PRESS RELEASE

Profit for the first nine months of 2010 increases by 5,6% year on year following a marked improvement in the results in the third quarter

The balanced and sustainable growth strategy, also designed to increase market shares and safeguard capital adequacy, confirms its validity again in the third quarter, which recorded a substantial improvement in net interest income and credit quality alongside sound capital ratios.

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Loans to customers at 101,2 billion euro (+4,8% y/y and +1% compared to June 2010).
The increase in market share for lending, up to 6,24% in September 2010 compared to 6,12% in September 2009, was accompanied by an improvement in the cost of credit, down to 60 basis points from 82 in 2009.

Direct funding at 103,9 billion euro (+8,7% y/y, +0,5% compared to June 2010).
Indirect funding unchanged at 79 billion euro both y/y and compared to June 2010.

Estimated capital ratios as at 30th September 2010, inclusive pro-rata of an hypothesis dividend: a tier one ratio of 8,08%, approximately 94% of which consisting of the core tier one ratio at 7,56%.
Total capital ratio of 12,09%.

Net Profit for the period of 197,7 million euro compared to 187,3 million euro in the first nine months of 2009.
Net Profit in the third quarter of the year of 95,7 million euro (64 million euro the second quarter of 2010 and 38,1 in the first quarter of 2010)

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Brescia, 12th November 2010 – the Management Board of Unione di Banche Italiane Scpa (UBI Banca) has approved the interim financial report as at and for the period ended 30th September 2010.

The optimisation of the branch network concluded at the end of June 2010 allowed Group banks to focus on their respective geographical areas, the subsequent rationalisation of the distribution networks and the consequent reorganisation of minority interests in the share capital of some banks, completed in July 2010.
Despite the extent of the action undertaken and the complex economic context, the Group succeeded in continuing to develop its commercial activities to support its local markets with good growth in lending (+4,8% September 2010-September 2009) and a consequent increase in market share (6,24% in September 2010 compared to 6,12% in September 2009) and in total numbers of customers.
Also, following the reorganisation of minority interests and the sale of a further 9,9% interest in the Lombarda Vita Spa joint venture to Cattolica, completed at the end of September 2010, the estimated Group capital ratios as at 30th September 2010 had increased to give a core tier one ratio of 7,56%, a tier one ratio of 8,08% and a total capital ratio of 12,09%.

From a results viewpoint, the first nine months of the year ended with a **net profit of 197,7 million euro**, an increase compared to 187,3 million euro in the same period of 2009[1].
Careful control over costs continued, with operating expenses virtually unchanged compared to the first nine months of 2009, despite the inclusion in 2010 of a non-recurring expense in relation to the trade union agreement signed last May (-1,3% year-on-year net of that expense). The **cost of credit** improved further to reach significantly lower levels than those recorded in 2009 (-23,1%, at 60 basis points compared to 82 basis points in September 2009), assisted by structural action undertaken in some banks in the Group.
Operating income fell on aggregate by 12,3% compared to the first nine months of 2009, due basically to a reduction in net interest income (-13,5%); the latter, however, started to benefit in the third quarter of the year, from the first strengthening measures progressively introduced since June 2010, recording significant growth of 5% compared to the second quarter of the year and of 1,8% compared to the first quarter. Net commission income was practically unchanged compared to the first nine months of 2009 (-1,3%), although with different quarterly performance also in relation to the different timing for the recognition of up front commissions. Finally, although lower on aggregate than in the first nine months of 2009, which benefited from non-recurring items, the finance result contributed with a significant 13 million euro, including 19 million euro earned in third quarter of 2010.

The Group therefore commenced the fourth quarter of the year with:
- good commercial momentum;
- solid capitalisation;
- the institutional funding programme completed;
- income strengthening measures in place with net interest income progressively improving;
- stringent control over operating expenses;
- the cost of credit markedly better than expected.

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Results for the first nine months of 2010 compared to the same period in 2009

The consolidated income statement for the first nine months of 2010 ended with **operating income** of 2.585,6 million euro, a decrease of 12,3% compared to 2.947 million euro earned in the period January-September 2009.

Net interest income[2] amounted to 1.594 million euro compared to 1.842,6 million euro in the first nine months of 2009, a reduction of 13,5% as a result of an unfavourable interest rate scenario compared to last year. Despite this, the first results of the measures taken in June to strengthen Group income were seen in the third quarter of the year (repricing which progressively took effect from the middle of August 2010 and investment in Italian government bonds), with net interest income of 543,2 million euro, a marked recovery compared both the second (+5%) and the first quarter of the year (+1,8%). As a result of those measures, net interest income is expected to improve further in the fourth quarter of 2010.

Net commission income fell slightly compared to the first nine months of 2009 (-1,3% to 871,5 million euro): the good performance of commissions on securities business, which grew by more than 55 million euro (to 445,2 million euro), was offset by the lower contribution (-45,5 million euro) from those commissions that were replaced by commitment fees, which included maximum overdraft charges, and by a decrease in commissions related to economic activity (payments and receipts, current accounts, etc.). The

[1] If non-recurring items are excluded, which were positive by 84,2 million euro net in 2010 (the result mainly of the contribution of the depositary banking operations, although reduced by the impairment losses on available-for-sale equity investments and payments connected with personnel leaving incentives) and negative by 7,9 million net in 2009 (due to the impact of the impairment loss on the investment in Intesa Sanpaolo, the full impairment of a hedge fund and to integration costs, partially offset by the gain on the public exchange offer and the tax realignment), the normalised profit amounted to 113,6 million euro, compared to 195,2 million euro in the comparative period.
[2] *A commitment fee was introduced from 1st July 2009, of an all encompassing nature, which, with a view to simplification, has replaced not only the maximum overdraft charge (MOC), but also a series of other commissions applied to authorised and unauthorised current account overdrafts.* The maximum overdraft charge has been excluded from net interest income (reclassifying it into net commissions) in the reclassified income statement for all the periods prior to 1st July 2009.

contribution from commissions on the sale of third party bond products remained modest on the whole, accounting for approximately 5,5% of the total.
A comparison of the third quarter of the year with the second quarter shows net commission income falling from 313,9 million euro to 264 million euro, affected primarily by the total absence in the third quarter of commissions on sales of third party bond products (approximately 30 million euro), the absence of commissions on depository banking operations, disposed of at the end of June (-3 million euro), and the seasonal effect of lower levels of business with customers over the summer period.
Net commission income is expected to improve significantly in the fourth quarter.

The **net profit on financial activities**[3] for the period to 30th September 2010 amounted to 13,5 million euro as a result of good performance in the third quarter of the year, which ended with a positive result of 19,4 million euro, due to the contributions from trading (6 million euro), hedging (7,1 million euro) and assets designated at fair value (7,1 million euro).

Following the partial disposal of UBI Assicurazioni (performed on 29th December 2009 as part of partnership agreements with BNP Paribas Assurance/Fortis), **net income from insurance operations** was nil (it was 31 million euro in the comparative nine months). The profits of the company are now recognised within the item "profit (loss) of equity-accounted investees" in proportion to the percentage interest held.

Operating expenses, amounting to 1.858,8 million euro, were only slightly higher (+0,5%) than in the first nine months of 2009 despite the inclusion of a non-recurring expense of 33,2 million euro in respect of a trade union agreement signed last May. Net of that non-recurring item, operating expenses would have fallen by 1,3% year-on-year. To summarise:

- **personnel expense** – 1.107,1 million euro – was down by -1,1% compared to 1.118,9 million euro in 2009 despite the inclusion of the non-recurring item just mentioned. Net of that amount it would have decreased by 45 million euro (-4%) compared to the first nine months of 2009. This reduction is attributable primarily to changes in employee remuneration due to the progressive reduction in average personnel numbers and also to lower payments made for the variable component of salaries, which resulted in the release of provisions made previously.
  In the third quarter of the year, personnel expense amounted to 359,6 million euro, practically unchanged compared the average for the two preceding quarters net of the non-recurring item relating to the trade union agreement (approximately 358 million euro).
  The benefits of the trade union agreement are expected in the fourth quarter, since it resulted in 500 persons having left the Group as at 30th September 2010.
- **other administrative expenses,** amounting to 568,4 million euro, recorded a year-on-year increase of 1,9% (approximately 11 million euro) and were affected by a change in the consolidation scope after UBI Assicurazioni and Mercato Impresa were excluded from it. This led to increased expense of 13,5 million euro, attributable primarily to expenses for insurance premiums and outsourced services, previously infragroup. On a like-for-like basis, other administrative expenses fell year-on-year by approximately 2,8 million euro, continuing to confirm the cost containment actions under way;
- **net impairment losses on property, equipment and investment property and intangible assets** totalled 183,2 million euro (+9,6 million euro compared to the first nine months of 2009). The changes that occurred were a result of the increase in the purchase price allocation performed here (56,2 million euro compared to 49,6 million euro before), attributable to the amortisation charge on the remaining goodwill on brand names, which has an annual impact of approximately 14 million euro (11 net) after the reduction in value resulting from the impairment test performed at the end of 2009.

As a summary of overall performance, in the first nine months of the year **net operating income** amounted to 726,8 million euro, compared to 1.096,7 million euro in 2009.
Furthermore, net operating income for the third quarter of the year, amounting to 258,7 million euro, increased compared to both the second (+11,3%) and the first quarters (+9,8%).

[3]*The net result for financial activities: net income/expense on trading, hedging and disposal and repurchase activity of financial assets/ liabilities and on assets and liabilities at fair value.*

Net impairment losses on loans fell to 455,7 million euro in 2010 from 592,5 in 2009, a decrease of 136,8 million euro (-23,1%), to give a cost of credit of 0,60% of total lending, compared to 0,82% in the first nine months of 2009. This was partly the result of action undertaken, started over a year ago, to bring the quality of the lending portfolios of some network banks into line with the Group average. In terms of reversals of analytical impairment losses, net of the effect of present value discounting, these amounted to 186,1 million euro in the first nine months of 2010, an increase of 73,6% compared to the same period in 2009.
In the third quarter of the year, the annualised cost of credit stood at 0,53% compared to 0,76% and 0,54% recorded in the second and first quarters respectively (0,82%, 0,97% and 0,66% in the same periods of 2009).

Profits on the disposal of equity investments of 78,4 million euro were recognised in the reporting period, consisting practically entirely of non-recurring items.
The item included mainly +81,1 million euro of gross gain on the sale of a further 9,9% of Lombarda Vita Spa to Cattolica, recognised in the third quarter of the year and -4,2 million euro for the impairment loss on Gestioni Lombarda Suisse that arose following a reduction in the volumes of business of the company and consequent lower profitability.
In 2009 the item amounted to 3,6 million euro and mainly related to the gain of 2,6 million euro realised by Centrobanca on the partial sale of IW Bank to Medinvest International.

As a result of the performance described above, **pre-tax profit on continuing operations** in the first nine months of the year amounted to 319,3 million euro, compared to 442,7 million euro previously. As a result of the additional presence of non-recurring items, pre-tax profit in the third quarter of the year rose to approximately 200 million euro, a level which has not been reached during the course of the last two years.

As a result of the changes in taxable income in the first nine months of 2010, **taxes on income from continuing operations** fell to 197,3 million euro from 220,9 million euro in 2009.

Finally, the first nine months of the year benefited from **post-tax profits from discontinued operations** amounting to 83,4 million euro in relation to the contribution of depository banking operations by UBI Banca to RBC Dexia Investor Services, recognised in the second quarter of the year.

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The balance sheet aggregates

Net loans to customers of the Group as at 30th September 2010 amounted to 101,2 billion euro, an increase of 4,8% compared to September 2009 (96,6 billion euro) and of 3,3% compared to December 2009 (98 billion euro). The year-on-year performance recorded growth of 5,2% in medium-to-long term lending, which accounts for 68% of the total, and an increase of 4% in short term lending which accounts for 32% of the total. The analysis by market segment confirms growth, as already reported for previous quarters of the year, in the retail and "core corporate" segments, where the Group's core business is focused.

Total net deteriorated loans as at 30th September 2010 amounted to 5,2 billion euro and accounted for 5,1% of total net loans (4,62% at the end of December 2009 and 3,63% at the end of September 2009).
In detail, net non performing loans, amounting to 1,8 billion euro, increased by 8,8% compared to June 2010, a growth similar to that recorded between June/March 2010 and September/June 2009; net impaired loans, amounting to 1,9 billion euro at the end of September, decreased by 1,3% compared to June (they increased by 1,7% June/March 2010 and by 12,7% September/June 2009).
The ratio of net non performing loans to net loans stood at 1,75% (1,62% in June 2010). Coverage for non performing loans was 48,6% (50,2% in June 2010), down as a result of two phenomena: higher posting to losses in the third quarter, in relation to bankruptcy procedures and a greater incidence of mortgage backed positions (41,6% in September 2010 compared to 40,7% in June 2010). If account is taken of these two phenomena, the coverage for non performing loans remained stable compared to June 2010: 79,7% compared to 79,8%.

The ratio of net impaired loans to net loans stood at 1,89% compared to 1,93% in June 2010. Total coverage for impaired loans was 13,7%, unchanged compared to June 2010: if account is taken of positions backed by collateral, coverage for impaired loans in September 2010 was 24,2%, again unchanged compared to June.

The year end projection of the first nine month new inflows from performing loans to non performing and impaired loans allows to estimate a significant reduction of new inflows in 2010 compared to the previous year.

Direct funding amounted to 103,9 billion euro, an increase of 8,7% compared to September 2009 (+6,9% compared to December 2009).
In detail, the part relating to **amounts due to customers** increased by 11,7% year-on-year to 57,4 billion euro: current accounts remained stable at 43,9 billion euro (+0,6% y/y), while repurchase agreements, as already reported at the end of June, increased to 11,5 billion euro (5,6 billion euro in September 2009) as a result of increased business with the *Cassa di Compensazione e Garanzia* (up from 3,6 to 10 billion euro), used to fund the position in Italian government bonds taken in June 2010 as part of the manoeuvre to support Group profitability.
The part relating to **securities issued** increased by 5,2% year-on-year to 46,5 billion euro: the item benefited from an increase in institutional funding which included both the medium-to-long term (covered bonds amounting to 3,4 billion euro as at 30th September 2010 compared to one billion in September 2009) and the short term (euro commercial paper and French certificates of deposit amounting to 3,3 billion euro as at 30th September 2010 compared to 2,2 billion euro in September 2009) components.
As already reported, medium-to-long term institutional issuances were performed in the first nine months of the year amounting to two billion euro (including 1,25 billion euro of covered bonds and 700 million of EMTNs) and after 30th September further institutional issuances were performed amounting to 1,5 billion euro, consisting of one billion of EMTNs and 500 million of covered bonds. **The programme of funding on institutional markets for 2010 is now to be considered as complete.**

Indirect funding from ordinary customers totalled 79 billion euro, basically unchanged compared to September (78,7 billion euro) and to December 2009 (78,8 billion euro): the insurance policy component grew constantly to approximately 12,6 billion euro (+4,8% year-on-year and +4,1% compared to December 2009), with the total for assets under management up to 43,3 billion euro (+3,2% year-on-year and +3,4% compared to December 2009), while assets under custody, amounting to 35,7 billion euro, fell by 2,6% year-on-year and by 3,2% compared to December 2009.

The **Group financial assets portfolio**, calculated net of financial liabilities, amounted to 13 billion euro and was composed as follows: 84,5% of available-for-sale financial assets, 14,3% of financial assets held for trading and the remainder of financial assets designated at fair value.

Consolidated **equity** of the UBI Banca Group as at 30th September 2010, excluding profit for the period, amounted to 10.887 million euro (11.105 in September 2009 and 11.141 million euro at the end of December 2009).

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As at 30th September 2010 the **human resources** of the UBI Banca Group, on a like for like basis, totalled 19.867, a decrease of 822 compared to 20.689 in September 2010. Furthermore, with regard to the trade union agreement of 20th May 2010, the redundancy programme for the 500 personnel affected by the implementation of a leaving incentive programme (which involved all employees acquiring the right to a pension by 31st December 2011) has been completed. As already reported the agreement involved a total reduction of 895 personnel, including 500 by means of the leaving incentive programme just mentioned and the remainder by using management mechanisms.
The Group's **branch network** consisted of 1.888 branches in Italy at the end of September 2010 compared to 1.955 at the end of 2009. The decrease was the result of the programme to optimise the branch networks of the network banks which was implemented and resulted in the rationalisation of situations of branch

overlap and allowed small branches to be transformed into mini-branches. In addition to its domestic branches, the Group also possesses 11 branches abroad.

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Declaration of the Senior Officer Responsible for preparing 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*", 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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Business outlook

The increase in short term interest rates and the repricing action put in place starting from the third quarter should allow a higher level of net interest income than that recorded in the first quarters of the year to be achieved in the last quarter of the current year.
With respect to operating expenses:

- personnel expense is expected to improve compared to the average for previous quarters;
- as concerns other administrative expenses, initiatives are underway to contain the trend, which generally records a seasonal increase in the last quarter of the year with respect to the preceding quarters.

The trend for the cost of credit in the fourth quarter should allow to maintain the total cost of credit for the year at around 70 basis points.

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Attachments
Financial statements

UBI Banca Group:

- Reclassified consolidated statement of financial position
- Reclassified consolidated income statement
- Quarterly evolution of reclassified consolidated income statement
- Reclassified consolidated income statement net of the most significant non-recurring items
- Mandatory financial statements – consolidated balance sheet
- Mandatory financial statements – consolidated income statement

Notes to the financial statements

The mandatory financial statements were prepared on the basis of Bank of Italy Circular No. 262 of 22nd December 2005 and subsequent amendments and additions.

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 statement of financial position

ASSETS *(Figures in thousands of euro)*	30.9.2010 A	31.12.2009 B	Changes A-B	% change A/B	30.9.2009 C	Changes A-C	% change A/C
Cash and cash equivalents	586.075	683.845	-97.770	-14,3%	613.101	-27.026	-4,4%
Financial assets held for trading	2.836.561	1.575.764	1.260.797	80,0%	1.431.752	1.404.809	98,1%
Financial assets at fair value	153.951	173.727	-19.776	-11,4%	191.583	-37.632	-19,6%
Available-for-sale financial assets	10.954.989	6.386.257	4.568.732	71,5%	5.257.186	5.697.803	108,4%
Held-to-maturity investments	-	-	-	-	1.687.077	-1.687.077	-100,0%
Loans to banks	3.427.795	3.278.264	149.531	4,6%	3.101.108	326.687	10,5%
Loans to customers	101.195.034	98.007.252	3.187.782	3,3%	96.554.963	4.640.071	4,8%
Hedging derivatives	816.673	633.263	183.410	29,0%	652.898	163.775	25,1%
Fair value change in hedged financial assets (+/-)	796.414	301.852	494.562	163,8%	403.522	392.892	97,4%
Equity investments	375.800	413.943	-38.143	-9,2%	360.098	15.702	4,4%
Technical reserves of reinsurers	-	-	-	-	35.249	-35.249	-100,0%
Property, equipment and investment property	2.071.976	2.106.835	-34.859	-1,7%	2.094.140	-22.164	-1,1%
Intangible assets	5.478.993	5.523.401	-44.408	-0,8%	5.588.714	-109.721	-2,0%
of which: goodwill	*4.413.791*	*4.401.911*	11.880	*0,3%*	*4.447.194*	*-33.403*	*-0,8%*
Tax assets	1.379.250	1.580.187	-200.937	-12,7%	1.200.391	178.859	14,9%
Non-current assets and disposal groups held for sale	48.256	126.419	-78.163	-61,8%	398.011	-349.755	-87,9%
Other assets	1.622.444	1.522.214	100.230	6,6%	1.931.071	-308.627	-16,0%
Total assets	**131.744.211**	**122.313.223**	**9.430.988**	**7,7%**	**121.500.864**	**10.243.347**	**8,4%**

LIABILITIES AND EQUITY *(Figures in thousands of euro)*	30.9.2010 A	31.12.2009 B	Changes A-B	% change A/B	30.9.2009 C	Changes A-C	% change A/C
Due to banks	7.126.257	5.324.434	1.801.823	33,8%	5.306.536	1.819.721	34,3%
Due to customers	57.412.547	52.864.961	4.547.586	8,6%	51.383.644	6.028.903	11,7%
Securities issued	46.463.566	44.349.444	2.114.122	4,8%	44.162.873	2.300.693	5,2%
Financial liabilities held for trading	978.064	855.387	122.677	14,3%	815.697	162.367	19,9%
Hedging derivatives	1.827.144	927.319	899.825	97,0%	883.088	944.056	106,9%
Tax liabilities	908.091	1.210.867	-302.776	-25,0%	1.132.291	-224.200	-19,8%
Liabilities associated with disposal groups held for sale	-	646.320	-646.320	-100,0%	810.081	-810.081	-100,0%
Other liabilities	4.288.484	3.085.006	1.203.478	39,0%	3.743.221	545.263	14,6%
Post-employment benefits	402.921	414.272	-11.351	-2,7%	440.728	-37.807	-8,6%
Provisions for risks and charges:	295.747	285.623	10.124	3,5%	282.450	13.297	4,7%
a) pension and similar obligations	69.560	71.503	-1.943	-2,7%	69.820	-260	-0,4%
b) other provisions	226.187	214.120	12.067	5,6%	212.630	13.557	6,4%
Technical reserves	-	-	-	-	195.215	-195.215	-100,0%
Share capital, share premiums and reserves	10.886.557	11.141.149	-254.592	-2,3%	11.104.760	-218.203	-2,0%
Minority interests	957.099	938.342	18.757	2,0%	1.052.983	-95.884	-9,1%
Profit for the period	197.734	270.099	n.s.	n.s.	187.297	10.437	5,6%
Total liabilities and equity	**131.744.211**	**122.313.223**	**9.430.988**	**7,7%**	**121.500.864**	**10.243.347**	**8,4%**

UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	9M 2010 A	9M 2009 B	Changes A-B	% change A/B	3rd Quarter 2010 C	3rd Quarter 2009 D	Changes C-D	% change C/D	31.12.2009 E
Net interest income	1.593.971	1.842.626	(248.655)	(13,5%)	543.197	572.951	(29.754)	(5,2%)	2.400.543
of which: effects of the purchase price allocation	*(46.543)*	*(48.285)*	*1.742*	*(3,6%)*	*(14.060)*	*(15.198)*	*1.138*	*(7,5%)*	*(62.248)*
Net interest income excluding the effects of the PPA	*1.640.514*	*1.890.911*	*(250.397)*	*(13,2%)*	*557.257*	*588.149*	*(30.892)*	*(5,3%)*	*2.462.791*
Dividends and similar income	20.568	9.753	10.815	110,9%	2.331	6.253	(3.922)	(62,7%)	10.609
Profit of equity-accounted investees	19.480	18.992	488	2,6%	8.414	8.828	(414)	(4,7%)	35.375
Net commission income	871.530	882.802	(11.272)	(1,3%)	263.973	297.178	(33.205)	(11,2%)	1.214.688
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	13.471	93.046	(79.575)	(85,5%)	19.357	26.363	(7.006)	(26,6%)	126.783
Net income from insurance operations	-	30.996	(30.996)	(100,0%)	-	8.967	(8.967)	(100,0%)	30.945
Other net operating income/(expense)	66.589	68.766	(2.177)	(3,2%)	25.327	24.249	1.078	4,4%	87.304
Operating income	**2.585.609**	**2.946.981**	**(361.372)**	**(12,3%)**	**862.599**	**944.789**	**(82.190)**	**(8,7%)**	**3.906.247**
Operating income excluding the effects of the PPA	***2.632.152***	***2.995.266***	***(363.114)***	***(12,1%)***	***876.659***	***959.987***	***(83.328)***	***(8,7%)***	***3.968.495***
Personnel expenses	(1.107.115)	(1.118.953)	11.838	(1,1%)	(359.587)	(373.655)	14.068	(3,8%)	(1.465.574)
Other administrative expenses	(568.409)	(557.724)	(10.685)	1,9%	(183.844)	(174.589)	(9.255)	5,3%	(777.216)
Net impairment losses on property, equipment and investment property and intangible assets	(183.240)	(173.643)	(9.597)	5,5%	(60.425)	(58.143)	(2.282)	3,9%	(271.557)
of which: effects of the purchase price allocation	*(56.167)*	*(49.576)*	*(6.591)*	*13,3%*	*(18.723)*	*(16.526)*	*(2.197)*	*13,3%*	*(100.992)*
Net impairment losses on property, equipment and investment property and intangible assets excluding the effects of the PPA	*(127.073)*	*(124.067)*	*(3.006)*	*2,4%*	*(41.702)*	*(41.617)*	*(85)*	*0,2%*	*(170.565)*
Operating expenses	**(1.858.764)**	**(1.850.320)**	**(8.444)**	**0,5%**	**(603.856)**	**(606.387)**	**2.531**	**(0,4%)**	**(2.514.347)**
Operating expenses excluding the effects of the PPA	***(1.802.597)***	***(1.800.744)***	***(1.853)***	***0,1%***	***(585.133)***	***(589.861)***	***4.728***	***(0,8%)***	***(2.413.355)***
Net operating income	**726.845**	**1.096.661**	**(369.816)**	**(33,7%)**	**258.743**	**338.402**	**(79.659)**	**(23,5%)**	**1.391.900**
Net operating income excluding the effects of the PPA	***829.555***	***1.194.522***	***(364.967)***	***(30,6%)***	***291.526***	***370.126***	***(78.600)***	***(21,2%)***	***1.555.140***
Net impairment losses on loans	(455.715)	(592.544)	136.829	(23,1%)	(134.011)	(197.349)	63.338	(32,1%)	(865.211)
Net impairment losses on other assets/liabilities	(18.192)	(35.554)	17.362	(48,8%)	(147)	(580)	433	(74,7%)	(49.160)
Net provisions for risks and charges	(12.005)	(29.492)	17.487	(59,3%)	(5.383)	(2.621)	(2.762)	105,4%	(36.932)
Profits (loss) from disposal of equity investments and net impairment losses on goodwill	78.354	3.618	74.736	n.s.	80.498	(213)	80.711	n.s.	100.302
Pre-tax profit from continuing operations	**319.287**	**442.689**	**(123.402)**	**(27,9%)**	**199.700**	**137.639**	**62.061**	**45,1%**	**540.899**
Pre-tax profit from continuing operations excluding the effects of the PPA	***421.997***	***540.550***	***(118.553)***	***(21,9%)***	***232.483***	***169.363***	***63.120***	***37,3%***	***704.139***
Taxes on income for the period from continuing operations	(197.287)	(220.918)	23.631	(10,7%)	(103.144)	(67.883)	(35.261)	51,9%	(243.442)
of which: effects of the purchase price allocation	*33.050*	*31.439*	*1.611*	*5,1%*	*10.545*	*10.189*	*356*	*3,5%*	*52.532*
Integration costs	-	(14.832)	14.832	(100,0%)	-	(3.875)	3.875	(100,0%)	(15.465)
of which: personnel expenses	-	*(11.529)*	*11.529*	*(100,0%)*	-	*(2.563)*	*2.563*	*(100,0%)*	*(11.626)*
other administrative expenses	-	*(5.700)*	*5.700*	*(100,0%)*	-	*(1.690)*	*1.690*	*(100,0%)*	*(5.886)*
net impairment losses on property, equipment and investment property and intangible assets	-	*(3.864)*	*3.864*	*(100,0%)*	-	*(1.289)*	*1.289*	*(100,0%)*	*(4.510)*
taxes	-	*6.261*	*(6.261)*	*(100,0%)*	-	*1.667*	*(1.667)*	*(100,0%)*	*6.557*
Post-tax profit from discontinued operations	83.369	5.155	78.214	n.s.	12	(33)	45	n.s.	5.155
Profit for the period attributable to minority interests	(7.635)	(24.797)	17.162	(69,2%)	(908)	(4.488)	3.580	(79,8%)	(17.048)
of which: effects of the purchase price allocation	*7.531*	11.819	*(4.288)*	*(36,3%)*	*2.395*	*4.219*	*(1.824)*	*(43,2%)*	*24.280*
Profit for the period attributable to the shareholders of the Parent excluding the effects of the PPA	*259.863*	*241.900*	*17.963*	*7,4%*	*115.503*	*78.676*	*36.827*	*46,8%*	*356.527*
Profit for the period attributable to the shareholders of the Parent	**197.734**	**187.297**	**10.437**	**5,6%**	**95.660**	**61.360**	**34.300**	**55,9%**	**270.099**
Total impact of the purchase price allocation on the income statement	*(62.129)*	*(54.603)*	*(7.526)*	*13,8%*	*(19.843)*	*(17.316)*	*(2.527)*	*14,6%*	*(86.428)*

UBI Banca Group: Quarterly evolution of reclassified consolidated income statement

Figures in thousands of euro	2010			2009			
	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Net interest income	543.197	517.441	533.333	557.917	572.951	616.804	652.871
of which: effects of the purchase price allocation	*(14.060)*	*(15.934)*	*(16.549)*	*(13.963)*	*(15.198)*	*(18.027)*	*(15.060)*
Net interest income excluding the effects of the PPA	*557.257*	*533.375*	*549.882*	*571.880*	*588.149*	*634.831*	*667.931*
Dividends and similar income	2.331	16.862	1.375	856	6.253	1.656	1.844
Profit of equity-accounted investees	8.414	6.043	5.023	16.383	8.828	5.956	4.208
Net commission income	263.973	313.929	293.628	331.886	297.178	294.300	291.324
of which performance fees							
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	19.357	(964)	(4.922)	33.737	26.363	48.429	18.254
Net income from insurance operations	-	-	-	(51)	8.967	16.088	5.941
Other net operating income/(expense)	25.327	17.170	24.092	18.538	24.249	23.226	21.291
Operating income	**862.599**	**870.481**	**852.529**	**959.266**	**944.789**	**1.006.459**	**995.733**
Operating income excluding the effects of the PPA	***876.659***	***886.415***	***869.078***	***973.229***	***959.987***	***1.024.486***	***1.010.793***
Personnel expenses	(359.587)	(376.496)	(371.032)	(346.621)	(373.655)	(366.562)	(378.736)
Other administrative expenses	(183.844)	(199.730)	(184.835)	(219.492)	(174.589)	(200.525)	(182.610)
Net impairment losses on property, equipment and investment property and intangible assets	(60.425)	(61.729)	(61.086)	(97.914)	(58.143)	(57.546)	(57.954)
of which: effects of the purchase price allocation	*(18.723)*	*(18.722)*	*(18.722)*	*(51.416)*	*(16.526)*	*(16.525)*	*(16.525)*
Net impairment losses on property, equipment and investment property and intangible assets excluding the effects of the PPA	*(41.702)*	*(43.007)*	*(42.364)*	*(46.498)*	*(41.617)*	*(41.021)*	*(41.429)*
Operating expenses	**(603.856)**	**(637.955)**	**(616.953)**	**(664.027)**	**(606.387)**	**(624.633)**	**(619.300)**
Operating expenses excluding the effects of the PPA	***(585.133)***	***(619.233)***	***(598.231)***	***(612.611)***	***(589.861)***	***(608.108)***	***(602.775)***
Net operating income	**258.743**	**232.526**	**235.576**	**295.239**	**338.402**	**381.826**	**376.433**
Net operating income excluding the effects of the PPA	***291.526***	***267.182***	***270.847***	***360.618***	***370.126***	***416.378***	***408.018***
Net impairment losses on loans	(134.011)	(189.845)	(131.859)	(272.667)	(197.349)	(235.622)	(159.573)
Net impairment losses on other assets and liabilities	(147)	(18.660)	615	(13.606)	(580)	39.372	(74.346)
Net provisions for risks and charges	(5.383)	(4.407)	(2.215)	(7.440)	(2.621)	(17.081)	(9.790)
Profits (loss) from disposal of equity investments and net impairment losses on goodwill	80.498	(2.236)	92	96.684	(213)	(357)	4.188
Pre-tax profit from continuing operations	**199.700**	**17.378**	**102.209**	**98.210**	**137.639**	**168.138**	**136.912**
Pre-tax profit from continuing operations excluding the effects of the PPA	***232.483***	***52.034***	***137.480***	***163.589***	***169.363***	***202.690***	***168.497***
Taxes on income for the period from continuing operations	(103.144)	(34.285)	(59.858)	(22.524)	(67.883)	(50.367)	(102.668)
of which: effects of the purchase price allocation	*10.545*	*11.153*	*11.352*	*21.093*	*10.189*	*11.106*	*10.144*
Integration costs	-	-	-	(633)	(3.875)	(4.555)	(6.402)
of which: personnel expenses	-	-	-	*(97)*	*(2.563)*	*(3.998)*	*(4.968)*
other administrative expenses	-	-	-	*(186)*	*(1.690)*	*(1.136)*	*(2.874)*
net impairment losses on property, equipment and investment property and intangible assets	-	-	-	*(646)*	*(1.289)*	*(1.312)*	*(1.263)*
taxes	-	-	-	*296*	*1.667*	*1.891*	*2.703*
Post-tax profit from discontinued operations	12	83.035	322	-	(33)	(5)	5.193
Profit (loss) for the period attributable to minority interests	(908)	(2.179)	(4.548)	7.749	(4.488)	(11.619)	(8.690)
of which: effects of the purchase price allocation	*2.395*	*2.622*	*2.514*	*12.461*	*4.219*	*4.117*	*3.483*
Profit for the period attributable to the shareholders of the Parent excluding the effects of the PPA	*115.503*	*84.830*	*59.530*	*114.627*	*78.676*	*120.921*	*42.303*
Profit for the period attributable to the shareholders of the Parent	**95.660**	**63.949**	**38.125**	**82.802**	**61.360**	**101.592**	**24.345**
Total impact of the purchase price allocation on the income statement	*(19.843)*	*(20.881)*	*(21.405)*	*(31.825)*	*(17.316)*	*(19.329)*	*(17.958)*

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

Figures in thousands of euro	9M 2010	non-recurring items: Impairment losses on investments in Intesa Sanpaolo and A2A	Contribution of "Depository banking" operations	Net impairment losses on goodwill of Gestioni Lombarda (Switzerland)	Leaving incentives	Tax effect branch switching operations	Partial disposal of the interest held in Lombarda Vita Spa	9M 2010 net of non-recurring items A	9M 2009	non-recurring items: Public Exchange Offer gain on own sub. securities	Disposal of shares of IW Bank and impairment losses on investment in Intesa Sanpaolo	Impairment losses on DD Growth Fund	Integration costs	Tax realignment pursuant to Art. 15, paragraph 3, of Decree Law No. 185/2008	Disposal of UBI insurance agent operations and 1 branch + portion of CBU of BPCI	Coralis Rent provision	9M 2009 net of non-recurring items B	Change A-B	% change A/B
Net interest income (including the effects of PPA)	1.593.971							1.593.971	1.842.626								1.842.626	(248.655)	(13,5%)
Dividends and similar income	20.568							20.568	9.753								9.753	10.815	110,9%
Profit of equity-accounted investees	19.480							19.480	18.992								18.992	488	2,6%
Net commission income	871.530							871.530	882.802								882.802	(11.272)	(1,3%)
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	13.471							13.471	93.046	(60.549)		25.234					57.731	(44.260)	(76,7%)
Net income from insurance operations	-							-	30.996								30.996	(30.996)	(100,0%)
Other net operating income/(expense)	66.589		(957)					65.632	68.766								68.766	(3.134)	(4,6%)
Operating income (including the effects of PPA)	**2.585.609**	**-**	**(957)**	**-**	**-**	**-**	**-**	**2.584.652**	**2.946.981**	**(60.549)**	**-**	**25.234**	**-**	**-**	**-**	**-**	**2.911.666**	**(327.014)**	**(11,2%)**
Personnel expenses	(1.107.115)				33.233			(1.073.882)	(1.118.953)								(1.118.953)	(45.071)	(4,0%)
Other administrative expenses	(568.409)							(568.409)	(557.724)								(557.724)	10.685	1,9%
Net impairment losses on property, equipment and investment property and intangible assets (including the effects of PPA)	(183.240)							(183.240)	(173.643)								(173.643)	9.597	5,5%
Operating expenses (including the effects of PPA)	**(1.858.764)**	**-**	**-**	**-**	**33.233**	**-**	**-**	**(1.825.531)**	**(1.850.320)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1.850.320)**	**(24.789)**	**(1,3%)**
Net operating income (including the effects of PPA)	**726.845**	**-**	**(957)**	**-**	**33.233**	**-**	**-**	**759.121**	**1.096.661**	**(60.549)**	**-**	**25.234**	**-**	**-**	**-**	**-**	**1.061.346**	**(302.225)**	**(28,5%)**
Net impairment losses on loans	(455.715)							(455.715)	(592.544)								(592.544)	(136.829)	(23,1%)
Net impairment losses on other assets and liabilities	(18.192)	18.858						666	(35.554)		32.369						(3.185)	3.851	n.s.
Net provisions for risks and charges	(12.005)							(12.005)	(29.492)							6.356	(23.136)	(11.131)	(48,1%)
Profit (loss) from disposal of equity investments and net impairment losses on goodwill	78.354			4.145			(81.131)	1.368	3.618		(2.618)						1.000	368	36,8%
Pre-tax profit from continuing operations before tax (including the effects of PPA)	**319.287**	**18.858**	**(957)**	**4.145**	**33.233**	**-**	**(81.131)**	**293.435**	**442.689**	**(60.549)**	**29.751**	**25.234**	**-**	**-**	**-**	**6.356**	**443.481**	**(150.046)**	**(33,8%)**
Taxes on income for the period from continuing operations	(197.287)	(79)	263		(9.139)	18.294	20.202	(167.746)	(220.918)	19.588	(576)	(8.156)		(12.629)		(2.054)	(224.745)	(56.999)	(25,4%)
Integration costs	-							-	(14.832)				14.832				-	-	-
of which: personnel expenses	-							-	*(11.529)*				*11.529*				-	-	-
other administrative expenses	-							-	*(5.700)*				*5.700*				-	-	-
net impairment losses on property, equipment and investment property and intangible assets	-							-	*(3.864)*				*3.864*				-	-	-
taxes	-							-	*6.261*				*(6.261)*				-	-	-
Post-tax profit from discontinued operations	83.369		(83.357)					12	5.155						(5.155)		-	12	n.s.
Profit (loss) for the period attributable to minority interests	(7.635)		173		(1.713)	(2.951)		(12.126)	(24.797)		185		(1.136)	1.838	424	(62)	(23.547)	(11.421)	(48,5%)
Profit for the period attributable to the shareholders of the Parent	**197.734**	**18.779**	**(83.878)**	**4.145**	**22.381**	**15.343**	**(60.929)**	**113.575**	**187.297**	**(40.961)**	**29.360**	**17.078**	**13.696**	**(10.791)**	**(4.731)**	**4.240**	**195.189**	**(81.614)**	**(41,8%)**

UBI Banca Group: Mandatory financial statements - Consolidated Balance Sheet

ASSETS *(Figures in thousands of euro)*	**30.9.2010**	**31.12.2009**	**30.9.2009**
Cash and cash equivalents	586.075	683.845	613.101
Financial assets held for trading	2.836.561	1.575.764	1.431.752
Financial assets at fair value	153.951	173.727	191.583
Available-for-sale financial assets	10.954.989	6.386.257	5.257.186
Held-to-maturity investments	-	-	1.687.077
Loans to banks	3.427.795	3.278.264	3.101.108
Loans to customers	101.195.034	98.007.252	96.554.963
Hedging derivatives	816.673	633.263	652.898
Fair value change in hedged financial assets (+/-)	796.414	301.852	403.522
Equity investments	375.800	413.943	360.098
Technical reserves of reinsurers	-	-	35.249
Property, equipment and investment property	2.071.976	2.106.835	2.094.140
Intangible assets	5.478.993	5.523.401	5.588.714
of which:			
- goodwill	*4.413.791*	*4.401.911*	*4.447.194*
Tax assets	1.379.250	1.580.187	1.200.391
a) current	376.384	744.435	368.692
b) deferred	1.002.866	835.752	831.699
Non-current assets and disposal groups held for sale	48.256	126.419	398.011
Other assets	1.622.444	1.522.214	1.931.071
TOTAL ASSETS	**131.744.211**	**122.313.223**	**121.500.864**

LIABILITIES AND EQUITY *(Figures in thousands of euro)*	**30.9.2010**	**31.12.2009**	**30.9.2009**
Due to banks	7.126.257	5.324.434	5.306.536
Due to customers	57.412.547	52.864.961	51.383.644
Securities issued	46.463.566	44.349.444	44.162.873
Financial liabilities held for trading	978.064	855.387	815.697
Hedging derivatives	1.827.144	927.319	883.088
Tax liabilities	908.091	1.210.867	1.132.291
a) current	359.574	558.997	453.553
b) deferred	548.517	651.870	678.738
Liabilities associated with disposal groups held for sale	-	646.320	810.081
Other liabilities	4.288.484	3.085.006	3.743.221
Post-employment benefits	402.921	414.272	440.728
Provisions for risks and charges:	295.747	285.623	282.450
a) pension and similar obligations	69.560	71.503	69.820
b) other provisions	226.187	214.120	212.630
Technical reserves	-	-	195.215
Fair value reserves	-161.596	235.043	192.166
Reserves	2.349.910	2.207.863	2.214.351
Share premiums	7.100.378	7.100.378	7.100.378
Share capital	1.597.865	1.597.865	1.597.865
Minority interests (+/-)	957.099	938.342	1.052.983
Profit for the period/year (+/-)	197.734	270.099	187.297
TOTAL LIABILITIES AND EQUITY	**131.744.211**	**122.313.223**	**121.500.864**

UBI Banca Group: Mandatory financial statements - Consolidated Income Statement

Figures in thousands of euro	9M 2010	9M 2009	FY 2009	3Q 2010	3Q 2009
Interest and similar income	2.593.597	3.329.436	4.213.948	910.206	947.563
Interest expense and similar	(996.272)	(1.395.956)	(1.718.320)	(366.284)	(368.295)
Net interest income	**1.597.325**	**1.933.480**	**2.495.628**	**543.922**	**579.268**
Commission income	1.016.994	953.029	1.329.184	311.259	341.158
Commission expense	(148.818)	(152.543)	(199.009)	(48.011)	(48.113)
Net commission income	**868.176**	**800.486**	**1.130.175**	**263.248**	**293.045**
Dividends and similar income	20.568	9.753	10.609	2.331	6.253
Net trading income (loss)	(50.899)	36.300	13.864	6.025	7.083
Net hedging income (loss)	56.778	(843)	15.960	7.129	(2.029)
Income/expenses from disposal or repurchase of:	1.409	80.098	122.115	(921)	15.728
a) loans	(380)	(50)	(81)	-	(50)
b) available-for-sale financial assets	12.121	24.513	30.516	2.854	17.230
c) held-to-maturity investments	-	-	37.441	-	-
d) financial liabilities	(10.332)	55.635	54.239	(3.775)	(1.452)
Net income/expenses on financial assets and liabilities at fair value	6.183	(22.504)	(25.151)	7.124	5.581
Gross income	**2.499.540**	**2.836.770**	**3.763.200**	**828.858**	**904.929**
Net impairment losses on:	(473.907)	(628.098)	(914.371)	(134.158)	(197.929)
a) loans	(455.715)	(592.544)	(865.211)	(134.011)	(197.349)
b) available-for-sale financial assets	(19.427)	(32.546)	(43.883)	(1)	(50)
c) held-to-maturity investments	-	-	-	-	-
d) other financial transactions	1.235	(3.008)	(5.277)	(146)	(530)
Net financial income	**2.025.633**	**2.208.672**	**2.848.829**	**694.700**	**707.000**
Net insurance premiums	-	125.687	169.176	-	39.932
Other income/expenses of insurance operations	-	(104.345)	(149.127)	-	(33.551)
Net income from banking and insurance operations	**2.025.633**	**2.230.014**	**2.868.878**	**694.700**	**713.381**
Administrative expenses	(1.789.395)	(1.808.784)	(2.415.610)	(581.248)	(589.980)
a) personnel expense	(1.107.115)	(1.130.482)	(1.477.200)	(359.587)	(376.218)
b) other administrative expenses	(682.280)	(678.302)	(938.410)	(221.661)	(213.762)
Net provisions for risks and charges	(12.005)	(29.492)	(36.932)	(5.383)	(2.621)
Net impairment losses on property, equipment and investment property	(82.589)	(86.289)	(117.408)	(27.344)	(29.222)
Net impairment losses on intangible assets	(95.204)	(85.251)	(150.770)	(31.203)	(28.788)
Other net operating income	175.013	178.788	235.042	61.266	60.712
Operating expenses	**(1.804.180)**	**(1.831.028)**	**(2.485.678)**	**(583.912)**	**(589.899)**
Profits of equity investments	100.881	18.925	35.578	89.424	8.581
Net impairment losses on goodwill	(5.172)	-	-	(1.027)	-
Profits on disposal of investments	2.125	3.685	100.099	515	34
Pre-tax profit from continuing operations	**319.287**	**421.596**	**518.877**	**199.700**	**132.097**
Taxes on income for the period from continuing operations	(197.287)	(214.657)	(236.885)	(103.144)	(66.216)
Post-tax profit from continuing operations	**122.000**	**206.939**	**281.992**	**96.556**	**65.881**
Post-tax profit from discontinued operations	83.369	5.155	5.155	12	(33)
Profit for the period/year	**205.369**	**212.094**	**287.147**	**96.568**	**65.848**
Profir for the period/year attributable to minority interests	(7.635)	(24.797)	(17.048)	(908)	(4.488)
Profit for the period attributable to the shareholders of the Parent	**197.734**	**187.297**	**270.099**	**95.660**	**61.360**