered positive, given the extremely difficult economic situation that we had to face over the past year and the significant non-recurring costs that impacted the period, the last quarter in particular. It is worth remembering that in 2014 the European Supervisory Authorities carried out an extremely severe asset quality review and stress test, the outcome of which confirmed the excellent level of capital solidity achieved by the BPER Group, also compared with its peers, showing a significant capital surplus of € 630 million compared with the minimum requirements. Moreover, the year featured a number of important events, such as the € 750 million increase in capital and a further acceleration in the Group's rationalisation and simplification, with the Parent Company absorbing another three banks. The main objective of the operational decisions taken in recent years - also in anticipation of the European Single Supervisory Mechanism (SSM) which was introduced last November - was to achieve a solid level of capital. The demanding route that we have taken to date allows us to face with confidence the challenges that await us in the future, thanks to a series of development and efficiency-raising projects that are outlined in our new 2015-17 Business Plan, which was approved today by the Board of Directors. In short, our Group is ready to start this next three-year period with a much simplified corporate structure that will again be able to produce adequate returns: a target ROTE of 9% at the end of the plan, to be achieved principally by boosting core profitability - fees and commissions in particular - implementing a new distribution model, optimising risk management and taking concrete steps to reduce operating costs by the end of the period. The new Strategic Plan has seen the wholesale involvement of our staff and we are very confident about the contribution and effort that they will make to achieve the objectives that we have set, to continue being the bank that people trust because of the quality of the solutions that we offer and the integrity of our conduct for the benefit of our stakeholders: i.e. all of our customers, shareholders and employees."

****

Income statement: key figures

Net interest income comes to € 1,291.8 million, more or less the same as last year (+0.1%), given a stable spread as the result of a significant fall in the cost of funding following the various steps that we took, especially in the second half of the year, and a simultaneous fall in asset returns brought about by the trend in market interest rates and lower yields on the securities portfolio. Compared with the previous quarter, net interest income is down (-2.1% q/q) mainly because of falling market interest rates (the average 3-month Euribor for the quarter comes to 0.08% compared with 0.16% the previous quarter), the negative effect of the constant decline in volumes and a lower contribution from the securities portfolio.

Net commission income of € 690.7 million is slightly down on the same period last year (-1.1%), mainly as a result of a very positive trend in commission income on indirect deposits and "bancassurance" products (+8.5%) and the decrease in fees on loans and guarantees (-5.3%), affected by the economic recession that is still not completely over. Comparison with the previous quarter shows a 4.2% increase, a normal seasonal effect at the end of the year.

The **net result from trading activities** (including dividends of € 19.4 million) amounts to € 187.1 million, a significant increase in comparison with last year (+14.6%), 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 € 170.7 million, net capital gains of € 12.0 million, for the most part attributable to the mark-to-market adjustment of the Italian government bonds held in portfolio and the negative contribution of the fair value option on financial liabilities for € 19.7 million (also negative for € 84.3 million at 31 December 2013). The AFS reserve for government securities in portfolio continues to show significant gains for an amount (net of taxes) of € 97.9 million (€ 111.2 million at 30 September 2014 and € 50.8 million at 31 December 2013).

Net interest and other banking income[8] amounts to € 2,217.4 million, a 1.3% decrease on 2013, but up 0.8% net of "Other operating charges/income", reflecting a substantial stability in core revenues (-0.3%), represented by the sum of net interest income and net fee and commission income, together with a good performance of the result from financial activities (+20.5%).

Operating costs[9] are more or less stable compared with 2013 (+0.2%). **Payroll costs** come to € 786.7 million, slightly down (-0.1%) on last year.[10] **Other administrative expenses** amount to € 404.4 million, a decrease of 0.2% y/y. Depreciation (of tangible assets) and amortisation (of intangible assets) amount to € 70.4 million (+6.6% on last year).

Net adjustments to loans and other financial assets amount to € 858.2 million, 2.1% down on 2013, primarily due to the adjustments made in the lending sector (€ 812.7 million). The total cost of credit at 31 December 2014 comes to 185 bps (168 bps in 2013). Net adjustments to other financial assets total € 45.5 million (€ 95 million in 2013); This amount includes the impairment of equities and UCITS units held as financial assets available for sale for a total value of € 40.3 million, of which € 32 million relating to a single shareholding, as the result of applying an extremely conservative approach to the valuation of financial assets.

Coverage of doubtful loans comes to 40.7%, more than 330 bps higher than at the end of 2013 (37.3%) and more than 100 bps up on the end of the last quarter (39.6%). In detail, the coverage of non-performing loans comes to 56.6%, 160 bps up on 2013 (55.0%) and more or less stable compared with September (56.4%). In addition, taking into account the direct write-offs of non-performing loans still outstanding of € 1.32 billion, the coverage of non-performing loans comes to 63.9%. Coverage of watchlist loans is also stable at 19.0% compared with the previous quarter (19.2%), but 84 bps up on December 2013 (18.2%). The coverage of restructured and past due loans comes to 14.7% and 8.1% respectively (having been 13.8% and 5.9% respectively at the end of 2013)

The profit from current operations before tax for the year amounts to € 58.2 million (€ 66.8 million in 2013). **Income taxes for the year** amount to € 28.4 million (€ 52 million in 2013), with an effective tax rate of 48.8%, significantly lower than last year (77.8%). This is due above all to the positive effects of applying the so-called "ACE deduction" to the increase in capital carried out by BPER in July 2014 and the tax step-up on the goodwill shown in BPER's separate financial statements for the same amount as was booked to the consolidated financial statements at 31 December 2013, following its absorption of three other banks during the year.

Total net profit for the period amounts to € 29.8 million, compared with a positive result of € 16.1 million last year, including the profit for the period pertaining to minority interests of € 15.0 million (€ 8.9 million in 2013). The **profit pertaining to the Parent Company** therefore comes to € 14.8 million (€ 7.2 million in 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, 1.4% down on the end of 2013, mainly due to a decrease in the retail bond component and the simultaneous switch of part of direct borrowing from customers into short-term deposits, asset management products and insurance policies, helped by a positive trend in the market.

Direct borrowing is made up principally of retail & private deposits (80.6%), while 65.9% 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 6.1% on the start of the year. In particular, assets under management are up significantly (+13.7%) on the end of 2013, while assets under administration in the same period are showing an increase of 0.3%. The **insurance policy portfolio**, which is not included in indirect borrowing, comes to € 3.0 billion, a substantial increase since the start of the year (+20.6%), almost entirely for life insurance.

Loans to customers, net of adjustments, amount to € 43.9 billion, a decrease of 5.6% from the end of 2013, mainly attributable to the corporate segment, still affected by the difficulties of the economy and the decline in demand for investment; however, there have been some signs of stabilisation in loans, latterly in particular, with positive results in residential mortgages, which posted growth in new loans of 22.8% y/y.

Net doubtful loans come to € 6.5 billion, 2.0% up on the end of 2013, but 1.4% down on September 2014, indicating a stabilization of volumes overall. In detail, non-performing loans total € 2.8 billion (+13.7% since the end of the year; +4.1% from September 2014), net watchlist loans amount to € 2.9 billion, down by 7.6% since the end of 2013 (-5.1% from September 2014), net restructured loans total € 0.7 billion (+40.0% from December 2013; +10.3% from September 2014) and net past due loans amount to € 0.2 billion (-44.1% since the end of last year; -35.0% from September 2014). As we said previously, all of these items have good coverage levels, highlighting a total coverage ratio of 40.7%, an increase of 100 bps on 39.6% in September and 300 bps on 37.3% in December 2013.

The **net interbank position**, which was negative for € 4.8 billion, a significant decrease since the end of 2013 (€ 6.2 billion), is the difference between amounts due from banks of € 1.7 billion and amounts due to banks of € 6.5 billion. In order to increase the Group's financial flexibility, in 2014 BPER took part in the first auction of the TLTRO (Targeted Longer Term Refinancing Operations) programme launched by the European Central Bank for a total of € 2 billion, which is the full amount that can be borrowed for the whole of 2014; at the same time, the bank repaid a portion of the previous LTRO refinancing for an amount of € 3.2 billion. At 31 December 2014, the total amount of refinancing with the European Central Bank amounted to € 3.4 billion, of which € 1.4 billion from three-year LTRO operations (€ 0.1 billion expiring in January 2015 and € 1.3 billion expiring in February 2015) and € 2 billion from the new TLTRO operation expiring in September 2018. Financial instruments eligible for use as collateral for refinancing transactions on the market amount to € 11.5 billion, net of the haircut, of which € 4.6 billion is available. In addition, note that on 10 October 2014, BPER made full settlement of the two bonds backed by guarantee of the Italian State, used as collateral for refinancing with the ECB for a total of € 1.25 billion.

Financial assets amount in total to € 10.3 billion, an increase of 13.1% on the end of 2013; they account for 17.0% of total assets. Debt securities represent 91.3% of the total portfolio and amount to € 9.4 billion: of these, € 6.7 billion relate to government securities (mostly represented by Italian government bonds) and € 2.2 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 € 211.3 million, net of the related tax effect, which is the net result of positive reserves for debt securities, equities and UCITS of € 218.5 million less negative reserves of € 7.2 million. Moreover, with regard to the portfolio of financial assets held to maturity (HTM) of € 2.2 billion, the difference between the fair value and the book value is positive, producing a gross implicit reserve of € 184.2 million.

Total equity at 31 December 2014 amounts to € 5.5 billion (+16.9%), with minority interests of € 0.6 billion. Consolidated shareholders' equity of the Group, including the result for the period, comes to € 4.9 billion, +20.8% since the end of 2013. This equity takes into account the € 750 million increase in capital completed in July 2014, with no need for the underwriting syndicate to intervene; net of costs, it had an impact of € 735.7 million.

Capital ratios

The **capital ratios** have again been calculated on the basis of the standardised approach for credit[11] and market risk, according to the new Basel 3 regulations in force since 1 January 2014. They are among the information subject to reporting to the Supervisory Authorities by the deadline required by law (11 February 2015). The results are as follows:

- the Phased In Common Equity Tier 1 ratio[12] is equal to 11.26% (11.02% at 30 September 2014 and 9.15% at 1 January 2014); Fully Phased, it comes to 10.91%;
- the Phased In Tier 1 ratio is equal to 11.29%;
- the Phased In Own Funds ratio come to 12.24%.

The increase during the quarter is mainly due to the decrease in risk-weighted assets (RWA), deriving in part from the removal of the 10% penalisation on consolidated RWA attributable to Banco di Sardegna.

Key figures at 31 December 2014

The Group has a presence in 18 Regions of Italy, with 1,273 branches, 34 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 11,593 employees, a decrease of 125 (11,718 at the end of 2013).

****

Disclosure required by CONSOB (request under art. 114, paragraph 5, CFA, of 30 January 2015)

The following information has been requested by CONSOB pursuant to art. 114, paragraph 5 of Legislative Decree No. 58/98 (CFA) in a specific letter dated 30 January 2015, regarding the accounting impact of the AQR as a result of the Comprehensive Assessment carried out by the ECB.

a) As regards the Credit File Review (CFR), it should be noted that the amount of adjustments accounted for in total by the Bank in 2014, on the scope of the loan positions sampled, amounted to € 264.4 million, compared with adjustments arising from the AQR of € 184.85 million; the total adjustments recorded by the Bank in 2014 are therefore € 79.5 million higher than those that emerged from the AQR. The coverage ratio for these positions at 31 December 2014 is 18.6%, a significant increase from 11% at the end of 2013:

b) As regards the results of the statistical Projection of Findings (PF) of the CFR, we would like to add that compared with the € 138.95 million arising from the AQR - despite the fact that the approach used in this exercise was extremely prudent and in this case exclusively statistical in nature, therefore with no direct accounting impact - as part of the scope analysed by the AQR, net of specific positions identified by the CFR, there were analytical provisions at 31 December 2014 of € 336 million, so far more than the shortfall shown here. The coverage ratio of these positions at 31 December 2014 is 8.8%, a significant increase compared with 5.6% at the end of 2013.

c) Lastly, as regards the Collective Provision Analysis (CPA), in line with the prudential criteria underlying the entire Comprehensive Assessment, the European Supervisory Authority used a model (the so-called "Challenger Model") that was applied exclusively to the Corporate portfolio, based on specific methodologies and parameters that referred to rates of deterioration only for 2013 and to losses calculated on a shorter time series than the one that we use for Loss Given Default (LGD), which meant that they did not coincide with the method used by the Bank to determine its collective provision, which is based on regulatory models ("through-the-cycle" Probability of Default and LGD). These models are used by the Bank in its day-to-day handling of credit and they are the basis of the pre-validation AIRB for prudential purposes begun recently together with the European Supervisory Authority. In numerical terms, the shortfall that resulted from the AQR came to around € 155.87 million, on a portfolio - only involving corporate customers, as we said - that at 31 December 2013 had coverage of 0.74%. It should also be emphasised, again with respect to the extremely prudent approach adopted, that no compensation was made against surplus coverage in other types of portfolios. As regards preparation of the 2014 financial statements, we would point out that, we have been involved in recalibrating the various internal rating models used by the Bank with reference to the Large Corporate, Corporate SMEs, Long-term Property SMEs and Retail SMEs segments, to extend the time series up to 30 June 2014. Given that the updated time period resulted in a worsening of the average PD, this recalibration led to higher provisions of approximately € 30 million, of which € 6 million referred to SMEs Retail segment. Coverage for the corporate segment of 0.83% (excluding SMEs Retail) with an increase on an annual basis of 8 bps, while also taking into account that, during the year, the internal ratings of performing positions have improved significantly following the transfer of the worst positions to loans in default.

d) As regards the outcome of the Level 3 fair value exposure review analysis, the results that emerged as part of the AQR are not significant (€ 0.6 million).

Lastly, as regards the request to provide the CET1 ratio at 31 December 2014, reference should be made to what has already been said in the paragraph on "Capital ratios", while as regards the amount of additional capital required by the ECB, note that the European Supervisory Authority has not yet taken a final decision. The Bank will give the information requested as soon as it is available.

****

Banca popolare dell'Emilia Romagna (Parent Company)

The Bank's financial statements at 31 December 2014, which were also approved on a preliminary basis by the Board of Directors, show the balance sheet and income statement figures listed below, compared directly with those of 2013 recalculated on a pro-forma basis taking into account, for comparative purposes and to give a more accurate picture of the variances, BPER's absorption of the three Group banks (Banca Popolare di Ravenna, Banca della Campania and Banca Popolare del Mezzogiorno) carried out on 24 November and with effect for accounting and tax purposes from 1 January 2014.

Balance sheet

direct deposits amount to € 34.3 billion (-2.5%);

indirect deposits come to € 25.2 billion (+8%);

net loans to customers amount to € 34.3 billion (-4.9%), with doubtful loans of € 4.4 billion (+1.6%), representing 12.9% of the total and coverage of 41.9%; non-performing loans amount to € 1.8 billion (+9.5%), which is 9.5% of total net loans, with coverage of 58.6%;

shareholders' equity, including the result for the year, comes to € 4.6 billion (+20.5%), significantly up because of the € 750 million increase in capital that took place in July 2014.

Income statement

net interest income comes to € 933.2 million (+0.4%);

net commission income amounts to € 514.9 million (-0.9%);

net interest and other banking income comes to € 1,599.9 million (+0.1%);

net profit from financial activities comes to € 926.3 million (+4.3%);

operating costs, including operating income, amount to € 890.2 million (+7.1%);

The result of current operations before income taxes for the year is positive for € 28.7 million (-37.2%);

Considering the impact of taxes of € 13.2 million, the **net result for the year** is a profit of € 15.4 million, up 11.7% on the pro-forma result calculated as mentioned above.

****

Significant subsequent events

On 13 January 2015, Banca popolare dell'Emilia Romagna s.c. launched and successfully placed a new public issue of guaranteed bank bonds for an amount of € 750 million with a maturity of seven years, as part of the Group's covered bond programme of € 5 billion. The issue was priced at a level equal to the mid-swap rate +42 basis points with a coupon of 0.875%, payable in arrears on 22 January of each year from 2016. The maturity is 22 January 2022.

****

Outlook for operations

2015 opens with a prospect of gradual recovery, with the economy expected to improve slowly. In fact, the Italian economy's growth expectations and the end of the recession reflect the benefits that ought to come from a number of positive factors, including the significant decline in oil prices during the second half of last year, the severe weakening of the Euro that will help exports and the beneficial effects on the public accounts that should derive from the Quantitative Easing launched by the ECB at the beginning of 2015, designed to keep the cost of money very low for a prolonged period of time. The combined effects of these and other factors, such as the growth linked to EXPO 2015 which is taking place in Italy, should help to promote economic recovery, not only in terms of exports, but also in terms of domestic demand, which should have a positive impact on lending to businesses and households.

Together with the approval of its preliminary results for 2014, the BPER Group has also announced the company's strategic initiatives and key financial goals as part of the new 2015-2017 Business Plan (as explained in the separate press release issued at the same time as this one). One of the objectives of this Plan will be to redesign the Group's distribution model and ensure an adequate and sustainable level of profitability in the medium term. For the current year, the prospects for profitability are expected to improve, even though the Group's traditional banking activity is still conditioned by the limited trend in volumes intermediated for customers and by the still very low level of market interest rates that will keep margins under pressure, while a positive contribution to revenues is expected to come from fees and commissions. 2015 is the first year of the Business Plan during which we will make the scheduled investments and the first non-recurring costs, which will produce benefits over the entire three-year period. The cost of credit is expected to be significantly better than in 2014.

****

Approval of the BPER's draft separate and consolidated financial statements for 2014 by the Board of Directors is scheduled for 3 March 2015.

****

To complete the information provided, we attach the consolidated and separate balance sheets and income statements (split into quarters with comparative figures, the latter also in a reclassified format) at 31 December 2014, as well as a summary of the main indicators. For the Parent Company, we also attach balance sheet and income statement schedules at 31 December 2014 in thousands of Euro with pro-forma comparative figures at 31 December 2013 that take into account the absorption of Banca Popolare di Ravenna, Banca della Campania and Banca Popolare del Mezzogiorno on 24 November 2014, with effect for accounting and tax purposes on 1 January 2014, as well as reconciliations to show how the comparative figures were calculated.

PricewaterhouseCoopers is still doing its audit and will issue a report by the legal deadline on the draft separate and consolidated financial statements at 31 December 2014, due to be approved by the Board of Directors on 3 March 2015, as mentioned previously.

****

Today, the Board of Directors of Banca popolare dell'Emilia Romagna also examined and approved the 2015-2017 Business Plan which will be explained in a separate press release.

Modena, 10 February 2015

****

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, 10 February 2015

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

****

A conference call has been organised for tomorrow, Wednesday, 11 February 2015 at 9.30 a.m. (CET) to explain the BPER Group's results at 31 December 2014 and the new 2015-2017 Business Plan. The conference will be chaired by **Alessandro Vandelli, the Chief Executive Officer.**

Further details are available on the Bank's websites www.gruppobper.it or www.bper.it .

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.

****

The press release is also available in the 1INFO storage device.

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

Contacts:

Investor Relations	Manager responsible for preparing the company's financial reports	External Relations
Gilberto Borghi	Emilio Annovi	Eugenio Tangerini
Tel: 059/202 2194	Tel: 059/202 2696	Tel: 059/202 1330
gilberto.borghi@bper.it	emilio.annovi@bper.it	eugenio.tangerini@bper.it

Notes

[1] Common Equity Tier 1 ratio ("CET1"): calculated net of the portion of net profit realised during the year that is attributable to equity. Fully Phased CET1 estimated according to the new Basel 3 regulations at January 2019.
[2] Pre-validation of the AIRB models officially began at the end of January 2015 together with the ECB and the Bank of Italy.
[3] Details of the new 2015-2017 Business Plan are provided in a separate press release issued at the same time as this one.
[4] Starting with this press release, the income statement figures make reference to a "reclassified" version as shown in the attached document, which is accompanied by specific notes.
[5] "Operating profit" as shown in the attached reclassified income statement is the sum of the following income statement captions: Net interest and other banking income e Other operating charges/income (caption 220), net of indirect taxes recovered from customers.
[6] Net of indirect taxes recovered from customers (see note 5)
[7] "Operating costs" defined as shown in the attached reclassified schedule are the sum of the following income statement captions: payroll costs (caption 180-a), other administrative expenses (caption 180-b), net of indirect taxes recovered from customers and depreciation/amortisation (captions 200 and 210)
[8] See note 5
[9] See note 6
[10] These costs include extraordinary charges for redundancy incentives and contributions to the Solidarity Fund in the two periods (€ 9.5 million in 2014 and € 11.2 million in 2013), net of which payroll costs are more or less the same (+0.1% y/y).
[11] Pre-validation of the AIRB models officially began at the end of January 2015 together with the ECB and the Bank of Italy.
[12] See note 1

Consolidated balance sheet as at 31 December 2014

(in thousands of Euro)

Assets	31.12.2014	31.12.2013	Change	%change
10. Cash and cash equivalents	450,766	488,522	(37,756)	-7.73
20. Financial assets held for trading	1,033,286	1,117,939	(84,653)	-7.57
30. Financial assets designated at fair value through profit and loss	110,249	149,899	(39,650)	-26.45
40. Financial assets available for sale	6,944,927	6,630,062	314,865	4.75
50. Financial assets held to maturity	2,213,497	1,207,868	1,005,629	83.26
60. Due from banks	1,709,298	1,587,781	121,517	7.65
70. Loans to customers	43,919,681	46,514,738	(2,595,057)	-5.58
80. Hedging derivatives	36,744	3,751	32,993	879.58
100. Equity investments	257,660	250,970	6,690	2.67
120. Property, plant and equipment	1,028,931	1,022,430	6,501	0.64
130. Intangible assets	498,009	491,215	6,794	1.38
of which: goodwill	380,416	380,416	-	-
140. Tax assets	1,361,322	1,184,567	176,755	14.92
a) current	181,989	145,989	36,000	24.66
b) deferred	1,179,333	1,038,578	140,755	13.55
b1) of which L. 214/2011	1,018,156	893,224	124,932	13.99
150. Non-current assets and disposal groups held for sale	2,817	2,817	-	-
160. Other assets	1,085,733	1,105,493	(19,760)	-1.79
Total assets	**60,652,920**	**61,758,052**	**(1,105,132)**	**-1.79**

Liabilities and shareholders' equity	31.12.2014	31.12.2013	Change	%change
10. Due to banks	6,479,558	7,820,719	(1,341,161)	-17.15
20. Due to customers	33,964,259	33,681,447	282,812	0.84
30. Debt securities in issue	10,518,262	10,186,690	331,572	3.25
40. Financial liabilities held for trading	243,210	198,059	45,151	22.80
50. Financial liabilities designated at fair value through profit and loss	1,700,614	2,952,035	(1,251,421)	-42.39
60. Hedging derivatives	12,986	37,825	(24,839)	-65.67
80. Tax liabilities	118,794	134,873	(16,079)	-11.92
a) current	5,263	12,405	(7,142)	-57.57
b) deferred	113,531	122,468	(8,937)	-7.30
100.Other liabilities	1,527,412	1,520,458	6,954	0.46
110. Provision for termination indemnities	221,919	208,390	13,529	6.49
120. Provisions for risks and charges	355,775	305,796	49,979	16.34
a) pensions and similar commitments	145,078	120,859	24,219	20.04
b) other provisions	210,697	184,937	25,760	13.93
140. Valuation reserves	186,840	139,472	47,368	33.96
170. Reserves	2,301,760	2,267,929	33,831	1.49
180. Share premium reserve	930,077	624,156	305,921	49.01
190. Share capital	1,443,925	1,001,483	442,442	44.18
200. Treasury shares	(7,259)	(7,272)	13	-0.18
210. Minority interests	639,991	678,816	(38,825)	-5.72
220. Profit (loss) for the period	14,797	7,176	7,621	106.20
Total liabilities and shareholders' equity	**60,652,920**	**61,758,052**	**(1,105,132)**	**-1.79**

Reclassified consolidated income statement by quarter as at 31 December 2014

(in thousands of Euro)

		31.12.2014	31.12.2013	Change	%change
10+20	Net interest income	1,291,809	1,289,989	1,820	0.14
40+50	Net commission income	690,664	698,258	(7,594)	-1.09
70	Dividends	19,392	24,086	(4,694)	-19.49
80+90+100+110	Net trading income	167,665	139,109	28,556	20.53
220 (*)	Other operating charges/income	47,865	95,393	(47,528)	-49.82
	Operating income	**2,217,395**	**2,246,835**	**(29,440)**	**-1.31**
180 a)	Payroll	(786,687)	(787,479)	792	-0.10
180 b) (*)	Other administrative costs	(404,386)	(405,348)	962	-0.24
200+210	Net adjustments to property, plant, equipment and intangible assets	(70,386)	(66,002)	(4,384)	6.64
	Operating costs	**(1,261,459)**	**(1,258,829)**	**(2,630)**	**0.21**
	Net operating income	**955,936**	**988,006**	**(32,070)**	**-3.25**
130 a)	Net impairment adjustments to loan	(812,734)	(781,585)	(31,149)	3.99
130 b)+c)	Net impairment adjustments to financial assets available for sale and held to maturity	(40,347)	(58,433)	18,086	-30.95
130 d)	Net impairment adjustments to other financial assets	(5,138)	(36,529)	31,391	-85.93
	Net impairment adjustments	**(858,219)**	**(876,547)**	**18,328**	**-2.09**
190	Net provisions for risks and charges	(38,782)	(29,910)	(8,872)	29.66
240+260+270	Gains (losses) from equity instruments, on disposal of investments and adjustment to goodwill	(770)	(14,725)	13,955	-94.77
280	**Profit (loss) from current operations before tax**	**58,165**	**66,824**	**(8,659)**	**-12.96**
290	Income taxes on current operations for the period	(28,384)	(51,968)	23,584	-45.38
310	Profit (loss) after tax on non-current assets held for sale	-	1,258	(1,258)	-100.00
320	**Net profit (loss) for the period**	**29,781**	**16,114**	**13,667**	**84.81**
330	Net profit (loss) pertaining to minority interests	(14,984)	(8,938)	(6,046)	67.64
340	**Profit (loss) for the period pertaining to the Parent Company**	**14,797**	**7,176**	**7,621**	**106.20**

(*) Caption net of recovery of taxes (Euro 125.403 thousand as at 31 December 2014 and Euro 116.458 thousand as at 31 December 2013), reallocated, for better representation, at the caption 180 b) "Other administrative costs", where relative costs are accounted.

Reclassified consolidated income statement by quarter as at 31 December 2014

Captions		1st quarter 2014	2nd quarter 2014	3rd quarter 2014	4th quarter 2014	31.12.2014	1st quarter 2013	2nd quarter 2013	3rd quarter 2013	4th quarter 2013	31.12.2013
10+20	Net interest income	329,820	328,639	320,040	313,310	1,291,809	311,115	326,081	326,987	325,806	1,289,989
40+50	Net commission income	171,450	174,028	169,012	176,174	690,664	171,289	175,522	172,675	178,772	698,258
70	Dividends	574	17,617	115	1,086	19,392	575	22,415	540	556	24,086
80+90+100+110	Net trading income	63,300	46,389	20,323	37,653	167,665	14,656	68,209	15,494	40,750	139,109
220 (*)	Other operating charges/income	18,666	11,133	5,851	12,215	47,865	30,964	24,573	20,102	19,754	95,393
	Operating income	**583,810**	**577,806**	**515,341**	**540,438**	**2,217,395**	**528,599**	**616,800**	**535,798**	**565,638**	**2,246,835**
180 a)	Payroll	(196,796)	(201,099)	(180,006)	(208,786)	(786,687)	(198,440)	(208,169)	(185,171)	(195,699)	(787,479)
180 b) (*)	Other administrative costs	(96,338)	(103,322)	(97,940)	(106,786)	(404,386)	(97,702)	(100,767)	(98,176)	(108,703)	(405,348)
210 + 220	Net adjustments to property, plant, equipment and intangible assets	(16,357)	(16,613)	(17,015)	(20,401)	(70,386)	(15,039)	(15,462)	(15,742)	(19,759)	(66,002)
	Operating costs	**(309,491)**	**(321,034)**	**(294,961)**	**(335,973)**	**(1,261,459)**	**(311,181)**	**(324,398)**	**(299,089)**	**(324,161)**	**(1,258,829)**
	Net operating income	**274,319**	**256,772**	**220,380**	**204,465**	**955,936**	**217,418**	**292,402**	**236,709**	**241,477**	**988,006**
130 a)	Net impairment adjustments to loan	(211,820)	(204,972)	(163,296)	(232,646)	(812,734)	(161,628)	(278,131)	(151,624)	(190,202)	(781,585)
130 b)+c)	Net impairment adjustments to financial assets available for sale an	(466)	(3,189)	(680)	(36,012)	(40,347)	(670)	(2,528)	(1,423)	(53,812)	(58,433)
130 d)	Net impairment adjustments to other financial assets	(2,424)	(614)	(3,115)	1,015	(5,138)	(5,468)	(19,390)	(2,244)	(9,427)	(36,529)
	Net impairment adjustments	**(214,710)**	**(208,775)**	**(167,091)**	**(267,643)**	**(858,219)**	**(167,766)**	**(300,049)**	**(155,291)**	**(253,441)**	**(876,547)**
190	Net provisions for risks and charges	(6,658)	(12,976)	(8,036)	(11,112)	(38,782)	(5,318)	(13,060)	(1,700)	(9,832)	(29,910)
240+260+270	Gains (losses) from equity instruments, on disposal of investments	(972)	(2,770)	2,273	699	(770)	83	(8,161)	4,004	(10,651)	(14,725)
	Profit (loss) from current operations before tax	**51,979**	**32,251**	**47,526**	**(73,591)**	**58,165**	**44,417**	**(28,868)**	**83,722**	**(32,447)**	**66,824**
290	Income taxes on current operations for the period	(20,760)	(20,922)	(14,258)	27,556	(28,384)	(30,509)	(5,374)	(41,426)	25,341	(51,968)
310	Profit (loss) after tax on non-current assets held for sale	-	-	-	-	-	1,525	(1,082)	815	-	1,258
320	**Net profit (loss) for the period**	**31,219**	**11,329**	**33,268**	**(46,035)**	**29,781**	**15,433**	**(35,324)**	**43,111**	**(7,106)**	**16,114**
330	Net profit (loss) pertaining to minority interests	(2,947)	(3,701)	(8,067)	(269)	(14,984)	(1,041)	(532)	(7,441)	76	(8,938)
340	**Profit (loss) for the period pertaining to the Parent Company**	**28,272**	**7,628**	**25,201**	**(46,304)**	**14,797**	**14,392**	**(35,856)**	**35,670**	**(7,030)**	**7,176**

GRUPPO BPER

Consolidated income statement as at 31 December 2014

(in thousands of Euro)

Captions	31.12.2014	31.12.2013	Change	%change
10. Interest and similar income	1,908,288	2,060,585	(152,297)	-7.39
20. Interest and similar expense	(616,479)	(770,596)	154,117	-20.00
30. Net interest income	**1,291,809**	**1,289,989**	**1,820**	**0.14**
40. Commission income	739,119	751,186	(12,067)	-1.61
50. Commission expense	(48,455)	(52,928)	4,473	-8.45
60. Net commission income	**690,664**	**698,258**	**(7,594)**	**-1.09**
70. Dividends and similar income	19,392	24,086	(4,694)	-19.49
80. Net trading income	16,533	48,113	(31,580)	-65.64
90. Net hedging gains (losses)	1,074	(592)	1,666	-281.42
100. Gains/losses on disposal or repurchase of:	164,299	165,578	(1,279)	-0.77
a) loans	(29,959)	(929)	(29,030)	--
b) financial assets available for sale	194,546	162,054	32,492	20.05
d) financial liabilities	(288)	4,453	(4,741)	-106.47
110. Net results on financial assets and liabilities designated at fair value	(14,241)	(73,990)	59,749	-80.75
120. Net interest and other banking income	**2,169,530**	**2,151,442**	**18,088**	**0.84**
130. Net impairment adjustments to:	(858,219)	(876,547)	18,328	-2.09
a) loans	(812,734)	(781,585)	(31,149)	3.99
b) financial assets available for sale	(40,347)	(58,433)	18,086	-30.95
d) other financial assets	(5,138)	(36,529)	31,391	-85.93
140. Net profit from financial activities	**1,311,311**	**1,274,895**	**36,416**	**2.86**
180. Administrative costs:	(1,316,476)	(1,309,285)	(7,191)	0.55
a) payroll	(786,687)	(787,479)	792	-0.10
b) other administrative costs	(529,789)	(521,806)	(7,983)	1.53
190. Net provision for risks and charges	(38,782)	(29,910)	(8,872)	29.66
200. Net adjustments to property, plant and equipment	(43,765)	(43,730)	(35)	0.08
210. Net adjustments to intangible assets	(26,621)	(22,272)	(4,349)	19.53
220. Other operating charges/income	173,268	211,851	(38,583)	-18.21
230. Operating costs	**(1,252,376)**	**(1,193,346)**	**(59,030)**	**4.95**
240. Profit (loss) from equity investments	(837)	(14,948)	14,111	-94.40
260. Adjustments to goodwill	-	(112)	112	-100.00
270. Gains (losses) on disposal of investments	67	335	(268)	-80.00
280. Profit (loss) from current operations before tax	**58,165**	**66,824**	**(8,659)**	**-12.96**
290. Income taxes on current operations for the period	(28,384)	(51,968)	23,584	-45.38
300. Profit (loss) from current operations after tax	**29,781**	**14,856**	**14,925**	**100.46**
310. Profit (loss) after tax on non-current assets held for sale	-	1,258	(1,258)	-100.00
320. Net profit (loss) for the period	**29,781**	**16,114**	**13,667**	**84.81**
330. Net profit (loss) pertaining to minority interests	(14,984)	(8,938)	(6,046)	67.64
340. Profit (loss) for the period pertaining to the Parent Company	**14,797**	**7,176**	**7,621**	**106.20**

Consolidated income statement by quarter as at 31 December 2014

Captions	1st quarter 2014	2nd quarter 2014	3rd quarter 2014	4th quarter 2014	31.12.2014	1st quarter 2013	2nd quarter 2013	3rd quarter 2013	4th quarter 2013	31.12.2013
10. Interest and similar income	494,548	489,785	470,618	453,337	1,908,288	522,914	522,451	510,407	504,813	2,060,585
20. Interest and similar expense	(164,728)	(161,146)	(150,578)	(140,027)	(616,479)	(211,799)	(196,370)	(183,420)	(179,007)	(770,596)
30. Net interest income	**329,820**	**328,639**	**320,040**	**313,310**	**1,291,809**	**311,115**	**326,081**	**326,987**	**325,806**	**1,289,989**
40. Commission income	184,023	186,210	182,429	186,457	739,119	184,746	188,519	186,320	191,601	751,186
50. Commission expense	(12,573)	(12,182)	(13,417)	(10,283)	(48,455)	(13,457)	(12,997)	(13,645)	(12,829)	(52,928)
60. Net commission income	**171,450**	**174,028**	**169,012**	**176,174**	**690,664**	**171,289**	**175,522**	**172,675**	**178,772**	**698,258**
70. Dividends and similar income	574	17,617	115	1,086	19,392	575	22,415	540	556	24,086
80. Net trading income	4,290	5,646	4,406	2,191	16,533	8,317	12,041	12,516	15,239	48,113
90. Net hedging gains (losses)	231	91	513	239	1,074	(280)	74	15	(401)	(592)
100. Gains/losses on disposal or repurchase of:	67,761	32,660	25,636	38,242	164,299	24,834	73,324	14,338	53,082	165,578
a) loans	107	59	(29,716)	(409)	(29,959)	36	(723)	(528)	286	(929)
b) financial assets available for sale	67,430	32,784	55,393	38,939	194,546	23,417	74,004	12,641	51,992	162,054
d) financial liabilities	224	(183)	(41)	(288)	(288)	1,381	43	2,225	804	4,453
110. Net results on financial assets and liabilities designated at fair value	(8,982)	7,992	(10,232)	(3,019)	(14,241)	(18,215)	(17,230)	(11,375)	(27,170)	(73,990)
120. Net interest and other banking income	**565,144**	**566,673**	**509,490**	**528,223**	**2,169,530**	**497,635**	**592,227**	**515,696**	**545,884**	**2,151,442**
130. Net impairment adjustments to:	(214,710)	(208,775)	(167,091)	(267,643)	(858,219)	(167,766)	(300,049)	(155,291)	(253,441)	(876,547)
a) loans	(211,820)	(204,972)	(163,296)	(232,646)	(812,734)	(161,628)	(278,131)	(151,624)	(190,202)	(781,585)
b) financial assets available for sale	(466)	(3,189)	(680)	(36,012)	(40,347)	(670)	(2,528)	(1,423)	(53,812)	(58,433)
d) other financial assets	(2,424)	(614)	(3,115)	1,015	(5,138)	(5,468)	(19,390)	(2,244)	(9,427)	(36,529)
140. Net profit from financial activities	**350,434**	**357,898**	**342,399**	**260,580**	**1,311,311**	**329,869**	**292,178**	**360,405**	**292,443**	**1,274,895**
180. Administrative costs:	(322,923)	(336,813)	(309,651)	(347,089)	(1,316,476)	(323,000)	(340,128)	(312,633)	(333,524)	(1,309,285)
a) payroll	(196,796)	(201,099)	(180,006)	(208,786)	(786,687)	(198,440)	(208,169)	(185,171)	(195,699)	(787,479)
b) other administrative costs	(126,127)	(135,714)	(129,645)	(138,303)	(529,789)	(124,560)	(131,959)	(127,462)	(137,825)	(521,806)
190. Net provision for risks and charges	(6,658)	(12,976)	(8,036)	(11,112)	(38,782)	(5,318)	(13,060)	(1,700)	(9,832)	(29,910)
200. Net adjustments to property, plant and equipment	(10,402)	(10,253)	(10,192)	(12,918)	(43,765)	(10,081)	(10,155)	(10,190)	(13,304)	(43,730)
210. Net adjustments to intangible assets	(5,955)	(6,360)	(6,823)	(7,483)	(26,621)	(4,958)	(5,307)	(5,552)	(6,455)	(22,272)
220. Other operating charges/income	48,455	43,525	37,556	43,732	173,268	57,822	55,765	49,388	48,876	211,851
230. Operating costs	**(297,483)**	**(322,877)**	**(297,146)**	**(334,870)**	**(1,252,376)**	**(285,535)**	**(312,885)**	**(280,687)**	**(314,239)**	**(1,193,346)**
240. Profit (loss) from equity investments	(973)	(2,792)	2,270	658	(837)	(5)	(8,200)	3,790	(10,533)	(14,948)
260. Adjustments to goodwill	-	-	-	-	-	-	-	-	(112)	(112)
270. Gains (losses) on disposal of investments	1	22	3	41	67	88	39	214	(6)	335
280. Profit (loss) from current operations before tax	**51,979**	**32,251**	**47,526**	**(73,591)**	**58,165**	**44,417**	**(28,868)**	**83,722**	**(32,447)**	**66,824**
290. Income taxes on current operations for the period	(20,760)	(20,922)	(14,258)	27,556	(28,384)	(30,509)	(5,374)	(41,426)	25,341	(51,968)
300. Profit (loss) from current operations after tax	**31,219**	**11,329**	**33,268**	**(46,035)**	**29,781**	**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) for the period	**31,219**	**11,329**	**33,268**	**(46,035)**	**29,781**	**15,433**	**(35,324)**	**43,111**	**(7,106)**	**16,114**
330. Net profit (loss) pertaining to minority interests	(2,947)	(3,701)	(8,067)	(269)	(14,984)	(1,041)	(532)	(7,441)	76	(8,938)
340. Profit (loss) for the period pertaining to the Parent Company	**28,272**	**7,628**	**25,201**	**(46,304)**	**14,797**	**14,392**	**(35,856)**	**35,670**	**(7,030)**	**7,176**

GRUPPO BPER

Performance ratios as at 31 December 2014[1]

	31.12.2014	31.12.2013
Financial ratios		
Structural ratios (%)		
net loans to customers/total assets	72.41%	75.32%
net loans and advances to customers/direct deposits from customers	95.10%	99.35%
financial assets/total assets	16.99%	14.74%
fixed assets/total assets	2.12%	2.06%
goodwill/total assets	0.63%	0.62%
direct deposits/total assets	86.83%	88.48%
deposits under management/indirect deposits	46.12%	43.01%
financial assets/tangible equity[2]	2.06	2.16
leverage[3]	12.00	14.52
net interbank lending/borrowing (in thousands of Euro)	(4,770,260)	(6,232,938)
number of employees	11,593	11,718
number of national bank branches	1,273	1,307
Profitability ratios (%)		
ROE (Return On Equity)	0.33%	0.18%
ROA (net profit/total assets)	0.05%	0.03%
Cost/income ratio	57.73%	55.47%
Net adjustments to loans and advances/net loans to customers	1.85%	1.68%
Basic EPS	0.040	0.020
Diluted EPS	0.040	0.021
Risk ratios (%)		
net doubtful loans/net loans to customers	14.86%	13.76%
net non-performing loans/net loans to customers	6.42%	5.33%
net watchlist loans/net loans to customers	6.60%	6.74%
adjustments to doubtful loans/gross doubtful loans	40.66%	37.34%
adjustments to non-performing loans/gross non-performing loans	56.55%	54.97%
adjustments to watchlist loans/gross watchlist loans	19.01%	18.17%
adjustments to performing loans/gross performing loans	0.56%	0.56%
Own funds and capital ratios[4]		
Core Tier 1 ratio		8.56%
Total capital ratio		11.87%
Common Equity (CET1) ratio - Phased in	11.26%	9.15%
Tier 1 ratio - Phased in	11.29%	
Total capital ratio - Phased in	12.24%	
Common Equity (CET1) Ratio - Fully Phased[5]	10.91%	

[1] The figures for the income statement have been calculated on the basis of the layouts provided by Circular no. 262 of the Bank of Italy.
[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] Own funds and capital ratios as at 31 December 2014 have been calculated without taking into account the net profit for the year and the benefits of internal models (pre-validation of the AIRB models began at the end of January 2015).
[5] Common Equity Tier 1 ratio ("CET1")- Fully Phased = calculated net of the portion of net profit realised during the year that is attributable to equity. Fully Phased CET1 estimated according to the new Basel 3 regulations at January 2019.

	31.12.2014	31.12.2013
Non financial ratios		
Productivity ratios (in thousands of Euro)		
direct deposits per employee	3,983.71	3,995.58
loans and advances to customers per employee	3,788.47	3,969.51
assets managed per employee	1,121.71	975.66
assets administered per employee	1,310.60	1,292.96
core revenues per employee[6]	171.01	169.67
net interest and other banking income per employee	187.14	183.60
operating costs per employee	108.03	101.84

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

Balance sheet as at 31 December 2014

(in thousands of Euro)

Assets		31.12.2014	31.12.2013 Pro-forma	Change	% change
10.	Cash and cash equivalents	306,329	340,095	(33,766)	-9.93
20.	Financial assets held for trading	1,035,358	1,100,227	(64,869)	-5.90
30.	Financial assets designated at fair value through profit and loss	62,756	83,599	(20,843)	-24.93
40.	Financial assets available for sale	5,499,413	5,276,333	223,080	4.23
50.	Financial assets held to maturity	2,213,497	1,207,868	1,005,629	83.26
60.	Due from banks	1,743,446	1,735,695	7,751	0.45
70.	Loans to customers	34,276,875	36,042,786	(1,765,911)	-4.90
80.	Hedging derivatives	33,660	1,896	31,764	--
100.	Equity investments	1,379,467	1,360,601	18,866	1.39
110.	Property, plant and equipment	453,707	468,272	(14,565)	-3.11
120.	Intangible assets	300,240	300,638	(398)	-0.13
	of which: goodwill	280,236	280,236	-	-
130.	Tax assets:	1,096,913	947,179	149,734	15.81
	a) current	160,794	121,566	39,228	32.27
	b) deferred	936,119	825,613	110,506	13.38
	b1) of which L. 214/2011	818,508	722,024	96,484	13.36
140.	Non-current assets and disposal groups classified for sale	2,817	2,817	-	-
150.	Other assets	757,843	781,819	(23,976)	-3.07
	Total assets	**49,162,321**	**49,649,825**	**(487,504)**	**-0.98**

(in thousands of Euro)

Liabilities and shareholders' equity		31.12.2014	31.12.2013 Pro-forma	Change	% change
10.	Due to banks	8,294,902	8,713,952	(419,050)	-4.81
20.	Due to customers	24,272,938	24,323,158	(50,220)	-0.21
30.	Debt securities in issue	8,374,185	7,935,511	438,674	5.53
40.	Financial liabilities held for trading	247,604	211,945	35,659	16.82
50.	Financial liabilities designated at fair value through profit and loss	1,700,614	2,962,108	(1,261,494)	-42.59
60.	Hedging derivatives	9,114	35,793	(26,679)	-74.54
80.	Tax liabilities:	72,893	54,852	18,041	32.89
	a) current	-	6,361	(6,361)	-100.00
	b) deferred	72,893	48,491	24,402	50.32
100.	Other liabilities	1,132,669	1,196,645	(63,976)	-5.35
110.	Provision for termination indemnities	135,589	126,866	8,723	6.88
120.	Provisions for risks and charges:	286,205	240,603	45,602	18.95
	a) pensions and similar commitments	144,607	120,474	24,133	20.03
	b) other provisions	141,598	120,129	21,469	17.87
130.	Valuation reserves	66,500	29,695	36,805	123.94
160.	Reserves	2,186,914	2,173,780	13,134	0.60
170.	Share premium reserve	930,077	631,985	298,092	47.17
180.	Share capital	1,443,925	1,006,374	437,551	43.48
190.	Treasury shares	(7,257)	(7,270)	13	-0.18
200.	Net profit (loss) for the period	15,449	13,828	1,621	11.72
	Total liabilities and shareholders' equity	**49,162,321**	**49,649,825**	**(487,504)**	**-0.98**

Income statement as at 31 December 2014

(in thousands of Euro)

Voci		31.12.2014	31.12.2013 Pro-forma	Change	% change
10.	Interest and similar income	1,462,141	1,588,500	(126,359)	-7.95
20.	Interest and similar expense	(528,902)	(659,076)	130,174	-19.75
30.	**Net interest income**	**933,239**	**929,424**	**3,815**	**0.41**
40.	Commission income	555,254	565,537	(10,283)	-1.82
50.	Commission expense	(40,328)	(46,114)	5,786	-12.55
60.	**Net commission income**	**514,926**	**519,423**	**(4,497)**	**-0.87**
70.	Dividends and similar income	46,627	48,793	(2,166)	-4.44
80.	Net trading income	15,741	44,323	(28,582)	-64.49
90.	Net hedging gains (losses)	895	(172)	1,067	-620.35
100.	Gains (losses) on disposal or repurchase of:	104,965	136,847	(31,882)	-23.30
	a) loans	(29,862)	(87)	(29,775)	--
	b) financial assets available for sale	134,956	132,813	2,143	1.61
	d) financial liabilities	(129)	4,121	(4,250)	-103.13
110.	Net results on financial assets and liabilities designated at fair value	(16,468)	(79,519)	63,051	-79.29
120.	**Net interest and other banking income**	**1,599,925**	**1,599,119**	**806**	**0.05**
130.	Net impairment adjustments to:	(673,577)	(710,992)	37,415	-5.26
	a) loans	(626,531)	(625,804)	(727)	0.12
	b) financial assets available for sale	(40,138)	(56,454)	16,316	-28.90
	d) other financial assets	(6,908)	(28,734)	21,826	-75.96
140.	**Net profit from financial activities**	**926,348**	**888,127**	**38,221**	**4.30**
150.	Administrative costs:	(965,984)	(945,538)	(20,446)	2.16
	a) payroll	(507,779)	(505,666)	(2,113)	0.42
	b) other administrative costs	(458,205)	(439,872)	(18,333)	4.17
160.	Net provisions for risks and charges	(30,911)	(18,548)	(12,363)	66.65
170.	Net adjustments to property, plant and equipment	(25,258)	(24,632)	(626)	2.54
180.	Net adjustments to intangible assets	(2,235)	(2,014)	(221)	10.97
190.	Other operating charges/income	134,225	159,711	(25,486)	-15.96
200.	**Operating costs**	**(890,163)**	**(831,021)**	**(59,142)**	**7.12**
210.	Profit (loss) from equity investments	(7,487)	(11,514)	4,027	-34.97
240.	Gains (losses) on disposal of investments	(32)	76	(108)	-142.11
250.	**Profit (loss) from current operations before tax**	**28,666**	**45,668**	**(17,002)**	**-37.23**
260.	Income taxes on current operations	(13,217)	(31,840)	18,623	-58.49
270.	**Profit (loss) from current operations after tax**	**15,449**	**13,828**	**1,621**	**11.72**
290.	**Net profit (loss) for the period**	**15,449**	**13,828**	**1,621**	**11.72**

Pro-forma financial statements of the Parent Company

Balance sheet as at 31 December 2013

(in thousands of Euro)

Assets	BPER	BPRA	BCAM	BPMZ	Merger adjustments	Total
10. Cash and cash equivalents	221,462	17,304	45,913	55,416	-	340,095
20. Financial assets held for trading	984,185	19,594	104,125	20,181	(27,858)	1,100,227
30. Financial assets designated at fair value through profit and loss	71,863	7,206	357	4,173	-	83,599
40. Financial assets available for sale	5,052,955	52,263	1,657	169,992	(534)	5,276,333
50. Financial assets held to maturity	1,207,868	-	-	-	-	1,207,868
60. Due from banks	2,065,534	200,705	1,532,169	827,541	(2,890,254)	1,735,695
70. Loans to customers	28,892,720	2,022,651	2,536,673	2,590,742	-	36,042,786
80. Hedging derivatives	1,896	-	-	-	-	1,896
100. Equity investments	2,273,729	-	110	-	(913,238)	1,360,601
110. Property, plant and equipment	293,883	44,414	79,453	50,522	-	468,272
120. Intangible assets	198,498	135	292	37,367	64,346	300,638
of which: goodwill	185,358	-	-	30,532	64,346	280,236
130. Tax assets:	804,081	29,239	71,553	42,306	-	947,179
a) current	105,622	2,867	6,633	6,444	-	121,566
b) deferred	698,459	26,372	64,920	35,862	-	825,613
b1) of which L. 214/2011	620,689	22,519	49,674	29,142	-	722,024
140. Non-current assets and disposal groups held for sale	-	2,817	-	-	-	2,817
150. Other assets	615,875	34,672	75,303	63,569	(7,600)	781,819
TOTAL ASSETS	**42,684,549**	**2,431,000**	**4,447,605**	**3,861,809**	**(3,775,138)**	**49,649,825**

(in thousands of Euro)

Liabilities and shareholders' equity	BPER	BPRA	BCAM	BPMZ	Merger adjustments	Total
10. Due to banks	9,186,907	31,363	24,896	180,939	(710,153)	8,713,952
20. Due to customers	17,870,980	1,260,688	3,061,525	2,157,906	(27,941)	24,323,158
30. Debt securities in issue	7,914,375	479,256	711,437	952,207	(2,121,764)	7,935,511
40. Financial liabilities held for trading	211,778	426	530	724	(1,513)	211,945
50. Financial liabilities designated at fair value through profit and loss	2,664,781	248,385	-	50,956	(2,014)	2,962,108
60. Hedging derivatives	35,793	-	-	-	-	35,793
80. Tax liabilities:	40,367	2,266	2,262	9,956	1	54,852
a) current	-	719	1,340	4,301	1	6,361
b) deferred	40,367	1,547	922	5,655	-	48,491
100. Other liabilities	945,783	82,090	105,992	87,305	(24,525)	1,196,645
110. Provision for termination indemnities	80,620	6,786	26,198	13,263	(1)	126,866
120. Provisions for risks and charges	194,158	8,556	20,414	17,474	1	240,603
a) pensions and similar commitments	120,473	-	-	-	1	120,474
b) other provisions	73,685	8,556	20,414	17,474	-	120,129
130. Valuation reserves	23,130	10,564	(6,355)	2,356	-	29,695
160. Reserves	1,910,297	148,127	162,438	177,874	(224,956)	2,173,780
170. Share premium reserve	624,156	95,577	242,351	52,372	(382,471)	631,985
180. Share capital	1,001,483	54,409	83,223	134,971	(267,712)	1,006,374
190. Treasury shares	(7,270)	-	-	-	-	(7,270)
200. Net profit (loss) for the period	(12,789)	2,507	12,694	23,506	(12,090)	13,828
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**42,684,549**	**2,431,000**	**4,447,605**	**3,861,809**	**(3,775,138)**	**49,649,825**

Income statement as at 31 December 2013

(in thousands of Euro)

Income Statement	BPER	BPRA	BCAM	BPMZ	Merger adjustments	Total
10. Interest and similar income	1,267,385	97,017	153,482	145,115	(74,499)	1,588,500
20. Interest and similar expense	(611,714)	(36,610)	(42,966)	(42,760)	74,974	(659,076)
30. Net interest income	**655,671**	**60,407**	**110,516**	**102,355**	**475**	**929,424**
40. Commission income	422,140	31,233	56,553	56,102	(491)	565,537
50. Commission expense	(42,165)	(1,284)	(1,645)	(1,508)	488	(46,114)
60. Net commission income	**379,975**	**29,949**	**54,908**	**54,594**	**(3)**	**519,423**
70. Dividends and similar income	59,521	406	50	39	(11,223)	48,793
80. Net trading income	36,791	734	6,021	785	(8)	44,323
90. Net hedging gains (losses)	(172)	-	-	-	-	(172)
100. Gains/losses on disposal or repurchase of:	136,412	426	-	9	-	136,847
a) loans	(97)	-	-	10	-	(87)
b) financial assets available for sale	132,387	426	-	-	-	132,813
d) financial liabilities	4,122	-	-	(1)	-	4,121
110. Net results on financial assets and liabilities designated at fair value	(69,642)	(7,759)	57	(1,316)	(859)	(79,519)
120. Net interest and other banking income	**1,198,556**	**84,163**	**171,552**	**156,466**	**(11,618)**	**1,599,119**
130. Net impairment adjustments to:	(630,924)	(26,146)	(30,765)	(23,157)	-	(710,992)
a) loans	(549,580)	(24,819)	(29,185)	(22,220)	-	(625,804)
b) financial assets available for sale	(56,416)	(29)	(9)	-	-	(56,454)
d) other financial assets	(24,928)	(1,298)	(1,571)	(937)	-	(28,734)
140. Net profit from financial activities	**567,632**	**58,017**	**140,787**	**133,309**	**(11,618)**	**888,127**
150. Administrative costs:	(667,148)	(57,032)	(121,483)	(102,621)	2,746	(945,538)
a) payroll	(347,368)	(32,030)	(68,056)	(58,236)	24	(505,666)
b) other administrative costs	(319,780)	(25,002)	(53,427)	(44,385)	2,722	(439,872)
160. Net provisions for risks and charges	(8,270)	(1,032)	(7,912)	(1,334)	-	(18,548)
170. Net adjustments to property, plant and equipment	(15,762)	(1,797)	(2,530)	(4,543)	-	(24,632)
180. Net adjustments to intangible assets	(1,323)	(31)	(59)	(601)	-	(2,014)
190. Other operating charges/income	120,568	7,827	15,484	19,050	(3,218)	159,711
200. Operating costs	**(571,935)**	**(52,065)**	**(116,500)**	**(90,049)**	**(472)**	**(831,021)**
210. Profit (loss) from equity investments	(11,514)	-	-	-	-	(11,514)
240. Gains (losses) on disposal of investments	42	8	25	1	-	76
250. Profit (loss) from current operations before tax	**(15,775)**	**5,960**	**24,312**	**43,261**	**(12,090)**	**45,668**
260. Income taxes on current operations for the period	2,986	(3,453)	(11,618)	(19,755)	-	(31,840)
270. Profit (loss) from current operations after tax	**(12,789)**	**2,507**	**12,694**	**23,506**	**(12,090)**	**13,828**
290. Net profit (loss) for the period	**(12,789)**	**2,507**	**12,694**	**23,506**	**(12,090)**	**13,828**