PRESS RELEASE

Farbanca: Draft Financial Statements for the year ended as at 31 December 2012 approved by the Board of Directors

- **Loans to customers Euro 476 million (-1%)**
- **New long-term disbursements to pharmacies of Euro 62 million**
- **Direct deposits of Euro 410 million (+10%)**
- **Net interest income up 9%**
- **Net commissions up 29%**
- **Cost/income ratio at 53%**
- **Net profit of Euro 2.51 million (-21%)**
- **Share capital of Euro 35 million (from Euro 28 million) after the merger by incorporation of BCF**
- **Shareholders' equity of Euro 57.5 million (from Euro 41.3 million) after the merger by incorporation of BCF**
- **Proposed dividend of Euro 0.55 per share**

The Board of Directors of Farbanca SpA, an institution belonging to the Banca Popolare di Vicenza Group and specialising in banking services for pharmacies, approved the draft financial statements for the year ended as at 31 December 2012.

From an economic point of view, despite the low level of market rates, in the year just ended, the **net interest income exceeded Euro 9 million** (up 9.2% compared to 2011): the customer, financed exclusively at variable rates, was able to benefit from lower financial expenses, while stocks were positively impacted by the liquidity tensions at banking system level, creating extremely interesting conditions in short-term transactions; the assignment of treasury management to the Parent Bank allowed the bank to keep both liquidity funding and the variability of the cost of said funding under control.

Continuing with the policy of a gradual rebalancing between the services margin and the net interest income, **net fee and commission income came to Euro 2.7 million**, a marked increase when compared to 2011 (+29%), thanks to the contribution from current accounts and payment systems.

Net income from financial activities stood at Euro 10.8 million, marking an increase of 10.6%. This margin takes account of the impairment of loans and other financial transactions, amounting to Euro 1,043 thousand.

Total **operating costs came to Euro 6.3 million**, highlighting an increase of 40.7% compared to the previous year, due primarily to the merger by incorporation of Banca di Credito dei Farmacisti SpA (BCF) in Farbanca.

The significant growth in operating costs (+40.7%), compared with the more contained increase in net interest and other banking income (+13.5%) led to a worsening in the **cost/income ratio**, up from 42.7% in 2011 to **53%** in 2012.

Net profit amounted to Euro 2,508 thousand, down 21.1% compared to Euro 3,178 thousand in 2011.

Cash loans to customers recorded a 1.0% decrease in 2012, totalling, net of adjustments, Euro 476.1 million (including the figure of Banca di Credito dei Farmacisti); these totalled Euro 481 million as at 31/12/2011. It should be noted that **new long-term disbursements to pharmacies came to Euro 62 million**.

As at 31 December 2012, **net impaired loans** came to Euro 8.1 million, equal to 1.7% of customer loans, highlighting a decrease of 12% compared to the end of December 2011. The coverage of these increased from 40.1% as at 31.12.2011 to 48.2% at 31.12.2012.

Direct deposits increased by 10.2%, up from Euro 371.6 million at the end of 2011 to Euro 409.5 million as at 31/12/2012; the most significant changes concerned bonds (Euro 30 million placed at the Parent Bank) and restricted deposits (Euro 13.6 million), which offset the fall in current accounts (Euro 4 million).

Share capital stood at Euro 35,308 thousand as at 31 December 2012, an increase over the Euro 28,242 thousand in the previous year, due to the increase resulting from the merger by incorporation of Banca di Credito dei Farmacisti. As at 31 December 2012, aside from Parent Bank Banca Popolare di Vicenza (holding 66.81% of share capital), more than 500 shareholders, mainly pharmacists, are listed in the shareholders' register.

The result for the year allows the Board to propose the distribution of a **dividend of Euro 0.55 per share**, in line with the amount disbursed in the previous year.

As highlighted in the customary "**Letter to shareholders**" from Chairman Cesare Enrico Marré, "In the life of Farbanca, 2012 remains a very important year given that the merger by incorporation of **Banca di Credito dei Farmacisti (BCF) in Farbanca was completed successfully**; the transaction – which is part of a wider project whose objective is the development of the presence of the BPVI Group in the health sector – produced several results: share capital increased from Euro 28 million to Euro 35 million, as the company welcomed not only Banca Popolare di Vicenza as shareholder, which holds a 75.21% stake in BCF, but also 130 new shareholders; as set forth in the Group project presented in due course to the Farbanca shareholders' meeting, December 2012 saw the transfer to the Parent Bank of two former BCF branches (given that the area branches would not be consistent with Farbanca's on-line bank approach) with the personnel allocated therein (except for two staff members) and undifferentiated retail customers, instead transferring customers in the pharmacy sector to Farbanca".

After reiterating that "Farbanca's most important asset is the relationship of trust it has established with customers and its markets, a strength which will enable the company to further increase its current market share of around 7.5% of private Italian pharmacies", Chairman Marrè then concluded:

"For the objectives reached in recent years, well documented in these 14th financial statements since the launch of the bank, also on behalf of the entire Board – which, at the same time as the approval of these financial statements puts its mandate back in the hands of the Shareholders' Meeting – I would like to offer a heartfelt thank you to you all, shareholders and customers, to the Parent Bank and to those who work, with full merit, for our Farbanca.

I am certain that the bank will continue to reconcile profitability and efficiency in the future with constant growth in the funding-loans virtuous circle, by retaining, and, in fact, improving both the relationship of trust built up with customers and the rigorous selection of financing transactions".

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The ordinary shareholders' meeting at which the draft financial statements for 2012 will be presented will also be called to resolve on the renewal of the office of the Board of Directors and Board of Statutory Auditors, and on the approval of remuneration policies pursuant to the provisions governing remuneration and bonus policies and practices in banks and banking groups. The meeting is convened at the company's registered office in Bologna, Via Irnerio no. 43/B, on 23 April 2013, at 6.00 (first call), and **on 24 April 2013, at 14.00** (second call)**.**

A copy of the draft financial statements for 2012 will be available to the public at the company's registered office and on the website *www.farbanca.it* from Monday, 8 April 2013.

Bologna, 28 February 2013

Annexes
The Balance Sheet and Income Statement are attached below.

FARBANCA
Gruppo Banca Popolare di Vicenza

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Gruppo Banca Popolare di Vicenza

STATEMENT OF FINANCIAL POSITION

Assets			31/12/2012		31/12/2011
10.	Cash and cash equivalents		337,171		72,733
20.	Financial assets held for trading		67		38
40.	Financial assets available for sale		10,713		10,613
60.	Loans and advances to banks		6,599,625		6,065,080
70.	Loans and advances to customers		476,126,694		470,811,468
100.	Equity investments		40,988		40,988
110.	Property, plant and equipment		118,349		92,515
120.	Intangible assets		4,401		8,335
130.	Tax assets		906,405		327,570
	a) current	-		20,570	
	b) deferred tax assets	906,405		307,000	
	of which: - L.214/2011	*697,115*		*58,776*	
150.	Other assets		14,641,744		16,701,965
Total assets			**498,786,157**		**494,131,305**

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STATEMENT OF FINANCIAL POSITION

	Equity and Liabilities		31/12/2012		31/12/2011
10.	Due to banks		28,515,094		92,405,656
20.	Due to customers		115,347,868		98,786,468
30.	Debt securities in issue		294,172,587		258,962,537
80.	Tax liabilities		702,838		808,711
	a) current	702,838		806,831	
	b) deferred	-		1,880	
100.	Other liabilities		1,738,217		1,165,278
110.	Provision for severance indemnities		259,612		75,260
120.	Provisions for risks and charges:		540,956		645,477
	b) other provisions	540,956		645,477	
130.	Valuation reserves		-43,376		1,941
160.	Reserves		6,520,218		4,895,555
170.	Additional paid-in capital		13,215,691		4,964,286
180.	Capital stock		35,308,150		28,242,100
200.	Net income (loss) for the year (+/-)		2,508,302		3,178,036
Total Equity and Liabilities			**498,786,157**		**494,131,305**

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INCOME STATEMENT

	Captions		31/12/2012		31/12/2011
10.	Interest income and similar revenues		19,474,316		17,774,025
20.	Interest expense and similar charges		(10,393,404)		(9,459,798)
30.	**Net interest income**		**9,080,912**		**8,314,227**
40.	Fee and commission income		2,985,927		2,306,525
50.	Fee and commission expense		(304,258)		(224,443)
60.	**Net fee and commission income**		**2,681,669**		**2,082,082**
80.	Net trading income		861		1,399
100.	Gains (losses) on disposal or repurchase of:		51,710		8,576
	d) financial liabilities	51,710		8,576	
120.	**Net interest and other banking income**		**11,815,152**		**10,406,284**
130.	Net impairment adjustments on:		(1,043,191)		(665,891)
	a) loans and advances	(1,026,856)		(655,541)	
	d) other financial transactions	(16,335)		(10,350)	
140.	**Net income from financial activities**		**10,771,961**		**9,740,393**
150.	Administrative costs:		(6,467,075)		(4,481,109)
	a) payroll	(3,020,102)		(2,391,485)	
	b) other administrative costs	(3,446,973)		(2,089,624)	
160.	Net provisions for risks and charges		2,000		(7,000)
170.	Net adjustments to property, plant and equipment		(90,617)		(53,312)
180.	Net adjustments to intangible assets		(9,426)		(8,332)
190.	Other operating charges/income		305,178		100,063
200.	**Operating costs**		**(6,259,940)**		**(4,449,690)**
250.	**Profit (loss) on current operations before income taxes**		**4,512,021**		**5,290,703**
260.	Income taxes on current operations		(2,003,719)		(2,112,667)
270.	**Profit (loss) from current operations after tax**		**2,508,302**		**3,178,036**
290.	**Net income (loss) for the year**		**2,508,302**		**3,178,036**