

**CREDEM, THE BOARD OF DIRECTORS APPROVES FULL YEAR 2012 GROUP'S CONSOLIDATED RESULTS: NET PROFIT +25.5%, DIVIDEND €0.12**

- Credem Group confirmed its **strong support to households and enterprises** with **loan volumes** that grew by €1.2% YoY to €19,948 million<sup>(1)</sup>;
- **Net Consolidated Profit** was €121.2 million +25.5% YoY, **Dividend** proposed is 0,12 euro per share, confirming a sustainable profitability;
- **Customers's base** increased: current accounts +3.7% YoY<sup>(2)</sup> also thank to a consistent focus on the understanding of clients' needs and an offer of simple and competitive products;
- The increase and the professional development of human resources continued cleverly while operating costs remained substantially stable (-0.1% YoY): 85 employees were hired and 80 financial agents were appointed to develop the new channel specifically dedicated to "salary backed loans" business;
- **Strong capital ratios** and **credit quality** were certainly confirmed: Core Tier I<sup>(3)</sup> stood at 9.4% without recurring to rights issues and net NPL ratio was 1.3% well below the industry average;
- **Direct Customers' Deposits**<sup>(4)</sup> were up 10.7% YoY at €16,554 million, **Assets Under Management** were up 9.6% YoY at €16,215 million;
- The **multichannel strategy** developed well with internet banking accounts increasing 11.7% YoY<sup>(2)</sup>;
- Numerous initiatives were launched to sustain the population who suffer the damages caused by the earthquake that took place in may 2012, with the aim of contributing to the complete recovery of social and productive activities in the area.

Credem's Board of Directors, chaired by **Giorgio Ferrari**, approved today FY2012 individual and consolidated results, that will be submitted to the shareholders' meeting called for April 30, 2013.

Net Profit for 2012 went up 25.5% YoY to €121.2 million. The dividend that will be proposed to the shareholders' meeting is €0,12 per share (20% up compared to what was distributed last year). The dividend will be payable as from May 23, 2013, with shares going ex-div on May 20, 2013. Total dividends paid to shareholders will amount to €39.9 million.

*"We worked keenly to keep our structure flexible and reactive" declared **Credem General Manager Adolfo Bizzocchi** - "by strengthening our distribution network and investing on training, in order to continue to increase our market shares and our customers' base, in an healthy and well balanced manner, given the current difficult scenario. We also simplified our offer range, by introducing new and simpler products as*

*well as new services designed to make it easy for our customers to communicate with the bank. Considering how difficult is the environment currently, let me say that we are particularly proud of 2012 results, obtained thank to the high quality, the conscious motivation and the passion of the people working for our Group. We confirm that during 2013, we will especially focus on supporting consistently households and enterprises, loyal to our organic growth strategic choice while maintaining our usual capital solidity and core profitability”.*

**SUPPORT TO HOUSEHOLDS AND ENTERPRISES.** Credem Group continued to sustain companies and families showing a 1.2% **loan growth**<sup>(1)</sup> YoY, while paying a constant attention to **credit quality** proved by Net NPL ratio equalling 1.3%, well below the industry average. Also, Credem promoted numerous projects to facilitate the recovery of those people and companies that were hit by the devastating earthquake that took place in May 2012, also joining initiatives promoted by Emilia-Romagna region. In particular, loans were granted to rebuild houses and industrial facilities or to finance fiscal payments, the moratoria of outstanding mortgage loans and a fundraising action based on an account that was set up to gather money from customers, employees and contributors to rebuild a school complex in Reggiolo (Re) and a medical facility to host elderly and disabled guests, in Cavezzo (Mo).

**CLIENTELE AND DISTRIBUTION.** In 2012 the **customers’ base** went up by 3.7% YoY<sup>(2)</sup>, also thank to a simpler and competitive offer as well as the continuous effort to better understand customers’ needs. Product range expanded to include new time deposits, general and life insurance products and loans based on the “salary backed” repayment scheme. Other initiatives were the evolution of the advisory activity and the revision of the service model to clientele. In 2012, the group confirmed its attitude toward increase and professional development of human resources while maintaining a strong control on operating costs (-0.1% YoY): 85 employees were hired and 80 financial agents were appointed to develop the new channel specifically dedicated to the “salary backed loans” business.

**CAPITAL RATIOS.** At the end of 2012 Credem Group’s **capital solidity** was confirmed by a core Tier I<sup>(3)</sup> at 9.4% and a Total capital ratio<sup>(5)</sup> at 13.6%. Such results were accomplished over time without any recourse to rights issues, but leveraging exclusively on the capital generation coming from the ordinary activity.

**MULTICHANNEL APPROACH.** In 2012 **internet banking accounts** increased by 11.7% YoY<sup>(2)</sup>. Specific plans to improve the assistance to customers, commercial effectiveness as well as reduce the environmental impact were implemented and partially completed. In particular, in all branches was introduced the digital signature procedure that allows to eliminate paper consumption related to cash desk operations.

Credem’s General Manager Adolfo Bizzocchi, will present 2012 Consolidated Results on March 18<sup>th</sup>, in a conference call starting at 10.30 am CET.

#### **Consolidated Income Statement**

**Operating Income** increased by 4.9% YoY at €971.2 million compared to €925.9 million in 2011, with a positive contribution coming both from Interest and Non Interest Margin.

In particular, **Interest Margin**<sup>(6)</sup> increased by 1.1% YoY at €468.3 million compared to €463.3 million in 2011, despite customers’ spread reduction.

**Non Interest Margin**<sup>(7)(8)</sup> was €502.9 million, +8.7% compared to €462.6 million in 2011. Such increase concerned both commissions and the trading and hedging activity.

As for commissions either commissions on banking services and asset management fees showed a positive trend. Insurance fees performed well and revenues coming from the securities placement activity grew significantly (+11.2%), especially thank to third parties' products placement. In a scenario where markets proved to be very volatile, the contribution coming from the trading and hedging activity increased, with reference to government bonds, debt securities and hedging activities. On the other hand there was a negative impact coming from mark to market revaluation of Credem's issued liabilities.

**Operating Costs**<sup>(8)</sup> remained under control at €604.5 million compared to €605.2 million in 2011 (-0.1% YoY) despite group's headcount increase. In detail, administrative expenses reached €189.5 million (+1.3% YoY) and personnel costs Le were €415 million (-0.7% YoY).

**Cost/Income Ratio**<sup>(9)</sup> was 62.2% in 2012, in contraction compared to 65.4% in 2011,

**Gross Operating Profit** was €366.7 million, +14.3% compared to €320.7 million in 2011. **Amortisation and Depreciation** was €32.7 million compared to €30.5 million in 2011 (+7.2% YoY).

**Net Operating Profit** increased by 15.1% YoY reaching €334.0 million compared to €290.2 million in 2011.

**Provisions for Risk and Charges** equalled €63.1 million (€15.3 million in 2011). **Net Adjustments to Loans** were €89.1 million compared to €52 million in 2011 (+71.3% YoY). The increase is due to the growing difficulties that families and companies are forced to face given the current macroeconomic picture, but also to the change in regulation, introduced at the beginning of 2012, concerning the new and more penalizing definition for past due loans and related requested provisioning as well as the adjustment needed on the regulatory provisioning reserve on performing loans. These two postings were worth circa €10 million, to be considered as non recurrent.

**Net Extraordinary Income/Charges** were €22.6 million (€-7.1 million in 2011).

**Profit before Tax** was €228.2 million, +5.8% compared to €215.8 million in 2011.

**Income Taxes** were €106.9 million (-10.2% compared to €119.1 million in 2011).

**Net Profit** increased by 25.5% YoY to €121.2 million compared to €96.6 million in 2011. The result was negatively impacted by:

- fiscal items: during 2012 Inland Revenue continued its investigation in relation to the conjecture of abuse of right, in particular on the operations performed by Abaxbank Credito Emiliano and Banca Euromobiliare in year 2007. Credem, despite its belief of having operated with correctness, considered the settlement as an appropriate option, as already did in previous years.

Therefore, Credem Group closed a settlement with Inland Revenue worth €42.1 million, of which €10.9 million had been already provisioned in the previous year; the residual charge on 2012 accounts amounting to €31.3 million mostly penalized Income Taxes line of the P&L. As for the years for which Inland Revenue is still conducting its investigations or has not started any action yet, on the base of previous claims treatment and also with reference to feedbacks from the first informal contacts, Credem Group decided to provision €55.4 million, with respect to 2008 and 2009 years, assuming that the accounting principle IAS 37 is applicable to that matter.

This provision is deemed to be adequate and sufficient to cover in full every possible further controversy that may arise from the abuse of right conjecture in the future;

- expenses, provisions and charges for an amount of circa €7 million related to fiscal controversies regarding registration tax correct treatment on behalf of clients, given the role of financial intermediary;
- charges referable to the settlement of an important claim (about €8 million, as the balance among previous provisions and actual extraordinary charges);
- a €6 million provision, posted by Credem, with reference to potential liabilities related to hedge funds previous management.

The result was instead positively impacted by:

- the capital gain coming from the sale by Credem to Reale Mutua Assicurazioni of the 50% stake in Credemassicurazioni and the revaluation at fair value of the stake still held by Credem (the two components are worth collectively €25.9 million);
- with reference to the 100% stake disposal of Banca Euromobiliare (Suisse), a price adjustment previously agreed for an amount of €5.8 million;
- the capital gain coming from the disposal of custodian business and correspondent banking business for an amount of €37.6 million;
- the fiscal benefit related to the backward IRAP deductibility (from 2007 to 2011) against IRES for an amount of €21 million (as per "decreto legge 201 del 6 dicembre 2011 e successive modifiche, nonché le istruzioni operative del provvedimento del 17 dicembre dell'Agenzia delle Entrate").

**ROE<sup>(10)</sup>** in 2012 was 6.9% (5.7% in 2011).

#### **Consolidated Balance Sheet<sup>(4)</sup>**

**Group's Customers' Fundings**, at the end of 2012 were €46,389 million compared to €43,145 million at the end of 2011 (+7.5% YoY). Group's Total Fundings were €52,095 million, compared to €53,539 million at the end of 2011 (-2.7% YoY).

**Direct Customers' Deposits** increased by 10.7% YoY to €16,554 million compared to €14,957 million at the end of 2011. **Group Direct Deposits** were €17,471 million compared to €17,358 million at the end of 2011 (+0.7% YoY). In detail, Sight and Time Deposits were €13,322 million, +6.6% YoY compared to €12,498 million at the end of 2011. Bonds and Subordinated Debts were €4,149 million (€4,817 million at the end of 2011).

**Insurance Reserves** were €2,617 million, +4.4% compared to €2,506 million at the end of 2011.

**Indirect customers' deposits** were €27,217 million, +6% compared to €25,682 million at the end of 2011. **Group's indirect deposits** were €32,007 million compared to €33,675 million at the end of 2011 (-5% YoY). In detail, **AUM** were €16,215 million, +9.6% compared to €14,790 million at the end of 2011. Within the aggregate, Portfolio Management Accounts were €3,747 million (-2.9% YoY) while Mutual Funds and SICAVs were €7,991 million (+6.3% YoY).

**Loans to Customers<sup>(1)</sup>** were €19,948 million, increased by 1.2% compared to €19,721 million at the end of 2011, while maintaining a strong focus on the quality of the portfolio. In detail, residential mortgages to households stock was €6,241 million, -0.7% compared to the end of 2011, with new inflows in the year amounting to €528.4 million (-54.8% YoY).

**Net NPLs Ratio** was 1.3% compared to 1.2% at the end of 2011, confirming a performance that is significantly below industry's average. **Net Impaired Loans** were €714.6 million (€598 million at the end of 2011). This aggregate was penalized by the poor macroeconomic scenario that progressively worsened during the year, creating

further problems to enterprises and households. Another penalization to the aggregate resulted by a new more restricting rule introduced on Jan 1, 2012, that lowered the inferior threshold for past due loans from 180 to 90 days. To efficiently react to the scenario, during the year, Credem Group strengthened and reorganized its structures devoted to the activities of impaired loans management and collection.

**Core Tier I Ratio**<sup>(3)</sup> was 9.4%. **Total Capital Ratio**<sup>(5)</sup> was 13.6%.

At the end of 2012 Credem's distribution network consisted of 644 branches, corporate centres and financial stores with 5,604 employees, 750 financial advisers with mandate, 279 Creacasa agents and 80 agents with exclusive mandate for "salary backed loans".

### **Forecast on operating trends and evolution of the business**

Latest evidences on revenues side show a smoother and less volatile environment affecting interbank and financial markets. At the same time, depreciation and operating costs will be affected by further rationalization actions, by other changes in the organization to adequate the structures to the new regulatory frame and by the willingness of strengthen some specific parts of the distribution networks. In general, the overall situation still suggests to be conservative in the approach to the risk associated to the lending activity. However, in the current scenario, the evolution of the macroeconomic picture, the future performance of sovereign debts deemed to be risky, the financial markets expectable trends and the still growing cost of risk remain crucial for the future performances of the group.

### **Conference call**

Credem's General Manager, Mr. Adolfo Bizzocchi, will present 2012 Consolidated Results on Monday, March 18<sup>th</sup>, 2013 in a conference call starting at 10.30 am CET. To enter in the conference, attendees can call, 15 minutes before the start, the following numbers:

- +39 02 6963 3532 (from Italy and other Internationals, excluding UK and US)
- +44 (0) 20 3140 8286 (from UK)
- +1 646 254 3388 (from US).

The presentation will be available in Italian and English by choosing a confirmation code after the access (1346328 for Italian and 1390084 for English).

The conference completed with a synchronized slide show will also be accessible via webcast, by visiting Credem's corporate website [www.credem.it](http://www.credem.it), under the Investor Relations section.

### **Remuneration Plans based on financial instruments**

Board of Directors, today, resolved to propose to the shareholders' meeting that will take place on April 30, 2013, the remuneration plan based on financial instruments denominated "Piano Incentivante 2013".

The purpose of such plan is to incentivize and loyalize the "key people" of the group in compliance with the new regulatory framework of the banking sector.

The plan will involve 4 executive officers, the General Manager, 11 executives with specific strategic duties and other managers classified as "key people".

The plan provides for a free of charge assignment of Credito Emiliano S.p.A.'s ordinary shares in lots whose size that may vary in connection with the role and position of the beneficiary (anyway, never lower than 40% of the incentives, and deferred on a three year period). The assignment would take place upon the achievement of individual and collective goals, as detailed in the "Documento Informativo" related to the plan.

Being the activation of the plan subordinated to future targets, all information related to the maximum number of financial instruments to be assigned will be disclosed, in compliance with the regulation, in a time subsequent to the one when they will be available for the company.

Board of Directors, in same session, also considering the recommendation of the Appointment and Remuneration Committee held on March 8, 2013, checked the needed requirements for activate the following plans:

- Piano Incentivante 2012, for a maximum number of Credito Emiliano S.p.A.'s shares assigned amounting to 268,255;
- Piano Incentivante 2010-2012 (limited to what is described in the "Relazione annuale all'assemblea degli azionisti relativa alla politica di Remunerazione di Gruppo"), for a maximum number of Credito Emiliano S.p.A.'s shares assigned amounting to 124,854.

Other details related to above mentioned plans are illustrated in tables n. 2 and n. 7 attached to the "Relazione annuale all'assemblea degli azionisti relativa alla politica di Remunerazione di Gruppo".

Documents "Documento informativo relativo al Piano Incentivante 2013" and "Relazione annuale all'assemblea degli azionisti relativa alla politica di Remunerazione di Gruppo", written as recommended by the current regulation for the discipline of this matter, will be made available to shareholders at Credem registered office, as well as on corporate website [www.credem.it](http://www.credem.it) - section "Chi Siamo - Assemblee" as from March, 21<sup>st</sup>, 2013.

### **Other information**

During the first months of 2013 Credem, in the frame of a plan implemented to closely monitor and control the banking system, has been subject to a Bank of Italy's inspection, with the main objective of evaluating the adequacy of impaired loans' provisioning as well as the efficiency of related policies and internal practices. 2012 annual report is therefore consistent with the recommendations that resulted from the inspection mentioned above.

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In accordance with section 2, Article 154-bis of the consolidated Law on Finance (TUF), the Financial Reporting Manager Paolo Tommasini, declares that the accounting information contained in this press release correspond to documentary records, ledgers and accounting entries.

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Find here attached the consolidated balance sheet and income statement as well as the reclassified consolidated P&L.

As of today the independent auditors have not yet completed the auditing of individual and consolidated operating reports.

For additional information about Credem and the other companies in the Group, please visit Credem website [www.credem.it](http://www.credem.it)

### **NOTES:**

(1) For a significant comparison, 2011 Loans were exposed net of those related to securitization and covered bonds issues programmes (€274 million). Following a recent Bank of Italy recommendation, since 2012 credits toward a SPV do not have to appear in the consolidated accounts . 2012 Loans do not include repos to Cassa di Compensazione e Garanzia;

(2) Data referred to Credem Spa only;

(3) Calculated as Tier I Capital on Risk Weighted Assets;

(4) From Group's customers' funding were deducted the securities issued on institutional markets, the liquidity related to the custodian activity (in 2011) and the indirect funding of financial nature. Insurance reserves are included in the total customers' funding. Total direct funding include all companies belonging to the banking group, while insurance reserves include technical reserves and Credemvita financial liabilities valued at fair value. Current accounts do not include repos with Cassa di Compensazione e Garanzia;

(5) Calculated as Tier I Capital plus subordinated debts on Risk Weighted Assets;

(6) Includes dividends from "Available-for-sale financial assets" (minority equity investments) and "Profit/(Loss) from Equity Investments";

(7) Includes Credemvita Operating Income and "Other operating income/charges" net of extraordinary income/expenses and tax refund;

(8) The recovery of indirect taxes charged to clientele (€42.2 million at the end of 2011 and €48.7 million at the end of 2012) was deducted either from Non Interest Margin (Other Income) and Operating Costs (Other Administrative Costs);

(9) Calculated as Operating Costs on Operating Income;



(10)  $Roe = \text{Net Profit} / [(\text{Total Equity previous year} + \text{Total Equity current year}) / 2]$ . Total Equity = line 140 + line 150 + line 170 + line 180 + line 190 - line 200 - Net Profit net of dividends distributed or deliberated from the holding (part of line 220)

Reggio Emilia, March, 15<sup>th</sup>, 2013

CREDITO EMILIANO SPA  
(Chairman)  
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**CREDEM - CONSOLIDATED BALANCE SHEET (€,000)**

Assets		Dec 31, 2012	Dec 31, 2011
10.	Cash and cash equivalents	165,458	129,011
20.	Financial assets held for trading	312,437	704,601
30.	Financial assets valued at fair value	828,980	930,084
40.	Available-for-sale financial assets	6,069,413	6,741,545
60.	Due from banks	946,699	833,480
70.	Loans to customers	20,643,301	19,995,136
80.	Hedging derivatives	174,872	122,587
90.	Value adjustments to financial assets subject to macro-hedging (+/-)	79,640	69,100
100.	Equity investments	23,637	14,416
110.	Technical reserves attributable to reinsurers	1,949	1,537
120.	Tangible assets	315,638	320,524
130.	Intangible assets	370,387	368,764
	of which: goodwill	287,295	287,295
140.	Tax assets	253,764	325,717
	a) current	63,679	54,456
	b) prepaid – not as per L. 214/2011	190,085	271,261
	b1) prepaid – as per L. 214/2011	37,343	30,634
160.	Other assets	562,528	540,806
	<b>Total Assets</b>	<b>30,748,703</b>	<b>31,097,308</b>
Liabilities and Shareholders' Equity		Dec 31, 2012	Dec 31, 2011
10.	Due to banks	5,668,549	6,460,743
20.	Due to customers	14,456,923	13,446,156
30.	Outstanding securities	4,075,089	4,765,205
40.	Financial liabilities held for trading	232,682	354,450
50.	Financial liabilities valued at fair value	920,865	1,257,648
60.	Hedging derivatives	431,120	364,681
70.	Value adj. to financial liabilities subject to macro-hedging (+/-)	77,559	54,838
80.	Tax liabilities	155,117	95,758
	a) current	43,728	22,218
	b) deferred	111,389	73,540
100.	Other liabilities	727,939	908,851
110.	Staff termination indemnity	92,055	78,099
120.	Provisions for risks and charges	151,795	100,702
	a) pensions and similar	2,188	1,843
	b) other provisions	149,607	98,859
130.	Technical reserves	1,773,925	1,558,424
140.	Valuation reserves	-79,693	-320,783
170.	Reserves	1,331,113	1,260,169
180.	Share premium reserve	283,052	283,052
190.	Share capital	332,392	332,392
200.	Treasury shares (-)	-3,388	-
210.	Minority interests (+/-)	367	297
220.	Profit (Loss) for the period (+/-)	121,242	96,626
	<b>Total Liabilities and Shareholders' Equity</b>	<b>30,748,703</b>	<b>31,097,308</b>

**CREDEM - CONSOLIDATED INCOME STATEMENT (€,000)**

		FY2012	FY2011
10.	Interests income and similar revenues	858,759	839,685
20.	Interest expense and similar charges	(325,150)	(321,350)
<b>30.</b>	<b>Interest Margin</b>	<b>533,609</b>	<b>518,335</b>
40.	Commission income	505,266	467,452
50.	Commission expense	(119,276)	(104,597)
<b>60.</b>	<b>Net Commissions</b>	<b>385,990</b>	<b>362,855</b>
70.	Dividend and similar revenues	670	1,042
80.	Net result from trading activities	19,783	43,980
90.	Net result from hedging activities	(1,028)	(8,628)
100.	Profit (loss) from sale or repurchase of:	51,171	1,193
	a) loans	270	-
	b) available-for-sale financial assets	50,570	(2,206)
	d) financial liabilities	331	3,399
110.	Net result from financial assets and liabilities valued at fair value	(4,806)	(15,268)
<b>120.</b>	<b>Operating Income</b>	<b>985,389</b>	<b>903,509</b>
130.	Net value adjustments/write-backs due to impairment of:	(89,445)	(54,237)
	a) loans	(88,527)	(50,814)
	a) financial assets available for sale	(344)	(2,218)
	d) other financial transactions	(574)	(1,205)
<b>140.</b>	<b>Net Income from Banking Activities</b>	<b>895,944</b>	<b>849,272</b>
150.	Net premiums	281,303	512,918
160.	Other income/expenses from insurance activities	(320,583)	(514,915)
<b>170.</b>	<b>Net Income from Banking and Insurance Activities</b>	<b>856,664</b>	<b>847,275</b>
180.	Administrative costs:	(653,264)	(647,407)
	a) personnel costs	(415,011)	(418,145)
	b) other administrative costs	(238,253)	(229,262)
190.	Net provisions for risks and charges	(63,101)	(15,361)
200.	Net value adjustments/write-backs to tangible assets	(15,733)	(15,975)
210.	Net value adjustments/write-backs to intangible assets	(16,907)	(14,495)
220.	Other operating income/charges	53,566	54,493
<b>230.</b>	<b>Operating Costs</b>	<b>(695,439)</b>	<b>(638,745)</b>
240.	Profit (loss) from equity investments	23,884	347
270.	Profit (loss) from disposal of investments	43,177	197
<b>280.</b>	<b>Profit (loss) before tax from continuing operations</b>	<b>228,286</b>	<b>209,074</b>
290.	Taxes on income from continuing operations	(106,917)	(119,089)
<b>300.</b>	<b>Profit (loss) after-tax from continuing operations</b>	<b>121,369</b>	<b>89,985</b>
310.	Profit (loss) referred to group of assets being disposed net of taxes	-	6,692
<b>320.</b>	<b>Profit (loss) for the period</b>	<b>121,369</b>	<b>96,677</b>
330.	Profit (loss) attributable to minority interests	(127)	(51)
<b>340.</b>	<b>Profit (loss) attributable to the parent company</b>	<b>121,242</b>	<b>96,626</b>

**CREDEM – CONSOLIDATED INCOME STATEMENT (€ Million)**

	1Q12	2Q12	3Q12	4Q12	2012	Var%	2011
Interest Margin	115.1	118.8	117.8	116.6	468.3	1.1	463.3
Non-Interest Margin*	123.6	108.5	126.3	144.5	502.9	8.7	462.6
<b>Operating Income</b>	<b>238.7</b>	<b>227.3</b>	<b>244.1</b>	<b>261.1</b>	<b>971.2</b>	<b>4.9</b>	<b>925.9</b>
Personnel Costs	(105.5)	(101.1)	(101.4)	(107.0)	(415.0)	(0.7)	(418.1)
Other Administrative Costs*	(48.6)	(47.6)	(45.6)	(47.7)	(189.5)	1.3	(187.1)
<b>Operating Costs</b>	<b>(154.1)</b>	<b>(148.7)</b>	<b>(147.0)</b>	<b>(154.7)</b>	<b>(604.5)</b>	<b>(0.1)</b>	<b>(605.2)</b>
<b>Gross Operating Profit</b>	<b>84.6</b>	<b>78.6</b>	<b>97.1</b>	<b>106.4</b>	<b>366.7</b>	<b>14.3</b>	<b>320.7</b>
Amortisation & Depreciation	(7.7)	(8.0)	(8.2)	(8.8)	(32.7)	7.2	(30.5)
<b>Operating profit</b>	<b>76.9</b>	<b>70.6</b>	<b>88.9</b>	<b>97.6</b>	<b>334.0</b>	<b>15.1</b>	<b>290.2</b>
Provisions for Risks and Charges	(5.7)	(9.3)	(41.5)	(6.6)	(63.1)	312.4	(15.3)
Extraordinary Income/ Charges	16.1	0.5	35.8	(6.0)	46.4	n.a.	(7.1)
Net Adjustments to Loans	(22.5)	(13.9)	(16.4)	(36.3)	(89.1)	71.3	(52.0)
<b>Profit before Tax</b>	<b>64.8</b>	<b>47.9</b>	<b>66.8</b>	<b>48.7</b>	<b>228.2</b>	<b>5.7</b>	<b>215.8</b>
Minority Interests	-	-	-	(0.1)	-0.1	0.0	(0.1)
Income Taxes for the Period	(23.2)	(23.2)	(42.9)	(17.6)	(106.9)	(10.2)	(119.1)
<b>Profit for the Period</b>	<b>41.6</b>	<b>24.7</b>	<b>23.9</b>	<b>31.0</b>	<b>121.2</b>	<b>25.5</b>	<b>96.6</b>
<b>Earnings per Share</b>					<b>0.36</b>	<b>24.1</b>	<b>0.29</b>

(\* ) The recovery of indirect taxes charged to clientele (€42.2 million at the end of 2011 and €48.7 million at the end of 2012) was deducted either from Non Interest Margin (Other Income) and Operating Costs (Other Administrative Costs)

**KEY:**

**Interest Margin**

- + Line 30 Interest margin
- + Line 70 Dividends and similar revenues (solely for the portion relating to dividends of AFS equity securities)
- + Line 240 Profit (Loss) from equity investments
- Interest margin of Credemvita

**Non-Interest Margin**

- + Line 60 Net Commissions
- + Line 80 Net result from trading activities
- + Line 90 Net result from hedging activities
- + Line 100 Profit (Loss) from sale or repurchase excluding profit/loss on equity securities
- + Line 110 Net result from financial assets and liabilities valued at fair value
- + Line 150 Net premiums
- + Line 160 Other income/expenses from insurance activities
- + Line 220 Other operating income/charges (net of extraordinary Lines and of indirect taxes' recovery charged to clientele)
- + Line 70 Dividends and similar revenues (net of the portion relating to dividends of AFS equity securities)
- + Interest margin of Credemvita

**Operating Profit**

- + Operating Income
- + Line 180 Operating costs (personnel costs and other administrative costs and of indirect taxes' recovery charged to clientele)
- + Line 200 Net value adjustments/write-backs to tangible assets
- + Line 210 Net value adjustments/write-backs to intangible assets

**Profit before tax**

- + Operating Profit
- + Line 190 Provisions for risks and charges
- + Line 130 Net Adjustments for impaired loans and other financial transactions
- + Extraordinary income/charges:
  - Line 220 Other operating income/charges (only extraordinary Lines – imbalance of extraordinary Lines)
  - + Line 100 Profit (Loss) from sale or repurchase for profit/loss on equity securities only
  - + Line 130 Net Adjustments to assets available for sale
  - + Line 270 Profit (Loss) from disposal of investments
  - + Line 240 Profit (Loss) from equity investments
  - + Line 310 Profit (Loss) referred to group of assets being disposed net of taxes