Pillar 3 Disclosures

as at 30th June 2015

Joint stock co-operative company
Registered office: Bergamo, Piazza Vittorio Veneto 8
Operating offices: Bergamo, Piazza Vittorio Veneto 8; Brescia, Via Cefalonia 74
Member of the Interbank Deposit Protection Fund and the National Guarantee Fund
Tax Code, VAT No. and Bergamo Company Registration No. 03053920165
ABI (Italian Banking Association) 3111.2 Register of Banks No. 5678 Register of banking groups No. 3111.2
Parent of the Unione di Banche Italiane Banking Group
Share capital as at 30th June 2015: €2,254,371,430 fully paid up

www.ubibanca.it

Contents

Introduction

The prudential rules for banks and investment companies have been contained in EU Regulation 575/2013 (the Capital Requirements Regulation, known as the CRR) and in the EU Directive 2013/36/EU (the Capital Requirements Directive, known as CRD IV) since 1st January 2014. They transpose standards defined by the Basel Committee on Banking Supervision (known as the Basel 3 framework) into European Union regulations.

On conclusion of a public consultation process started in November 2013, on the following 17th December the Bank of Italy published Circular No. 285 "Regulations for the prudential supervision of banks", which implements the EU regulations.

In order to strengthen "market discipline", the regulations make it compulsory for banks to publish disclosures (the "Pillar 3 Disclosures") that provide an adequate degree of transparency with regard to risk exposure, monitoring and management and which therefore give particular importance to capital adequacy.

More specifically the Pillar 3 Disclosures are regulated directly by Part Eight and Part Ten (Title I, Chapter 3) of the CRR and by regulatory and implementation provisions issued by the European Commission[1], to regulate the following:

- standard templates for the public disclosure of information on own funds (regulatory capital);

- standard templates for the public disclosure of information on own funds in the period running from 1st January 2014 to 31st December 2021;

- disclosure obligations concerning reserves in equity;

- standard templates for the disclosure of information on indicators of systemic importance;

- disclosures concerning balance sheet assets free from encumbrances;

- standard templates for the disclosure of information on leverage ratios.

The regulation does not require special tables for the other information subject to disclosure in which information that banks must publish is classified.

The CRR also requires intermediaries to disclose information on at least an annual basis jointly with financial statements and to assess the need to publish some of or all the information requested more frequently than once a year, in the light of the more important characteristics of their activities. In this respect, the EBA (European Banking Authority) has provided further recommendations on the frequency with which Pillar three disclosures should be published in the document "Guidelines on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432(1), 432(2) and 433 of Regulation (EU) NO 575/2013 (EBA/GL/2014/14)" last December.

In continuity with past practice, the UBI Group intends to continue to make Pillar 3 Disclosures on at least a quarterly basis, providing an update of the information considered

[1] The "Regulatory Technical Standard" – RTS and "Implementing Technical Standard" – ITS respectively.

most important.
More specifically, this document, which reports the position of the Group as at 30th June 2015, provides an update of quantitative information relating to the following: own funds, capital adequacy, credit and counterparty risk, exposures in capital instruments and interest rate risk. Disclosures are also given of the leverage ratio, both phase-in and fully loaded, with values for the numerator and denominator.

The document Pillar 3 Disclosures as at 31st December 2014. may be consulted for information not contained in this document. Furthermore, any significant changes that occurred during the first half of 2015 are reported in this disclosure document.

For full information, the information published relates to the regulatory consolidation, which consists of those entities subject to banking consolidation for regulatory purposes.

Further information on capital adequacy, own funds and risks to which the Group is exposed is published in the Interim Financial Report for the period ended 30th June 2015. Reference is made in particular to the section *General banking business with customers: lending* of that report, and the information contained on loan portfolio risk and to the *Explanatory Notes* to the consolidated financial statements for the same period and date, for the new definition of non-performing loans (termed "deteriorated loans" in previous Pillar 3 Disclosures).

The UBI Banca Group has published this Pillar 3 Disclosures document on its website in the investor relations section (www.ubibanca.it).

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NOTE: all the figures contained in the sections of this disclosure are stated in thousands of euro, unless otherwise stated.

Scope of application

Qualitative information

No changes were made to the scope of consolidation compared with 31st December 2014 except for those reported below[2]:

- UBI Gestioni Fiduciarie Sim Spa: this company was sold on 12th January to Corporate Family Office SIM, Milan;
- UBI Finance 2 Srl – in liquidation: following the closure of the relative securitisation in May 2014 and the intention not to use the company for further transactions, a Shareholders' Meeting was convened on 26th February 2015, which resolved to put the company into early voluntary liquidation;
- Lombarda Lease Finance 4 Srl – in liquidation: following the closure of the relative securitisation in July 2014 and the intention not to use the company for further transactions, a Shareholders' Meeting was convened on 26th February 2015, which resolved to put the company into early voluntary liquidation;
- Coralis Rent Srl – in liquidation: on 20th March 2015, the voluntary liquidation of the company was recorded with the Company Registrar, as a consequence of the process to rationalise subsidiaries currently in progress;
- UBI Fiduciaria Spa: on 30th April the transfer took place, with effect from 1st May 2015, of UBI Fiduciaria Spa's "static" fiduciary operations to Unione Fiduciaria Spa, a company which operated in accordance with Law No. 1966 of 23rd November 1939 and subsequent additions;
- IW Bank Spa: on 25th May the merger of IW Bank into UBI Banca Private Investment took effect, with the change of its name at the same time to IW Bank Spa and the transfer of the registered address to Milan at 12, Piazzale Zavattari. The share capital of the new bank is €67,950,000;
- Società Lombarda Immobiliare Srl – SOLIMM: on 9th June 2015 the Management Board of UBI Banca approved the merger of SOLIMM into S.B.I.M. Spa (Società Bresciana Immobiliare Mobiliare). Once the technical and administrative formalities necessary in the case of company mergers have been completed, the transaction should be concluded in the next few months;
- Zhong Ou Asset Management Co. Ltd – China: in June UBI Banca reclassified one third of the stake held in this Chinese registered fund management company (accounting for approximately 11.7% of the total share capital) within non-current assets held for sale according to IFRS 5.

Finally, following an update of the Register of Banking Groups by the Bank of Italy, the following companies became part of the UBI Banca Banking Group with effect from 12th of May 2015:

- 24-7 Finance Srl,

[2] Further information on the scope of the consolidation is given in the section "The consolidation scope" of the Interim Financial Report for the period ended 30th June 2015.

- UBI Finance 3 Srl,
- UBI Lease Finance 5 Srl,
- UBI SPV BBS 2012 Srl,
- UBI SPV BPCI 2012 Srl,
- UBI SPV BPA 2012 Srl.

Own funds

Quantitative information

In compliance with transition measures concerning own funds contained in Part II, Chapter 14 of Bank of Italy Circular No. 285 of 17th December 2013 and subsequent amendments ("Regulations for the supervision of banks"), advantage was taken in the calculation of regulatory capital as at 30th June 2015 of the option to not include unrealised gains or losses relating to exposures to central governments classified within "available-for-sale financial assets" in any element of own funds. That option was exercised within the time limit set of 31st January 2014 and was applied at separate company and at consolidated level.

At the end of June the UBI Banca Group's Common Equity Tier 1 (CET1) capital amounted to approximately €7.7 billion, slightly up compared with €7.6 billion in December 2014, while total own funds stood at almost €9.3 billion (€9.4 billion in December). The changes in CET1 capital in the first half were caused mainly by the inclusion of profit for the period (net of a pro rata allocation for the possible distribution of a dividend), while the positive impact[3] of net AFS reserves relating to equity and debt instruments (other than EU member country government securities) was fully offset by the gradual exclusion of non-controlling interests which no longer qualify under the Basel 3 framework[1].

On the other hand, the Tier 2 capital contracted to €1.6 billion from €1.8 billion in December due to the progressive amortisation of subordinated securities, even though it benefited from a lower deduction in terms of the shortfall of provisions[4].

As a result of the performance reported above, on aggregate total own funds fell by approximately €144 million.

The table below gives details of the items of which own funds were composed as at 30th June 2015.

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[3] On the basis of the transitional rules applicable in 2015, 40% of net positive available-for-sale reserves are included compared with the full sterilisation applied in 2014, while the exclusion of non-controlling interests, which no longer qualify was raised from 20% in 2014 to 40% in 2015.

[4] The total shortfall did in fact fall from €926.6 million to €821.8 million, partly as a result of an increase in the first half of coverage for non-performing loans (termed "deteriorated loans" in previous Pillar 3 Disclosures).

Capital item	30.06.2015	31.12.2014
Common Equity Tier 1 (CET1) capital instruments	**2,254,371**	**2,254,371**
CET1 capital share premium accounts	**3,798,430**	**4,716,866**
Reserves	**3,564,327**	**3,378,061**
(i) retained earnings	1,730,486	1,540,891
(ii) other reserves	1,833,841	1,837,170
Profit for the period	**87,850**	**-725,767**
Direct and indirect holdings of own CET1 instruments	**-122,803**	**-119,961**
Accumulated other comprehensive income (AOCI)	**152,423**	**111,356**
Regulatory adjustments relating to unrealised gains or losses	**-110,069**	**-152,446**
Minority interests	**359,647**	**427,275**
(i) amount allowed in consolidated CET1	167,767	169,187
(ii) amount qualifying under transitional provisions	191,880	258,088
CET1 prudential filters	**-3,225**	**-1,896**
Intangible assets (net of related tax liability)	**-1,739,226**	**-1,754,257**
(i) goodwill	-1,495,670	-1,495,670
(i) other intangible assets	-243,556	-258,587
Negative amounts resulting from the calculation of expected loss amounts (shortfall on IRB positions)	**-536,085**	**-518,337**
(i) shortfall on IRB positions eligible for inclusion in CET1 under transitional provisions	-328,706	-185,321
(i) shortfall on qualifying AT1 IRB positions that exceed the AT1 capital of the institution (excess of deductions from AT1)	-207,379	-333,016
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	**0**	**0**
COMMON EQUITY TIER 1 (CET1) CAPITAL	**7,705,640**	**7,615,265**

Capital item	30.06.2015	31.12.2014
Additional Tier 1 instruments and the related share premium accounts	0	0
Instruments issued by subsidiaries included in AT1	39,150	37,627
Negative amounts resulting from the calculation of expected loss amounts under transitional provisions	-246,529	-370,643
Negative amounts on qualifying IRB positions that exceed the AT1 of the institution	207,379	333,016
ADDITIONAL TIER 1 (AT1) CAPITAL	**0**	**0**
TIER 1 (CET1 + AT1) CAPITAL	**7,705,640**	**7,615,265**
Tier 2 (T2) capital instruments and the related share premium accounts	1,813,160	2,187,759
Amount of qualifying items referred to in Article 484 (5) and the related share premium account subject to phase out from T2	0	0
Instruments issued by subsidiaries included in T2	16,100	10,784
Negative amounts resulting from the calculation of expected loss amounts under transitional provisions	-246,529	-370,643
Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)	-38,543	-38,550
Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR treatment	47,994	36,983
TIER 2 (T2) CAPITAL	**1,592,182**	**1,826,333**
TOTAL CAPITAL (TC=T1+T2)	**9,297,822**	**9,441,598**

Capital requirements

Quantitative information

The table below summarises the fulfilment of capital requirements in terms of capital ratios and it gives details of the various capital requirements.

	Capital requirement 30.06.2015	Capital requirement 31.12.2014
CREDIT AND COUNTERPARTY RISK		
Total credit risk	4,319,056	4,516,743
Total counterparty risk	43,764	55,954
Total credit and counterparty risk	**4,362,820**	**4,572,697**
MARKET RISK - Standardised approach		
- position risk in debt instruments	63,227	54,131
- position risk in equity instruments	2,410	1,258
- foreign exchange risk	18,419	1,150
- position risk in commodities	-	-
Total market risk	**84,056**	**56,539**
Operational risk		
Basic indicator approach	4,558	4,558
Standardised approach	45,813	45,813
Advanced measurement approach	250,253	246,679
Total operational risk	**300,624**	**297,050**
CREDIT VALUATION ADJUSTMENT RISK		
Standardised method	14,606	14,721
Total credit valuation adjustment risk	**14,606**	**14,721**

CAPITAL RATIOS	30.06.2015	31.12.2014
Common Equity Tier 1 ratio	**12.94%**	**12.33%**
Tier 1 ratio	**12.94%**	**12.33%**
Total capital ratio	**15.62%**	**15.29%**

	Amount as at 30.06.2015				Amount as at 31.12.2014			
	Credit risk		Counterparty risk		Credit risk		Counterparty risk	
	RWA	Capital requirement	RWA	Capital requirement	RWA	Capital requirement	RWA	Capital requirement
Credit and counterparty risk - STANDARDISED APPROACH								
Exposures to or guaranteed by central governments and banks	2,483,572	198,686	-	-	2,657,027	212,562	-	-
Exposures to or guaranteed by regional governments or local authorities	135,062	10,805	-	-	103,948	8,316	-	-
Exposures to or guaranteed by public sector entities	159,467	12,757	-	-	135,258	10,821	12	1
Exposures to or guaranteed by multilateral development banks	-	-	-	-	-	-	-	-
Exposures to or guaranteed by international organisations	-	-	-	-	-	-	-	-
Exposures to or guaranteed by supervised institutions	883,118	70,649	88,728	7,098	1,135,066	90,805	83,521	6,682
Exposures to or guaranteed by corporates	6,827,526	546,202	257,694	20,616	7,105,102	568,408	365,232	29,219
Retail exposures	4,727,732	378,219	76	6	4,659,830	372,785	169	14
Exposures secured by real estate property	1,929,159	154,333	-	-	1,957,621	156,610	-	-
Exposures in default	3,226,888	258,151	15,138	1,211	3,593,392	287,471	12,781	1,022
High-risk exposures	82,467	6,597	-	-	74,334	5,947	-	-
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-
Short-term exposures to corporates and supervised institutions	-	-	-	-	-	-	-	-
Exposures to UCITS	27,958	2,237	-	-	9	1	-	-
Equity exposures	1,046,616	83,729	44,925	3,594	1,107,332	88,587	83,014	6,641
Other exposures	2,094,041	167,523	-	-	2,000,436	160,035	-	-
Securitisations	-	-	-	-	-	-	-	-
Total standardised approach	**23,623,606**	**1,889,888**	**406,561**	**32,525**	**24,529,355**	**1,962,348**	**544,729**	**43,579**
Credit and counterparty risk - INTERNAL RATING BASED APPROACH								
Exposures to or guaranteed by corporates								
Specialised lending								
SMEs	8,420,277	673,622	-	-	8,600,535	688,043	-	-
SMEs to which the supporting factor is applied (0.7619)	*3,628,374*	*290,270*	-	-	3,661,249	292,900	-	-
Other corporates	15,764,886	1,261,191	-	-	16,947,408	1,355,793	-	-
Retail exposures								
Exposures secured by real estate property: SMEs	974,474	77,958	-	-	1,098,956	87,916	-	-
Exposures guaranteed by real estate property: SMEs to which the supporting factor is applied (0.7619)	*464,188*	*37,135*	-	-	376,771	30,142	-	-
Exposures secured by real estate property: private individuals	2,250,418	180,033	-	-	2,422,304	193,784	-	-
Qualified retail revolving exposures	-	-	-	-	-	-	-	-
Other retail exposures: SMEs	1,276,838	102,147	-	-	1,421,627	113,730	-	-
Other retail exposures: SMEs to which the supporting factor is applied (0.7619)	*954,884*	*76,391*	-	-	801,567	64,125	-	-
Other retail exposures: private individuals	-	-	-	-	-	-	-	-
Specialised lending - slotting criteria	1,677,704	134,216	140,491	11,239	1,439,108	115,129	154,691	12,375
Total methodology based on internal ratings	**30,364,597**	**2,429,167**	**140,491**	**11,239**	**31,929,938**	**2,554,395**	**154,691**	**12,375**

The following capital requirements must be satisfied for 2015, given as percentages of risk-weighted assets:

- the Common Equity Tier 1 capital must be equal to at least 4.5% of total RWA;
- the Tier 1 capital must be equal to at least 6% of total RWA (the threshold was 5.5% in 2014);
- own funds (equal to the sum of the Tier 1 and the Tier 2 capital) must be equal to at least 8% of total RWA.

Additionally, banks are obliged to hold a capital conservation buffer equal to 2.5% of risk-weighted assets. Therefore, the minimum capital ratios required of the UBI Group for 2015 are 7% of the Common Equity Tier 1 capital inclusive of the capital conservation buffer, 8.5% of the Tier 1 capital and 10.5% of total own funds.

On 25th February 2015 specific capital requirements were received requested by the European Central Bank for the Group at consolidated level of 9.5% for the Common Equity Tier 1 ratio and 11% for the Total Capital ratio.

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Following authorisations received from the Supervisory Authority, the UBI Group now uses internal models[5] for the calculation of capital requirements for credit risk – "Corporate" segments ("exposures to businesses") and "Retail" segments (sub-portfolios "retail: exposures backed by residential real estate" and "retail: other exposures[6]") – and operational risks.

Capital ratios as at 30th June 2015 recorded an increase compared with 31st December 2014. The Common Equity Tier 1 ratio and the Tier 1 ratio stood at 12.94% (12.33% in December 2014), while the Total Capital ratio was 15.62% (15.29% recorded in December 2014).

Risk weighted assets (RWA), which stood at €59.5 billion were down €2.2 billion following a reduction in the average weighted exposures of the network banks as a consequence of an improvement in ratings, which was accompanied by lower volumes of business at the Parent (in relation to former B@nca 24-7 and former Centrobanca business) and at the product companies.

If Basel 3 rules on a full application basis scheduled for 2019 were applied (fully phased-in), Group capital ratios would be 12.33% for the Common Equity Tier 1 ratio and 15.42% for the Total Capital ratio.

In consideration of the ratios achieved – and on the basis of the simulations carried out for future years according to current regulations and on a "fully application" basis – significant margins clearly exist to maintain a strong capital position, higher than that requested by capital requirements.

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[5] See the Pillar 3 Disclosure document as at 31st December 2014 for further information on internal models.

[6] Limited to the small to medium-size enterprise portfolio comprised within the "Retail" segment ("SME retail").

Leverage ratio

Qualitative information

A leverage ratio has been introduced to the Basel 3 framework as a requirement that is supplementary to the risk based capital requirements. The introduction of a leverage ratio to the regulatory framework meets the following objectives:

- it limits the expansion of total exposures to the availability of an adequate capital base and during expansionary phases of the economic cycle it contains the level of debt held by banks thereby reducing the risk of deleveraging processes in crisis situations;
- it introduces a control that is additional to the risk based approach by means of a simple and non-risk based measure that acts as a backstop to the risk based capital requirement.

The introduction of a leverage ratio regulatory requirement – as a Pillar 1 requirement – will take effect from the 1st January 2018, subject to approval by the European Council and Parliament of a specific proposal for legislation based on a report which must be submitted to the European Commission by the end of 2016. Disclosure of leverage ratios by banks is scheduled to be compulsory from 1st January 2015.

The leverage ratio is calculated as the ratio between the Tier 1 capital (capital measure) and total Group exposure (the exposure measure). The latter is the sum of all asset exposures and off-balance sheet items not deducted in determining the capital measure[7].

The ratio is expressed as a percentage and is subject to a minimum 3% requirement (the limit set by the Basel Committee). It is monitored quarterly and is measured both at separate company and at consolidated level.

The leverage ratio is used to monitor the risk of excessive leverage under the heading “other risks” and in addition to the aforementioned minimum regulatory requirement, it is subject to quantitative limits set internally[8].

Quantitative information

The table below reports summary data on the calculation of the UBI Group leverage ratios as at 30th June 2015. The ratio was calculated according to the provisions of the CRR, as amended by the Delegated Act (EU) No. 62/2015. The latter brings the rules for calculating the

[7] More specifically the exposure measure includes the following: derivatives, securities financing transactions (SFT), off-balance-sheet items (liquidity facilities, guarantees and commitments, transactions not yet finalised or awaiting settlement, etc.) and other on-balance sheet assets in addition to derivatives and SFTs.

[8] See in this respect the section “Risk management objectives and policies” in the document Pillar 3 Disclosures as at 31st December 2014.

ratio into line with the provisions of the Basel Committee on the matter, published in January 2014[9].

Both versions of the Tier 1 capital at the end of the period were used, as the capital measure, to calculate the ratio as follows:

- Tier 1 capital in the transition regime that is calculated making reference to the calculation rules applicable from time to time in the transition period, during which the new rules are applied in a proportionately increasing degree;
- the "fully loaded" Tier 1 capital that is calculated using the rules that must be used when the regime is fully phased-in.

Leverage ratio as at 30th June 2015

fully loaded Tier 1 capital	7,368,380
fully phased-in exposure	125,274,553
fully phased in leverage ratio	**5.88%**

transition Tier 1 capital	7,705,640
transition exposure	125,450,163
transition leverage ratio	**6.14%**

[9] Cf. Basel 3 leverage ratio framework and disclosure requirements, January 2014.

Credit risk: use of the IRB approach

Qualitative information

With Provision No. 689988 of 19th July 2013, the Bank of Italy authorised the UBI Banca Group to use the advanced internal rating based (AIRB) approach to calculate capital requirements to meet credit risk for the regulatory segments: "retail: exposures backed by residential real estate" and "retail: other exposures (SME-retail)" as of the supervisory report as at 30th June 2013. The authorisation allows the use of internal estimates for probability of default (PD) and loss given default (LGD) parameters for the RRE (Residential Real Estate - Individuals and Retail Businesses) and Retail Other (Retail Businesses) portfolio.
For the corporate segment, the UBI Banca Group has already been authorised by the Supervisory Authority, with Provision No. 423940 of 16th May 2012, to use advanced internal rating based (AIRB) systems as of the supervisory report as at the 30th June 2012.
For all the other portfolios, the standardised approach will be used, to be applied in accordance with the roll-out plan submitted to the Supervisory Authority.

The output of the internal systems consists of nine rating classes that correspond to the relative PDs, updated as at December 2013 for exposures to businesses and for retail exposures. These PDs are mapped on the Master Scale to 14 classes (comparable with the ratings of the main external rating agencies) exclusively for reporting purposes.

Master Scale	PD THRESHOLDS		UBI INTERNAL RATING MODELS				EXTERNAL RATINGS
	Min PD	Max PD	Corporate and Large Corporate	Small Business	Retail Business	Private individuals	Moody's *(1)*
			class	*class*	*class*	*class*	*class*
MS1	0.030%	0.049%	1		1	1	Aaa-Aa1-Aa2-Aa3
MS2	0.049%	0.084%		1		2	A1-A2-A3
MS3	0.084%	0.174%	2		2		Baa1-Baa2
MS4	0.174%	0.298%		2		3	Baa3
MS5	0.298%	0.469%	3	3	3		Baa3 /Ba1
MS6	0.469%	0.732%	4				Ba1-Ba2
MS7	0.732%	1.102%		4	4	4	Ba2/Ba3
MS8	1.102%	1.867%	5	5			Ba3
MS9	1.867%	2.968%	6		5	5	B1
MS10	2.968%	5.370%		6	6	6	B2
MS11	5.370%	9.103%	7				B3-Caa1
MS12	9.103%	13.536%		7	7	7	Caa1/Caa2
MS13	13.536%	19.142%	8	8			Caa2
MS14	19.142%	99.999%	9	9	8 9	8 9	Caa3-Ca-C

(1) cf. "Moody's "Corporate Default and Recovery Rates, 1920-2013", Exhibit 29, Average One-Year Alphanumeric Rating Migration Rates, 1983-2012.

Quantitative information

Amounts of the exposures by supervisory portfolio

SUPERVISORY PORTFOLIO	EXPOSURES	
	IRB FOUNDATION	IRB ADVANCED
Exposures to or guaranteed by corporates:		
SMEs		15,976,749
Other corporates		22,273,746
Retail exposures		
-Exposures secured by residential real estate: SMEs		4,946,432
-Exposures secured by residential real estate: private individuals		20,233,209
-Other retail exposures: SMEs		4,650,645

Distribution of specialised lending exposures by credit quality step

SUPERVISORY PORTFOLIO	Class	EXPOSURE 30.06.2015	EXPOSURE 31.12.2014
Exposures to or guaranteed by corporates: specialised lending-slotting criteria	specialised lending supervisory rating - high rating	476,190	482,200
	specialised lending supervisory rating - good rating	1,039,811	1,026,955
	specialised lending supervisory rating - sufficient rating	256,861	196,034
	specialised lending supervisory rating - poor rating	119,775	57,631

Distribution of exposures by supervisory class of activity and by PD class (exposures to corporates)

figures in thousands of euro

	PD Class (*)	Exposure	Average weighting factor	Average weighted LGD	Undrawn credit	Average weighted EAD
EXPOSURES TO OR GUARANTEED BY CORPORATES						
- SMEs						
	1st class	220,891	14.35	46.60	32,427	6.85
	2nd class	106,828	15.62	39.60	19,543	12.39
	3rd class	715,720	30.20	43.93	88,409	10.43
	4th class	442,785	26.73	36.93	36,904	10.30
	5th class	1,995,241	40.76	40.36	152,664	12.62
	6th class	1,433,960	57.44	40.04	81,870	12.95
	7th class	1,324,715	48.36	35.12	49,029	12.90
	8th class	2,677,573	68.27	37.58	81,974	10.99
	9th class	1,284,584	85.76	38.01	46,119	16.23
	10th class	1,077,412	75.83	33.82	17,741	13.20
	11th class	656,784	101.54	35.05	12,258	14.26
	12th class	386,669	103.91	33.04	5,243	15.31
	13th class	666,639	119.97	30.54	11,273	25.23
	14th class	103,582	139.49	31.71	1,082	13.71
	Default	2,883,366	-	40.37	58,587	49.72
- Other companies	*1st class*	332,790	19.52	48.33	73,630	9.42
	2nd class	1,480	24.77	44.46	72	1.11
	3rd class	3,153,294	45.07	47.84	809,319	19.69
	4th class	39,916	53.01	43.05	4,710	11.40
	5th class	3,831,121	66.97	46.78	1,047,383	21.47
	6th class	3,749,238	84.96	45.35	642,862	24.76
	7th class	223,007	72.93	35.65	13,413	26.79
	8th class	3,787,443	103.43	42.56	438,800	26.60
	9th class	1,439,497	121.35	41.18	115,377	20.26
	10th class	119,914	100.46	29.86	2,486	20.94
	11th class	1,163,421	158.78	42.09	50,347	31.32
	12th class	19,560	166.94	35.01	1,549	39.20
	13th class	303,887	177.79	35.08	2,932	26.76
	14th class	47,653	291.25	50.39	461	9.39
	Default	4,061,525	-	47.77	86,841	33.53

(*) Master Scale, cf. Qualitative information.

Distribution of exposures by supervisory class of activity and by PD class (retail exposures)

figures in thousands of euro

	PD Class (*)	Exposure	Average weighting factor	Average weighted LGD	Undrawn credit	Average weighted EAD
RETAIL EXPOSURES						
- Exposures secured by real estate property: SMEs	*1st class*	148,691	1.81	15.92	2,619	58.47
	2nd class	2,969	2.18	11.27	-	-
	3rd class	792,348	4.58	14.63	5,520	66.68
	4th class	2,790	6.13	10.84	-	-
	5th class	758,935	8.95	14.79	4,698	65.04
	6th class	-	-	-	-	-
	7th class	514,252	16.80	14.88	5,441	72.89
	8th class	-	-	-	-	-
	9th class	405,961	30.90	15.80	3,124	63.77
	10th class	347,945	46.51	15.44	4,416	70.28
	11th class	-	-	-	-	-
	12th class	240,554	67.30	15.30	457	74.74
	13th class	-	-	-	-	-
	14th class	437,788	75.77	14.60	629	74.81
	Default	1,294,199	-	34.85	1,038	74.91
- Exposures secured by real estate property: private individuals	*1st class*	723,780	1.02	10.32	1,333	75.00
	2nd class	3,606,193	2.00	10.32	2,090	75.00
	3rd class	-	-	-	-	-
	4th class	6,150,117	5.91	10.44	5,803	75.00
	5th class	-	-	-	-	-
	6th class	-	-	-	-	-
	7th class	5,449,605	12.90	10.74	2,607	75.00
	8th class	-	-	-	-	-
	9th class	1,277,610	21.33	10.67	1,179	75.00
	10th class	560,386	35.75	10.63	275	75.00
	11th class	-	-	-	-	-
	12th class	513,247	54.40	10.67	288	75.00
	13th class	-	-	-	-	-
	14th class	534,639	65.97	10.85	100	75.00
	Default	1,417,632	-	20.33	41	75.00
- Other retail exposures: SMEs	*1st class*	163,640	5.14	33.82	11,216	4.51
	2nd class	95	1.86	9.11	-	-
	3rd class	502,465	11.45	33.43	25,324	6.61
	4th class	-	-	-	-	-
	5th class	682,927	20.75	35.22	26,063	6.74
	6th class	-	-	-	-	-
	7th class	667,456	33.21	36.96	19,900	6.50
	8th class	-	-	-	-	-
	9th class	611,816	44.37	38.04	18,025	8.13
	10th class	475,008	49.11	38.02	11,282	10.13
	11th class	-	-	-	-	-
	12th class	253,659	56.98	37.17	3,927	9.64
	13th class	-	-	-	-	-
	14th class	268,504	73.84	34.95	2,855	10.60
	Default	1,025,075	-	60.06	9,688	33.47

(*) Master Scale, cf. Qualitative information.

Comparison between estimates and actual results

The comparison of estimates of risk parameters and empirical data is carried out by internal audit functions at least once annually by means of a set of codified, structured and automated procedures. Periodic monitoring of statistical tests is also carried out by units which include the development function in order to promptly identify, where necessary, the most effective solutions to ensure the robustness of the models over time.

With specific reference to the probability of default (PD), the analyses conducted by the internal audit functions focus on “out-of-sample” application portfolios and are designed in particular to assess *(i)* the performance of the models, in terms of their ability to maintain their discriminating capacity and predictive power over time, and *(ii)* the dynamic rating properties also with respect to the development samples. As concerns loss given default (LGD), the analyses performed on the most recent out-of-sample data regard the stability of the sample and performances with respect to the long-term period sample which determined the estimate of the parameter.

In view of the results of the tests and with account taken of the current recessionary phase in the business cycle, overall robustness in the accuracy and ordering capacities as well as the dynamic rating properties was found in the most recent out-of-sample data for all the authorised PD models. Correct calibration of PD measured by using binomial tests and also considering correlation between defaults was also found to be generally satisfactory overall.

With regard to LGD, the analyses conducted on the last most recent out-of-sample window showed good stability for the empirical loss values and for estimates of the parameter. Furthermore, further prudential elements were introduced during the validation process which led to the authorisation to use IRB models for the following counterparties: “retail: exposures backed by residential real estate” and “retail: other exposures (SME-retail)”. The downturn intervention was of particular importance. It was based on an analysis of recovery rates observed during the downturn in the economic cycle, which were further worsened in line with the trend for some macroeconomic indicators which were considered significant.

Exposure to counterparty risk

Quantitative information

Counterparty risk constitutes a particular type of credit risk. It is the risk that a counterparty to a transaction involving determined types of financial instruments defaults (credit and financial derivatives sold “over the counter” – OTC, securities financing transactions and transactions with long term settlement) before the transaction itself is settled.

Financial derivatives - Supervisory trading portfolio: notional, end of period and average figures

Underlying assets/type of derivative	30.06.2015		31.12.2014	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt instruments and interest rates	**19,460,125**	**406,628**	**18,919,879**	**270,158**
a) Options	3,952,909	81,112	4,150,123	1,608
b) Swaps	15,507,215	-	14,769,756	-
c) Forwards	-	-	-	-
d) Futures	-	325,516	-	268,550
e) Other	-	-	-	-
2. Equity instruments and share indices	**1**	**14,091**	**-**	**34,305**
a) Options	1	7,219	-	126
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	6,872	-	34,179
e) Other	-	-	-	-
3. Currencies and gold	**6,229,724**	**-**	**4,330,263**	**2,875**
a) Options	2,997,174	-	2,078,357	-
b) Swaps	-	-		-
c) Forwards	3,232,550	-	2,236,716	-
d) Futures	-	-		2,875
e) Other	-	-	15,190	-
4. Commodities	**60,199**	**-**	**36,906**	**-**
5. Other underlying	**-**	**-**	**-**	**-**
Total	**25,750,049**	**420,719**	**23,287,048**	**307,338**
Average amounts	**24,789,952**	**364,476**	**25,316,115**	**776,168**

Financial derivatives – Banking portfolio: notional, end of period and average figures

For hedging

Underlying assets/type of derivative	30.06.2015		31.12.2014	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt instruments and interest rates	**36,654,316**	**-**	**37,858,813**	**-**
a) Options	5,508,550	-	5,550,935	-
b) Swaps	31,145,765	-	32,307,878	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity instruments and share indices	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Currencies and gold	**169,254**	**-**	**336,625**	**-**
a) Options	-	-	-	-
b) Swaps	169,254	-	336,625	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlying	**-**	**-**	**-**	**-**
Total	**36,823,570**	**-**	**38,195,438**	**-**
Average amounts	**37,508,248**	**-**	**32,873,678**	**-**

Financial derivatives – Banking portfolio: notional, end of period and average figures

Other derivatives

Underlying assets/type of derivative	30.06.2015		31.12.2014	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt instruments and interest rates	**10,250**	**-**	**10,250**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	10,250	-	10,250	-
2. Equity instruments and share indices	**591,832**	**-**	**638,626**	**-**
a) Options	589,044	-	638,626	-
b) Swaps	2,788	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Currencies and gold	**-**	**-**	**-**	**-**
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlying	**-**	**-**	**-**	**-**
Total	**602,082**	**-**	**648,876**	**-**
Average amounts	**762,331**	**-**	**913,746**	**-**

Financial derivatives - gross positive fair value: by type of product

Portfolio/type of derivative	Positive fair value			
	30.06.2015		31.12.2014	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory trading portfolio	**511,594**	**543**	**617,561**	**393**
a) Options	50,633	517	39,380	216
b) Interest rate swaps	446,573	-	557,924	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	9,495	-	16,576	-
f) Futures		26		177
g) Other	4,892	-	3,681	-
B. Banking portfolio - for hedging	**545,576**	**-**	**649,249**	**-**
a) Options	-	-	-	-
b) Interest rate swaps	545,188	-	649,126	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	388	-	123	-
C. Banking portfolio - other derivatives	**39**	**-**	**3**	**-**
a) Options	39	-	3	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	**1,057,209**	**543**	**1,266,813**	**393**

Financial derivatives - gross negative fair value: by type of product

Portfolio/type of derivative	Negative fair value			
	30.06.2015		31.12.2014	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory trading portfolio	**527,375**	**941**	**617,447**	**300**
a) Options	44,391	588	37,031	-
b) Interest rate swaps	469,151	-	560,421	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	9,126	-	16,445	-
f) Futures	-	353	-	300
f) Other	4,707	-	3,550	-
B. Banking portfolio - for hedging	**788,565**	**-**	**1,009,092**	**-**
a) Options	-	-	-	-
b) Interest rate swaps	783,425	-	989,795	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
f) Other	5,140	-	19,297	-
C. Banking portfolio - other derivatives	**46**	**-**	**16**	**-**
a) Options	37	-	3	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
f) Other	9	-	13	-
Total	**1,315,986**	**941**	**1,626,555**	**300**

Over the counter financial derivatives: supervisory trading portfolio – notional amounts, gross positive and negative fair values by counterparty
contracts not covered by clearing agreements

Contracts not covered by clearing agreements	Governments and central banks	Other public authorities	Banks	Financial companies	Insurance companies	Non-financial companies	Other
1) Debt instruments and interest rates							
- notional amount	-	-	11,528	182,072	-	5,557,441	558,370
- positive fair value	-	-	-	6,314	-	328,478	8,390
- negative fair value	-	-	107	802	-	4,793	481
- future exposure	-	-	-	962	-	30,138	760
2) Equity instruments and share indices							
- notional amount	-	-	-	-	-	-	1
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Currencies and gold							
- notional amount	-	-	1,692,541	1,295,293	583	1,520,766	35,677
- positive fair value	-	-	3,632	3,138	4	18,416	66
- negative fair value	-	-	5,041	873	-	26,100	161
- future exposure	-	-	16,925	12,961	6	13,201	357
4) Other securities							
- notional amount	-	-	-	430	-	29,481	-
- positive fair value	-	-	-	141	-	2,626	-
- negative fair value	-	-	-	243	-	1,831	-
- future exposure	-	-	-	43	-	2,993	-

Over the counter financial derivatives: supervisory trading portfolio – notional amounts, gross positive and negative fair values by counterparty
contracts which form part of clearing agreements

Contracts covered by clearing agreements	Governments and central banks	Other public authorities	Banks	Financial companies	Insurance companies	Non-financial companies	Other
1) Debt instruments and interest rates							
- notional amount	-	-	12,111,315	1,039,399	-	-	-
- positive fair value	-	-	107,991	6,135	-	-	-
- negative fair value	-	-	435,138	31,719	-	-	-
2) Equity instruments and share indices							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
3) Currencies and gold			-	-	-	-	-
- notional amount	-	-	1,255,858	429,005	-	-	-
- positive fair value	-	-	18,888	5,238	-	-	-
- negative fair value	-	-	12,969	4,473	-	-	-
4) Other securities							
- notional amount	-	-	29,937	351	-	-	-
- positive fair value	-	-	2,127	10	-	-	-
- negative fair value	-	-	2,602	41	-	-	-

Over the counter financial derivatives: banking portfolio – notional amounts, gross positive and negative fair values by counterparty
contracts not covered by clearing agreements

Contracts not covered by clearing agreements	Governments and central banks	Other public authorities	Banks	Financial companies	Insurance companies	Non-financial companies	Other
1) Debt instruments and interest rates							
- notional amount	-	-	40,107	8,900	550	-	800
- positive fair value	-	-	12,705	-	-	-	-
- negative fair value	-	-	65	8	-	-	1
- future exposure	-	-	258	-	-	-	-
2) Equity instruments and share indices							
- notional amount	-	-	14,045	193,798	253,019	126,334	4,636
- positive fair value	-	-	39	-	-	-	-
- negative fair value	-	-	-	-	-	-	37
- future exposure	-	-	87	19,371	25,302	57	196
3) Currencies and gold							
- notional amount	-	-	-	-	-	5,033	164,222
- positive fair value	-	-	-	-	-	2	385
- negative fair value	-	-	-	-	-	140	5,000
- future exposure	-	-	-	-	-	50	1,670
4) Other securities							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-

Over the counter financial derivatives: banking portfolio – notional amounts, gross positive and negative fair values by counterparty
contracts which form part of clearing agreements

Contracts covered by clearing agreements	Governments and central banks	Other public authorities	Banks	Financial companies	Insurance companies	Non-financial companies	Other
1) Debt instruments and interest rates							
- notional amount	-	-	29,137,882	7,476,327	-	-	-
- positive fair value	-	-	325,973	206,510	-	-	-
- negative fair value	-	-	627,837	155,523	-	-	-
2) Equity instruments and share indices							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
3) Currencies and gold							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
4) Other securities							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-

Residual maturity of over the counter financial derivatives: notional amounts

Underlying/Residual maturity	up to 1 year	1 year to 5 years	More than 5 years	Total
A. Supervisory trading portfolio	**10,334,012**	**8,691,689**	**6,724,347**	**25,750,048**
A.1 Financial Derivatives on debt instruments and interest rates	4,451,592	8,284,185	6,724,347	19,460,124
A.2 Financial derivatives on equities and share indices	1	-	-	1
A.3 Financial derivatives on exchange rates and gold	5,827,047	402,677	-	6,229,724
A.4 Financial derivatives on other securities	55,372	4,827	-	60,199
B. Banking portfolio	**6,538,566**	**19,792,026**	**11,095,059**	**37,425,651**
B.1 Financial derivatives on debt instruments and interest rates	6,350,650	19,791,616	10,522,300	36,664,566
B.2 Financial derivatives on equities and share indices	18,662	410	572,759	591,832
B.3 Financial derivatives on exchange rates and gold	169,254	-	-	169,254
B.4 Financial derivatives on other securities	-	-	-	-
Total 30.06.2015	**16,872,578**	**28,483,715**	**17,819,406**	**63,175,699**
Total 31.12.2014	**10,283,445**	**34,162,276**	**17,685,641**	**62,131,362**

Credit derivatives: end of period and average notional amounts

No transactions in credit derivatives were performed in the first half of 2015.

Over the counter credit derivatives - gross negative fair value: by type of product

No outstanding transactions in credit derivatives existed as at 30th June 2015.

Residual maturity of over the counter credit derivatives: notional amounts

No outstanding transactions in credit derivatives existed as at 30th June 2015.

Counterparty risk - credit equivalent

	30.06.2015		31.12.2014	
	CREDIT EQUIVALENT		CREDIT EQUIVALENT	
	STANDARDISED APPROACH	IRB APPROACH	STANDARDISED APPROACH	IRB APPROACH
Derivatives contracts and long-term settlement transactions	511,901	156,420	658,705	177,211
Securities financing transactions	57,724	-	741,244	-
Cross product netting agreements				

Exposures to equity instruments not included in the trading portfolio

Quantitative information

The tables on the pages that follow give exposures in equity instruments grouped according to the accounting portfolio in which they are classified. Amounts for equity investments in companies that are fully consolidated for financial reporting purposes are excluded.

Quantitative information

	carrying amount		fair value		market value		profits/losses realised and impairment		unrealised gains/losses recognised in the balance sheet	
	level 1	level 2/3	level 1	level 2/3	level 1	level 2/3	level 1	level 2/3	level 1	level 2/3
Financial assets designated at fair value:										
- *equity instruments*	1,899	69,771	1,899	69,771	1,899	x	-	1,946	x	x
- *units in UCITS*	119,760	5,793	119,760	5,793	119,760	x	2,958	313	x	x
Available-for-sale financial assets:										
- *equity instruments*	2,676	246,887	2,676	246,887	2,676	x	-153	-361	1,469	136,242
- *units in UCITS*	10,362	43,343	10,362	43,343	10,362	x	6,885	-954	2,309	13,228

Exposure to interest rate risk on positions not included in the trading portfolio

Quantitative information

As at 30th June 2015 positive sensitivity was found in both of the scenarios considered by Group financial risk policy: a downward (+100 bp) and an upward (+100 bp) shock on the yield curve.

In detail:

- in the upward shift in the yield curve scenario (+100 bp), Group exposure to interest rate risk, in terms of core sensitivity, net of the AFS portfolio for which specific limits exist, was +€293.39 million;
- in the downward shift in the yield curve scenario (-100 BP), on the other hand, core sensitivity of +€67.57 million was found. This exposure is affected by the non-negative constraint imposed on interest rates and therefore by the application of a floor on the shift of the relative curve.

In compliance with the Financial Risks Policy, both levels presented include an estimate of the impact of early repayments and modelling of on-demand items on the basis of the internal model.

In the negative shock scenario, the sensitivity originated by the network banks was -€32.25 million and the sensitivity generated by the product companies was approximately +€53.52 million, while the Parent contributed a total of +€46.30 million.

The table below reports the exposure, measured in terms of economic value sensitivity to a scenario of an increase in reference interest rates of +200 bp, recorded in the second quarter of 2015, given as a percentage of the Tier 1 capital and total own funds.

Sensitivity analysis of net interest income focuses on changes in profits resulting from a parallel shock on the yield curve measured over a time horizon of twelve months. The analysis of the behaviour profile of on-demand items contributes to the overall determination of exposure. The UBI Group exposure to interest rate risk, estimated in terms of an impact on net interest income of an increase in reference interest rates of 100 bp was +€102.27 million for the period ended 30th June 2015. The exposure measured in a scenario of a decrease in reference interest rates of 100 bp, amounted to -€4.28 million for the period ended the 30th June 2015. The impact on that income shows the effects of changes in interest rates on the portfolio monitored, excluding hypotheses of future changes in the mix of assets and liabilities. These factors mean that the indicator cannot be used to assess the Bank's future strategy.

PARALLEL SHIFT IN THE YIELD CURVE (figures in millions of euro)

Scenario	Currency	Impact on economic value **	Impact on net interest income ***
+100 BP	EUR	294.94	95.58
	Other currencies not significant*	-1.55	6.68
TOTAL +100 bp		**293.39**	**102.27**
-100 BP	EUR	67.07	-3.13
	Other currencies not significant*	0.50	-1.15
TOTAL -100 bp		**67.57**	**-4.28**

* Non-significant currencies are defined as accounting for less than 5% of the assets or liabilities in the banking portfolio.

** The AFS portfolio, excluded from that indicator in compliance with the 2015 Policy to Manage Financial Risks, has an impact on economic value of -€81.61 million for a shock of +100 bps and of +€14.98 million for a shock of -100 bps. If that impact is included then the total exposure is +€211.79 million for a positive shock on the yield curve and +€82.55 million for the negative shock scenario.

*** The impact on that income shows the effects of changes in interest rates on the portfolio monitored, excluding hypotheses of future changes in the mix of assets and liabilities. These factors mean that the indicator cannot be used to assess the Bank's future strategy.

RISK INDICATORS

Annual average	
+200 bp	
Impact on economic value/Tier 1 Capital	4.08%
Impact on economic value/Own funds	3.38%
-200 bp	
Impact on economic value/Tier 1 Capital	5.47%
Impact on economic value/Own funds	4.53%
End of period values	
+200 bp	
Impact on economic value/Tier 1 Capital	5.38%
Impact on economic value/Own funds	4.46%
-200 bp	
Impact on economic value/Tier 1 Capital	4.69%
Impact on economic value/Own funds	3.89%

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

The undersigned, Elisabetta Stegher, as the Senior Officer Responsible for preparing the corporate accounting documents of Unione di Banche Italiane Scpa, 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 Act), that the information contained in this document "Pillar 3 disclosures as at 30th June 2015" is reliably based on the records contained in corporate documents and accounting records.*

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

Bergamo, 7th August 2015