



BPER GROUP 1Q 2010 Results

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17 May 2010

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- highlights
- assets and liabilities
- profit and loss
- capital adequacy

- highlights**

- assets and liabilities

- profit and loss

- capital adequacy

- ✓ Positive economic performance even in a persistent unfavourable economic and financial scenario, particularly at the parent company level
- ✓ Total income up (+3%), which is all due to core business activity
- ✓ Provisions at a still high level, but considerably lower than 4Q09; relevant weight of provisions related to non-doubtful loans (“in bonis”)
- ✓ Volumes: loans and deposits consolidating, after a strong growth in 4Q09
- ✓ Main events: disposal of majority stake in Banca della Nuova Terra and deconsolidation

highlights

assets and liabilities

profit and loss

capital adequacy

Balance Sheet – Highlights

Assets

€m	Mar.'10	Dec.'09	Mar.'09	Δ %
Customer Clients	45.161	45.442	42.540	6,2%
Financial Assets & Cash - net (*)	2.301	2.817	4.872	-52,8%
Properties & Securities Portfolio	3.884	3.602	3.316	17,1%
Other current assets	5.549	5.539	1.636	239,1%
Total Assets	56.895	57.399	52.364	8,7%

Liabilities & Book Value

€m	Mar.'10	Dec.'09	Mar.'09	Δ %
Customer Deposits	46.461	47.001	45.379	2,4%
Other Funds & Liabilities	6.170	6.177	2.999	105,7%
Book Value	4.264	4.221	3.987	6,9%
Total Liabilities	56.895	57.399	52.364	8,7%

Main trends

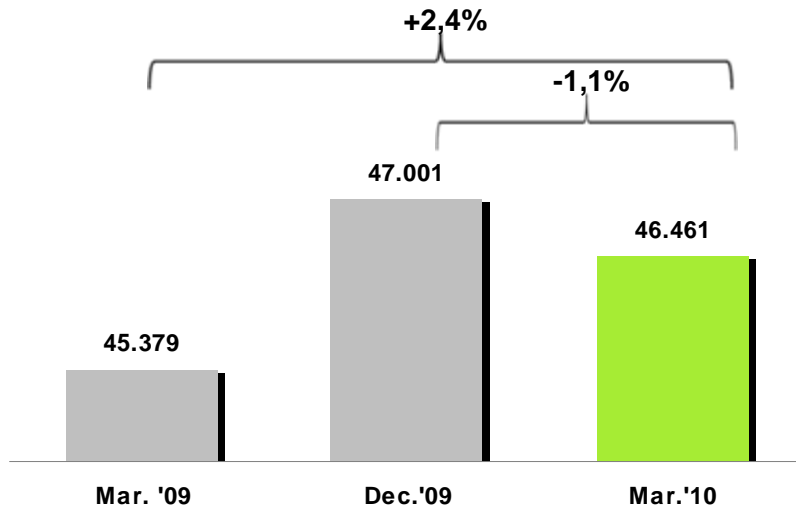
- ✓ Growth in deposits and loans on a yearly basis
- ✓ Loans increase partially due to Alba/Release funding
- ✓ Strategic holdings: new stakes in Alba and Release
- ✓ Decrease in liquidity due to Alba funding
- ✓ Other assets and liabilities up referred to ARCA Vita assets under disposal

Notes: percentages refer to YoY

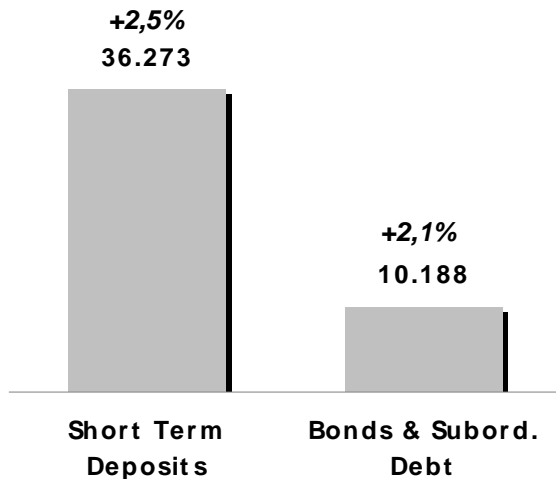
(*) Interbanking Funds + Proprietary Trading Assets + Cash

Direct Funding

Direct Funding Total



Direct Funding by Maturity (March '10 – YoY)

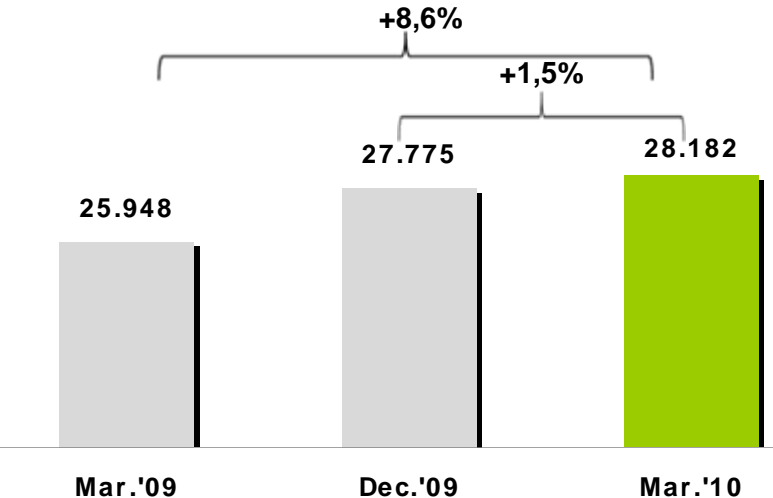


Main trends

- ✓ Reduction in the 1Q10 due to seasonal effects and some outflows from “fiscal shield” deposits (“scudo fiscale”) into other investment products
- ✓ Significant growth in bonds, certificates and, particularly, REPOS
- ✓ BPER: 248 €mil subordinated convertible bond issued in March 2010 and fully subscribed

Indirect Deposits

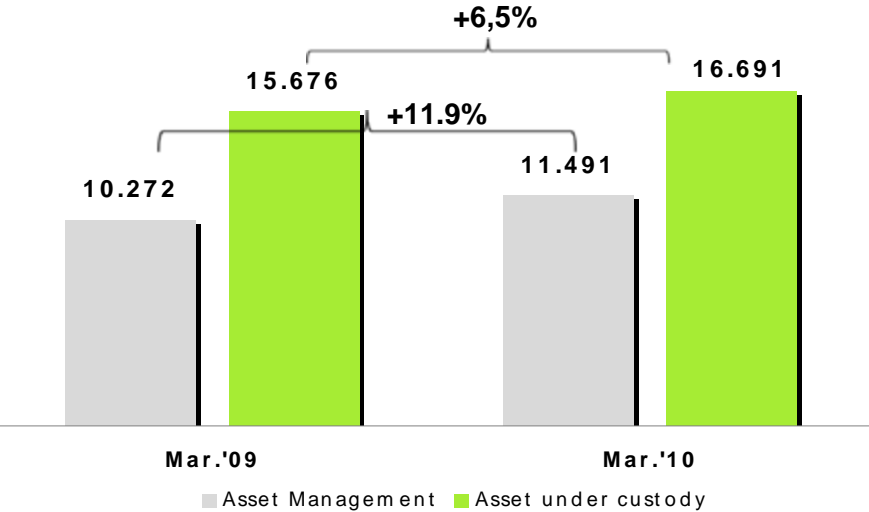
Total Indirect Deposits



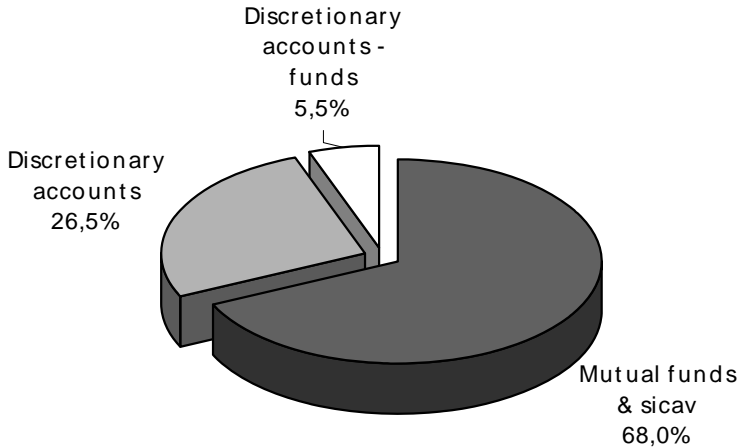
Main trends

- ✓ AUM on total indirect deposits up from 39,6% to 40,8% in 12 months
- ✓ Trends:
 - a) AUC: growth of equity assets
 - b) AUM: reduction of liquidity mutual funds

Indirect Deposits Breakdown

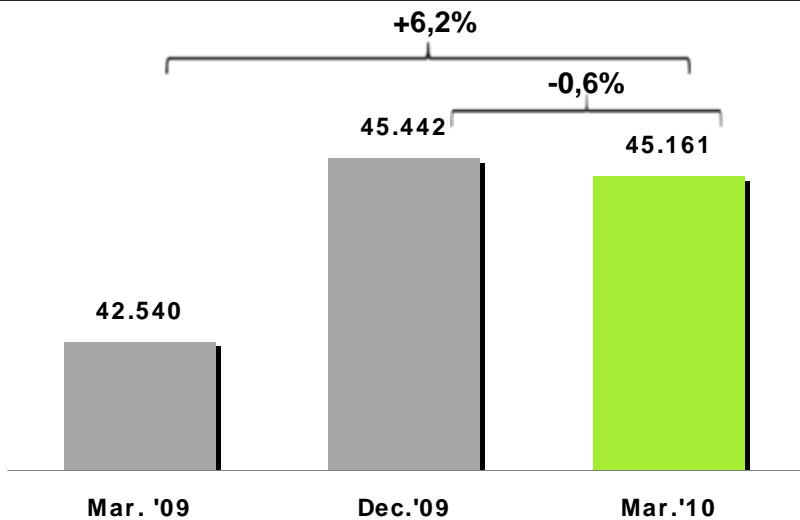


AUM Breakdown (March '10)



Customer Loans

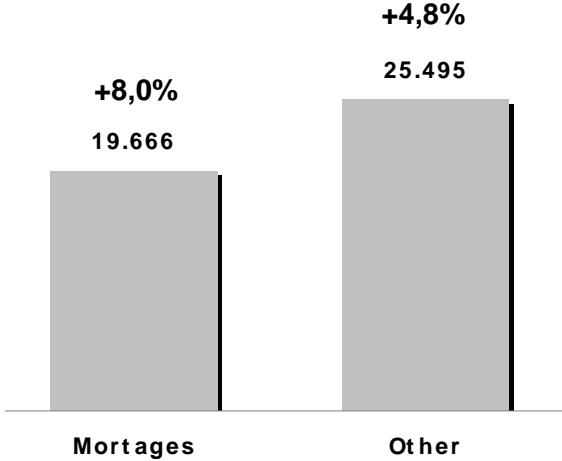
Loans



Main trends

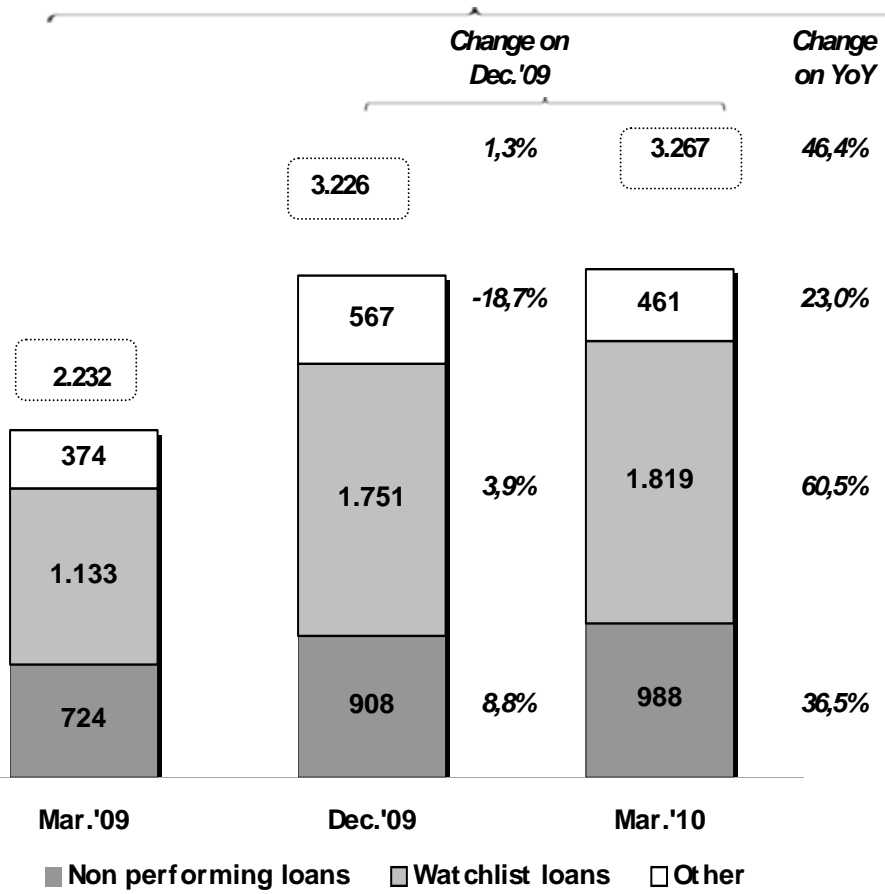
- ✓ Slight reduction in 1Q10 originated by the combined effect of:
 - BNT deconsolidation (-0,5 €bn)
 - Restructuring of Meliorbanca loans portfolio in progress (-0,1 €bn)
 - Growth of commercial banks lending
- ✓ Corporate loans market share, net of Meliorbanca: 20 bps up in 12 months

Loans by Maturity (March '10 – YoY)



Doubtful Loans : non performing loans increase

Breakdown of Doubtful Loans



Main trends

- ✓ Slowdown of doubtful loans growth vs 4Q09 (particularly of watchlist loans)
- ✓ Outflows of watchlist loans (originated in 2009) into non performing category, as expected
- ✓ -18,7% of restructuring and past due

Notes: in box total doubtful loans

Doubtful Loans

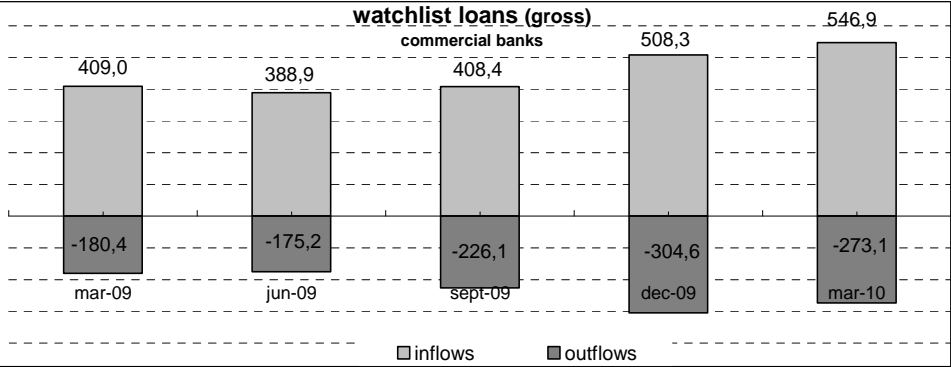
% on net lending and coverage

	% of net lending		Cover		% of net lending		Cover	
	Mar-09	2009	Mar-09	2009	Mar-10	2009	Mar-10	2009
net non performing loans	1,7%	62,46%	2,0%	60,63%	2,2%	60,20%	60,20%	
watch-list loans	2,7%	22,29%	3,9%	20,76%	4,0%	18,20%	18,20%	
other	0,9%	4,00%	1,2%	4,07%	1,0%	5,24%	5,24%	
total doubtful loans	5,2%	45,17%	7,1%	36,84%	7,2%	37,07%		
other loans	94,8%	0,93%	92,9%	0,89%	92,8%	0,99%	0,99%	
Total loans	100,0%	4,32%	100,0%	4,78%	100,0%	4,93%		

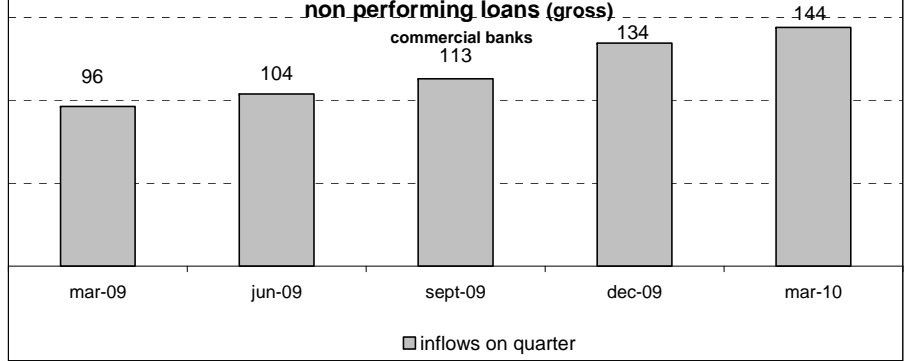
Main trends

- ✓ non-doubtful loans (“in bonis”) coverage at 0,99%: one of the highest level among peers
- ✓ 1Q10 watchlist loans inflows boosted by 4 significant positions, for a total of 127,5 €mn

Watchlist loans flows



Non performing loans inflows



Commercial banking split by geographic area

Direct Deposits

€/m	Mar.'10	Mar.'09	%
North	23.633,4	22.216,9	6,4%
Centre	5.770,8	5.184,0	11,3%
South and Islands	18.417,9	17.887,9	3,0%
Total	47.822,1	45.288,8	5,6%

Indirect Deposits

€/m	Mar.'10	Mar.'09	%
North	21.207,0	17.666,1	20,0%
Centre	1.417,3	1.427,8	-0,7%
South and Islands	5.997,0	6.375,1	-5,9%
Total	28.621,3	25.469,0	12,4%

Loans

€/m	Mar.'10	Mar.'09	%
North	25.044,3	23.895,6	4,8%
Centre	4.689,6	4.515,0	3,9%
South and Islands	15.360,6	14.237,3	7,9%
Total	45.094,4	42.648,0	5,7%

Doubtful Loans

€/m	Mar.'10	Mar.'09	%
North	1.725,5	980,9	75,9%
Centre	262,4	179,5	46,2%
South and Islands	1.006,4	887,6	13,4%
Total	2.994,3	2.047,9	46,2%

North: BPER, CR Vignola, BP Ravenna, Meliorbanca
Centre: BP Aprilia, Carispaq, BP Lanciano e Sulmona

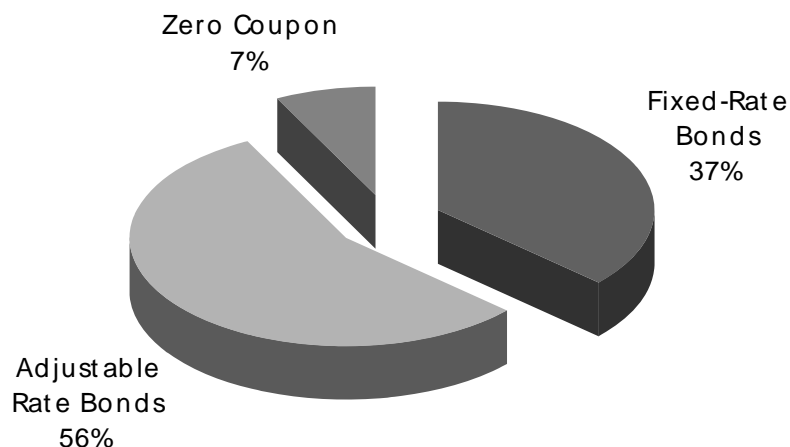
South and islands: B della Campania, BP del Mezzogiorno, B di Sardegna, B di Sassari

Securities portfolio

Breakdown of securities portfolio

	€m	%
Bonds	3.756	81,9%
Equity	428	9,3%
Funds and Sicav	213	4,7%
Other	187	4,1%
Group	4.584	100,0%

Bonds portfolio: breakdown by coupon



Main trends

- ✓ equity portfolio mainly constituted by shareholdings (IstPop, Dexia, Release, etc.)
- ✓ bonds portfolio mostly represented by govies (1,7 €bn) and primary banking institutions (1,5 €bn)
- ✓ duration (in years):
 - investment portfolio (0,4 €bn): 2,5
 - ALM portfolio (0,8 €bn): 5
 - other (2,6 €bn): 0,8

PIGS Exposure (31 march 2010)

	Portugal	Ireland	Greece	Spain	Total
government *	16	25	7	72	120
covered bonds	7	1		47	55
banking	4	12	14	17	47
other	2	8		11	21
Total	29	46	21	147	243

* Included also bonds guaranteed by the Government

- highlights
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Profit & Loss

P&L €/mil	31 mar.'10	31 mar.'09	Change	
Interest Margin	317,8	339,1	-21,3	-6,3%
Commissions	176,2	131,1	45,1	34,4%
Dividends and Trading gains	21,8	30,7	-9,0	-29,1%
Total Income	515,8	501,0	14,9	3,0%
Adjustments	-106,3	-104,5	-1,8	1,7%
Operating Income	409,5	396,5	13,1	3,3%
Operating costs	-305,1	-297,9	-7,3	2,4%
Net Operating Income	104,4	98,6	5,8	5,9%
Other income, net	0,3	2,7	-2,4	-87,9%
Pre-tax Profit	104,7	101,3	3,4	3,4%
Taxes	-44,7	-45,0	0,2	-0,5%
Net profit of assets under disposal	5,8		5,8	n.c.
Net profit	65,8	56,4	9,4	16,7%
Minority Interests	-7,8	-17,4	9,6	-55,2%
Net Profit, Group Share	58,0	38,9	19,1	49,0%
Cost/Income	59,16%	59,46%		-0,30%
Net profit/Total income	12,76%	11,25%		1,51%

- ✓ net profit growth +16,7%
- ✓ net profit, Group Share +49%
- ✓ NII: +4,2% on a like-for-like basis (net of maximum overdraft fee: "cms")
- ✓ commissions: relevant increase (+34,4%) led by new commissions structure and income from indirect deposits; +6,7% on a like-for-like basis

- ✓ provisions slightly higher than 12 months ago
- ✓ cost increase (+2,4%) mainly due to Risk and Charges Provisions
- ✓ low level of minority interests (11.9% of the net profit)

Profit & Loss - Quarterly Highlights

	1Q09	2Q09	3Q09	4Q09	1Q10
Interest Margin	339,1	360,2	314,4	326,3	317,8
Commissions	131,1	139,2	175,2	192,5	176,2
Dividends and Trading Gains	30,7	85,6	54,8	7,8	21,8
Total Income	500,9	585,0	544,4	526,6	515,8
Adjustments	-104,5	-214,0	-103,8	-182,7	-106,3
Operating Income	396,4	371,0	440,6	343,9	409,5
Operating Costs	-297,9	-328,1	-293,2	-335,0	-305,1
Net Operating Income	98,6	42,8	147,3	9,0	104,4
Other income, net	2,8	3,1	0,4	2,4	0,3
Pre-tax Profit	101,3	45,9	147,7	11,4	104,7
Taxes	-45,0	-28,5	-59,9	-12,0	-44,7
Net profit of assets under disposal	0,0	3,9	5,5	-1,0	5,8
Net profit	56,4	21,4	93,4	-1,6	65,8
Minority Interests	-17,4	-16,6	-17,9	-1,8	-7,8
Net Profit, Group Share	38,9	4,8	75,4	-3,4	58,0

Main trends

- ✓ second best quarter - compared to 2009
- ✓ first best quarter - compared on 2009 - excluding trading income contribution
- ✓ still positive contribution from trading income
- ✓ provisions at the same level of 3Q09

Commercial banking split by geographic area

Total Income

€/m	Mar.'10	Mar.'09	%
North	241,8	231,2	4,6%
Centre	57,3	56,5	1,5%
South and islands	194,1	199,4	-2,7%
Total	493,1	487,1	1,2%

Loan Loss Provisions

€/m	Mar.'10	Mar.'09	%
North	-61,8	-74,3	-16,8%
Centre	-15,7	-10,3	52,6%
South and islands	-22,8	-10,9	110,3%
Total	-100,3	-95,5	5,1%

Operating Costs

€/m	Mar.'10	Mar.'09	%
North	-125,9	-125,8	0,1%
Centre	-34,3	-32,7	4,8%
South and islands	-134,6	-129,6	3,9%
Total	-294,9	-288,2	2,3%

Cost of Credit

%	Mar.'10	Mar.'09	change
North	0,25%	0,31%	-0,06%
Centre	0,33%	0,23%	0,11%
South and islands	0,15%	0,08%	0,07%
Total	0,22%	0,22%	0,00%

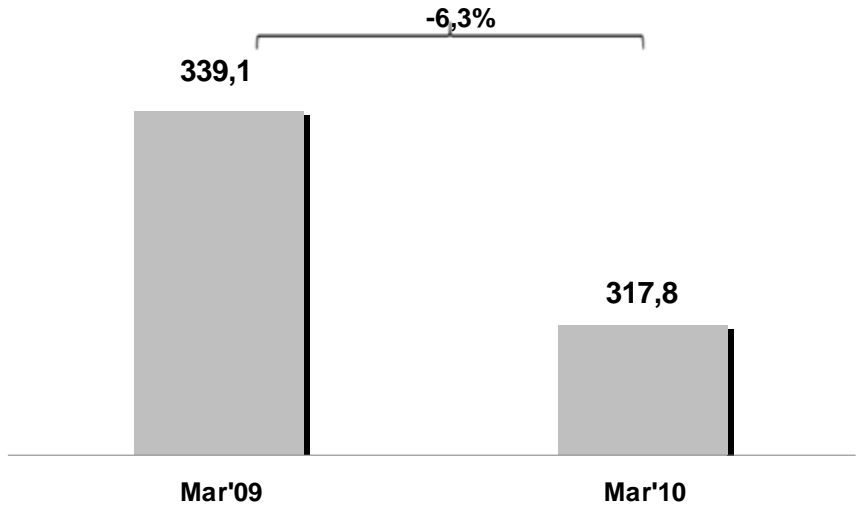
North : BPER, CR Vignola, BP Ravenna, Meliorbanca

Centre: BP Aprilia, Carispaq, BP Lanciano e Sulmona

South and Islands: B della Campania, BP del Mezzogiorno, B di Sardegna, B di Sassari

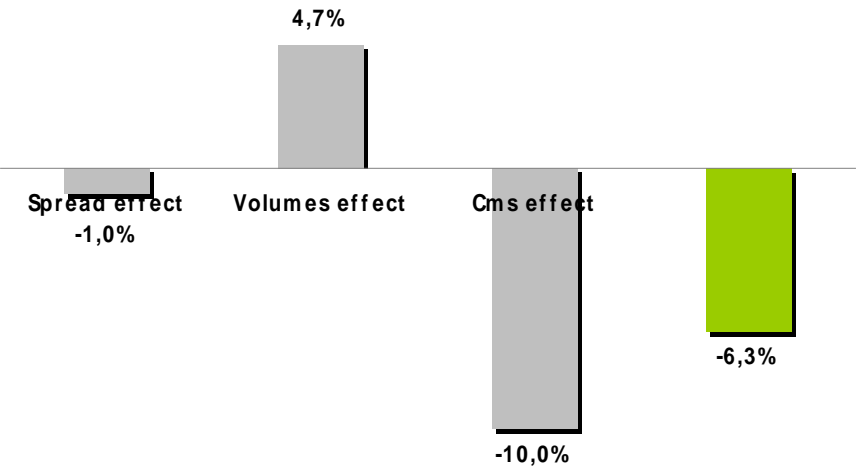
Interest margin

Reduction due to Maximum Overdraft Fee elimination Main trends

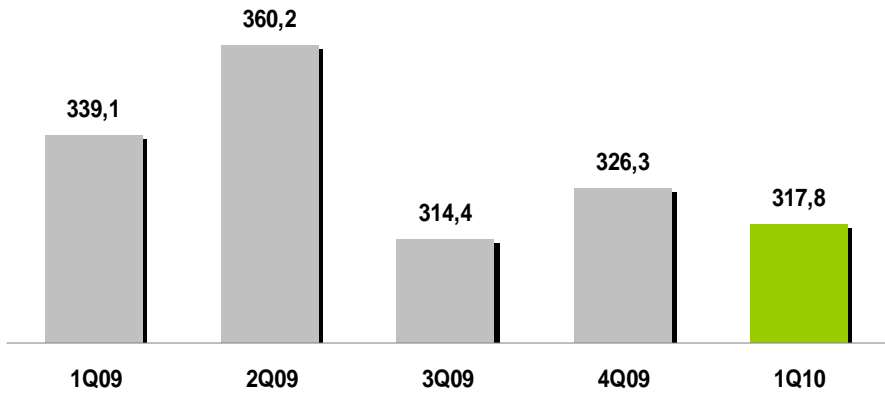


- ✓ growth in 1Q10 vs 1Q09: +4,2% on a like-for-like basis net of maximum overdraft fee (“cms”)
- ✓ reduction vs 4Q09 due to BNT deconsolidation (-4 €mn) and lower number of days than 4Q09 (-6,6 €mn)
- ✓ spread impact only -1%, sign of a progressive moving closer to 2008 spread
- ✓ significant growth of average volumes (volume effect +4,7%)

Interest margin Breakdown (31 March'10)

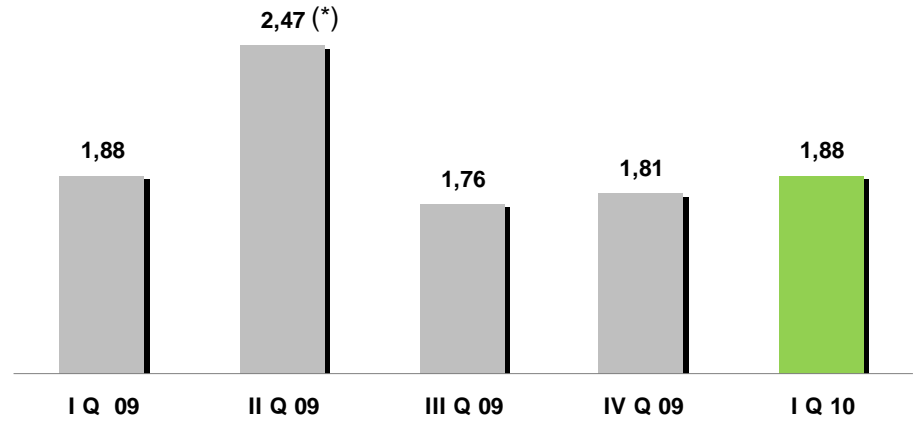


Interest margin by quarter



Spread effect – Quarterly trends

Spread (%)

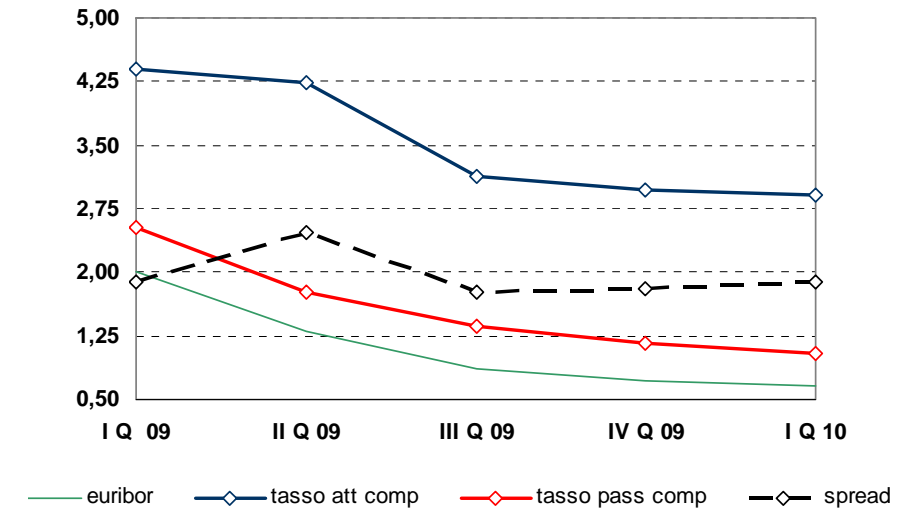


Main trends

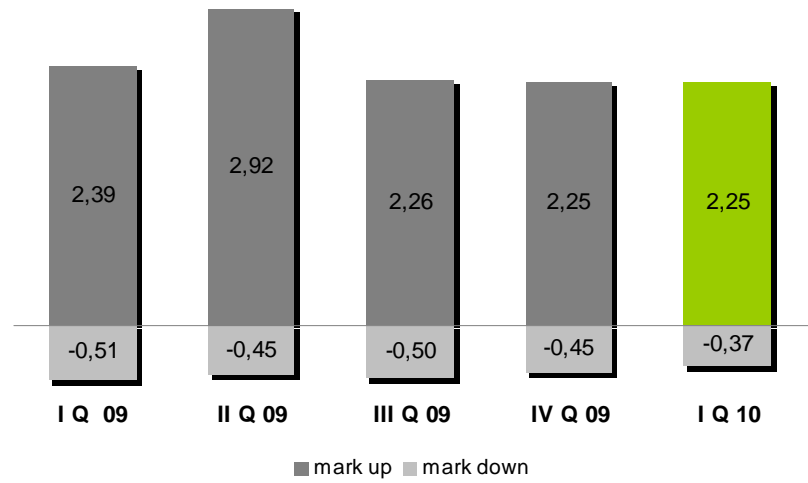
- ✓ spread widening in the last 2 quarters
- ✓ mark down improvement, thanks to the expiring of bonds and certificates with higher coupon
- ✓ mark up stabilization, with repricing counterbalanced by the negative effect of Banco di Sardegna floating rate mortgages

(*) including dividends

Rates (%)

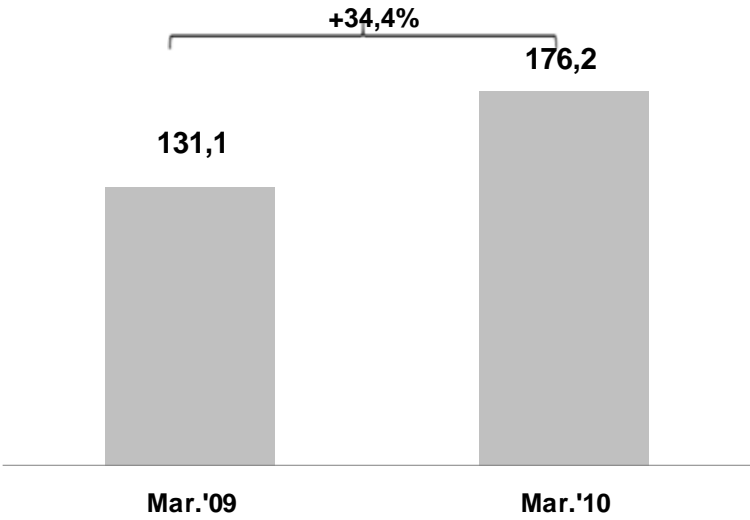


Mark up & mark down (%)



Commissions

Significant increase in 12 months



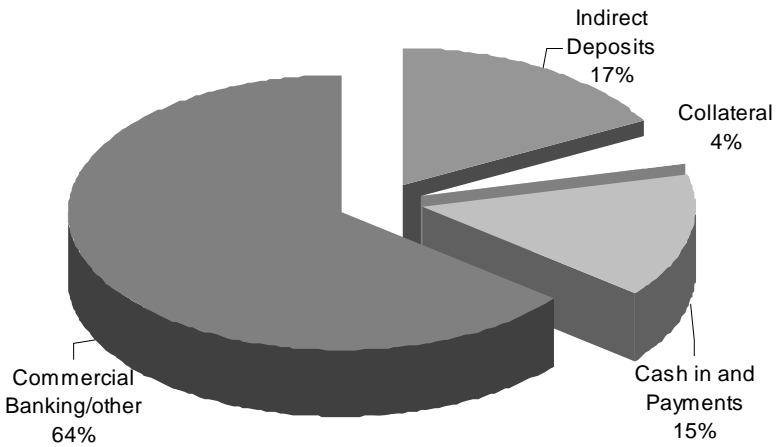
Main trends

- ✓ 1Q10 vs 1Q09: positive effect due to new commissions structure
- ✓ good contribution from indirect deposits commissions, particularly AUM
- ✓ traditional commissions down due to weak economic cycle (payments, cash-in, etc.)

Commissions Breakdown

€/m	0	0	%
Indirect Deposits (*)	30,5	25,3	20,4%
Collateral	6,7	6,7	-0,7%
Cash in and Payments	25,9	26,2	-1,1%
Commercial Banking/other	113,2	73,0	55,1%
Total	176,2	131,1	34,4%

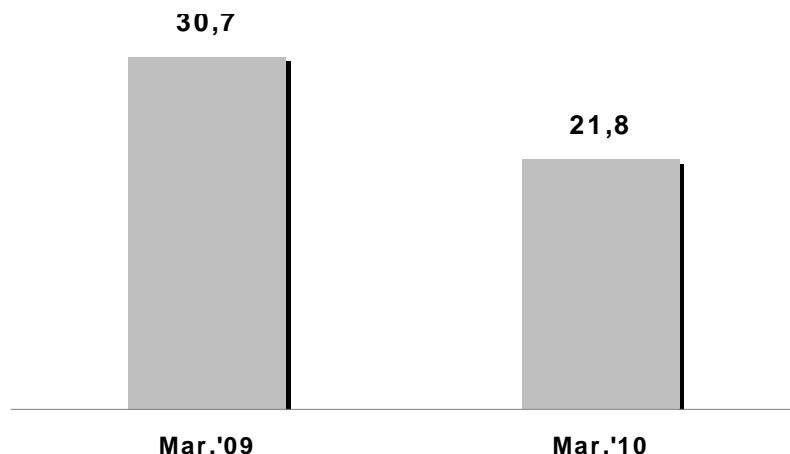
Commissions Breakdown (31 march'10)



(*) Including Bancaassurance

Non interest income – Dividend and Trading gains

Dividends and Trading gains



Main trends

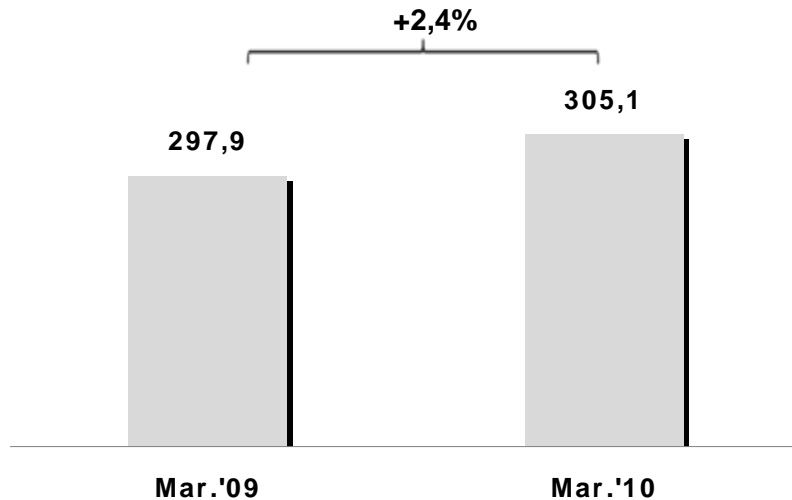
- ✓ Trading income at a lower level than in 1Q09 but still significant
- ✓ More than 25% of the trading gains already cashed (dividends + trading = 5,7 €mil)
- ✓ Trading income still positive after the first 2 weeks of May

Dividends and Trading gains Breakdown

€/m	Mar.'10	Mar.'09	Change
Dividends	1,7	1,1	0,6
Trading (net)	4,0	10,7	-6,7
Plus	23,4	45,2	-21,7
Minus	-6,0	-32,6	26,6
Other	-1,4	6,4	-7,8
Total	21,8	30,7	-9,0

Operating costs

Operating Costs



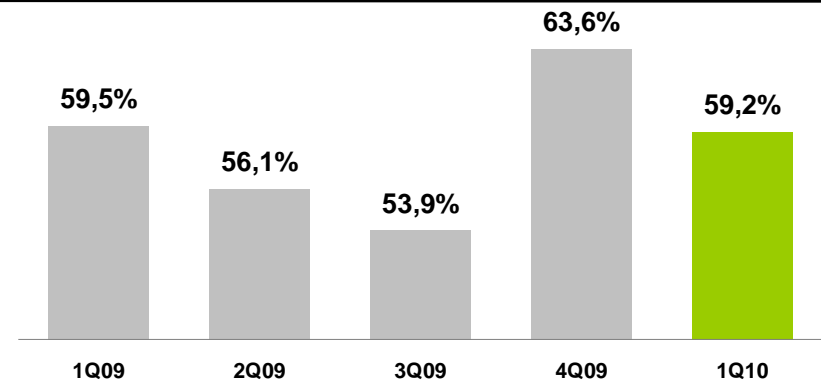
Main trends

- ✓ operating costs up: +2,4%
- ✓ staff costs: slight increase (+1,3%) due to the recruitment in BP del Mezzogiorno related to the Sicily branches reinforcement
- ✓ depreciations growth linked to new investments in 2H09 for the business plan projects implementation
- ✓ strong growth of Risk and Charges Provisions

Operating Costs Breakdown

€/m	Mar.'10	Mar.'09	Delta	%
Staff	190,1	187,6	2,5	1,3%
Administrative Expences	119,0	119,7	-0,7	-0,6%
Depreciations	13,1	11,7	1,4	12,2%
Other	6,7	3,5	3,2	88,9%
Other Revenues/Costs	-23,8	-24,7	0,9	-3,6%
Total	305,1	297,9	7,3	2,4%

Cost Income by Quarter



Loan Loss Provisions: strong impact of provisions on “bonis”

Provisions Breakdown

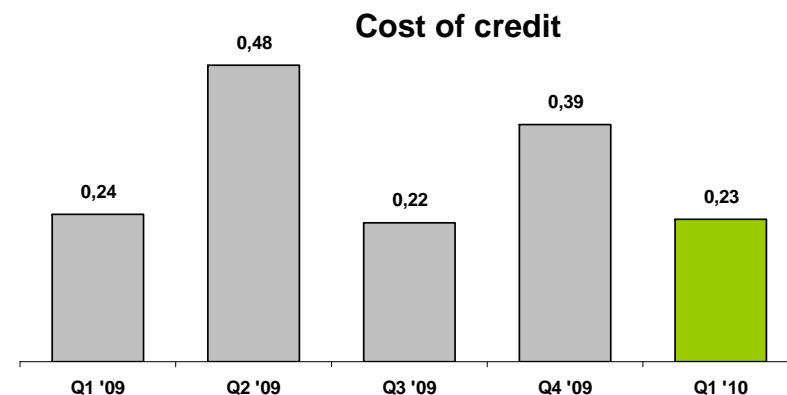
	mar-10	mar-09	Δ	%
gross provisions				
non performing loans	89.457	60.011	29.446	49,1%
watchlist loans	79.727	86.925	-7.198	-8,3%
others	1.378	2.083	-705	-33,8%
past due	678	616	61	10,0%
provisions "on bonis"	24.085	7.442	16.643	223,6%
Total Commercial Banks	195.325	157.077	38.248	24,3%
<i>of which: time value (total)</i>	<i>41.134</i>	<i>30.334</i>	<i>10.799</i>	<i>35,6%</i>
write backs				
non performing loans	49.671	43.036	6.636	15,4%
watchlist loans	41.930	26.783	15.147	56,6%
others	1.789	1.573	215	13,7%
past due	5.461	2.331	3.130	134,3%
write backs "on bonis"	437	7.328	-6.891	-94,0%
Total Commercial Banks	99.288	81.051	18.238	22,5%
net provisions				
Total Commercial Banks	96.036	76.026	20.010	26,3%
Meliorbanca	6.633	21.853	-15.220	-69,6%
Other Companies	3.606	6.602	-2.996	-45,4%
Total Group	106.276	104.482	1.794	1,7%

Main trends

✓ Provisions slightly higher than in 1Q09, but with a different mix:

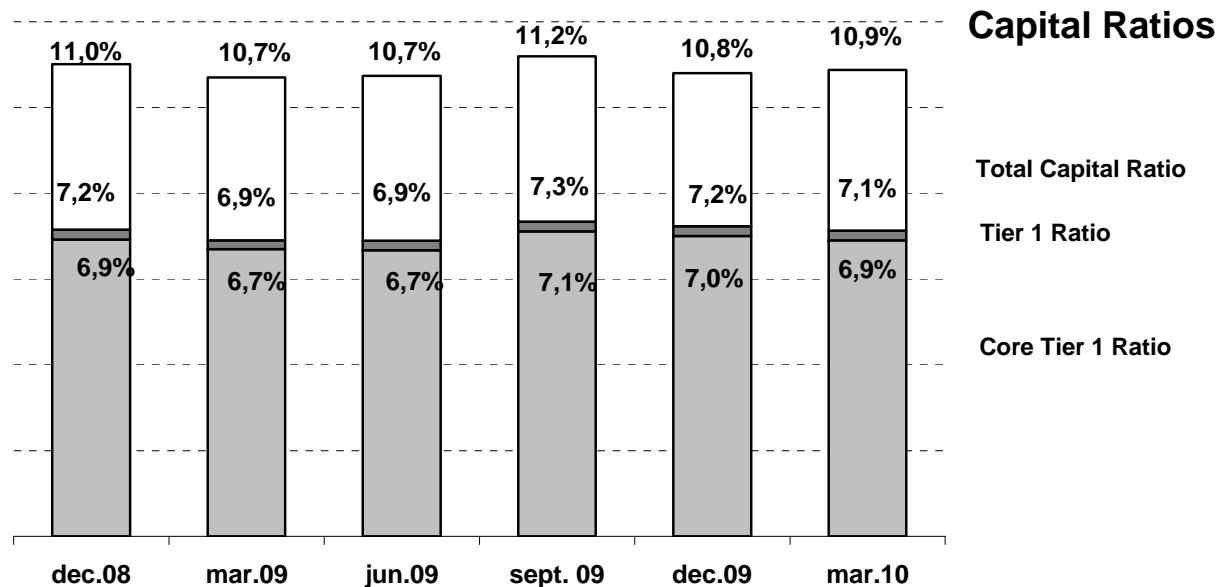
- Inflows from watchlist loans to non performing
- Increasing impact of provisions on non-doubtful loans (“in bonis”) due to:
 - a) realignment of PD due to the worsening economic scenario
 - b) higher “time value” effect related to increasing inflows to non performing loans

✓ Meliorbanca: drop in provisions in comparison with 1Q09; corporate loans under control; provisions on retail 2,3 €mn



- highlights
- assets and liabilities evolution
- profit and loss evolution
- capital adequacy**

Regulatory capital: Capital Ratios strenghtened even after Meliorbanca and Italease



Capital Requirements

<i>capital requirements</i>	€/000	%
credit risk	3.045.830	87,6%
market risk	62.569	1,8%
other regulatory requirements	64.245	1,8%
operating risks (from 1/1/2009-Basel 2)	304.005	8,7%
total requirements	3.476.649	100,0%

Main trends

- ✓ 1Q10 core capital at 2,971 €/mn from 4Q10 3,005 €/mn due to BNT deconsolidation
- ✓ Core Tier1 from 7% to 6,9 most of all due to RWA expansion linked to the realignment of loans PD

Emilio Annovi, company officer in charge of drawing up the company's accounting documents, has declared for the purposes of Art. 154-bis(ii) of the Consolidated Financial Services Act (Legislative Order No. 58/1998), that the accounting information contained in the present document corresponds to the figures in the company's documents, ledgers and accounting entries.

Emilio Annovi,

**Accountant Officer
in charge of drawing up the company's
accounting documents**