PRESS RELEASE

First application of the Basel 3 calculation method for capital ratios:
Common equity tier one ratio "phased in" as at 31st March 2014 of 12.2% (not inclusive of retained profit for the period)
Total capital ratio "phased in" of 17.7% after reimbursement of Tier 1 instruments[1]
Common equity tier one ratio "fully loaded" at regime of approximately 10.5%

The NSFR and LCR > 1 even net of the LTRO

Income statement results (1Q 2014 vs. 1Q 2013):
Consolidated profit of €58.1 million, a more than twofold increase compared with €26.5 million in 1Q 2013
Operating income of €853.4 million (+6.7% y/y)
- **Net interest income of €454.5 million (+8.9% y/y)**
- **Net fee and commission income of €300.1 million (-1.5% y/y)**
- **Finance result of €62.6 million (€42 million in the 1Q 2013)**

Constantly lower operating expenses, down to €521.2 million (-3.2% y/y) – all expense items decrease yet again
Net operating income of € 332.2 mln (+27% y/y)
Annualised loan loss rate of 91 basis points (68 basis points in 1Q 2013)
Pre-tax profit from continued operations of € 124.5 (+34.5% y/y)

Total deteriorated loan stocks fall slightly (-€15 million gross and -€104 million net, as a result of an increase in coverage) compared with December 2013

Lending down by 1.5% vs. Dec13 to €87.1 billion, the result of basic stability for core lending and a reduction in product company loans and loans in run off
Net of repurchase agreements with the *Cassa di Compensazione e Garanzia* (a central counterparty clearing house), direct funding rose by 2.7% vs Dec13 to €89.4 billion

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Bergamo, 13th May 2014 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) approved the consolidated results for the first quarter of 2014, which ended with a **profit of €58.1 million** compared with €26.5 million in the first quarter of 2013.

The first months of 2014 recorded good performance by both net interest income, even if volumes of business continued to diminish, although the first positive signs of new grants did begin to appear, and also by financial activities, due to the decrease in the spread on government securities. On the other hand, the period also benefited from continued careful management of operating expenses, which led to lower structural operating costs.

[1] Redemption of preference shares between February and end March 2014.

In the first quarter of the year Group operations generated **growth in net operating income** which rose to €332.2 million, up by 27% compared with €261.5 million in 2013.

Operating income came to €853.4 million, an increase of 6.7% compared with €799.8 million in the first quarter of 2013 thanks to the good performance of "core" revenues.

Net interest income (inclusive of the PPA) came to €454.5 million, up by 8.9% (+€37 million) year-on-year, largely as a result of good performance by ordinary business with customers which rose to €360.9 million (+ €23.5 million), following an improvement in the customer spread which rose to 179 basis points from 159 basis points in the first quarter of 2013 (174 basis points in the fourth quarter of 2013), basically in relation to a significant decrease in the cost of funding.
However, seasonally adjusted, net interest income would have recorded growth of 1.1% also compared to the fourth quarter of 2013.

Net fee and commission income amounted to €300.1 million compared with €304.8 million in the same period of 2013, the aggregate result on the one hand of good performance by commissions on investment services (up by 6% to €159.6 million) and on the other hand of a decrease in commissions from general banking services (down by 9.1% to €150.6 million), while commissions paid for the issuance of government backed bonds fell to €10.1 million (€11.5 million in the first quarter of 2013) and incorporated the first effects of the early redemption of €3 billion of these bonds carried out at the beginning of March.

The **finance result** totalled €62.6 million (€42 million in the first quarter of 2013).
This result was composed as follows: €34.1 million from trading (€26.3 million in the first quarter of 2013); €32.1 million, attributable to the disposal of available-for-sale securities, mainly €1.5 billion of Italian government securities (€14.7 million in the first quarter of 2013); €0.6 million to the change in value of financial assets designated at fair value (€2.3 million in the first quarter of 2013); while the result for hedging activity was a loss of €4.2 million (-€1.3 million in the first quarter of 2013).

Other net operating income/expense fell from €26.8 million to €24.5 million, due mainly to the impact of the CIV - fast credit processing fees (down by €2.6 million) as a result of monitoring action taken to manage unauthorised overdrafts.

Consistent with action taken to rationalise structural processes, including the disposal of Banque de Dépôts et de Gestion, and to optimise activities, operating expenses fell in the first three months of the year to €521.2 million (down by €17.1 million compared with the first quarter of 2013), which confirmed the increasingly sharper trend to reduce the general operating costs of the Group, seen in the reduction in all items of expense.

In detail:

- **staff costs** of €326.1 million fell by 1.6% year-on-year due to a reduction in average staff numbers and despite ordinary wage trends.

  As concerns evolution of costs, it is to be remembered that a trade union agreement was signed on 6th March 2014 with which exit applications in excess of those provided for in the November 2012/February 2013 agreements were accepted. By June 2014, a total of 183 staff will access the "solidarity fund", with estimated yearly gross cost savings of approximately 15 million at regime;
- **other administrative expenses** of €152.6 million decreased by 5.6% year-on-year, as a result of long-term efforts to contain costs which involved most items of current spending;

- finally, **depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets** (inclusive of the PPA) totalled €42.5 million, also down by €2.7 million compared with 2013, as a result of lower depreciation and amortisation in the core perimeter of the Group and of the disposal of BDG.

In the period January-March of 2014 **net impairment losses on loans** rose to €198.6 million, compared with €157.7 million in the first quarter of 2013, to give an annualised loan loss rate of 0.91% of the total net loans, compared with 0.68% before.
The aggregate is the sum of net analytical impairment losses on deteriorated loans of €212.2 million (€155.7 million in 2013), again the result of a weak economy, and of write backs of collective impairment losses on performing loans of €13.6 million (-€2.1 million in 2013), due mainly to a reduction in volumes of business and to the re-composition of loans towards low risk categories.
The level of reversals of analytical losses was again high at €118 million in the first quarter of 2014 (€75 million in the first quarter of 2013).

As a result of the performance described above, **profit on continuing operations before tax** amounted to €124.5 million, an improvement of 34.5% million compared with the same quarter in 2013.

Taxes on income for the period from continuing operations amounted to €58.7 million, compared with €56.6 million in the first quarter of 2013, to give a tax rate of 47.15%, compared with 61.13% before.

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The balance sheet

Lending to customers as at 31st March 2014 amounted to €87.1 billion, down by 1.5% compared with December 2013, due primarily to the impact of a reduction in lending by the product companies, which are currently changing their business focus in terms of customers mix, and to a natural depletion in the stock of loans in run off (relating to higher risk sectors and indirect distribution networks no longer used).
As on the other hand concerns the Group's network banks, the first signs of improvement seen in the second half 2013 intensified in the first quarter of the year consisting of new grants of medium to long-term loans equal to 96% of maturing loans (82% in the first quarter of 2013). Both mortgages granted to private individuals and medium to long-term loans to corporate and small business customers were up by 43%, 27% and 22% respectively compared with the first quarter of 2013.

As concerns credit quality, **total gross deteriorated loans** (non-performing loans, impaired loans, restructured and past due/in arrears loans) **showed the first timid signs of improvement in March 2014**, recording a slight decrease to €12,659 million (€12,674 million in December 2013).

Again at the end of March 2014, **coverage for total deteriorated loans recorded an increase of 74 basis points to 27.26% (26.52% in December 2013)**. If loan write-offs are included, coverage for deteriorated loans rose by 97 basis points to 37.23% (36.26% in December 2013).

In terms of gross flows, a reduction was recorded in migrations of new deteriorated loans from performing loans (-41.7% to €623 million in the first quarter of 2014 from €1,069 million in the first quarter of 2013) and returns from deteriorated to performing loans increased (+2.3% to €356 million in the first quarter of 2014 from €348 million in the first quarter of 2013) as did repayments on deteriorated loans (+23% to €235 million in the first quarter of 2014 from €191 million in the first quarter of 2013).

As a result of the performance by total gross deteriorated loans and an increase in coverage, total net deteriorated loans fell by €104 million to €9,208 million (€9,312 million in December 2013).

In detail, net non-performing loans stood at €3,548 million (€3,437 million as at December 2013), accounting for 4.07% of total net loans.
Coverage for non-performing loans was 41% compared with 41.6% in December 2013 as a result of the entry of new positions backed by high levels of collateral in the first part of the year.
The percentage of positions backed by collateral (63% of the gross total) remains significant. Coverage for unsecured positions, considered gross of loan write-offs, was again high (71.9%).

Net impaired loans fell to €4,254 million from €4,314 million at the end of 2013, accounting for 4.88% of total loans.
Total coverage for impaired loans increased sharply to 16.22% compared with 15.12% in December 2013. The large presence of positions backed by collateral also has a strong impact on this category of loan, accounting for 63.5% of total gross impaired loans, which require less recognition of impairment. Coverage for unsecured positions was 25.25%.

Net restructured positions stood at €760 million, in line with €751 million in December 2013 (with coverage of 14.16% compared with 13.94% in December 2013). Positions past due/in arrears amounted to €647 million compared with €811 million in December 2013 (with coverage of 4.95% compared with 2.83% in December 2013).

Total direct funding as at 31st March 2014 amounted to €90.8 billion compared with €92.6 billion in December 2013. Net of repurchase agreements with the *Cassa di Compensazione e Garanzia* (a central counterparty clearing house), down by €1.4 billion in March 2014 compared with €5.5 billion in December 2013, total direct funding from customers grew by 2.7% to €89.4 billion from €87.1 billion in December 2013, as a result of bonds placed to both ordinary customers of the Network Banks (€2.7 billion issued vs €1.9 billion matured) and institutional international customers (€2 billion issued).

As a consequence of the above, **the ratio of loans to deposits** at the end of March 2014 was 95.9% (95.5% at the end of December 2013).

Group exposure to the ECB remained unchanged as at 31st March 2014 and consisted of a total of €12 billion nominal, the result of Group participation in three-year LTRO auctions held by the ECB in December 2011 and February 2012, recognised within the item "due to banks" and therefore not included within direct funding. The liquidity indicators calculated according to Basel 3 rules (NSFR and LCR) are still greater than one even net of the LTRO.

The Group's solid liquidity position is further assured by its **assets eligible for refinancing**, which as at 5th May 2014 totalled €33.2 billion net of haircuts (of which €19.6 billion available).

At the end of March 2014 the Group's **financial assets** amounted to €23.2 billion, of which €21.1 billion related to Italian government securities. The latter have increased slightly compared with December 2013, but should decrease towards the end of the year.

Finally, **indirect funding from ordinary customers** increased to €73.4 billion compared with €71.7 billion at the end of December 2013, with positive growth in all items: assets under management in the strict sense rose to €27.9 billion (+0.3%), insurance funding was up to €11.9 billion (+1.3%) and the assets under custody amounted to €33.6 billion (+4.7%).

Consolidated equity of the UBI Banca Group as at 31st March 2014, including profit for the period, amounted to €10,667 million (€10,339 million at the end of December 2013).

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Human resources of the UBI Banca Group totalled 18,379 as at 31st March 2014, a decrease compared to December 2013 (18,338). The branch network at the end of the period consisted of 1,724 branches in Italy (1,673 in May) 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 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 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

Under current market conditions net interest income is expected to continue to improve and it should also continue to benefit in terms of expense from easing pressure on the cost of funding and in terms of income from the progressive replacement of medium to long-term loans, made in the past at lower spreads than those practised at present.
Resilient performance by fee and commission income is expected to continue.
A further decrease in sovereign debt risk could allow positive results to be achieved for trading and hedging activity again in the remaining part of the year.
The downward trend for administrative expenses will continue, while the performance of staff costs will depend on the final outcome of the renewal of the national trade union contract.
The slowdown in the pace of new defaults on loans recorded in the first quarter of the current year allows expectations of an improvement compared to 2013 in loan losses to be confirmed.

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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	31.3.2014 A	31.12.2013 B	Changes A-B	% changes A/B	31.3.2013 C	Changes A-C	% changes A/C
ASSETS							
Cash and cash equivalents	492,398	589,705	-97,307	-16.5%	487,951	4,447	0.9%
Financial assets held for trading	3,900,044	3,056,264	843,780	27.6%	5,045,199	-1,145,155	-22.7%
Financial assets designated at fair value	193,692	208,143	-14,451	-6.9%	202,979	-9,287	-4.6%
Available-for-sale financial assets	16,030,885	15,489,497	541,388	3.5%	14,134,430	1,896,455	13.4%
Held-to-maturity investments	3,113,263	3,086,815	26,448	0.9%	3,185,071	-71,808	-2.3%
Loans and advances to banks	4,009,183	4,129,756	-120,573	-2.9%	5,505,388	-1,496,205	-27.2%
Loans and advances to customers	87,094,749	88,421,467	-1,326,718	-1.5%	92,264,578	-5,169,829	-5.6%
Hedging derivatives	323,782	253,609	70,173	27.7%	410,003	-86,221	-21.0%
Fair value change in hedged financial assets (+/-)	36,493	33,380	3,113	9.3%	78,088	-41,595	-53.3%
Equity investments	427,438	411,886	15,552	3.8%	447,352	-19,914	-4.5%
Property, plant and equipment	1,780,575	1,798,353	-17,778	-1.0%	1,940,484	-159,909	-8.2%
Intangible assets	2,903,371	2,918,509	-15,138	-0.5%	2,956,402	-53,031	-1.8%
of which: goodwill	*2,511,679*	*2,511,679*	-	-	*2,536,574*	*-24,895*	*-1.0%*
Tax assets	2,824,368	2,833,188	-8,820	-0.3%	2,625,658	198,710	7.6%
Non-current assets and disposal groups held for sale	79,769	79,877	-108	-0.1%	23,205	56,564	243.8%
Other assets	773,252	931,388	-158,136	-17.0%	1,089,100	-315,848	-29.0%
Total assets	**123,983,262**	**124,241,837**	**-258,575**	**-0.2%**	**130,395,888**	**-6,412,626**	**-4.9%**
LIABILITIES AND EQUITY							
Due to banks	15,397,770	15,017,266	380,504	2.5%	15,086,195	311,575	2.1%
Due to customers	46,366,664	50,702,157	-4,335,493	-8.6%	54,816,744	-8,450,080	-15.4%
Debt securities issued	44,477,537	41,901,779	2,575,758	6.1%	43,861,671	615,866	1.4%
Financial liabilities held for trading	1,409,672	1,396,350	13,322	1.0%	1,801,256	-391,584	-21.7%
Hedging derivatives	528,059	483,545	44,514	9.2%	1,167,314	-639,255	-54.8%
Tax liabilities	908,372	756,359	152,013	20.1%	748,223	160,149	21.4%
Other liabilities	2,704,318	2,111,533	592,785	28.1%	1,647,419	1,056,899	64.2%
Post-employment benefits	387,412	382,262	5,150	1.3%	389,246	-1,834	-0.5%
Provisions for risks and charges:	320,253	309,219	11,034	3.6%	329,075	-8,822	-2.7%
a) pension and similar obligations	76,251	77,387	-1,136	-1.5%	79,575	-3,324	-4.2%
b) other provisions	244,002	231,832	12,170	5.2%	249,500	-5,498	-2.2%
Share capital, share premiums, reserves, valuation reserves and treasury shares	10,609,347	10,088,562	520,785	5.2%	9,692,341	917,006	9.5%
Non-controlling interests	815,723	841,975	-26,252	-3.1%	829,946	-14,223	-1.7%
Profit for the period/year	58,135	250,830	-192,695	-76.8%	26,458	31,677	119.7%
Total liabilities and equity	**123,983,262**	**124,241,837**	**-258,575**	**-0.2%**	**130,395,888**	**-6,412,626**	**-4.9%**

UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	1Q 2014 A	1Q 2013 B	Changes A-B	% changes A/B	FY 2013 C
Net interest income	454,472	417,220	37,252	8.9%	1,750,801
of which: effects of the purchase price allocation	*(6,456)*	*(9,563)*	*(3,107)*	*(32.5%)*	*(33,983)*
Net interest income excluding the effects of the PPA	*460,928*	*426,783*	*34,145*	*8.0%*	*1,784,784*
Dividends and similar income	787	455	332	73.0%	10,409
Profits of equity-accounted investees	10,899	8,506	2,393	28.1%	46,579
Net fee and commission income	300,110	304,786	(4,676)	(1.5%)	1,187,065
of which performance fees	-	-	-	-	*14,198*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	62,611	42,016	20,595	49.0%	324,554
Other net operating income/expense	24,546	26,799	(2,253)	(8.4%)	117,884
Operating income	**853,425**	**799,782**	**53,643**	**6.7%**	**3,437,292**
Operating income excluding the effects of the PPA	***859,881***	***809,345***	***50,536***	***6.2%***	***3,471,275***
Staff costs	(326,094)	(331,353)	(5,259)	(1.6%)	(1,301,717)
Other administrative expenses	(152,616)	(161,693)	(9,077)	(5.6%)	(659,893)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(42,533)	(45,275)	(2,742)	(6.1%)	(180,188)
of which: effects of the purchase price allocation	*(4,911)*	*(5,098)*	*(187)*	*(3.7%)*	*(20,377)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(37,622)*	*(40,177)*	*(2,555)*	*(6.4%)*	*(159,811)*
Operating expenses	**(521,243)**	**(538,321)**	**(17,078)**	**(3.2%)**	**(2,141,798)**
Operating expenses excluding the effects of the PPA	***(516,332)***	***(533,223)***	***(16,891)***	***(3.2%)***	***(2,121,421)***
Net operating income	**332,182**	**261,461**	**70,721**	**27.0%**	**1,295,494**
Net operating income excluding the effects of the PPA	***343,549***	***276,122***	***67,427***	***24.4%***	***1,349,854***
Net impairment losses on loans	(198,626)	(157,742)	40,884	25.9%	(942,978)
Net impairment losses on other financial assets and liabilities	1,673	(8,313)	9,986	n.s.	(47,511)
Net provisions for risks and charges	(10,063)	(2,329)	7,734	332.1%	(12,372)
Losses from the disposal of equity investments	(660)	(524)	136	26.0%	(7,324)
Pre-tax profit from continuing operations	**124,506**	**92,553**	**31,953**	**34.5%**	**285,309**
Pre-tax profit from continuing operations excluding the effects of the PPA	***135,873***	***107,214***	***28,659***	***26.7%***	***339,669***
Taxes on income for the period/year from continuing operations	(58,702)	(56,579)	2,123	3.8%	55,136
of which: effects of the purchase price allocation	*3,753*	*4,845*	*(1,092)*	*(22.5%)*	*17,959*
Post-tax profit (loss) from discontinued operations	-	-	-	-	-
Profit for the period/year attributable to non-controlling interests	(7,669)	(9,516)	(1,847)	(19.4%)	(25,895)
of which: effects of the purchase price allocation	*723*	*940*	*(217)*	*(23.1%)*	*3,385*
Profit for the year/period attributable to the shareholders of the Parent before impairment and expenses for leaving incentives excluding the effects of the PPA	*65,026*	*35,334*	*29,692*	*84.0%*	*347,566*
Profit for the year/period attributable to the shareholders of the Parent before impairment and expenses for leaving incentives	**58,135**	**26,458**	**31,677**	**119.7%**	**314,550**
Net impairment losses on goodwill and property, plant and equipment net of taxes and non-controlling interests	-	-	-	-	(37,736)
Expenses for the leaving incentives programme net of taxes and non-controlling interests	-	-	-	-	(25,984)
Profit for the year/period attributable to the shareholders of the Parent	**58,135**	**26,458**	**31,677**	**119.7%**	**250,830**

Total impact of the purchase price allocation on the income statement	*(6,891)*	*(8,876)*	*(1,985)*	*(22.4%)*	*(33,016)*

UBI Banca Group: Reclassified consolidated quarterly income statements

Figures in thousands of euro	2014	2013			
	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Net interest income	454,472	459,353	446,006	428,222	417,220
of which: effects of the purchase price allocation	*(6,456)*	*(7,528)*	*(7,859)*	*(9,033)*	*(9,563)*
Net interest income excluding the effects of the PPA	*460,928*	*466,881*	*453,865*	*437,255*	*426,783*
Dividends and similar income	787	1,072	1,119	7,763	455
Profits of equity-accounted investees	10,899	2,913	12,947	22,213	8,506
Net fee and commission income	300,110	298,957	285,863	297,459	304,786
of which performance fees	-	*14,198*	-	-	-
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	62,611	156,099	59,088	67,351	42,016
Other net operating income/expense	24,546	32,627	29,030	29,428	26,799
Operating income	**853,425**	**951,021**	**834,053**	**852,436**	**799,782**
Operating income excluding the effects of the PPA	***859,881***	***958,549***	***841,912***	***861,469***	***809,345***
Staff costs	(326,094)	(327,339)	(328,144)	(314,881)	(331,353)
Other administrative expenses	(152,616)	(165,944)	(158,699)	(173,557)	(161,693)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(42,533)	(45,139)	(44,660)	(45,114)	(45,275)
of which: effects of the purchase price allocation	*(4,911)*	*(5,093)*	*(5,088)*	*(5,098)*	*(5,098)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(37,622)*	*(40,046)*	*(39,572)*	*(40,016)*	*(40,177)*
Operating expenses	**(521,243)**	**(538,422)**	**(531,503)**	**(533,552)**	**(538,321)**
Operating expenses excluding the effects of the PPA	***(516,332)***	***(533,329)***	***(526,415)***	***(528,454)***	***(533,223)***
Net operating income	**332,182**	**412,599**	**302,550**	**318,884**	**261,461**
Net operating income excluding the effects of the PPA	***343,549***	***425,220***	***315,497***	***333,015***	***276,122***
Net impairment losses on loans	(198,626)	(366,337)	(192,749)	(226,150)	(157,742)
Net impairment losses on other financial assets and liabilities	1,673	(25,233)	(5,005)	(8,960)	(8,313)
Net provisions for risks and charges	(10,063)	1,961	(2,729)	(9,275)	(2,329)
Losses from the disposal of equity investments	(660)	(7,507)	(902)	1,609	(524)
Pre-tax profit from continuing operations	**124,506**	**15,483**	**101,165**	**76,108**	**92,553**
Pre-tax profit from continuing operations excluding the effects of the PPA	***135,873***	***28,104***	***114,112***	***90,239***	***107,214***
Taxes on income for the period/year from continuing operations	(58,702)	204,702	(46,480)	(46,507)	(56,579)
of which: effects of the purchase price allocation	*3,753*	*4,169*	*4,276*	*4,669*	*4,845*
Post-tax profit (loss) from discontinued operations	-	-	-	-	-
Profit for the period attributable to non-controlling interests	(7,669)	(7,579)	(5,674)	(3,126)	(9,516)
of which: effects of the purchase price allocation	*723*	*778*	*811*	*856*	*940*
Profit for the period attributable to the shareholders of the Parent before impairment and expenses for leaving incentives excluding the effects of the PPA	*65,026*	*220,280*	*56,871*	*35,081*	*35,334*
Profit for the year/period attributable to the shareholders of the Parent before impairment and expenses for leaving incentives	**58,135**	**212,606**	**49,011**	**26,475**	**26,458**
Net impairment losses on goodwill and property, plant and equipment net of taxes and non-controlling interests	-	(37,736)	-	-	-
Expenses for the leaving incentives programme net of taxes and non-controlling interests	-	(25,984)	-	-	-
Profit for the period attributable to the shareholders of the Parent	**58,135**	**148,886**	**49,011**	**26,475**	**26,458**

Total impact of the purchase price allocation on the income statement	*(6,891)*	*(7,674)*	*(7,860)*	*(8,606)*	*(8,876)*

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

Figures in thousands of euro	1Q 2014	non-recurring items: Balance on sales price for BDG	1Q 2014 *net of non-recurring items* A	1Q 2013	non-recurring items: Disposal of Intesa Sanpaolo and A2A shares (AFS)	non-recurring items: Net impairment losses on financial assets (AFS)	non-recurring items: Cerved Group (formerly Centrale Bilanci) earn-out	1Q 2013 *net of non-recurring items* B	Changes A-B	% Changes A/B
Net interest income (including the effects of the PPA)	454,472		454,472	417,220				417,220	37,252	8.9%
Dividends and similar income	787		787	455				455	332	73.0%
Profits of equity-accounted investees	10,899		10,899	8,506				8,506	2,393	28.1%
Net fee and commission income	300,110		300,110	304,786				304,786	(4,676)	(1.5%)
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	62,611		62,611	42,016	(11,974)		(1,525)	28,517	34,094	119.6%
Other net operating income/expense	24,546		24,546	26,799				26,799	(2,253)	(8.4%)
Operating income (including the effects of PPA)	**853,425**	**-**	**853,425**	**799,782**	**(11,974)**	**-**	**(1,525)**	**786,283**	**67,142**	**8.5%**
Staff costs	(326,094)		(326,094)	(331,353)				(331,353)	(5,259)	(1.6%)
Other administrative expenses	(152,616)		(152,616)	(161,693)				(161,693)	(9,077)	(5.6%)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(42,533)		(42,533)	(45,275)				(45,275)	(2,742)	(6.1%)
Operating expenses (including the effects of PPA)	**(521,243)**	**-**	**(521,243)**	**(538,321)**	**-**	**-**	**-**	**(538,321)**	**(17,078)**	**(3.2%)**
Net operating income (including the effects of PPA)	**332,182**	**-**	**332,182**	**261,461**	**(11,974)**	**-**	**(1,525)**	**247,962**	**84,220**	**34.0%**
Net impairment losses on loans	(198,626)		(198,626)	(157,742)				(157,742)	40,884	25.9%
Net impairment losses on other financial assets and liabilities	1,673		1,673	(8,313)		9,042		729	944	129.5%
Net provisions for risks and charges	(10,063)		(10,063)	(2,329)				(2,329)	7,734	332.1%
Losses from the disposal of equity investments	(660)	890	230	(524)				(524)	754	n.s.
Pre-tax profit from continuing operations (including the effects of PPA)	**124,506**	**890**	**125,396**	**92,553**	**(11,974)**	**9,042**	**(1,525)**	**88,096**	**37,300**	**42.3%**
Taxes on income for the period from continuing operations	(58,702)		(58,702)	(56,579)		(2,990)	102	(59,467)	(765)	(1.3%)
Post-tax profit (loss) from discontinued operations	-		-	-				-	-	-
Profit for the period attributable to non-controlling interests	(7,669)		(7,669)	(9,516)		(37)		(9,553)	(1,884)	(19.7%)
Profit for the period attributable to the shareholders of the Parent	**58,135**	**890**	**59,025**	**26,458**	**(11,974)**	**6,015**	**(1,423)**	**19,076**	**39,949**	**209.4%**