PRESS RELEASE

Farbanca presents its 2013 Interim Financial Statements:
net income Euro 358 thousand
equity Euro 55.6 million
loans Euro 453 million
new mortgages disbursed for Euro 24 million
direct funding Euro 402 million
net impaired loans limited to 2.0% of net loans

The Board of Directors of Farbanca S.p.A., specialised in banking services to pharmacies as part of the Banca Popolare di Vicenza Group, has approved its Interim Financial Statements at 30 June 2013, prepared in application of IAS/IFRS international accounting standards.

Farbanca's **ownership structure** currently includes Banca Popolare di Vicenza with 66.81% of the share capital (unchanged since the end of 2012), with the remainder divided among approximately 500 shareholders, largely pharmacies. The share capital amounts to Euro 35.3 million, whilst **equity** (excluding net income for the period) stands at Euro 55.6 million (+1.1% on December 2012). At 30 June 2013 the regulatory capital totals Euro 55.6 million, with a Tier 1 capital ratio of 13.43%[1] (17.28% at the end of 2012).

In terms of business volume during the half-year, at 30 June 2013 net **loans** to customers amounted to Euro 453.5 million, down 4.7% over the half-year.

The **short-term loans segment** recorded a drop in volume during the half-year of Euro 25.1 million, associated with various factors including the faster flows of reimbursements from our customers' reference local health authorities and the Bank's decision to adapt short-term loans to working capital needs only. Furthermore, as part of the business unit transfer of two former Banca di Credito dei Farmacisti (BCF) branches to the Parent Bank, Banca Popolare di Vicenza, acquired as a result of the merger of this bank on 1 October 2012, current accounts were transferred for around Euro 2.8 million.

The **medium/long-term loans** segment, which represents 79% of total loans, instead recorded a 0.7% increase in the half-year from Euro 333.9 million at the end of 2012 to Euro 353.1 million in June 2013, corresponding with new loans for Euro 24 million. This confirms the support for Pharmacy sales that has always been the Bank's distinguishing feature.

Also note that as part of the aforementioned business unit transfer to the Parent Bank of two former BCF branches, mortgages totalling around Euro 1.9 million were transferred.

The Bank's **total funding** recorded a 2.5% decrease in the half-year from Euro 444.2 million to Euro 432.9 million. In particular, direct funding fell from Euro 409.5 million to Euro 402.2 million (-1.8%). Approximately Euro 6.7 million of this Euro 7.3 million decrease is attributable to the transfer of the two former BCF branches. Of note among the short-term funding instruments is the growth in **time deposits** for approximately Euro 2.7 million (+14.0%) into which customers have redirected part of the cash flow

[1] Estimated figure. The official figure will be indicated in a supervisory disclosure by the regulatory deadline.

from bond redemptions and which have been appreciated for their ability to combine short-term profitability with a readily redeemable nature in the event of emergencies or to seize upon other opportunities.
The Bank's own bond issues amount to Euro 290.6 million and include bond loans subscribed by the Parent Bank Banca Popolare di Vicenza for a nominal Euro 267.9 million.

Indirect funding fell to Euro 30.7 million during the half-year, with a Euro 4.0 million decrease (-11.4%), of which Euro 7.7 million associated with the aforementioned transfer of former BCF branches.

Moving on to discuss the Income Statement, the results for the first six months of business of the Bank show **net interest income** of Euro 4,315 thousand, compared to Euro 4,215 thousand in the first half of 2012, up 2.4%.

Net fee and commission income totalled Euro 1,162 thousand (Euro 1,087 thousand in the first half of 2012), recording a 6.9% increase particularly due to the positive contribution of the current account management segment and of fee-based credit/debit card services. The net fee and commission income accounts for 21.2% of the total net interest and other banking income.

Net interest and other banking income therefore stands at Euro 5,476 thousand (Euro 5,351 thousand at the end of the first half of 2012), up 2.3%.

Net income from operating activities amounted to Euro 3,287 thousand (Euro 5,278 thousand in the first half of 2012), recording a 37.7% decrease and taking into account the net adjustments to loans of Euro 2,186 thousand (Euro 72 thousand at 30 June 2012), which increased as a result of the non-performing loans trend seen as the decline in the general economic scenario heightened. Net impaired loans were limited to 2.01% of net loans. The non-performing and watch list loan coverage ratios were, respectively, 69.68% and 36.73%. The lump-sum provisions allocated on performing loans was 0.45%.

The **operating costs** totalling Euro 2,424 thousand (Euro 2,071 thousand in the first half of 2012) recorded an increase (+17.0%) due to the effect of higher payroll costs (+18.3%) and administrative costs (+8.6%) incurred following strengthening of the Bank's structure and the enhancement of its presence - both physical and digital - in the sector.
The cost/income ratio stands at 44.3% (38.8% at 30/06/2012), recording a better level than the banking system average of 63%.

The **net income** of Euro 358 thousand (Euro 2,031 thousand at the end of June 2012) was affected by corporate income taxes of Euro 505 thousand at a tax rate of 58.5% (36.7% in the first half of 2012).

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As regards the business outlook for the second half of 2013, the Directors' Report on Operations indicates that the operating performance of the first half year was penalised by a number of specific situations which, however, reflect the difficulties faced by certain companies in our reference sector - and impose a selective lending policy upon the Bank that has a strong impact on achievable volumes.

The corporate forecasts indicate that in the second half of the year - as a result of improved operating activities - the net interest and other banking income could prove higher than that of the first half, contributing to a recovery in the margins that until now have been characteristic of the Bank. It cannot be excluded, however, that Farbanca results will be conditioned by individual credit position impairment that is currently unforeseeable.

The Interim Financial Statements at 30 June 2013 are subject to limited review by PricewaterhouseCoopers S.p.A. to determine net income for the period for regulatory capital calculation purposes.

Annexes:
The Statement of Financial Position and the Income Statement are enclosed. Note that the independent auditors responsible for limited review of the Interim Financial Statements at 30 June 2013 have not yet completed their analysis.

For further information, please consult the Farbanca web site: www.farbanca.it

Bologna, 30 July 2013

STATEMENT OF FINANCIAL POSITION

(in euros)

Assets			30 JUNE 2013		31 DECEMBER 2012
10.	Cash and cash equivalents		68,761		337,171
20.	Financial assets held for trading		66		67
40.	Financial assets available for sale		10,713		10,713
60.	Loans and advances to banks		11,694,539		6,599,625
70.	Loans to customers		453,547,030		476,126,694
100.	Investments		40,988		40,988
110.	Property, plant and equipment		64,865		118,349
120.	Intangible assets		17,529		4,401
130.	Tax assets		1,430,775		906,405
	a) current	187,688		-	
	b) deferred	1,243,087		906,405	
	of which: - as per Italian Law 214/2011	*1,070,441*		697,115	
150.	Other assets		37,693,069		14,641,744
Total Assets			**504,568,335**		**498,786,157**

S TATEMENT OF FINANCIAL POSITION

(in euros)

Liabilities			30 JUNE 2013		31 DECEMBER 2012
10.	Amounts due to banks		41,224,727		28,515,094
20.	Amounts due to customers		111,546,401		115,347,868
30.	Securities in issue		290,645,715		294,172,587
80.	Tax liabilities:		672,638		702,838
	a) current	672,638		702,838	
100.	Other liabilities		3,884,325		1,738,217
110.	Severance indemnities		162,823		259,612
120.	Provisions for risks and charges:		491,937		540,956
	b) other provisions	491,937		540,956	
130.	Valuation reserves		(28,223)		(43,376)
160.	Reserves		7,086,572		6,520,218
170.	Additional paid-in capital		13,215,691		13,215,691
180.	Capital		35,308,150		35,308,150
200.	Net income (loss) for the period (+/-)		357,579		2,508,302
Total Liabilities and Equity			**504,568,335**		**498,786,157**

INCOME STATEMENT

(in euros)

Items			30 JUNE 2013		30 JUNE 2012
10.	Interest income and similar revenues		8,891,856		9,743,730
20.	Interest expense and similar charges		(4,577,261)		(5,528,873)
30.	**Net interest income**		**4,314,595**		**4,214,857**
40.	Fee and commission income		1,319,924		1,438,215
50.	Fee and commission expense		(158,323)		(134,383)
60.	**Net fee and commission income**		**1,161,601**		**1,303,832**
80.	Net profit (loss) from trading activities		(4,487)		802
100.	Net gains (losses) from disposal/repurchase of:		3,930		48,236
	d) financial liabilities	3,930		48,236	
120.	**Net interest and other banking income**		**5,475,641**		**5,567,727**
130.	Net impairment adjustments on		(2,188,251)		(73,102)
	a) loans	(2,185,569)		(72,073)	
	d) other financial transactions	(2,682)		(1,029)	
140.	**Net income from operating activities**		**3,287,390**		**5,494,625**
150.	Administrative costs:		(2,669,213)		(2,350,239)
	a) payroll costs	(1,294,638)		(1,095,045)	
	b) other administrative costs	(1,374,575)		(1,255,194)	
160.	Net provisions for risks and charges		-		7,000
170.	Net impairment adjustments on property, plant and equipment		(17,224)		(17,022)
180.	Net impairment adjustments on intangible assets		(3,571)		(3,137)
190.	Other operating costs/income		265,368		75,847
200.	**Operating costs**		**(2,424,640)**		**(2,287,551)**
250.	**Profit (Loss) from continuing operations before tax**		**862,750**		**3,207,074**
260.	Income taxes for the period on continuing operations		(505,171)		(1,175,979)
270.	**Profit (Loss) from continuing operations after tax**		**357,579**		**2,031,095**
290.	**Net income for the period**		**357,579**		**2,031,095**