PRESS RELEASE

UBI Group (UBI Banca + 3 Acquired Banks) results for the period ended 30th September 2017

Solid balance sheet ratios

- **Consolidated CET1 ratio:**
  - **Fully loaded ratio of 11.54% (11.32% as at 30th June 2017) (includes no benefit from DTAs, etc.)**
  - **Phased-in ratio of 11.65% (11.42% as at 30th June 2017)**

  It should be recalled that the 3 Acquired Banks are included under the standardised approach; roll-out of the IRB model is expected in 2018
- **LCR and NSFR > 100%**
- **Phased-in leverage ratio of 5.82% and fully loaded ratio of 5.77% (5.66% and 5.61% respectively as at 30th June 2017)**

Positive economic results in the first nine months of 2017 (UBI Banca 9M + 3 Acquired Banks 6M):

- **profit net of non-recurring items of €167.3 million[1], of which:**
  - **UBI Stand-Alone profit of €190.1 million (-€500.8 million in the first nine months of 2016)**
  - **net result for the 3 Acquired Banks of -€22.9 million (net of the reversal of PPA of +€56.7 million)**

3Q 2017 / 2Q 2017: the progressive results for UBI Banca+3 Acquired Banks show good performance for revenues, the continuing maintenance of control over costs and a reduction in impairment losses on loans:

- **3Q profit net of non-recurring items[2] of €37.3 million compared with €43.7 million in 2Q 2017**
- **Net interest income of €402.5 million, +1.1% compared with €398 million in 2Q 2017, the aggregate result of increases for both UBI Stand-Alone and the 3 Acquired Banks, notwithstanding the decrease in the contribution from the financial assets portfolio**
- **Net fee and commission income of €389.8 million compared with €410.5 million in 2Q 2017, with the usual seasonal factors related to slower business in the summer**
- **Operating expenses of €631.3 million, -0.8% compared with €636.2 million in 2Q 2017, notwithstanding the recognition of the contribution to the Deposit Guarantee Scheme amounting to €25.2 million in 3Q 2017**

[1] The main non-recurring items in the first nine months of the year, net of taxes and non-controlling interests are as follows: a profit of €37.4 million on the disposal of held-to-maturity investments; costs of €21.2 million for the project to integrate the three acquired banks; costs of €6.5 million for the Single Bank Project; write-down of the Atlante Fund investment amounting to €64.7 million; Interbank Deposit Protection Fund intervention expenses of €22.6 million, badwill of €616.2 million.

[2] 3Q 2017 includes extraordinary expenses for intervention by the Interbank Deposit Protection Fund to assist banks in difficulty, classified within net impairment losses on other financial assets and liabilities, amounting to €32.4 million gross and €22.6 million net.

- **Net impairment losses on loans of €135.1 million compared with €147.8 million in 2Q 2017, also benefiting from the reversal of the PPA[3]**

Balance sheet figures (UBI Banca+3 Acquired Banks) compared with 31st December 2016:

- **Performing loans of €85.5 billion (+1.1% vs €84.5 billion as at 31st December 2016)**
- **Net non-performing loans of €8.4 billion (-9.1% vs €9.3 billion as at 31st December 2016)**
- **An overall annualised loan loss rate of 67 basis points**
- **Annualised default rate of 1.8%, expected to decrease in 2018**
- **Coverage for non-performing loans of 48.6% including write-offs (40.01% excluding write-offs); 44.6% and 35.6% respectively at the end of December 2016**
- **Indirect funding of €98.8 billion, +10% vs €89.8 billion as at 31st December 2016**
- **Total funding from ordinary Group customers[4] (direct and indirect) of €181.4 billion (€176.1 billion in December 2016)**

Overall these results confirm the feasibility of the 2020 Business Plan.

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Bergamo, 10th November 2017 – The Management Board of UBI Banca has approved the consolidated results for the first nine months of 2017, which, **from the 1st April 2017 and therefore for two quarters**, include the three recently acquired banks.

The results for the first nine months of 2017 include the impact of the allocation of badwill[5], which was provisionally determined as amounting overall to €995 million as at 1st April 2017.
That allocation, which results from the restatement at fair value of the assets and liabilities acquired as at the date of the first consolidation, led to the write-down mainly of non-performing loans (by means of an increase in the loan provisions of €560 million gross[6]), while the value of medium to long-term performing loans was in line with the stated value. Much smaller write-downs were recognised on medium to long-term funding, on software and on contracts relating to real estate property funds, while slightly positive values were found for assets under management.
Following that allocation, the quota remaining relating to the "bargain purchase" recognised totally through profit and loss came to €616.2 million[7].
The adjustments carried out on balance sheet items as a consequence of the purchase price allocation have already given rise, in the second and third quarters of the year, to both positive and negative reversals for a total net amount of +€56.7 million.

Net of non-recurring items[8], profit attributable to the enlarged Group came to €167.3 million, which mainly summarises the result for UBI stand-alone, amounting to €190.1 million and that for the 3 Acquired Banks, amounting to -€22.9 million (including PPA reversal of +€56.7 million).

[3] Reversal of the PPA amounted to €39.7 million in the third quarter of 2017.
[4] Direct funding is calculated net of institutional funding and repurchase agreements with the *Cassa di Compensazione e Garanzia*.
[5] As already reported, IFRS 3 (R) allows final allocation of badwill to be carried out in any case within 12 months from the acquisition
[6] €339.1 mln net, following PPA reversal in 3Q2017
[7] Following the allocation of badwill, which is still provisional, the portion of the "bargain purchase" recognised through profit and loss stands at €616.2 million net in accounts as at 30 Sept 2017 (in progressive definition compared to €612.9 million net recognised in 2Q2017
[8] See note 1

If non-recurring items are included, the first nine months of 2017 ended for the enlarged Group with a **net profit of €702 million, which includes the UBI Banca Stand-Alone result of €112.6 million and that for the 3 Acquired Banks of -€26.5 million (including PPA reversal of +€56.7 million), in addition to the "bargain purchase" mentioned above amounting to €616.2 million.**

In detail, in the first nine months of the year the enlarged Group recorded **operating income** of approximately €2,595 million of which €2,359.5 million attributable to UBI Stand-Alone (+1.2% compared with the first nine months of 2016).
Within the aggregate, **net interest income** came to €1,147.7 million and was composed as follows:

- €112.3 million relating to the 3 Acquired Banks and resulting almost totally from general banking business with customers. For the period ended 30th September 2017, the result for the 3 Acquired Banks already partially included the benefits of an initial progressive reduction of approximately 40 bps in the cost funding, which occurred throughout the April-September 2017 period. That reduction allowed an improvement to be recorded in this item in 3Q 2017 compared with 2Q 2017 (up to €57.8 million compared with €54.5 million in 2Q 2017);
- €1,035.4 million resulting from UBI Stand-Alone (€1,133.1 million in 2016). A smaller contribution from the securities portfolio contributed to the decrease (-€40 million) as a result of a decrease in investments in debt securities – the sale of which, however, generated significant profits on disposals in the first 9 months (€112.8 million approx.) – and a decrease in the margin for general banking business with customers (-€58 million), over half of which due to a reduction in interest received on unlikely-to-pay loans, down by over €32 million compared with the same period in 2016. As will be recalled, net interest income does not include the benefits of the TLTRO, which will be recognised in the fourth quarter of the year.
  It should be noted that UBI Stand-Alone also recorded an increase in net interest income to €344.7 million in 3Q 2017 from €343.5 million in 2Q 2017, of which €307 million due to general banking business with customers, compared with €302 million before.

Net fee and commission income came to €1,151.2 million, of which €95.1 million relating to the 3 Acquired Banks. Approximately 74% of the latter amount relates to general banking business with customers, and the rest to management, trading and advisory services for securities business, which together with the composition of net interest income, confirms the greater focus of the 3 Acquired Banks on funding and lending business with customers. Nevertheless, the composition is changing on a quarterly basis, in line with the placement of asset management products, towards a greater proportion of fees and commissions related to securities business.
As concerns the contribution from UBI Stand-Alone, this rose to €1,056.2 million, up 6.8% compared with €988.8 million in 2016, the result of the positive contribution from management, trading and advisory services (up 8.3% to €601 million) – driven by a substantial increase in assets under management and insurance business – and also in that from fees and commissions earned on general banking business (up 4.9% to €455 million).

Net profit from trading and hedging activity came to €185 million, of which €177.6 million attributable to UBI Stand-Alone.
The latter was composed as follows:

- €54.1 million from trading activity (€23.5 million in 9M 2016);
- €112.8 million from the disposal of financial assets, including Italian government securities (€89.1 million in 9M 2016);
- €11.5 million from fair value movements in financial assets designated at fair value (-€7.2 million in 9M 2016);
- hedging activity recorded a loss of €0.8 million (+€1 million in 9M 2016).

Other operating income came to approximately €76 million, of which €8.6 million earned by the 3 Acquired Banks.

Operating expenses totalled €1,789.5 million, of which €1,522.4 million relating to UBI Stand-Alone (the latter was down 2% compared with €1,553.2 million in 9M 2016):

- staff costs amounted to €1,096.7 million, of which €942.7 million relating to UBI Stand-Alone, where the reduction already in progress for several years continued (down a further 1.1% compared with 9M 2016 as a result of a reduction in average staff numbers, -267 staff), and €154 million relating to the 3 Acquired Banks.
  It should be noted that staff costs were down in the third quarter compared with the second quarter of the year both for UBI Stand-Alone (to €308 million from €314 million before) and for the 3 Acquired Banks (to €71 million from €83 million before).
- administrative expenses totalled €577.9 million, of which €474.8 million relating to UBI Stand-Alone, where the reduction in progress is continuing (-3.8% compared with 9M 2016);
- net impairment losses on property, plant and equipment and intangible assets amounted to €114.9 million, of which 104.9 relating to UBI Stand-Alone.

Net impairment losses on loans amounted to €417.7 million, to give an annualised loan loss rate of 67 basis points.
The reversal of the PPA allocated to non-performing loans contributed to this result, determining net reversals of impairment on the 3 Acquired Banks (net impairment losses on loans of the 3 Acquired Banks totalled €18 million, more than offset by the benefit resulting from the reversal of the PPA allocated to adjust the value of non-performing loans, amounting to +€54.2 million).
Coverage for non-performing loans as at 30th September 2017, for the enlarged Group, stood at 48.6% inclusive of write-offs (40.01% excluding write-offs).

Approximately €130 million of **net impairment losses on other financial assets and liabilities** were recognised over the period, connected primarily with the write-down by €89.3 million of the investment in the Atlante Fund and to the expenses of €32.4 incurred for the intervention of the Interbank Deposit Protection Fund in favour of CR Cesena, Rimini and S. Miniato, all non-recurring.

Tax for the period stood at €112.2 million, to give a tax rate of 45.16% (40.75% net of non recurring items), and it included no benefit from the recognition of DTAs on the prior year losses of the 3 Acquired Banks, which may start to be recorded following the legal incorporation of these banks.

Finally, **expenses** of approximately €31.2 million net of taxes and non-controlling interests **incurred for the Business Plan** (Single Bank Project, project to integrate the 3 Acquired Banks, redundancy incentives) were recognised in the first 9 months of the year.

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Income statement results for 3Q 2017 compared with 2Q 2017 (UBI Banca + 3 Acquired Banks)

In quarterly terms, **operating income** totalled €856.3 million compared with €941 million generated in the second quarter.
The follow occurred within the item:

- net interest income rose to €402.5 million from €398 million before and recorded growth both for the UBI Stand-Alone perimeter (+€1.1 million to €344.7 million) and to a greater extent for the perimeter of the 3 Acquired Banks (+€3.4 million to €57.8 million) as a result of action taken to reduce funding costs, which impacted both interest rates and volumes.
  Note should also be taken here of the recovery in the result for general banking business with customers in the UBI Stand Alone perimeter, which rose to €307 million from €302 million before.
- net fee and commission income came to €390 million, compared with €411 million in 2Q 2016, with the usual seasonal factors related to slower business in the summer months. UBI Stand-Alone recorded fee and commission income of €342 million, down compared with €363 million in 2Q 2017, but significantly up on €321 million recorded in 3Q 2016.

On the other hand, the 3 Acquired Banks reported net fee and commission income of approximately €48 million, largely unchanged compared with the previous quarter. This was earned mainly in the more conventional areas of business even if good growth was recorded in the third quarter in income from the placement of securities and the distribution of products;

- finance activities recorded a smaller contribution (€36.4 million) after the significant profits generated in the second quarter (€83.4 million) with the partial disposal of investments in the held-to-maturity portfolio.
- Net income on insurance operations, relating to the New Banks came to €4.6 million in the third quarter and to €4.1 million in the second quarter.

Operating expenses totalled €631.3 million in the third quarter (€636.2 million in the second quarter), of which €135.8 million is attributable to the 3 Acquired Banks (€141.8 million in 2Q 2017) and €500.6 million (€499.7 million in 2Q 2017) to the UBI Banca Stand-Alone Group.

- staff costs fell in the third quarter for both the aggregates (-€5.3 million for the UBI Stand-Alone perimeter and -€11.2 million for the 3 Acquired Banks), primarily the result of the reduction in the items “wages and salaries” and “other employee benefits”, resulting from staff leaving during the quarter;
- other administrative expenses, on the other hand, (€211.8 million in the third quarter compared with €199.7 million in the second quarter) rose by approximately €12 million, of which €6.5 million attributable to UBI Stand-Alone and €5.9 million to the 3 Acquired Banks. The increase relates, in the third quarter, to the payment of the ordinary contribution to the Deposit Guarantee Scheme amounting to €25.2 million. That expense was partially offset by lower expenses for professional and advisory services (-€6.3 million in the quarter, with the decrease evenly distributed between the two aggregates analysed) and for advertising expenses (-€5.6 million).

Net impairment losses on loans were recognised amounting to €135 million in the third quarter of the year, down €12.8 million on the second quarter (€147.8 million). The aggregate includes a positive contribution of €31.9 million attributable to the 3 Acquired Banks (the result of -€7.7 million from impairment in the period and +€39.7 million from the reversal of PPA) and €167 million of impairment losses on the UBI Stand-Alone perimeter.
In the second quarter, the 3 Acquired Banks had recorded a net positive effect of €4.2 million (-€10.2 million of impairment losses and +€14.4 million as a result of the reversal of PPA), while the UBI Stand-alone perimeter had recorded impairment losses of €152.1 million.

Charges for commitments to the Interbank Deposit Protection Fund of €32.4 million were recorded in the third quarter of 2017, while the investment in the Atlante Fund was written down by €70.6 million in the second quarter of the year, both of a non-recurring nature.

Finally the period recorded non-recurring expenses of €11.6 million net of tax and non-controlling interests in relation to the Single Bank Project and the project to integrate the three Acquired Banks.

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The balance sheet (UBI Banca + 3 Acquired Banks)

<u>The transfer took place in the third quarter 2017 of some lines of business (leasing and salary backed loans) from the 3 Acquired Banks to UBI Banca, for total net loans and receivables of over €900 million. That transfer alters the evolution of the volumes relating to UBI Stand Alone and to the 3 Acquired Banks underlying the consolidated figure; reference is therefore made solely to the total of the enlarged UBI Group.</u>

Loans to customers as at 30th September 2017 totalled €93.9 billion, slightly down on €94.2 billion recorded in June 2017 and unchanged compared with the end of 2016.

More specifically, within the item:

- performing loans to customers stood at €85.5 billion (+1.1% compared with December 2016 and -0.4% compared with June 2017). The decrease compared to June is attributable to a slowdown in short-term lending, in a market still experiencing strong competition on prices.
- net non-performing loans amounted to €8.4 billion, down 9.1% from €9.3 billion at the end of 2016 and slightly down compared with June 2017.

As concerns credit quality, at the end of September, **total gross non-performing loans**, amounting to €14,033 million, had decreased (-0.8% compared with June 2017 and **-2.4%** compared with December 2016) and accounted for **14% of total gross lending.**

In the first 9 months of the year, new flows of loans from performing to non-performing status totalled €1,174.8 million for the new UBI perimeter and remained contained. **The annualised default rate for the new Group was 1.8% and it is expected to reduce further in 2018.**

If loan write-offs are included, **coverage for total non-performing loans stood at 48.6%** (44.6% in December 2016 and 48.8% in June 2017). Total **Loan write-offs** amount to €2.3 billion.
If loan write-offs are excluded, coverage for total non-performing loans was 40.01%, a marked increase compared with 35.6% in December 2016 (partly, but not only, the result of the allocation of the PPA to increase loan provisions) and partly down compared with 40.2% in June.
The slight contraction in coverage quarter-on-quarter is due to new write-offs of bad loans (over €220 million with 100% coverage), to the reversal of time value connected with the allocation of the PPA on unlikely-to-pay positions (-€40 million approx.) and to the entrance among past due exposures of a position which had already returned to performing status in October (€50 million).

At the end of September 2017, at €8,419 million, net non-performing loans (€8,452 million in June 2017 and €9,258 million in December 2016), accounted for **9% of total net loans.**
In terms of composition by class of loan:

- total net bad loans amounted to €4,077 million (largely unchanged compared with June and December 2016). Inclusive of loan write-offs, coverage for bad loans stood at 58.8% in September 2017 (59.2% in June 2017 and 58.6% in December 2016). A similar trend was seen in coverage for bad loans net of loan write-offs, which reached 46.1% (46.3% in June 2017 and 45.6% in December 2016);
- the “unlikely to pay” category amounted to €4,069 million net (€4,157 million in June 2017 and €4,881 million in December 2016), with coverage of 34.02% (34.3% in June 2017 and 24.8% in December 2016);
- net positions past due and/or in arrears amounted to €273 million and included a position for €50 million that had already returned to performing status in October 2017, with coverage of 8.5%.

As concerns funding, the positive trend for **total core funding from ordinary customers** was firmly established (comprised of core direct funding from ordinary customers and indirect funding) standing at €181.4 billion (€179.4 billion in June 2017 and €176.1 billion in December 2016).

More specifically, **direct funding from ordinary customers**, amounting to €82.6 billion (€83.6 billion in June 2017 and €86.3 billion in December 2016) was down, primarily as a result of the following:
- the progressive maturity of stocks of bonds placed with captive customers (down €4 billion compared with December 2016, contracting both in UBI Stand-Alone and in the 3 Acquired Banks), which were not replaced, partly due to the “bail-in” regulatory framework;
- a reduction in term deposits in the 3 Acquired Banks (-€1.2 billion compared with December 2016), as part of action taken to reduce the cost of funding;
- while sight deposits grew by approximately €2.7 billion.

In September 2017, **indirect funding** was again an excellent indicator of customers' investment requirements and reached €98.8 billion from the previous €95.8 billion in June 2017 and €89.8 billion in December 2016. In detail, at the end of the first half:

- assets under management in the strict sense reached €43.3 billion (+2.2% compared with June 2017 and +7.7% compared with December 2016);
- insurance products came to €20.5 billion (+3.9% compared with June 2017 and +11.1% compared with December 2016);
- assets under custody amounted to €35.1 billion (+3.8% compared with June 2017 and +12.4% compared with December 2016).

Group exposure to the ECB in TLTRO2s had risen, with value date 29th March 2017, to €12.5 billion from €10 billion obtained in June 2016. The entire amount relates to UBI Stand-Alone.
The contractual maturity schedule for that TLTRO2 exposure, recognised under "due to banks", and therefore not included in direct funding, involves repayment of €10 billion in June 2020 and €2.5 billion in March 2021.

The Group continues to benefit from its solid liquidity position, with ratios (Net Stable Funding Ratio and Liquidity Coverage Ratio) constantly higher than one and total **eligible assets** as at 30th September 2017 of €25.8 billion (of which €10.4 billion available), already net of haircuts.

In September 2017, the Group's **financial assets** had a total mark-to-market value of €17.5 billion of which €12 billion relating to Italian government securities, largely unchanged compared with June 2017.

Again at the end of September 2017, the consolidated **equity** of the UBI Banca Group, inclusive of profit for the period, stood at €9,957 million.

In terms of **capital ratios, at the end of September 2017 the fully loaded CET1 ratio** stood at **11.54% (11.32% in June 2017)** and the **phased-in CET1 ratio** was **11.65% (11.42% in June 2017)**. The improvement is due primarily to a recovery in the eligibility of guarantees on exposures backed by retail real estate properties with a positive impact on the weightings for these, to a reduction in risk attaching to the Group's loan portfolio and to a reduction in equity investments and debt securities.

Again at the end of September 2017, the **Total Capital Ratio** was 14.2% fully loaded and 14.32% phased-in (13.94% and 14.06% respectively at the end of June 2017).

Finally the leverage ratio was 5.82% phased-in and 5.77% fully loaded (5.66% and 5.61% respectively as at 30th June 2017).

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The human resources of the UBI Banca Group counted 21,818 staff as at 30th September 2017 compared with 22,122 in June 2017.
After the migration of Banca Adriatica, the branch network as at 1st November 2017 was composed of 1,881 branches, down by 3.4% from 1,948 branches in June 2017.

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Statement of the Senior Officer Responsible for the preparation of corporate accounting documents

Elisabetta Stegher, as the Senior Officer Responsible for preparing the corporate accounting documents of Unione di Banche Italiane Spa, hereby declares, in compliance with the second paragraph of article

154 *bis* of the *Testo unico delle disposizioni in materia di intermediazione finanziaria* (Consolidated Finance Law), that the financial information contained in this press release is reliably based on the records contained in corporate documents and accounting records.

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Outlook for ordinary operations

The performance of net interest income in the last quarter of 2017 will benefit from the recognition of the contribution from the TLTROII programme and from the progressive reduction in the cost of funding from customers.
Net fee and commission income is expected to show the usual and positive seasonal factors normally experienced in the last quarter of the year and the results of the process to change the mix of total funding in favour of assets under management.
The actions undertaken during the course of 2016 and 2017 allow us to confirm our objective of containing operating expenses in line with Business Plan forecasts.
The trend for improvement in overall loan losses for UBI and the new banks is forecast to continue. The annualized default rate amounts as at 30 September 2017, to 1.8% and is expected to decrease further in 2018.
The plan to integrate the new banks on schedule and to the budgeted integration costs is confirmed. Banca Adriatica (the former Nuova Banca delle Marche) and Carilo have already migrated successfully onto UBI Banca's IT systems in the second half of October and the migrations of Banca Tirrenica (the former Nuova Banca dell'Etruria e del Lazio) and Banca Federico del Vecchio are scheduled for completion by the end of the November.

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Attachments
Financial statements

UBI Banca Group:

- Reclassified consolidated balance sheet
- Reclassified consolidated quarterly balance sheets
- Reclassified consolidated income statement
- Reclassified consolidated quarterly income statement
- Reclassified consolidated income statement net of the most significant non-recurring items

Notes to the financial statements

As from the second quarter 2017, the scope of consolidation of the UBI Group was updated to include the business combination operation relating to the acquisition of Nuova Banca delle Marche, Nuova Banca dell'Etruria e del Lazio and Nuova Cassa di Risparmio di Chieti.

The financial statements that follow include the balance sheet and income statement figures for Nuova Banca delle Marche, Nuova Banca dell'Etruria e del Lazio and Nuova Cassa di Risparmio di Chieti and their respective subsidiaries from 1st April 2017, taken as the date on which the acquisition of control took place in accordance with the IFRS 3.

Figures as at 30 September 2017 are fully comparable with those as at 3o June 2017 but they are not comparable with previous periods which represent the UBI Banca Group without the contribution of the New Banks.

Reclassified balance sheets and income statements have been prepared in order to allow a meaningful management commentary on capital and operating figures.
In detail, a reclassified income statement has been prepared for the period ended 30th September 2017 which uses details provided in single additional columns to show the contribution made by the Stand-Alone UBI Banca Group and by the new banks, together with the negative consolidation difference.
For the purposes of preparing figures for comparative periods, consideration was given to the very particular situation in which the new banks found themselves in 2016, since these had been generated from resolutions of the preceding banks that had been placed under administration. As a result of those particular situations it was not considered representative nor easy to understand if comparative income statement figures were presented to give an account of the Group's profitability in 2016 inclusive of the new banks.

In detail:

- from a balance sheet viewpoint, the reclassified statement as at 30th September 2017 is presented with a comparable column as at 30 June 2017 and an "aggregate" column as at 31st December 2016 (in order to also take account of figures relating to the new banks) and this allows a consistent examination of balance sheet items on a 9 month basis.

The statement reporting the quarterly balance sheets, on the other hand, shows figures inclusive of the new banks as at 30th September 2017 and 30 June 2017 while all preceding periods refer to the Stand-Alone UBI Banca Group. *In order to improve the comparability of the reclassified financial statements, the historical balance sheet figures for the new banks have been adjusted to take account of non-performing loans that were transferred to REV II in the first quarter of 2017, to the Atlante Fund in the second quarter 2017, and of the repayment of the performing loan to REVI in the first quarter of 2017 for a total of €2,485 million;*

- from an income statement viewpoint the reclassified statements for the period ended the 30th September 2017 include columns providing details for the Stand-Alone UBI Banca Group, for the new banks (for the second and third quarter of 2017 only) and for the allocation of badwill and these are compared with comparative figures (for all the previous periods) for the Stand-Alone UBI Banca Group.

The income statement for the UBI Banca Group (inclusive of the new banks acquired) has been adjusted to eliminate the operating impacts (interest income, impairment losses on loans and losses on disposals) of the loan portfolio transferred to the AtlanteII Fund on 10th May 2017 with effect from 1st January 2017.

The “notes on the reclassified financial statements” contained in the periodic financial reports of the Group may be consulted for a fuller comprehension of the rules followed in preparing the reclassified financial statements.

In order to facilitate analysis of the Group’s operating performance and in compliance with Consob Communication No. DEM/6064293 of 28th July 2006[1], a special detailed schedule has been included, which shows the impact on earnings of the principal non-recurring events and items.

[1] Following the entry into force (on 3rd July 2016) of ESMA guidelines 2015/1415 which the Consob incorporated in its issuer supervisory and monitoring practices, the UBI Banca Group criteria on the identification of non-recurring items (reported in the normalised statements) was revised. The new criteria which limit the nature of non-recurring expenses to clearly specified items of income and expense (connected for example with the adoption of a Business Plan, or with the impacts of valuations and disposals of property plant and equipment, tangible and financial assets and HTM investments, with the effects of regulatory and methodological changes and also with extraordinary events including those of a systemic nature) were approved by the Management Board on 18th October 2016.

Reclassified consolidated balance sheet

Figures in thousands of euro	30.9.2017 A	30.6.2017 B	Changes A-B	% changes A/B	31.12.2016 *Aggregate* C	Changes A-C	% changes A/C
ASSETS							
Cash and cash equivalents	2,483,097	2,986,091	-502,994	-16.8%	3,219,180	-736,083	-22.9%
Financial assets held for trading	761,622	671,482	90,140	13.4%	881,457	-119,835	-13.6%
Financial assets designated at fair value	115,811	161,374	-45,563	-28.2%	218,743	-102,932	-47.1%
Available-for-sale financial assets	10,662,618	11,128,949	-466,331	-4.2%	13,516,860	-2,854,242	-21.1%
Held-to-maturity investments	5,982,945	5,993,150	-10,205	-0.2%	7,327,544	-1,344,599	-18.3%
Loans and advances to banks	6,109,768	8,793,116	-2,683,348	-30.5%	4,820,974	1,288,794	26.7%
Loans and advances to customers	93,879,802	94,228,583	-348,781	-0.4%	93,769,311	110,491	0.1%
Hedging derivatives	433,309	425,087	8,222	1.9%	466,715	-33,406	-7.2%
Fair value change in hedged financial assets (+/-)	-34,615	-13,717	20,898	152.4%	39,398	-74,013	n.s.
Equity investments	252,120	245,758	6,362	2.6%	254,384	-2,264	-0.9%
Technical reserves of reinsurers	416	516	-100	-19.4%	369	47	12.7%
Property, plant and equipment	1,808,786	1,815,457	-6,671	-0.4%	1,844,592	-35,806	-1.9%
Intangible assets	1,712,579	1,715,241	-2,662	-0.2%	1,719,950	-7,371	-0.4%
of which: goodwill	*1,465,260*	*1,465,260*	-	-	*1,468,808*	*-3,548*	*-0.2%*
Tax assets	4,180,815	4,245,141	-64,326	-1.5%	4,393,975	-213,160	-4.9%
Non-current assets and disposal groups held for sale	1,308	6,455	-5,147	-79.7%	5,681	-4,373	-77.0%
Other assets	1,283,745	1,876,852	-593,107	-31.6%	1,645,992	-362,247	-22.0%
Total assets	**129,634,126**	**134,279,535**	**-4,603,613**	**-3.5%**	**134,125,125**	**-4,490,999**	**-3.3%**
LIABILITIES AND EQUITY							
Due to banks	16,569,895	16,530,503	39,392	0.2%	14,458,089	2,111,806	14.6%
Due to customers	70,279,772	70,112,391	167,381	0.2%	70,989,458	-709,686	-1.0%
Debt securities issued	26,274,287	28,362,209	-2,087,922	-7.4%	32,268,779	-5,994,492	-18.6%
Financial liabilities held for trading	717,358	710,665	6,693	0.9%	861,478	-144,120	-16.7%
Financial liabilities designated at fair value	42,285	39,017	3,268	8.4%	40,329	1,956	4.9%
Hedging derivatives	154,153	183,463	-29,310	-16.0%	279,455	-125,302	-44.8%
Tax liabilities	228,807	243,275	-14,468	-5.9%	243,771	-14,964	-6.1%
Other liabilities	2,571,223	5,226,358	-2,655,135	-50.8%	2,520,157	51,066	2.0%
Post-employment benefits	365,220	376,866	-11,646	-3.1%	422,230	-57,010	-13.5%
Provisions for risks and charges:	625,553	747,427	-121,874	-16.3%	751,965	-126,412	-16.8%
a) pension and similar obligations	136,683	140,033	-3,350	-2.4%	145,373	-8,690	-6.0%
b) other provisions	488,870	607,394	-118,524	-19.5%	606,592	-117,722	-19.4%
Technical reserves	1,775,807	1,723,643	52,164	3.0%	1,675,012	100,795	6.0%
Share capital, share premiums, reserves, valuation reserves and treasury shares	9,255,310	9,260,113	-4,803	-0.1%	11,393,077	-2,137,767	-18.8%
Non-controlling interests	72,041	67,560	4,481	6.6%	82,644	-10,603	-12.8%
Profit (loss) for the period/year	702,415	696,045	6,370	0.9%	-1,861,319	2,563,734	n.s.
Total liabilities and equity	**129,634,126**	**134,279,535**	**-4,645,409**	**-3.5%**	**134,125,125**	**-4,490,999**	**-3.3%**

As from 30th June 2017, data refer to the new Group perimeter.
In order to allow an examination of balance sheet items in consistent terms over 9 months, the statement reports the comparative period as at 31st December 2016 restated on an "aggregate" basis in order to take account of figures relating to the new banks.

Reclassified consolidated quarterly balance sheets

Figures in thousands of euro	30.9.2017	30.6.2017	31.3.2017 Stand-Alone UBI Banca Group	31.12.2016 Stand-Alone UBI Banca Group	30.9.2016 Stand-Alone UBI Banca Group	30.6.2016 Stand-Alone UBI Banca Group	31.3.2016 Stand-Alone UBI Banca Group
ASSETS							
Cash and cash equivalents	2,483,097	2,986,091	476,835	519,357	490,884	476,840	506,194
Financial assets held for trading	761,622	671,482	627,034	729,616	677,514	681,543	966,772
Financial assets designated at fair value	115,811	161,374	190,448	188,449	189,638	188,641	194,738
Available-for-sale financial assets	10,662,618	11,128,949	8,475,803	9,613,833	14,144,698	15,417,870	15,699,461
Held-to-maturity investments	5,982,945	5,993,150	7,274,195	7,327,544	3,403,798	3,452,886	3,445,469
Loans and advances to banks	6,109,768	8,793,116	4,850,605	3,719,548	4,108,062	3,930,021	3,591,309
Loans and advances to customers	93,879,802	94,228,583	84,521,597	81,854,280	82,010,978	83,906,862	84,072,553
Hedging derivatives	433,309	425,087	424,061	461,767	792,164	791,268	714,946
Fair value change in hedged financial assets (+/-)	-34,615	-13,717	10,591	23,963	68,955	63,857	61,469
Equity investments	252,120	245,758	254,842	254,364	260,220	253,719	259,545
Technical reserves of reinsurers	416	516	-	-	-	-	-
Property, plant and equipment	1,808,786	1,815,457	1,637,718	1,648,347	1,652,607	1,659,827	1,673,882
Intangible assets	1,712,579	1,715,241	1,686,920	1,695,973	1,688,282	1,685,184	1,747,089
of which: goodwill	*1,465,260*	*1,465,260*	*1,465,260*	*1,465,260*	*1,465,260*	*1,465,260*	*1,465,260*
Tax assets	4,180,815	4,245,141	2,982,254	3,044,044	2,981,776	3,006,517	2,790,272
Non-current assets and disposal groups held for sale	1,308	6,455	5,811	5,681	64,401	63,883	70,283
Other assets	1,283,745	1,876,852	924,423	1,297,151	832,951	1,081,317	895,255
Total assets	**129,634,126**	**134,279,535**	**114,343,137**	**112,383,917**	**113,366,928**	**116,660,235**	**116,689,237**
LIABILITIES AND EQUITY							
Due to banks	16,569,895	16,530,503	16,665,755	14,131,928	13,800,894	13,691,017	11,495,105
Due to customers	70,279,772	70,112,391	56,443,308	56,226,416	53,789,291	55,460,078	56,527,759
Debt securities issued	26,274,287	28,362,209	27,562,538	28,939,597	30,794,003	32,064,830	33,124,613
Financial liabilities held for trading	717,358	710,665	722,633	800,038	584,324	612,314	610,468
Financial liabilities designated at fair value	42,285	39,017	-	-	-	-	-
Hedging derivatives	154,153	183,463	195,586	239,529	1,100,804	1,110,942	1,000,034
Tax liabilities	228,807	243,275	229,327	232,866	243,662	241,596	427,460
Other liabilities	2,571,223	5,226,358	2,726,147	1,962,806	2,750,791	3,230,328	2,476,949
Post-employment benefits	365,220	376,866	306,523	332,006	343,160	339,679	337,289
Provisions for risks and charges:	625,553	747,427	466,939	457,126	587,569	591,468	255,392
a) pension and similar obligations	136,683	140,033	69,230	70,361	72,347	73,527	68,981
b) other provisions	488,870	607,394	397,709	386,765	515,222	517,941	186,411
Technical reserves	1,775,807	1,723,643	-	-	-	-	-
Share capital, share premiums, reserves, valuation reserves and treasury shares	9,255,310	9,260,113	8,906,575	9,819,728	9,644,117	9,629,328	9,877,656
Non-controlling interests	72,041	67,560	50,769	72,027	482,826	475,640	514,451
Profit (loss) for the period/year	702,415	696,045	67,037	-830,150	-754,513	-786,985	42,061
Total liabilities and equity	**129,634,126**	**134,279,535**	**114,343,137**	**112,383,917**	**113,366,928**	**116,660,235**	**116,689,237**

As from 30th June 2017, data refer to the new Group perimeter.
Otherwise, previous quarters relate to Stand Alone UBI Banca Group.

Reclassified consolidated income statement

Figures in thousands of euro	9M 2017	of which Stand-Alone UBI Banca Group	of which New Banks 2nd and 3rd Quarters	Allocation of Badwill	9M 2016 Stand-Alone UBI	FY 2016 Stand-Alone UBI
Net interest income	1,147,672	*1,035,367*	*110,473*	*1,800*	1,133,126	1,497,891
of which: effects of the purchase price allocation	*(9,680)*	*(9,680)*	*-*	*-*	*(16,345)*	*(19,707)*
Net interest income excluding the effects of the PPA	*1,157,352*	*1,045,047*	*110,473*	*1,800*	*1,149,471*	*1,517,598*
Dividends and similar income	10,367	*6,087*	*4,280*	*-*	9,737	9,678
Profits of equity-accounted investees	16,546	*16,545*	*1*	*-*	18,939	24,136
Net fee and commission income	1,151,232	*1,056,153*	*95,075*	*-*	988,845	1,335,033
of which performance fees	*9,599*	*9,599*	*-*	*-*	*8,058*	*26,349*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	185,121	*177,620*	*6,852*	*648*	106,344	153,711
Net income from insurance operations	8,707	*-*	*8,693*	*-*	-	-
Other net operating income/expense	75,680	*67,682*	*8,573*	*-*	77,003	99,050
Operating income	**2,595,325**	*2,359,454*	*233,947*	*2,448*	**2,333,994**	**3,119,499**
Operating income excluding the effects of the PPA	***2,605,005***	*2,369,134*	*233,947*	*2,448*	***2,350,339***	***3,139,206***
Staff costs	(1,096,674)	*(942,699)*	*(153,983)*		(953,785)	(1,275,306)
Other administrative expenses	(577,873)	*(474,777)*	*(105,177)*	*1,562*	(493,409)	(734,654)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(114,942)	*(104,909)*	*(18,502)*	*8,470*	(105,995)	(143,506)
of which: effects of the purchase price allocation	*(5,809)*	*(5,809)*	*-*	*-*	*(8,712)*	*(10,624)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding	*(109,133)*	*(99,100)*	*(18,502)*	*8,470*	*(97,283)*	*(132,882)*
Operating expenses	**(1,789,489)**	*(1,522,385)*	*(277,662)*	*10,032*	**(1,553,189)**	**(2,153,466)**
Operating expenses excluding the effects of the PPA	***(1,783,680)***	*(1,516,576)*	*(277,662)*	*10,032*	***(1,544,477)***	***(2,142,842)***
Net operating income	**805,836**	*837,069*	*(43,715)*	*12,480*	**780,805**	**966,033**
Net operating income excluding the effects of the PPA	***821,325***	*852,558*	*(43,715)*	*12,480*	***805,862***	***996,364***
Net impairment losses on loans	(417,680)	*(453,904)*	*(17,955)*	*54,179*	(1,373,754)	(1,565,527)
Net impairment losses on other financial assets and liabilities	(130,363)	*(127,518)*	*(14,684)*	*11,839*	(50,853)	(130,057)
Net provisions for risks and charges	(10,461)	*(13,641)*	*3,180*	*-*	(30,201)	(42,885)
Profits (losses) from the disposal of equity investments	1,080	*880*	*202*	*-*	1,942	22,969
Pre-tax profit (loss) from continuing operations	**248,412**	*242,886*	*(72,972)*	*78,498*	**(672,061)**	**(749,467)**
Pre-tax profit (loss) from continuing operations excluding the effects of the PPA	***263,901***	*258,375*	*(72,972)*	*78,498*	***(647,004)***	***(719,136)***
Taxes on income for the period/year from continuing operations	(112,193)	*(84,143)*	*(6,220)*	*(21,830)*	161,719	182,388
of which: effects of the purchase price allocation	*5,126*	*5,126*			*8,306*	*10,048*
(Profit) loss for the period/year attributable to non-controlling interests	(18,837)	*(18,494)*	*(343)*	*-*	9,565	1,267
of which: effects of the purchase price allocation	*284*	*284*	*-*	*-*	*1,475*	*1,696*
Profit (loss) for the period/year attributable to the shareholders of the Parent before the Business Plan and other impacts excluding the effects of the PPA	*127,461*	*150,328*	*(79,535)*	*56,668*	*(485,501)*	*(547,225)*
Profit (loss) for the period/year attributable to the shareholders of the Parent before the Business Plan and other impacts	**117,382**	*140,249*	*(79,535)*	*56,668*	**(500,777)**	**(565,812)**
Redundancy expenses net of taxes and non-controlling interests	(3,593)	*-*	*(3,593)*	*-*	(207,897)	(207,783)
Impairment losses on brands net of taxes and non-controlling interests	-	*-*	*-*	*-*	(37,936)	(37,936)
Single Bank Project expenses net of taxes and non-controlling interests	(6,455)	*(6,455)*	*-*	*-*	(7,903)	(15,541)
Impairment losses on property, plant and equipment net of taxes and non-controlling interests	-	*-*	*-*	*-*	-	(3,078)
Bridge Bank Project expenses net of taxes and non-controlling interests	(21,159)	*(21,159)*	*-*	*-*	-	-
Profit (loss) for the period/year attributable to the shareholders of the Parent before negative consolidation difference	**86,175**	*112,635*	*- 83,128.0*	*56,668*	**(754,513)**	**(830,150)**
Negative consolidation difference	616,240	*-*	*-*	*616,240*	-	-
Profit (loss) for the period/year attributable to the shareholders of the Parent	**702,415**	*112,635*	*(83,128)*	*672,908*	**(754,513)**	**(830,150)**
Total impact of the purchase price allocation on the income statement	*(10,079)*	*(10,079)*	*-*	*-*	*(15,276)*	*(18,587)*

The reclassified income statement for the first 9 months of 2017 includes the figures for the Group new perimeter. The comparative periods relate to the Stand-Alone UBI Banca Group, in consideration of the fact that relative significance of the income statement figures for the new banks is not sufficient to alter the original income structure of the Group. In consideration of the modest relative size of the consolidation entries, a column giving details has not been presented and therefore the sum of the columns is not the same as the consolidated figure as at 30 September 2017.

Reclassified consolidated quarterly income statements

Figures in thousands of euro	2017			2016			
	3rd Quarter	2nd Quarter	1st Quarter *Stand-Alone UBI Banca Group*	4th Quarter *Stand-Alone UBI Banca Group*	3rd Quarter *Stand-Alone UBI Banca Group*	2nd Quarter *Stand-Alone UBI Banca Group*	1st Quarter *Stand-Alone UBI Banca Group*
Net interest income	402,472	398,013	347,187	364,765	367,554	377,972	387,600
of which: effects of the purchase price allocation	*(2,970)*	*(3,340)*	*(3,370)*	*(3,362)*	*(5,870)*	*(4,859)*	*(5,616)*
Net interest income excluding the effects of the PPA	*405,442*	*401,353*	*350,557*	*368,127*	*373,424*	*382,831*	*393,216*
Dividends and similar income	324	7,998	2,045	(59)	1,138	8,076	523
Profits of equity-accounted investees	5,948	6,789	3,809	5,197	6,989	6,698	5,252
Net fee and commission income	389,837	410,534	350,861	346,188	321,392	330,307	337,146
of which performance fees	*2,386*	*3,990*	*3,223*	*18,291*	*2,524*	*3,223*	*2,311*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	36,364	83,397	65,360	47,367	23,755	66,875	15,714
Net income from insurance operations	4,562	4,145	-	-	-	-	-
Other net operating income/expense	16,835	29,956	28,889	22,047	24,760	25,538	26,705
Operating income	**856,342**	**940,832**	**798,151**	**785,505**	**745,588**	**815,466**	**772,940**
Operating income excluding the effects of the PPA	***859,312***	***944,172***	***801,521***	***788,867***	***751,458***	***820,325***	***778,556***
Staff costs	(379,782)	(396,313)	(320,579)	(321,521)	(314,687)	(319,311)	(319,787)
Other administrative expenses	(211,834)	(199,694)	(166,345)	(241,245)	(166,083)	(155,526)	(171,800)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(39,640)	(40,207)	(35,095)	(37,511)	(34,265)	(35,688)	(36,042)
of which: effects of the purchase price allocation	*(1,895)*	*(1,971)*	*(1,943)*	*(1,912)*	*(2,040)*	*(3,383)*	*(3,289)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(37,745)*	*(38,236)*	*(33,152)*	*(35,599)*	*(32,225)*	*(32,305)*	*(32,753)*
Operating expenses	**(631,256)**	**(636,214)**	**(522,019)**	**(600,277)**	**(515,035)**	**(510,525)**	**(527,629)**
Operating expenses excluding the effects of the PPA	***(629,361)***	***(634,243)***	***(520,076)***	***(598,365)***	***(512,995)***	***(507,142)***	***(524,340)***
Net operating income	**225,086**	**304,618**	**276,132**	**185,228**	**230,553**	**304,941**	**245,311**
Net operating income excluding the effects of the PPA	***229,951***	***309,929***	***281,445***	***190,502***	***238,463***	***313,183***	***254,216***
Net impairment losses on loans	(135,052)	(147,826)	(134,802)	(191,773)	(167,381)	(1,051,034)	(155,339)
Net impairment losses on other financial assets and liabilities	(31,558)	(82,663)	(16,142)	(79,204)	(386)	(50,719)	252
Net provisions for risks and charges	(5,109)	2,108	(7,460)	(12,684)	(3,544)	(20,289)	(6,368)
Profits from the disposal of equity investments	468	496	116	21,027	339	1,201	402
Pre-tax profit (loss) from continuing operations	**53,835**	**76,733**	**117,844**	**(77,406)**	**59,581**	**(815,900)**	**84,258**
Pre-tax profit (loss) from continuing operations excluding the effects of the PPA	***58,700***	***82,044***	***123,157***	***(72,132)***	***67,491***	***(807,658)***	***93,163***
Taxes on income for the period from continuing operations	(32,780)	(40,407)	(39,006)	20,669	(14,721)	210,792	(34,352)
of which: effects of the purchase price allocation	*1,610*	*1,758*	*1,758*	*1,742*	*2,622*	*2,732*	*2,952*
(Profit) loss for the period attributable to non-controlling interests	(6,393)	(6,362)	(6,082)	(8,298)	(7,707)	24,672	(7,400)
of which: effects of the purchase price allocation	*94*	*95*	*95*	*221*	*445*	*509*	*521*
Profit (loss) for the period attributable to the shareholders of the Parent before the Business Plan and other impacts excluding the effects of the PPA	*17,823*	*33,422*	*76,216*	*(61,724)*	*41,996*	*(575,435)*	*47,938*
Profit (loss) for the period attributable to the shareholders of the Parent before the Business Plan and other impacts	**14,662**	**29,964**	**72,756**	**(65,035)**	**37,153**	**(580,436)**	**42,506**
Redundancy expenses net of taxes and non-controlling interests	(1,308)	(2,285)	-	114	(218)	(207,234)	(445)
Impairment losses on brands net of taxes and non-controlling interests	-	-	-	-	-	(37,936)	-
Single Bank Project expenses net of taxes and non-controlling interests	(349)	(1,489)	(4,617)	(7,638)	(4,463)	(3,440)	-
Impairment losses on property, plant and equipment net of taxes and non-controlling interests	-	-	-	(3,078)	-	-	-
Bridge Bank Project expenses net of taxes and non-controlling interests	(9,975)	(10,082)	(1,102)	-	-	-	-
Negative consolidation difference	3,340	612,900	-	-	-	-	-
Profit (loss) for the period attributable to the shareholders of the Parent	**6,370**	**629,008**	**67,037**	**(75,637)**	**32,472**	**(829,046)**	**42,061**
Total impact of the purchase price allocation on the income statement	*(3,161)*	*(3,458)*	*(3,460)*	*(3,311)*	*(4,843)*	*(5,001)*	*(5,432)*

The reclassified income statement for the second and the third quarter of 2017 includes the figures for the Group new perimeter.
The comparative periods relate to the Stand-Alone UBI Banca Group, in consideration of the fact that relative significance of the income statement figures for the new banks is not sufficient to alter the original income structure of the Group.

Reclassified consolidated income statement net of the most significant non-recurring items: details

Figures in thousands of euro	9M 2017	2017-2020 Business Plan					Other non-recurring items		9M 2017	9M 2016				9M 2016
		Allocation of Badwill	Profit on the disposal of HTM investments	Bridge Bank Project expenses	Single Bank Project expenses	Redundancy expenses	Impairment losses on the Atlante Fund	IDPF (interbank deposit protection fund) intervention expenses for CariCesena Carim and Carismi	*net of non-recurring items*	*Stand-Alone UBI Banca Group*	Redundancy expenses	Brand impairment	Single Bank Project expenses	*Stand-Alone UBI Banca Group net of non-recurring items*
Net interest income (including the effects of the PPA)	1,147,672								1,147,672	1,133,126				1,133,126
Dividends and similar income	10,367								10,367	9,737				9,737
Profits of equity-accounted investees	16,546								16,546	18,939				18,939
Net fee and commission income	1,151,232								1,151,232	988,845				988,845
of which performance fees	*9,599*								*9,599*	*8,058*				*8,058*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	185,121		(55,937)						129,184	106,344				106,344
Net income from insurance operations	8,707								8,707	-				-
Other net operating income/expense	75,680								75,680	77,003				77,003
Operating income (including the effects of the PPA)	**2,595,325**	**-**	**(55,937)**	**-**	**-**	**-**	**-**	**-**	**2,539,388**	**2,333,994**	**-**	**-**	**-**	**2,333,994**
Staff costs	(1,096,674)								(1,096,674)	(953,785)				(953,785)
Other administrative expenses	(577,873)								(577,873)	(493,409)				(493,409)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(114,942)								(114,942)	(105,995)				(105,995)
Operating expenses (including the effects of the PPA)	**(1,789,489)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,789,489)**	**(1,553,189)**	**-**	**-**	**-**	**(1,553,189)**
Net operating income (including the effects of the PPA)	**805,836**	**-**	**(55,937)**	**-**	**-**	**-**	**-**	**-**	**749,899**	**780,805**	**-**	**-**	**-**	**780,805**
Net impairment losses on loans	(417,680)								(417,680)	(1,373,754)				(1,373,754)
Net impairment losses on other financial assets and liabilities	(130,363)						89,265	32,371	(8,727)	(50,853)				(50,853)
Net provisions for risks and charges	(10,461)								(10,461)	(30,201)				(30,201)
Profits from the disposal of equity investments	1,080								1,080	1,942				1,942
Pre-tax profit (loss) from continuing operations (including the effects of the PPA)	**248,412**	**-**	**(55,937)**	**-**	**-**	**-**	**89,265**	**32,371**	**314,111**	**(672,061)**	**-**	**-**	**-**	**(672,061)**
Taxes on income for the period from continuing operations	(112,193)		18,499				(24,548)	(9,761)	(128,003)	161,719				161,719
(Profit) loss for the period attributable to non-controlling interests	(18,837)								(18,837)	9,565				9,565
Profit (loss) for the period attributable to the shareholders of the Parent before the Business Plan and other impacts	**117,382**	**-**	**(37,438)**	**-**	**-**	**-**	**64,717**	**22,610**	**167,271**	**(500,777)**	**-**	**-**	**-**	**(500,777)**
Redundancy expenses net of taxes and non-controlling interests	(3,593)					3,593			-	(207,897)	207,897			-
Impairment losses on brands net of taxes and non-controlling interests	-								-	(37,936)		37,936		-
Single Bank Project expenses net of taxes and non-controlling interests	(6,455)				6,455				-	(7,903)			7,903	-
Bridge Bank Project expenses net of taxes and non-controlling interests	(21,159)			21,159					-	-				-
Negative consolidation difference	616,240	(616,240)							-	-				-
Profit (loss) for the period attributable to the shareholders of the Parent	**702,415**	**(616,240)**	**(37,438)**	**21,159**	**6,455**	**3,593**	**64,717**	**22,610**	**167,271**	**(754,513)**	**207,897**	**37,936**	**7,903**	**(500,777)**

The reclassified income statement for the first 9 months of 2017 relates to the Group new perimeter.
The comparative figures relate to the Stand-Alone UBI Banca Group, in consideration of the fact that relative significance of the income statement figures for the new banks is not sufficient to alter the income structure of the original Group.