PRESS RELEASE

The Group's sound capital structure is confirmed

Common Equity Tier 1 ratio "phased in" as at 30th September 2015 of 13% compared with 12.94% as at 30.06.2015

Total capital ratio "phased in" of 15.31% (15.62% as at 30.06.2015)

Common Equity Tier 1 ratio "fully loaded" estimate of 12.56%[1] (12.33% as at 30.06.2015)

Leverage ratio phased in of 6.22% and fully loaded of 6.04%

NSFR and LCR >1

Operating results in the first nine months of 2015 compared with the first nine months of 2014

Consolidated profit of €162 million (inclusive of the estimated annual contribution to the Single Resolution Fund and the estimated half-year contribution to the Deposit Guarantee Scheme[2]), +8.1% compared with €149.8 million in the first nine months of 2014.

Profit net of non-recurring items stable year-on-year at €176 million (+0.3% y/y) despite recognition in 2015 of the contributions reported above

Total "core" profitability (net interest income + net fee and commission income – losses on loans – operating expenses) up 20.8% compared with the first nine months of 2014.

Operating income of €2,467.1 million (-3.5%):

- **Net interest income of €1,245.8 million (-9.5% y/y), due mainly to a lower contribution from the securities portfolio, progressively reduced in size with a change in the composition, but also the result of competitive pressure on lending;**
- **Net fee and commission income of €969.5 million (+6.8% y/y) as a result of strong growth in assets under management (+11% y/y);**
- **A finance result of €138.9 million compared with €150.5 million in the first nine months of 2014.**

Operating expenses down further by 1.3% (-€20.6 million) y/y to €1,542.1 million, notwithstanding the inclusion in 2015 of €7.7 million of integration costs in relation to the merger of IW Bank and UBI Private Investment. Net of that item operating expenses recorded a fall of 1.8% y/y.

Losses on loans of €557.6 million compared with €626.2 million in 2014 (-10.9% y/y to 89 basis points annualised compared with 98 basis points in the first nine months of 2014).

Transformation into joint-stock company and right of withdrawal:

Right of withdrawal exercised by 1,103 shareholders for a total of 35,409,477 shares. Launch of the subsequent stages of the procedure [3].

[1] March capital ratios do not include 1Q profit, September capital ratios do not include 3Q profit, while June capital ratios include 1H profit net of dividend accrued, and December capital ratios include the full year profit net of dividend accrued.
As usual, the Group will proceed in the fourth quarter of the year to the compulsory update of the historical data series relating to credit risk parameters for the calculation of risk-weighted assets. As a result of that action the historical data series will be updated to the end of 2014.

[2] The annual contribution to the Single Resolution Fund amounting to €22.8 million gross and €13.2 million net of tax and non-controlling interests (recognised in the second quarter of 2015) and the half yearly contribution to the Deposit Guarantee Scheme amounting to €11.3 million gross and €7.7 million net of tax and non-controlling interests (recognised in the third quarter of 2015).

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Bergamo, 10th November 2015 – The Management Board of Unione di Banche Italiane Spa (UBI Banca) approved the consolidated results for the first nine months of 2015, which ended with a **profit of €162 million, up 8.1%** compared with €149.8 million in the first nine months of 2014, notwithstanding the inclusion starting from 2015 of new compulsory contributions to the Single Resolution Fund and to the Deposit Guarantee Scheme (which had a total impact of €20.9 million net on profit for the period).

Operating results for the first nine months of 2015 compared with the first nine months of 2014

The results for the first nine months of the year confirmed the trend that had gradually developed during the year.
The good performance by net fee and commission income (+6.8% y/y) driven by investment products continued and the improvement in the quality of credit consolidated, with less need for provisions (-10.9%). These trends were able to fully offset the fall in net interest income (-9.5%), affected by the lower contribution from the securities portfolio – with a progressive change in the amount and composition – and by strong competition on markets for new lending. Thanks to a continuation of the Group's persistent containment of costs (-1.3% y/y), a point of excellence for the Group together with its credit quality, "core" profitability (net interest income – impairment losses on loans + net fee and commission income – operating expenses) increased by 20.8% compared with the first nine months of 2014.

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An in-depth examination of items in the income statement reflects the strategies pursued by the Group designed to manage the exit from the crisis by repositioning the Group in various areas (re-composition of the securities portfolio, both in terms of volumes and maturity; completion of the exit from some lending segments no longer strategic, in preparation for a repositioning of lending activities more in line with the expected consolidation of the economic recovery; reducing staff numbers and generation turnover with a strong training component; control over operating costs and strong focus on strategic projects both of a regulatory nature and to support business, etc.). All the actions undertaken have been made possible by the sound balance sheet structure of the Group, now among the strongest in the Italian banking industry.

In detail, **operating income** in the first nine months of 2015 fell by 3.5% y/y to €2,467.1 million from €2,557.6 million in the same period of 2014.
The item was impacted primarily by **net interest income**, down to €1,245.8 million from €1,376.3 million in 2014. Within the item, the contribution from the customer business component was affected by strong competition on lending volumes (especially in the short-term segment, while the medium to long-term segment was more resilient) and on spreads as well as by the diminishing contribution from lending portfolios being run off. On the other hand the contribution from the financial component was affected by the continuation of the strategy to change the composition and the size of the AFS Italian government securities portfolio, carried out with a view to "normalise" the position and in view of the guidelines received from the Supervisory Authorities.
The strategy under implementation led to a year-on-year reduction of about €3 billion in AFS Italian government securities and also to the realisation of gains on the disposal of assets included in the finance result for the first nine months of 2015, amounting to approximately €80 million.

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[3] See also the relative press release published today.

Profits of equity-accounted investees totalled €23.2 million in the first nine months (€28.8 million in 2014). The strong growth should be noted in the comparison with 2014, in the contribution from the Chinese asset management investee Zhong Ou (€9.7 million compared with €1.6 million in 2014) and from Lombarda Vita (€9.8 million compared with €5.7 million in 2014), while it must be considered that on 22nd December 2014 UBI Banca reduced its stakes held in Aviva Vita Spa and Aviva Assicurazioni Vita Spa from 50% to 20% and that the entire interest held in UBI Assicurazioni Spa was sold on 30th December 2014 with a consequent decrease in the relative contributions to profits.

The good performance and very positive contribution from **net fee and commission income** continued, accounting for approximately 40% of operating income. The item totalled €969.5 million, up 6.8% (€61.3 million) compared with €908.2 million in the same period of 2014, as a result of good performance by commissions on investment services[4] (up 10.6% or approximately €50 million to €523 million), which benefited above all from commissions on customer portfolio management, which rose by €41 million, and also on the placement of asset management products (the total stock of assets under management and insurance products grew year-on-year by 11% to €33.3 billion and by 13.7% to €13.9 billion respectively, partially as a result of the transformation of the assets under custody component which fell by 5.8% to €31.9 billion). The contribution from "up front" commissions remained low, accounting on average for around 12% of total net fee and commission income.
Fee and commission income earned on general banking services grew slightly by 2.5% to €446 million compared with €435 million in 2014, which included commissions paid on the issue of bonds with State guarantee, no longer present in 2015.

The **finance result** came to €138.9 million compared with €150.5 million in the first nine months of 2014.
The result included the following:
- €57.3 million from trading activities (€56.4 million in 2014);
- €70.6 million from the disposal of financial assets (€102 million in 2014), mainly attributable, as in the previous period, to the disposal of Italian government securities (€79.6 million);
- €3.8 million from fair value movements in financial assets (€1.2 million in 2014);
- €7.3 million from hedging activities (-€9.1 million in 2014).

Again in the first nine months of 2015, in continuation of the trend now in progress since the Group was formed, **operating expenses** decreased to €1,542.1 million, with a saving of approximately €21 million compared with 2014, notwithstanding the inclusion of €7.7 million of non-recurring items. Net of those items, the reduction was by approximately €28 million (-1.8%) y/y.

In detail:
- **staff costs**, amounting to €972.7 million, decreased by 0.4% compared with €976.6 million in the same period of 2014 as a result of changes in staff numbers (-726 on average, approximately €29 million of lower costs), which offset both the increase in wages and the lower recourse to reductions and suspensions of working hours in 2015;
- **other administrative expenses**, amounting to €454.6 million, fell €3.7 million compared with 2014, despite the recognition of integration costs (€7.7 million) in relation to the merger between IW Bank and UBI Private Investment at the end of May 2015. Net of those costs, other administrative expenses fell by 2.5% year-on-year, which demonstrates the constant efforts made to contain them in the long term and which continue to involve many items of current spending;

[4] Management, trading and advisory services, inclusive of forex trading.

- finally, **depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets** (inclusive of the PPA) totalled €114.7, million down by approximately €13 million compared with 2014, partly attributable to the reduction in PPA (€4.9 million) as a consequence of the impairment losses recognised at the end of 2014. As concerns depreciation and amortisation net of the PPA, the slowdown regards a combination of the progressive run down of the amortisation of the significant investments effected for the merger between BPU and BL and the implementation of new regulatory and business investment programmes amounting to approximately €129 million in 2015 (up by over €11 million on 2014).

In the period January-September 2015, **net impairment losses on loans** fell to €557.6 million, compared with €626.2 million in 2014, to give an annualised loan loss rate of 0.89% of total net loans, compared with 0.98% before and 1.08% recorded for the full year 2014.
The impairment losses recognised maintained total coverage for non-performing exposures (termed "deteriorated loans" in past press releases) at 27.7%, almost unchanged compared with June 2015 (27.8%), but up compared with the end of 2014 (27.1%), notwithstanding the disposal in 2015 of €131 million of loans with high coverage (66%).

Finally, **net provisions for risks and charges** in the period rose to €47.8 million (approximately €4 million in 2014), mainly as a result of the recognition of the estimated annual contribution to the Single Resolution Fund in accordance with the Bank Recovery and Resolution Directive (No. 2014/59/EU – BRRD), which had an impact of €22.8 million and of the estimated contribution to the Deposit Guarantee Scheme (Directive No 2014/49/EU), in the third quarter, amounting to €11.3 million.

As a result of the performance described above, **profit on continuing operations before tax** amounted to €313.6 million, compared with €362.3 million in the same period of 2014.

Taxes on income for the period from continuing operations amounted to €127.8 million, compared with €187.5 million in the first quarter of 2014, to give a tax rate of 40.75%, compared with 51.75% before. The performance was affected mainly by a measure contained in the 2015 *Legge di stabilità* ("stability law" – annual finance law – Law No. 190 of 23rd December 2014 – article 1 paragraphs 20-25), which, with effect from the 1st January 2015, introduced the full deductibility of permanent employee expenses in determining the tax base for IRAP (regional tax on production).

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Group operating results in the third quarter of the year

Consolidated profit in <u>3Q 2015</u> came to €37.6 million compared with €48.5 million in 2Q 2015 and with €43.6 million in 3Q 2014 (the latter did not include the estimated contribution to the Single Resolution Fund, recognised in 2Q 2015 nor the estimated contribution to the Deposit Guarantee Scheme, recognised in the third 3Q 2015.).

Operating income totalled €758.2 million (€842.9 million in 2Q 2015 and €821.7 million in 3Q 2014), mainly following a fall in **net interest income**, which amounted to €398.7 million (€416.5 million in 2Q 2015 and €467.8 million in 3Q 2014) as a result of a lower contribution by the securities portfolio (average total volumes down by €1.5 billion and a change in the composition) and also in relation to competitive pressure on volumes of lending and pricing. **Net fee and commission income** contributed €300.5 million to operating income, affected by the usual seasonal factors compared with €327.9 million in 2Q 2015, as a result of lower placement of investment products over the summer, but were more or less in line with earnings of €298.5 million recorded in

3Q 2014. Up front commissions accounted for approximately 8.9% of total commissions in the third quarter of the year (12.3% in 2Q 2015 and 10.3% in 3Q 2014).
The **finance result** contributed income of €27.8 million (€53.1 million in 2Q 2015 and €13.9 million in 3Q 2014), primarily due to the disposal of €1.5 billion of Italian government securities held in the AFS portfolio, carried out to implement the strategy currently being pursued to reduce and diversify that portfolio, and of 0.7 billion Italian government securities held for trading.

Control over **costs** is continuing, having reached **the lowest quarterly level since the creation of the Group** (€496.6 million; €524.1 million in 2Q 2015 and €518.3 million in 3Q 2014). At the level of individual components, **staff costs** came to €318 million (€319.8 million in 2Q 2015 and €328.7 million in 3Q 2014); **other administrative expenses** stood at €141.6 million (€165 million in 2Q 2015 and €147.1 million in 3Q 2014) and **depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets** amounted to €37 million (€39.3 million in 2Q 2015 and €42.5 million in 3Q 2014).
In 2Q 2007, **the first quarter** of the UBI Group's life, operating expenses amounted to €612.9 million, the sum of staff costs of €358.5 million, other administrative expenses of €191.9 million and depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets of €62.4 million.

Net impairment losses on loans slowed markedly in the third quarter of the year to reach €168.5 million (down by approximately €30 million compared with both 2Q 2015 and 3Q 2014), a reflection of improved economic conditions and of a further progressive contraction in inflows of new non-performing exposures (termed "deteriorated loans" in past press releases) from performing loans (-5.3% 3Q 2015/3Q 2014).

Finally, the estimated contribution of €11.3 million to the Deposit Guarantee Scheme was recognised in the third quarter of the year (the estimated annual contribution of €22.8 million to the Single Resolution Fund was recognised in the second quarter of the year), which had an impact on **net provisions for risks and charges**, which totalled €18.6 million (€24.8 million in 2Q 2015 and €1.2 million in 3Q 2014).

Taxes on income for the period from continuing operations amounted to €28.6 million, compared with €37.1 million in 2Q 2015 and €52.1 million in 3Q 2014.

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The balance sheet

Loans to customers as at 30th September 2015 stood at €83.8 billion compared with €85.3 billion in June 2015 (€85.6 billion at the end of December 2014).
The performance of the total was affected mainly by a decrease in the short-term component (-€1.5 billion in the quarter and -€1.6 billion over nine months, which, however, included a reduction in institutional transactions such as repurchase agreements with the *Cassa di Compensazione e Garanzia*) impacted by strong competition and by a contraction in the portfolio in run off (-€0.2 billion in the quarter and -€0.6 billion over nine months). Performance by active medium to long-term loans, on the other hand, was good, standing at €55.7 billion (-€0.2 billion in the quarter and +€0.4 billion over nine months), driven by good results for new grants in Network Banks, up approximately 55% over the first nine months of 2014.
In September 2015 the Group's **market share** of the private sector lending segment, net of bad loans (termed "non-performing loans" in past press releases), was unchanged at 5.67% compared with both September 2014 and June 2015 .

As concerns credit quality, **total gross non-performing exposures** (termed "deteriorated loans" in past press releases), stood at €13,651 million at the end of September 2015 (€13,368 million in June 2015 and €13,049 million in December 2014).

Again at the end of September 2015, **coverage for total non-performing exposures stood at 27.7%** (in line with 27.8% in June 2015 and up compared with 27.1% in December 2014), notwithstanding the disposal of approximately €131 million of bad loans (termed "non-performing loans" in past press releases) written-down by 66% in the first nine months of 2015. If loan write-offs are included, coverage for non-performing exposures rose to 37.3% (37.6% in June 2015 and 37.1% in December 2014).
Furthermore, if the cash coverage of 27.7% is added to the coverage allowed by the fair value of the collateral backing loans (116.8%) then total coverage of the non-performing exposures amounts to 144.5%.

At the end of September 2015 **total net non-performing exposures** (termed "deteriorated loans" in past press releases) stood at €9,872 million, up on €9,651 million in June 2015 and on €9,508 million in December 2014, due, amongst other things, to the new treatment of forborne loans, which require a "cure period", which slows their return to performing status.
Potentially the non performing forborne exposures, for which the cure period (12 months) expires and which show overall a situation of regularity, may represent a return flow to performing status estimated at approximately €200 million per quarter (net of bad and restructured forborne exposures).

In detail, net bad loans (termed "non-performing loans" in past press releases) amounted to €4,244 million (€4,187 million in June 2015 and €4,025 million in December 2014), accounting for 5.1% of total net loans.
Following the disposal of the above-mentioned €131 million of bad loans, coverage for bad loans was 38.67% (unchanged compared with 38.68% in June 2015 and up compared with 38.56% at the end of 2014).
The percentage of positions backed by collateral (approximately 70% of the gross total) remains significant and coverage for unsecured positions, considered gross of loan write-offs, was again high (68.6%)

The new category, "unlikely to pay", amounted to €5,241 million net (€5,096 million in June 2015 and €4,954 million in December 2014), with coverage of 17.1%.

Net positions past due and/or in arrears amounted to €387 million compared with €368 million in June 2015 and €529 million in December 2014 (coverage of 5.07% compared with 5.39% in June 2015 and 4.39% in December 2014).

Direct funding from ordinary customers stood at €70.9 billion in September 2015 (€71.7 billion in June 2015 and €74 billion last December), mainly recording a modest reduction in current account deposits (down to €44.1 billion from €44.7 billion in June 2015 and from €44.3 billion in December 2014) and in total bonds placed with ordinary customers (a total of €21.6 billion, down from €21.7 billion in June 2015 and from €23.6 billion at the end of 2014). This liquidity was reinvested by customers in asset management products as they searched for more remunerative forms of investment.
Good performance was recorded as a result by **indirect funding from ordinary customers** which increased by 4.3% compared to December 2014, rising to €79.2 billion. In detail, **assets under management in the strict sense** amounted to €33.3 billion (+€2.6 billion compared with December 2014), insurance products came to €13.9 billion (+€1.3 billion) and assets under custody to €31.9 billion (-€0.6 billion).

Direct funding from institutional customers stood at €18.1 billion (€22.6 billion in June and €19.3 billion in December 2014) due mainly to less recourse (approximately -€4 billion in the third quarter) to repurchase agreements with the *Cassa di Compensazione e Garanzia* (also following participation in the TLTRO auction for €2 billion in September 2015), while volumes of covered bonds (€9.8 billion) and EMTNs (€3.1 billion) remained substantially unchanged. A benchmark issuance of "long" seven-year covered bonds was performed in October 2015 at a fixed rate for a total of €750 million.
Group exposure to the ECB consisted of a total of €8.1 billion of TLTROs, recognised under "due to banks" and therefore not included in direct funding.

The solidity of the Group's liquidity position is again confirmed with liquidity ratios (Net Stable Funding Ratio and Liquidity Coverage Ratio) now higher than one for some years and total **assets eligible for refinancing** of €25.8 billion already net of haircuts as at 28th October 2015 (of which €14.6 billion available).

The Group's **financial assets** had a mark-to-market value of €19.6 billion at the end of September 2015, of which €18.2 billion were Italian government securities: the latter total was down compared with June 2015 and December 2014 (€20.5 billion and €21.9 billion respectively). The nominal value of the Italian government securities was €15.6 billion compared with €18.1 billion in June and €19.2 billion as at 31st December 2014.

Consolidated **equity** of the UBI Banca Group as at 30th September 2015, including profit for the period, amounted to €10,073 million compared with €9,887 million in June 2015 (€9,804 million at the end of December 2014).

The capital ratios at the end of September 2015 confirmed the solidity of the UBI Banca Group.
The CET 1 ratio "phased in" as at 30th September 2015 stood at 13.00% compared with 12.94% in June 2015 and 12.33% as at 31.12.2014. The estimated fully loaded CET1 ratio was 12.56% compared with 12.33% in June 2015 and 11.5% as at 31.12.2014.
The TCR "phased in" was 15.31% (15.62% in June 2015 and 15.29% as at 31.12.2014).
Finally, the leverage ratio, calculated on the basis of the Delegated Regulation EU 2015/62, was 6.22% "phased in" and 6.04% "fully loaded".

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Human resources of the UBI Banca Group totalled 17,745 as at 30th September 2015 compared with 17,789 in June 2015. The branch network at the end of the period consisted of 1,555 branches in Italy (1,557 in June 2015) and six abroad.

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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 Act), 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

The overall trend for operating income is forecast to be greater than in the third quarter although with differing contributions from the individual components.
Against a background of limited growth in loans and strong competition on spreads at system level and following the continuation of the strategy to re-position the proprietary securities portfolio, it is forecast that the pressure on net interest income may continue, although to a lesser extent than in the third quarter.
It is probable that net fee and commission income will benefit from the usual positive seasonal factors normally experienced in the last quarter of the year.
The favourable environment for containing sovereign risk could allow better results to be achieved for trading and hedging activity than in the previous quarters.
The actions undertaken in 2015 allow to confirm the objective of containing operating expenses in line with those for 2014, notwithstanding the additional costs in relation to the contribution to the European Resolution Fund and the Deposit Guarantee Scheme, estimated at over €30 million for the current year.
The improvements in the macroeconomic environment, confirmed by the leading indicators, should allow loan losses to be contained at a level lower than in 2014.

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Transformation into joint-stock company and right of withdrawal

The right of withdrawal, which could be exercised until 27th October 2015 by those who did not participate in the approval of the resolution to transform UBI Banca into a joint stock company (and therefore those registered shareholders who were absent, dissented or abstained), was exercised by 1,103 shareholders for a total of 35,409,477 shares corresponding to €258,064,268.38 at the payment amount of €7,288 per share.
The further steps of the withdrawal procedure are described in a specific press release issued today.

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Discussions soon to start with the Fondazione Cassa di Risparmio di Cuneo and the Fondazione Banca del Monte di Lombardia for the possible sale of stakes held in Banca Regionale Europea (BRE) and Banca Popolare Commercio e Industria (BPCI).

The Management Board of UBI Banca, having acknowledged the request made by the Foundations, decided today to commence the necessary examinations to assess the feasibility of a possible acquisition by UBI of the stakes held by the Fondazione Cassa di Risparmio di Cuneo in BRE (24.9% of the capital) and the Fondazione Banca del Monte di Lombardia in BPCI (16.24% of the capital).

Attachments
Financial statements

UBI Banca Group:

- Reclassified consolidated balance sheet
- Reclassified consolidated income statement
- Quarterly evolution of reclassified consolidated income statement
- Reclassified consolidated income statement net of the most significant non-recurring items

Notes to the financial statements

To allow a vision that is more consistent with a management accounting style, reclassified financial statements have been prepared. The comments on the performance of the main statement of financial position and income statement items are made on the basis of the reclassified financial statements.

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.

UBI Banca Group: Reclassified consolidated balance sheet

Figures in thousands of euro	30.9.2015 A	31.12.2014 B	Changes A-B	% changes A/B	30.9.2014 C	Changes A-C	% changes A/C
ASSETS							
Cash and cash equivalents	506,505	598,062	-91,557	-15.3%	497,623	8,882	1.8%
Financial assets held for trading	653,418	1,420,506	-767,088	-54.0%	1,014,902	-361,484	-35.6%
Financial assets designated at fair value	195,490	193,167	2,323	1.2%	193,637	1,853	1.0%
Available-for-sale financial assets	15,259,697	18,554,956	-3,295,259	-17.8%	18,331,820	-3,072,123	-16.8%
Held-to-maturity investments	3,486,873	3,576,951	-90,078	-2.5%	3,076,556	410,317	13.3%
Loans and advances to banks	3,632,477	3,340,415	292,062	8.7%	3,329,046	303,431	9.1%
Loans and advances to customers	83,834,141	85,644,223	-1,810,082	-2.1%	84,946,817	-1,112,676	-1.3%
Hedging derivatives	613,696	649,250	-35,554	-5.5%	615,897	-2,201	-0.4%
Fair value change in hedged financial assets (+/-)	61,305	64,124	-2,819	-4.4%	53,668	7,637	14.2%
Equity investments	250,902	246,250	4,652	1.9%	314,143	-63,241	-20.1%
Property, plant and equipment	1,743,948	1,729,107	14,841	0.9%	1,741,474	2,474	0.1%
Intangible assets	1,751,943	1,776,925	-24,982	-1.4%	2,883,252	-1,131,309	-39.2%
of which: goodwill	*1,465,260*	*1,465,260*	-	-	*2,511,679*	*-1,046,419*	*-41.7%*
Tax assets	2,727,227	2,991,600	-264,373	-8.8%	2,566,942	160,285	6.2%
Non-current assets and disposal groups held for sale	11,163	69,893	-58,730	-84.0%	195,469	-184,306	-94.3%
Other assets	960,349	931,275	29,074	3.1%	777,806	182,543	23.5%
Total assets	**115,689,134**	**121,786,704**	**-6,097,570**	**-5.0%**	**120,539,052**	**-4,849,918**	**-4.0%**
LIABILITIES AND EQUITY							
Due to banks	10,871,905	13,292,723	-2,420,818	-18.2%	15,588,229	-4,716,324	-30.3%
Due to customers	50,759,665	51,616,920	-857,255	-1.7%	45,581,825	5,177,840	11.4%
Debt securities issued	38,262,102	41,590,349	-3,328,247	-8.0%	42,271,880	-4,009,778	-9.5%
Financial liabilities held for trading	526,212	617,762	-91,550	-14.8%	586,243	-60,031	-10.2%
Hedging derivatives	871,163	1,009,092	-137,929	-13.7%	806,325	64,838	8.0%
Tax liabilities	510,707	630,223	-119,516	-19.0%	732,156	-221,449	-30.2%
Other liabilities	2,649,872	1,994,340	655,532	32.9%	2,673,720	-23,848	-0.9%
Post-employment benefits	336,309	391,199	-54,890	-14.0%	383,871	-47,562	-12.4%
Provisions for risks and charges:	296,309	285,029	11,280	4.0%	282,886	13,423	4.7%
a) pension and similar obligations	70,230	80,529	-10,299	-12.8%	80,000	-9,770	-12.2%
b) other provisions	226,079	204,500	21,579	10.6%	202,886	23,193	11.4%
Share capital, share premiums, reserves, valuation reserves and treasury shares	9,911,021	10,529,815	-618,794	-5.9%	10,650,908	-739,887	-6.9%
Non-controlling interests	531,876	555,019	-23,143	-4.2%	831,177	-299,301	-36.0%
Profit (loss) for the period/year	161,993	-725,767	n.s.	n.s.	149,832	12,161	8.1%
Total liabilities and equity	**115,689,134**	**121,786,704**	**-6,097,570**	**-5.0%**	**120,539,052**	**-4,849,918**	**-4.0%**

UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	9M 2015 A	9M 2014 B	Changes A-B	% changes A/B	3rd Quarter 2015 C	3rd Quarter 2014 D	Changes C-D	% changes C/D	FY 2014 E
Net interest income	1,245,815	1,376,313	(130,498)	(9.5%)	398,667	467,785	(69,118)	(14.8%)	1,818,387
of which: effects of the purchase price allocation	*(20,248)*	*(21,228)*	*(980)*	*(4.6%)*	*(6,630)*	*(6,990)*	*(360)*	*(5.2%)*	*(28,540)*
Net interest income excluding the effects of the PPA	*1,266,063*	*1,397,541*	*(131,478)*	*(9.4%)*	*405,297*	*474,775*	*(69,478)*	*(14.6%)*	*1,846,927*
Dividends and similar income	8,771	9,244	(473)	(5.1%)	3,452	376	3,076	n.s.	10,044
Profits of equity-accounted investees	23,156	28,817	(5,661)	(19.6%)	3,583	8,155	(4,572)	(56.1%)	37,015
Net fee and commission income	969,545	908,195	61,350	6.8%	300,467	298,502	1,965	0.7%	1,226,587
of which performance fees	*12,686*	*6,241*	*6,445*	*103.3%*	*878*	*2,766*	*(1,888)*	*(68.3%)*	*16,951*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	138,928	150,502	(11,574)	(7.7%)	27,830	13,860	13,970	100.8%	199,658
Other net operating income/expense	80,837	84,521	(3,684)	(4.4%)	24,162	33,025	(8,863)	(26.8%)	117,939
Operating income	**2,467,052**	**2,557,592**	**(90,540)**	**(3.5%)**	**758,161**	**821,703**	**(63,542)**	**(7.7%)**	**3,409,630**
Operating income excluding the effects of the PPA	***2,487,300***	***2,578,820***	***(91,520)***	***(3.5%)***	***764,791***	***828,693***	***(63,902)***	***(7.7%)***	***3,438,170***
Staff costs	(972,730)	(976,637)	(3,907)	(0.4%)	(317,957)	(328,694)	(10,737)	(3.3%)	(1,301,779)
Other administrative expenses	(454,595)	(458,292)	(3,697)	(0.8%)	(141,642)	(147,078)	(5,436)	(3.7%)	(635,034)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(114,730)	(127,693)	(12,963)	(10.2%)	(36,952)	(42,497)	(5,545)	(13.0%)	(171,409)
of which: effects of the purchase price allocation	*(9,875)*	*(14,768)*	*(4,893)*	*(33.1%)*	*(3,285)*	*(4,969)*	*(1,684)*	*(33.9%)*	*(21,416)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(104,855)*	*(112,925)*	*(8,070)*	*(7.1%)*	*(33,667)*	*(37,528)*	*(3,861)*	*(10.3%)*	*(149,993)*
Operating expenses	**(1,542,055)**	**(1,562,622)**	**(20,567)**	**(1.3%)**	**(496,551)**	**(518,269)**	**(21,718)**	**(4.2%)**	**(2,108,222)**
Operating expenses excluding the effects of the PPA	***(1,532,180)***	***(1,547,854)***	***(15,674)***	***(1.0%)***	***(493,266)***	***(513,300)***	***(20,034)***	***(3.9%)***	***(2,086,806)***
Net operating income	**924,997**	**994,970**	**(69,973)**	**(7.0%)**	**261,610**	**303,434**	**(41,824)**	**(13.8%)**	**1,301,408**
Net operating income excluding the effects of the PPA	***955,120***	***1,030,966***	***(75,846)***	***(7.4%)***	***271,525***	***315,393***	***(43,868)***	***(13.9%)***	***1,351,364***
Net impairment losses on loans	(557,633)	(626,151)	(68,518)	(10.9%)	(168,534)	(197,050)	(28,516)	(14.5%)	(928,617)
Net impairment losses on other financial assets and liabilities	(6,402)	(2,268)	4,134	182.3%	(3,054)	(267)	2,787	n.s.	(8,650)
Net provisions for risks and charges	(47,769)	(3,951)	43,818	n.s.	(18,634)	(1,249)	17,385	n.s.	(9,074)
Profits (losses) from the disposal of equity investments	383	(349)	732	n.s.	300	81	219	270.4%	94,007
Pre-tax profit from continuing operations	**313,576**	**362,251**	**(48,675)**	**(13.4%)**	**71,688**	**104,949**	**(33,261)**	**(31.7%)**	**449,074**
Pre-tax profit from continuing operations excluding the effects of the PPA	***343,699***	***398,247***	***(54,548)***	***(13.7%)***	***81,603***	***116,908***	***(35,305)***	***(30.2%)***	***499,030***
Taxes on income for the period/year from continuing operations	(127,779)	(187,483)	(59,704)	(31.8%)	(28,632)	(52,115)	(23,483)	(45.1%)	(186,926)
of which: effects of the purchase price allocation	*9,986*	*11,742*	*(1,756)*	*(15.0%)*	*3,287*	*2,059*	*1,228*	*59.6%*	*16,523*
Profit for the period/year attributable to non-controlling interests	(22,614)	(24,936)	(2,322)	(9.3%)	(5,506)	(9,194)	(3,688)	(40.1%)	(28,918)
of which: effects of the purchase price allocation	*1,586*	*2,155*	*(569)*	*(26.4%)*	*423*	*867*	*(444)*	*(51.2%)*	*2,754*
Profit for the period/year attributable to the shareholders of the Parent before redundancies and impairment excluding the effects of the PPA	*181,734*	*171,931*	*9,803*	*5.7%*	*43,755*	*52,673*	*(8,918)*	*(16.9%)*	*263,909*
Profit for the period/year attributable to the shareholders of the Parent before redundancies and impairment	**163,183**	**149,832**	**13,351**	**8.9%**	**37,550**	**43,640**	**(6,090)**	**(14.0%)**	**233,230**
Redundancy expenses net of taxes and non-controlling interests	(1,190)	-	1,190	n.s.	-	-	-	-	(76,311)
Impairment losses on goodwill, finite useful life intangible assets and property, plant and equipment net of taxes and non-controlling interests	-	-	-	-	-	-	-	-	(882,686)
Profit (loss) for the year/period attributable to the shareholders of the Parent	**161,993**	**149,832**	**12,161**	**8.1%**	**37,550**	**43,640**	**(6,090)**	**(14.0%)**	**(725,767)**
Total impact of the purchase price allocation on the income statement	*(18,551)*	*(22,099)*	*(3,548)*	*(16.1%)*	*(6,205)*	*(9,033)*	*(2,828)*	*(31.3%)*	*(30,679)*

UBI Banca Group: Reclassified consolidated quarterly income statements

Figures in thousands of euro	2015			2014			
	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Net interest income	398,667	416,543	430,605	442,074	467,785	454,056	454,472
of which: effects of the purchase price allocation	*(6,630)*	*(7,115)*	*(6,503)*	*(7,312)*	*(6,990)*	*(7,782)*	*(6,456)*
Net interest income excluding the effects of the PPA	*405,297*	*423,658*	*437,108*	*449,386*	*474,775*	*461,838*	*460,928*
Dividends and similar income	3,452	4,786	533	800	376	8,081	787
Profits of equity-accounted investees	3,583	13,405	6,168	8,198	8,155	9,763	10,899
Net fee and commission income	300,467	327,886	341,192	318,392	298,502	309,583	300,110
of which performance fees	*878*	*4,934*	*6,874*	*10,710*	*2,766*	*2,824*	*651*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	27,830	53,074	58,024	49,156	13,860	74,031	62,611
Other net operating income/expense	24,162	27,186	29,489	33,418	33,025	26,950	24,546
Operating income	**758,161**	**842,880**	**866,011**	**852,038**	**821,703**	**882,464**	**853,425**
Operating income excluding the effects of the PPA	***764,791***	***849,995***	***872,514***	***859,350***	***828,693***	***890,246***	***859,881***
Staff costs	(317,957)	(319,843)	(334,930)	(325,142)	(328,694)	(321,849)	(326,094)
Other administrative expenses	(141,642)	(165,021)	(147,932)	(176,742)	(147,078)	(158,598)	(152,616)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(36,952)	(39,280)	(38,498)	(43,716)	(42,497)	(42,663)	(42,533)
of which: effects of the purchase price allocation	*(3,285)*	*(3,316)*	*(3,274)*	*(6,648)*	*(4,969)*	*(4,888)*	*(4,911)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(33,667)*	*(35,964)*	*(35,224)*	*(37,068)*	*(37,528)*	*(37,775)*	*(37,622)*
Operating expenses	**(496,551)**	**(524,144)**	**(521,360)**	**(545,600)**	**(518,269)**	**(523,110)**	**(521,243)**
Operating expenses excluding the effects of the PPA	***(493,266)***	***(520,828)***	***(518,086)***	***(538,952)***	***(513,300)***	***(518,222)***	***(516,332)***
Net operating income	**261,610**	**318,736**	**344,651**	**306,438**	**303,434**	**359,354**	**332,182**
Net operating income excluding the effects of the PPA	***271,525***	***329,167***	***354,428***	***320,398***	***315,393***	***372,024***	***343,549***
Net impairment losses on loans	(168,534)	(198,907)	(190,192)	(302,466)	(197,050)	(230,475)	(198,626)
Net impairment losses on other financial assets and liabilities	(3,054)	(2,382)	(966)	(6,382)	(267)	(3,674)	1,673
Net provisions for risks and charges	(18,634)	(24,816)	(4,319)	(5,123)	(1,249)	7,361	(10,063)
Profits (losses) from the disposal of equity investments	300	392	(309)	94,356	81	230	(660)
Pre-tax profit from continuing operations	**71,688**	**93,023**	**148,865**	**86,823**	**104,949**	**132,796**	**124,506**
Pre-tax profit from continuing operations excluding the effects of the PPA	***81,603***	***103,454***	***158,642***	***100,783***	***116,908***	***145,466***	***135,873***
Taxes on income for the period from continuing operations	(28,632)	(37,149)	(61,998)	557	(52,115)	(76,666)	(58,702)
of which: effects of the purchase price allocation	*3,287*	*3,458*	*3,241*	*4,781*	*2,059*	*5,930*	*3,753*
Profit for the period attributable to non-controlling interests	(5,506)	(7,359)	(9,749)	(3,982)	(9,194)	(8,073)	(7,669)
of which: effects of the purchase price allocation	*423*	*604*	*559*	*599*	*867*	*565*	*723*
Profit for the period attributable to the shareholders of the Parent before redundancies and impairment excluding the effects of the PPA	*43,755*	*54,884*	*83,095*	*91,978*	*52,673*	*54,232*	*65,026*
Profit for the period attributable to the shareholders of the Parent before redundancies and impairment	**37,550**	**48,515**	**77,118**	**83,398**	**43,640**	**48,057**	**58,135**
Redundancy expenses net of taxes and non-controlling interests	-	-	(1,190)	(76,311)	-	-	-
Impairment losses on goodwill, finite useful life intangible assets and property, plant and equipment net of taxes and non-controlling interests	-	-	-	(882,686)	-	-	-
Profit (loss) for the period attributable to the shareholders of the Parent	**37,550**	**48,515**	**75,928**	**(875,599)**	**43,640**	**48,057**	**58,135**
Total impact of the purchase price allocation on the income statement	*(6,205)*	*(6,369)*	*(5,977)*	*(8,580)*	*(9,033)*	*(6,175)*	*(6,891)*

UBI Banca Group: Reclassified consolidated income statement net of the most significant non-recurring items

Figures in thousands of euro	9M 2015	non-recurring items: Disposal of equity investments	non-recurring items: Impairment losses on equity instruments, bonds and units of UCITS (AFS)	non-recurring items: IW Bank and UBI Banca Private Investment integration costs	non-recurring items: Redundancy expenses (purs. to 4th February 2015 Agreement)	9M 2015 *net of non-recurring items*	9M 2014	non-recurring items: Adjustment to the sales price of Banque de Dépôts et de Gestion Sa (Switzerland)	non-recurring items: Change in the substitute tax on the valuation of the profit sharing stakes held in the Bank of Italy	non-recurring items: Impact of the change in the IRAP tax rate on prior year deferred tax provisions	non-recurring items: Impairment of AFS securities	non-recurring items: Write-off of the Prestitalia IT platform	9M 2014 *net of non-recurring items*	Changes A-B	% changes A/B
Net interest income (including the effects of the PPA)	1,245,815					1,245,815	1,376,313						1,376,313	(130,498)	(9.5%)
Dividends and similar income	8,771					8,771	9,244						9,244	(473)	(5.1%)
Profits of equity-accounted investees	23,156					23,156	28,817						28,817	(5,661)	(19.6%)
Net fee and commission income	969,545					969,545	908,195						908,195	61,350	6.8%
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	138,928					138,928	150,502						150,502	(11,574)	(7.7%)
Other net operating income/expense	80,837					80,837	84,521						84,521	(3,684)	(4.4%)
Operating income (including the effects of the PPA)	**2,467,052**	**-**	**-**	**-**	**-**	**2,467,052**	**2,557,592**	**-**	**-**	**-**	**-**	**-**	**2,557,592**	**(90,540)**	**(3.5%)**
Staff costs	(972,730)					(972,730)	(976,637)						(976,637)	(3,907)	(0.4%)
Other administrative expenses	(454,595)			7,689		(446,906)	(458,292)						(458,292)	(11,386)	(2.5%)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(114,730)					(114,730)	(127,693)					1,481	(126,212)	(11,482)	(9.1%)
Operating expenses (including the effects of the PPA)	**(1,542,055)**	**-**	**-**	**7,689**	**-**	**(1,534,366)**	**(1,562,622)**	**-**	**-**	**-**	**-**	**1,481**	**(1,561,141)**	**(26,775)**	**(1.7%)**
Net operating income (including the effects of the PPA)	**924,997**	**-**	**-**	**7,689**	**-**	**932,686**	**994,970**	**-**	**-**	**-**	**-**	**1,481**	**996,451**	**(63,765)**	**(6.4%)**
Net impairment losses on loans	(557,633)					(557,633)	(626,151)						(626,151)	(68,518)	(10.9%)
Net impairment losses on other financial assets and liabilities	(6,402)		9,988			3,586	(2,268)				712		(1,556)	5,142	n.s.
Net provisions for risks and charges	(47,769)					(47,769)	(3,951)						(3,951)	43,818	n.s.
Profits (losses) from the disposal of equity investments	383	463				846	(349)	890					541	305	56.4%
Pre-tax profit from continuing operations (including the effects of the PPA)	**313,576**	**463**	**9,988**	**7,689**	**-**	**331,716**	**362,251**	**890**	**-**	**-**	**712**	**1,481**	**365,334**	**(33,618)**	**(9.2%)**
Taxes on income for the period from continuing operations	(127,779)	5	(2,589)	(2,543)		(132,906)	(187,483)		4,482	19,565		(483)	(163,919)	(31,013)	(18.9%)
Profit for the period attributable to non-controlling interests	(22,614)		(1)	(159)		(22,774)	(24,936)		(826)	(8)	(180)		(25,950)	(3,176)	(12.2%)
Profit for the period attributable to the shareholders of the Parent before redundancy expenses	**163,183**	**468**	**7,398**	**4,987**	**-**	**176,036**	**149,832**	**890**	**3,656**	**19,557**	**532**	**998**	**175,465**	**571**	**0.3%**
Redundancy expenses net of taxes and non-controlling interests	(1,190)				1,190	-	-						-	-	-
Profit for the period attributable to the shareholders of the Parent	**161,993**	**468**	**7,398**	**4,987**	**1,190**	**176,036**	**149,832**	**890**	**3,656**	**19,557**	**532**	**998**	**175,465**	**571**	**0.3%**