PRESS RELEASE

Results for the first half of 2011 (compared to the first half of 2010)

Net profit of 251,7 million euro, a more than twofold increase compared to 102,1 million euro in the first half of 2010

- **Capital strength: core tier one ratio of 8,2%, total capital ratio of 13,02%**

- **Structural balance:**
  Interbank exposure of -0,6 billion euro (-6 billion euro as at June 2010)
  Financial leverage[1] of 16,5x (19,9x as at June 2010)
  Increased funding from both ordinary and institutional customers: +6,7% (net of CCG[2])
  Lending up: +2,6%
  The loans/deposits ratio falls by 4,2 percentage points

- **Net interest income: -0,9% (-9,7 million euro) following the change in Banca 24/7's operations (exit from special purpose loans and personal loans to non captive customers with an impact on net interest income of -17,9 million euro)**
  On a like-for-like basis net interest income would increase by 0,8%

- **Net commission income: -3,5% (-21 million euro) following lower commissions earned on the sale of third party bonds (-25,1 million euro) and the change in the perimeter due to the disposal of the depositary bank activities (-7,7 million euro)**
  Net of these items, net commission income increases by 2,1%

- **Operating expenses: -1,6%**

- **Losses on loans: 51 basis points annualised (64 basis points as at June 2010)**

- **Profit net of non-recurring items (positive and negative) of 70 million euro up from 63,5 million euro in the first half of 2010 (+10,3%)**
  Profit net of non-recurring items and the increase in IRAP (local production tax) of 78,1 million euro up from 63,5 million euro in the first half of 2010 (+23%)

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[1] Total assets (excluding goodwill and other property, equipment and investment property) / tangible equity

[2] Repurchase agreements with the *Cassa Compensazione e Garanzia*, used partially to finance the securities portfolio, fell in line with the reduction in the size of that portfolio. Including *Cassa Compensazione e Garanzia,* funding increases anyway by 2,7% compared to 1H2010.

Bergamo, 29th August 2011 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) has approved the consolidated results for the first half of 2011.

In the first half of 2011, the Group further strengthened its structural balance with the implementation of the planned share capital increase and the intensification of funding actions from both institutional and ordinary customers. Growth in lending was accompanied by repricing and asset de-risking actions which included the exit from activities that are no longer attractive in terms of risks and returns (e.g. special purpose loans and personal loans to non captive customers in Banca 24/7). Positions in Italian government securities were reduced with a corresponding reduction in the size of the Group's portfolio.

As at 30th June 2011: the core tier one ratio of the Group was 8,2% and the total capital ratio was 13,02%[3] (6,95% and 11,17% respectively in December 2010); financial leverage was further down to 16,5x (19,9x in June 2010), interbank exposure fell to -0,6 billion euro (6 billion euro in June 2010); ECB borrowing was null, the loans/deposits ratio at 104,2%, fell by 4,2 percentage points compared to June 2010, losses on loans stood at 51 basis points of total loans (64 basis points in June 2010).

In terms of operating performance **the first 6 months of 2011 ended with a consolidated profit of 251,7 million euro, a more than twofold increase compared to 102,1 million euro achieved in the first half of 2010.** This result includes non-recurring positive items (principally, in 2011, 352,8 million euro due to tax relief and, in 2010, 83,9 million euro due to the disposal of the depository banking operations) and negative items (principally, in 2011, 162,1 million euro as a result of impairment losses on the goodwill of product companies and on the investment in AFS securities – mainly Intesa Sanpaolo- and, in 2010, 22,4 million of expenses due to the conclusion of the trade union agreement and 18,9 million euro of impairment losses on the investment in AFS securities - mainly the stake held in Intesa Sanpaolo).
Net of non recurring items, profit for the period amounted to 70 million euro, an increase of 10,3% compared to 63,5 million euro in the same period of 2010. Net of both non-recurring items and the increase in IRAP (local production tax) in 2011, profit for the period amounted to 78,1 million euro, +23% compared to 63,5 million euro in 2010.

In the first half of 2011 the UBI Group recorded a **net operating income** of approximately 471 million euro, an increase of 0,6% compared to the first half of 2010 as a result of good performance by **operating expenses**, down by 1,6% (-19,7 million euro) to 1.235,3 million euro, which more than compensated for the reduction in **operating income**, down by 1% (17 million euro) to 1.706,1 million euro.

In detail, **net interest income** (inclusive of the PPA) amounted to 1.041,1 million euro, a fall of 9,7 million euro (-0,9%) compared to the first half of 2010, as a consequence of a change in the perimeter of operations of Banca 24/7, with the progressive exit from high risk business segments – special purpose and personal loans to non captive customers – which resulted in an advantage in terms of an improvement in losses on loans (-21,5 million euro), but also a fall in interest income from customers of 17,9 million euro[4].

[3] Inclusive of an injection of 923 million euro received as at 30th June 2011 in relation to the increase in the share capital, and an hypothesis of dividend. A further 77 million euro relating to the increase in the share capital, received at the end of July 2011, will be recognised in the 3rd quarter.
[4] -9,4 million euro in the first quarter of 2011 and -8,5 million in the second quarter of 2011 compared to the same periods in 2010.

On a like-for-like basis net interest income increased by 0,8%, despite the impact of greater volumes of funding from both ordinary and institutional customers, acquired under more costly conditions.
More specifically, funding activity grew significantly in the first half of 2011: **institutional issues** (both covered bonds and EMTNs) performed between January and April 2011 **accounted for 130% of the maturities for the full year** (3,5 billion euro compared to maturities of 2,7 billion euro for the whole of 2011); total outstanding bonds distributed to ordinary customers also increased between January and June 2011 by 0,5 billion euro with the replacement of 117% of the issues maturing in the first half. This last figure also includes the replacement of issues on third party networks with issues on the Group's captive customer base.
Also in order to counter the growing cost of funding, substantial commercial action is currently being undertaken designed to focus lending on the Group's core business with network bank customers and to reprice loans on the basis of the higher cost of funding and changes in risk. This action resulted in a year-on-year increase in the network banks'customers spread of five basis points. Furthermore, customers'spread was up by 12 basis points in the second quarter of the year compared to the same period in 2010.

Net commission income amounted to 586,6 million euro, a decrease of 21 million euro compared to the same period in 2010, due to a fall in commissions on the sale of third party bonds (-25,1 million euro) and to a change in the perimeter as 2011 does not include anymore the depositary bank fees, which were present in 2010. **Net of these items, net commission income increased by 2,1% year-on-year and by 4,3% in the second quarter compared to the first quarter of 2011.**
Net commission income also included positive performance by commissions on ordinary banking activities with customers: commissions on collection and payment services; current account administration and lending business, which rose as a whole by 21,8 million euro year-on-year due to greater volumes of business and commissions connected with portfolio management (+6,6 million euro). On the other hand decreases were recorded in commissions on the "distribution of third party services" (-13,2 million euro), connected, amongst other things, with the distribution of third party credit cards, replaced by Group credit cards, and on insurance products.

The net result for financial activities[5], amounting to 7,2 million euro in the first half (-5,9 million euro in the same period of 2010), included in the second quarter of 2011 an impairment loss on a private equity investment amounting to -7,7 million euro, which affected the more positive result registered in the first quarter of 14,6 million euro.

Operating expenses fell year-on-year by 1,6% (-19,6 million euro) to 1.235,3 million euro. In detail:

- **personnel expense**, amounting to 737,9 million euro, decreased by 1,3% compared to 747,5 million euro in the first half of 2010. As already reported, 33,2 million euro of non-recurring expense was recognised in the first half of 2010 relating to the trade union agreement signed in May 2010, which were mainly offset by the release of unused provisions for the variable component of remuneration (approximately 23 million euro); on the other hand the first half of 2011 includes provisions made for the variable component of salaries (company bonuses and incentive schemes) and also for the renewal of the national labour contract. Net of provisions for the variable part of remunerations and for the national labour contract, and net of non-recurring items, personnel expense fell even more significantly compared to the same period in 2010;

[5] 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.

- **other administrative expenses**, amounting to 356,3 million euro, confirm the significant contraction of 7,4% already seen in the first quarter of 2011, evidence of the constant attention paid to manage and optimise costs which is proceeding in line with budget forecasts;
- **net impairment losses on property, plant and equipment and intangible assets** (inclusive of the PPA) totalled 141 million euro compared to 122,8 million euro in the first half 2010 as a result of the recognition of an impairment loss on BY You intangible assets in the second quarter of 2011 amounting to approximately 19,5 million. However, net of that non-recurring item, the normal performance of the item remained unchanged.

Net impairment losses on loans for the period fell to 263,5 million euro from 321,7 million euro in 2010, a decrease of 58,2 million euro attributable partially, amongst other things, to the positive impacts (-21,5 million euro) of the change in the scope of Banca 24/7’s operations already mentioned. Total net impairment losses as a percentage of net loans to customers therefore fell to 0,51% annualised, compared to 0,64% annualised recognised in the first half of 2010.
More specifically, collective net impairment losses were recognised amounting to 24,6 million euro (32,3 million euro in the first half of 2010); coverage for the performing loan portfolio was practically unchanged at 0,54% (525 million euro).
Specific impairment losses recognised on deteriorated loans fell to 403 million euro (428 million euro in 2010), while write backs remained at a high level: 19% higher than in the first half of 2010 (164 million euro compared to 138 million euro in the first half 2010).

The item **losses from the disposal of equity investments and net impairment losses on goodwill**, which totalled 125 million euro, includes 126,3 million euro of impairment losses on the goodwill of some product companies (UBI Leasing, Centrobanca and Banca 24/7), which arose following periodic impairment tests performed in the second quarter of the year.

As a result of the performance described above, **pre-tax profit from continuing operations** fell to 48,2 million euro from 119,6 million euro in the comparative period. **In normalised terms, net of non-recurring items, this result recorded an increase of 24,9%.**

Taxes on income for the period for continuing operations were positive in the first half, amounting to 216,7 million euro, compared to tax expense of -94,1 million euro before.

The item included a non-recurring component of +352,8 million euro, relating to the Parent Bank, arising from the tax relief on the higher values attributed to controlling interests acquired following extraordinary operations (merger), recognised in the consolidated financial statements, as permitted by Decree Law No. 98 of 6th July 2011, converted with amendments into Law No. 111 of 15th July 2011.

Income taxes for the period also include the negative impact of 14,4 million euro in terms of higher taxes, resulting from the increase by 0,75% in the rate for IRAP (local production tax), introduced by the same decree law and applicable to banks and financial companies. This amount includes the adjustment on current (-8,1 million) and deferred taxation (-6,3 million). This latter amount was treated as non recurring item.

In normalised terms, taxes of 134,2 million euro were recognised in the first half (103,1 million euro in 2010), with a tax rate of 61,45% (up from 58,96% previously).

As already reported, non recurring **post tax profit from discontinued operations** of 83,4 million euro was recognised in the income statement for the first half of 2010, relating primarily to the contribution of the depository banking operations, no longer present in 2011, performed in May 2010 by UBI Banca to RBC Dexia Investor Services.

Finally, as a result of the performance already reported and as a result of the higher profits earned by some Group banks and companies, **profit for the period attributable to non-controlling interests** rose to 13,3 million euro from 6,7 million euro in the first half of 2010.

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The statement of financial position

Group **loans to customers** amounted to 102,8 billion euro as at 30th June 2011, an increase of 2,6% year-on-year and of 0,9% compared to December 2010. The growth remained concentrated in the core business segments of the Group, i.e. on the retail individual customers and on "core corporate" clients of the network banks, which recorded year-on-year growth of +4,3% and 5,3% respectively. Lending by Banca 24/7 on the other hand fell by -0,3% (-1,8% compared to December 2010) following the progressive withdrawal from high risk segments (special purpose and personal loans to non captive customers).

The **quality of the lending portfolio** remained good, although conditioned by the still difficult economic situation: total deteriorated net loans amounted to 5,8 billion euro (5,3 billion euro as at 31st December 2010), accounting for 5,65% of total net loans (5,2% at the end of December 2010).

Both non-performing loans (gross and net) and impaired loans (gross and net) recorded lower percentages of growth in the second quarter compared to the first quarter 2011. Past due positions, which had risen in the first quarter of 20110 as a result of the first instances of the expiry of the loan repayment moratorium, decreased by around 30% in the second quarter of the year.

Unsecured loans, already classified as non performing, were sold in the second quarter of 2011 for 129,7 million euro, which gave rise to a gain of 0,4 million euro, evidence of the appropriateness of the value adjustments recognised.

In detail, as at 30th June 2011, **net non-performing loans,** amounting to 2,2 billion euro, recorded growth of 6% June 2011- March 2011 compared to +6,8% in the period March 2011-December 2010. The ratio of net non-performing loans to net loans was 2,14% compared to 1,91% in December 2010.
The coverage for non performing loans fell to 45,4% (48,7% at the end of December 2010) as a result of a larger percentage of positions backed by mortgages compared to December 2010 and the disposal of the loans just mentioned. Taking into account the higher amount of collateralised positions, the higher amount of positions sent to losses following legal proceedings and the above mentioned disposal, coverage for non performing loans was 79,7% compared to 80,1% at the end of 2010.

As at 30th June 2011, **net impaired loans,** amounting to 2,4 billion euro, had recorded growth of 7,7% in the period June 2011-March 2011 compared to 9,8% in the period March 2011-December 2010. The ratio of net impaired loans to net loans was 2,34% compared to 2% at the end of December 2010. The total coverage for impaired loans was 19,7% compared to 22,4% in December 2010: this category of loan was also affected by the greater percentage of positions backed by mortgages (64,5% compared to 60,7% in December 2010), which require less recognition of impairment losses.

Direct funding amounted to 106,2 billion euro as at 30th June 2011, an increase of 2,7% compared to June 2010 and a decrease of 0,6% compared to December 2010. Net of repurchase agreements with the *Cassa di Compensazione e Garanzia* partially used to finance positions in securities, direct funding increased constantly (+6,6% year-on-year and +1,2% compared to December 2010).
In detail, the item **due to customers** amounted to 56,2 billion euro. The part consisting of current accounts, term deposits and repurchase agreements relating to ordinary customers amounted to 48,6 billion euro, recording a growth of 2,1% year-on-year and a decrease of 1,6% compared to December 2010, while repurchase agreements with the *Cassa di Compensazione e Garanzia* fell constantly (-3,4 billion euro year-on-year and -1,6 billion euro compared to December 2010) to 7,6 billion euro following the progressive partial disposals of securities.
Securities issued, amounting to approximately 50 billion euro, increased by 11,5% year-on-year and by 3,9% compared to December 2010. In detail, covered bonds and EMTNs were issued in the first half of 2011 accounting for 130% of the total securities maturing in 2011 (3,5 billion euro compared to maturities of 2,7 billion euro), while bonds sold to ordinary customers increased by approximately 0,5 billion euro (to replace 117% of bonds maturing in the first half).

Net interbank exposure at the end of the period was low at -0,6 billion euro (-6 billion euro in June 2010 and -2,3 billion euro in December 2010). As at the end of June, ECB borrowing was null.

Group **financial assets** had fallen as at 30th June 2011 to 11,8 billion euro from 13,1 billion euro in December 2010 and from 15,3 billion euro in June 2010, principally the result of natural maturities and the sale of Italian government securities. Italian government securities currently held in portfolio amount to 8,2 billion euro (9,6 billion euro in December 2010 and 11,6 billion euro in June 2010). Again with regard to securities held in portfolio, the Group continues to hold no Greek, Portuguese or Irish government securities, while an exposure of 2,5 million euro is held in Spanish government securities.

Indirect funding from ordinary customers amounted to approximately 78,6 billion euro, practically unchanged compared to June 2010 and up by 0,6% compared to December 2010. Assets under management in the narrow sense amounted to 29 billion euro as at 30th June 2011, while insurance policies amounted to 12,1 billion euro and assets under custody to 37,4 billion euro.

Consolidated **equity** of the UBI Banca Group as at 31st March 2011, excluding profit for the period, amounted to 11.821 million euro (10.807 million euro at the end of December 2010), partly the result of the inclusion of the increase in the share capital amounting to 923 million euro received at the end of June (a further 77 million euro, received at the end of July, will be included in the third quarter).

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The human resources of the UBI Group as at 30th June 2011 totalled 19.546, a decrease of 714 compared to 20.260 in June 2010. The branch network at the end of period consisted of 1.877 branches in Italy and nine abroad.

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Declaration of the Senior Officer Responsible for preparing the 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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Business outlook

The trend for operating income will continue to be influenced by the sovereign debt crisis and its consequences on financial markets and on interest rate levels. Commercial action has nevertheless been taken which is designed to achieve a higher level of operating income in the second half than that recorded in the first part of the year.

Operating expenses, which already include a hypothesis of provisions in relation to the renewal of the national labour contract and to variable remuneration (not present last year), are expected to fall as a whole compared to 2010, partly as a result of the effects of the trade union agreement signed in May 2010.

As concerns credit quality, despite the unfavourable economic background, current trends should allow an annual level of impairment losses on net loans lower than that recorded in 2010.

If current stock market trading prices are confirmed, it will be necessary to recognise further impairment losses on the stake held in Intesa Sanpaolo.

Overall, net of non recurring items, an improvement in profits on ordinary activities is expected for the full year 2011 compared to 2010, in absence of a further deterioration of the economic-financial context.

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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

- Consolidated balance sheet - Mandatory statement
- Consolidated income statement - Mandatory 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.

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 statement of financial position

ASSETS *(Figures in thousands of euro)*	30.6.2011 A	31.12.2010 B	Changes A-B	% changes A/B	30.6.2010 C	Changes A-C	% changes A/C
Cash and cash equivalents	595.685	609.040	-13.355	-2,2%	632.183	-36.498	-5,8%
Financial assets held for trading	1.093.974	2.732.751	-1.638.777	-60,0%	2.640.330	-1.546.356	-58,6%
Financial assets at fair value	468.038	147.286	320.752	217,8%	155.143	312.895	201,7%
Available-for-sale financial assets	10.223.610	10.252.619	-29.009	-0,3%	12.501.312	-2.277.702	-18,2%
Loans to banks	4.384.636	3.120.352	1.264.284	40,5%	3.290.637	1.093.999	33,2%
Loans to customers	102.774.467	101.814.829	959.638	0,9%	100.157.746	2.616.721	2,6%
Hedging derivatives	413.389	591.127	-177.738	-30,1%	916.055	-502.666	-54,9%
Fair value change in hedged financial assets (+/-)	254.474	429.073	-174.599	-40,7%	621.964	-367.490	-59,1%
Equity investments	381.376	368.894	12.482	3,4%	406.789	-25.413	-6,2%
Property, equipment and investment property	2.077.758	2.112.664	-34.906	-1,7%	2.097.820	-20.062	-1,0%
Intangible assets	5.287.195	5.475.385	-188.190	-3,4%	5.475.662	-188.467	-3,4%
of which: goodwill	*4.286.210*	*4.416.660*	*-130.450*	*-3,0%*	*4.397.766*	*-111.556*	*-2,5%*
Tax assets	2.312.956	1.723.231	589.725	34,2%	1.362.428	950.528	69,8%
Non-current assets and disposal groups held for sale	7.041	8.429	-1.388	-16,5%	40.285	-33.244	-82,5%
Other assets	2.476.298	1.172.889	1.303.409	111,1%	1.801.061	675.237	37,5%
Total assets	**132.750.897**	**130.558.569**	**2.192.328**	**1,7%**	**132.099.415**	**651.482**	**0,5%**

LIABILITIES AND EQUITY *(Figures in thousands of euro)*	30.6.2011 A	31.12.2010 B	Changes A-B	% changes A/B	30.6.2010 C	Changes A-C	% changes A/C
Due to banks	4.966.574	5.383.977	-417.403	-7,8%	9.252.062	-4.285.488	-46,3%
Due to customers	56.199.737	58.666.157	-2.466.420	-4,2%	58.534.315	-2.334.578	-4,0%
Securities issued	49.964.140	48.093.888	1.870.252	3,9%	44.828.119	5.136.021	11,5%
Financial liabilities held for trading	844.259	954.423	-110.164	-11,5%	896.016	-51.757	-5,8%
Hedging derivatives	953.439	1.228.056	-274.617	-22,4%	1.560.152	-606.713	-38,9%
Tax liabilities	1.309.724	993.389	316.335	31,8%	814.057	495.667	60,9%
Liabilities associated with activities under disposal	987	-	987	-	-	987	n.s.
Other liabilities	4.778.011	2.600.165	2.177.846	83,8%	3.697.804	1.080.207	29,2%
Post-employment benefits	383.467	393.163	-9.696	-2,5%	405.118	-21.651	-5,3%
Provisions for risks and charges:	335.057	303.572	31.485	10,4%	271.353	63.704	23,5%
a) pension and similar obligations	67.022	68.082	-1.060	-1,6%	70.464	-3.442	-4,9%
b) other provisions	268.035	235.490	32.545	13,8%	200.889	67.146	33,4%
Share capital, share premium, reserves and fair value reserves	11.821.241	10.806.898	1.014.343	9,4%	10.867.923	953.318	8,8%
Non-controlling interests	942.551	962.760	-20.209	-2,1%	870.422	72.129	8,3%
Profit for the period	251.710	172.121	n.s.	n.s.	102.074	149.636	146,6%
Total liabilities and equity	**132.750.897**	**130.558.569**	**2.192.328**	**1,7%**	**132.099.415**	**651.482**	**0,5%**

UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	1H 2011 A	1H 2010 B	Changes A-B	% changes A/B	2nd Quarter 2011 C	2nd Quarter 2010 D	Changes C-D	% changes C/D	FY 2010 E
Net interest income	1.041.116	1.050.774	(9.658)	(0,9%)	513.579	517.441	(3.862)	(0,7%)	2.142.526
of which: effects of the purchase price allocation	*(25.854)*	*(32.483)*	*(6.629)*	*(20,4%)*	*(12.018)*	*(15.934)*	*(3.916)*	*(24,6%)*	*(61.141)*
Net interest income excluding the effects of the PPA	*1.066.970*	*1.083.257*	*(16.287)*	*(1,5%)*	*525.597*	*533.375*	*(7.778)*	*(1,5%)*	*2.203.667*
Dividends and similar income	18.665	18.237	428	2,3%	16.555	16.862	(307)	(1,8%)	24.099
Profits (losses) of equity-accounted investees	9.622	11.066	(1.444)	(13,0%)	4.953	6.043	(1.090)	(18,0%)	17.613
Net commission income	586.577	607.557	(20.980)	(3,5%)	294.641	313.929	(19.288)	(6,1%)	1.185.297
Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	7.221	(5.886)	13.107	n.s.	(7.391)	(964)	6.427	n.s.	34.044
Other net operating income/(expense)	42.916	41.262	1.654	4,0%	21.263	17.170	4.093	23,8%	92.482
Operating income	**1.706.117**	**1.723.010**	**(16.893)**	**(1,0%)**	**843.600**	**870.481**	**(26.881)**	**(3,1%)**	**3.496.061**
Operating income excluding the effects of the PPA	***1.731.971***	***1.755.493***	***(23.522)***	***(1,3%)***	***855.618***	***886.415***	***(30.797)***	***(3,5%)***	***3.557.202***
Personnel expense	(737.944)	(747.528)	(9.584)	(1,3%)	(373.217)	(376.496)	(3.279)	(0,9%)	(1.451.584)
Other administrative expenses	(356.290)	(384.565)	(28.275)	(7,4%)	(185.209)	(199.730)	(14.521)	(7,3%)	(769.744)
Net impairment losses on property, equipment and investment property and intangible assets	(141.020)	(122.815)	18.205	14,8%	(81.296)	(61.729)	19.567	31,7%	(247.236)
of which: effects of the purchase price allocation	*(34.912)*	*(37.444)*	*(2.532)*	*(6,8%)*	*(17.456)*	*(18.722)*	*(1.266)*	*(6,8%)*	*(74.889)*
Net impairment losses on property, equipment and investment property and intangible assets excluding the effects of the PPA	*(106.108)*	*(85.371)*	*20.737*	*24,3%*	*(63.840)*	*(43.007)*	*20.833*	*48,4%*	*(172.347)*
Operating expenses	**(1.235.254)**	**(1.254.908)**	**(19.654)**	**(1,6%)**	**(639.722)**	**(637.955)**	**1.767**	**0,3%**	**(2.468.564)**
Operating expenses excluding the effects of the PPA	***(1.200.342)***	***(1.217.464)***	***(17.122)***	***(1,4%)***	***(622.266)***	***(619.233)***	***3.033***	***0,5%***	***(2.393.675)***
Net operating income	**470.863**	**468.102**	**2.761**	**0,6%**	**203.878**	**232.526**	**(28.648)**	**(12,3%)**	**1.027.497**
Net operating income excluding the effects of the PPA	***531.629***	***538.029***	***(6.400)***	***(1,2%)***	***233.352***	***267.182***	***(33.830)***	***(12,7%)***	***1.163.527***
Net impairment losses on loans	(263.522)	(321.704)	(58.182)	(18,1%)	(158.148)	(189.845)	(31.697)	(16,7%)	(706.932)
Net impairment losses on other assets and liabilities	(19.592)	(18.045)	1.547	8,6%	(17.959)	(18.660)	(701)	(3,8%)	(49.721)
Net provisions for risks and charges	(14.555)	(6.622)	7.933	119,8%	(4.136)	(4.407)	(271)	(6,1%)	(27.209)
Profits (losses) from disposal of equity investments and net impairment losses on goodwill	(124.973)	(2.144)	122.829	n.s.	(125.154)	(2.236)	122.918	n.s.	90.700
Pre-tax profit from continuing operations	**48.221**	**119.587**	**(71.366)**	**(59,7%)**	**(101.519)**	**17.378**	**(118.897)**	**n.s.**	**334.335**
Pre-tax profit from continuing operations excluding the effects of the PPA	***108.987***	***189.514***	***(80.527)***	***(42,5%)***	***(72.045)***	***52.034***	***(124.079)***	***n.s.***	***470.365***
Taxes on income for the period/year from continuing operations	216.748	(94.143)	(310.891)	n.s.	293.666	(34.285)	327.951	n.s.	(231.980)
of which: effects of the purchase price allocation	*20.006*	*22.505*	*(2.499)*	*(11,1%)*	*9.936*	*11.153*	*(1.217)*	*(10,9%)*	*43.770*
Post-tax profit (loss) from discontinued operations	-	83.357	(83.357)	(100,0%)	-	83.035	(83.035)	(100,0%)	83.368
Profit for the year/period attributable to non-controlling interests	(13.259)	(6.727)	6.532	97,1%	(5.046)	(2.179)	2.867	131,6%	(13.602)
of which: effects of the purchase price allocation	*4.441*	*5.136*	*(695)*	*(13,5%)*	*2.139*	*2.622*	*(483)*	*(18,4%)*	*10.034*
Profit for the year/period attributable to the shareholders of the Parent excluding the effects of the PPA	*288.029*	*144.360*	*143.669*	*99,5%*	*204.500*	*84.830*	*119.670*	*141,1%*	*254.347*
Profit for the year/period attributable to the shareholders of the Parent	**251.710**	**102.074**	**149.636**	**146,6%**	**187.101**	**63.949**	**123.152**	**192,6%**	**172.121**
Total impact of the purchase price allocation on the income statement	*(36.319)*	*(42.286)*	*(5.967)*	*(14,1%)*	*(17.399)*	*(20.881)*	*(3.482)*	*(16,7%)*	*(82.226)*

UBI Banca Group: Quarterly evolution of reclassified consolidated income statement

	2011		2010			
Figures in thousands of euro	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Net interest income	513.579	527.537	548.555	543.197	517.441	533.333
of which: effects of the purchase price allocation	*(12.018)*	*(13.836)*	*(14.598)*	*(14.060)*	*(15.934)*	*(16.549)*
Net interest income excluding the effects of the PPA	*525.597*	*541.373*	*563.153*	*557.257*	*533.375*	*549.882*
Dividends and similar income	16.555	2.110	3.531	2.331	16.862	1.375
Profits (losses) of equity-accounted investees	4.953	4.669	(1.867)	8.414	6.043	5.023
Net commission income	294.641	291.936	313.767	263.973	313.929	293.628
of which performance fees	-	-	*15.384*	-	-	-
Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	(7.391)	14.612	20.573	19.357	(964)	(4.922)
Other net operating income/(expense)	21.263	21.653	25.893	25.327	17.170	24.092
Operating income	**843.600**	**862.517**	**910.452**	**862.599**	**870.481**	**852.529**
Operating income excluding the effects of the PPA	***855.618***	***876.353***	***925.050***	***876.659***	***886.415***	***869.078***
Personnel expense	(373.217)	(364.727)	(344.469)	(359.587)	(376.496)	(371.032)
Other administrative expenses	(185.209)	(171.081)	(201.335)	(183.844)	(199.730)	(184.835)
Net impairment losses on property, equipment and investment property and intangible assets	(81.296)	(59.724)	(63.996)	(60.425)	(61.729)	(61.086)
of which: effects of the purchase price allocation	*(17.456)*	*(17.456)*	*(18.722)*	*(18.723)*	*(18.722)*	*(18.722)*
Net impairment losses on property, equipment and investment property and intangible assets excluding the effects of the PPA	*(63.840)*	*(42.268)*	*(45.274)*	*(41.702)*	*(43.007)*	*(42.364)*
Operating expenses	**(639.722)**	**(595.532)**	**(609.800)**	**(603.856)**	**(637.955)**	**(616.953)**
Operating expenses excluding the effects of the PPA	***(622.266)***	***(578.076)***	***(591.078)***	***(585.133)***	***(619.233)***	***(598.231)***
Net operating income	**203.878**	**266.985**	**300.652**	**258.743**	**232.526**	**235.576**
Net operating income excluding the effects of the PPA	***233.352***	***298.277***	***333.972***	***291.526***	***267.182***	***270.847***
Net impairment losses on loans	(158.148)	(105.374)	(251.217)	(134.011)	(189.845)	(131.859)
Net impairment losses on other assets and liabilities	(17.959)	(1.633)	(31.529)	(147)	(18.660)	615
Net provisions for risks and charges	(4.136)	(10.419)	(15.204)	(5.383)	(4.407)	(2.215)
Profits (losses) from disposal of equity investments and net impairment losses on goodwill	(125.154)	181	12.346	80.498	(2.236)	92
Pre-tax profit from continuing operations	**(101.519)**	**149.740**	**15.048**	**199.700**	**17.378**	**102.209**
Pre-tax profit from continuing operations excluding the effects of the PPA	***(72.045)***	***181.032***	***48.368***	***232.483***	***52.034***	***137.480***
Taxes on income for the period from continuing operations	293.666	(76.918)	(34.693)	(103.144)	(34.285)	(59.858)
of which: effects of the purchase price allocation	*9.936*	*10.070*	*10.720*	*10.545*	*11.153*	*11.352*
Post-tax profit (loss) from discontinued operations	-	-	(1)	12	83.035	322
Profit for the period attributable to non-controlling interests	(5.046)	(8.213)	(5.967)	(908)	(2.179)	(4.548)
of which: effects of the purchase price allocation	*2.139*	*2.302*	*2.503*	*2.395*	*2.622*	*2.514*
Profit for the year/period attributable to the shareholders of the Parent excluding the effects of the PPA	*204.500*	*83.529*	*(5.516)*	*115.503*	*84.830*	*59.530*
Profit for the period attributable to the shareholders of the Parent	**187.101**	**64.609**	**(25.613)**	**95.660**	**63.949**	**38.125**
Total impact of the purchase price allocation on the income statement	*(17.399)*	*(18.920)*	*(20.097)*	*(19.843)*	*(20.881)*	*(21.405)*

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

Figures in thousands of euro	1H 2011	non-recurring items: Impairment loss on AFS securities and on the investment in Intesa Sanpaolo	non-recurring items: Impairment loss on goodwill and on other intangible assets	non-recurring items: UBI Banca tax realignment in accordance with Law No. 111/2011 and write off of deferred income tax assets/deferred IRAP tax assets	non-recurring items: Impact of IRAP adjustment for deferred tax provisions recognised as at 31st December 2010	non-recurring items: Restructuring of UBI Leasing agent network	1H2011 *net of non-recurring items* A	1H 2010	non-recurring items: Impairment losses on investments in Intesa Sanpaolo and A2A	non-recurring items: Contribution of depository banking operations	non-recurring items: Net impairment losses on goodwill of Gestioni Lombarda (Switzerland)	non-recurring items: Leaving incentives	1H2011 *net of non-recurring items* B	Changes A-B	Changes % A/B
Net interest income (including the effects of PPA)	1.041.116						1.041.116	1.050.774					1.050.774	(9.658)	(0,9%)
Dividends and similar income	18.665						18.665	18.237					18.237	428	2,3%
Profit of equity-accounted investees	9.622						9.622	11.066					11.066	(1.444)	(13,0%)
Net commission income	586.577						586.577	607.557					607.557	(20.980)	(3,5%)
Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	7.221						7.221	(5.886)					(5.886)	13.107	n.s.
Other net operating income/(expense)	42.916					1.603	44.519	41.262		(957)			40.305	4.214	10,5%
Operating income (including the effects of PPA)	**1.706.117**	**-**	**-**	**-**	**-**	**1.603**	**1.707.720**	**1.723.010**	**-**	**(957)**	**-**	**-**	**1.722.053**	**(14.333)**	**(0,8%)**
Personnel expense	(737.944)						(737.944)	(747.528)				33.233	(714.295)	23.649	3,3%
Other administrative expenses	(356.290)						(356.290)	(384.565)					(384.565)	(28.275)	(7,4%)
Net impairment losses on property, equipment and investment property and intangible assets (including the effects of PPA)	(141.020)		19.517				(121.503)	(122.815)					(122.815)	(1.312)	(1,1%)
Operating expenses (including the effects of PPA)	**(1.235.254)**	**-**	**19.517**	**-**	**-**	**-**	**(1.215.737)**	**(1.254.908)**	**-**	**-**	**-**	**33.233**	**(1.221.675)**	**(5.938)**	**(0,5%)**
Net operating income (including the effects of PPA)	**470.863**	**-**	**19.517**	**-**	**-**	**1.603**	**491.983**	**468.102**	**-**	**(957)**	**-**	**33.233**	**500.378**	**(8.395)**	**(1,7%)**
Net impairment losses on loans	(263.522)						(263.522)	(321.704)					(321.704)	(58.182)	(18,1%)
Net impairment losses on other assets and liabilities	(19.592)	19.295					(297)	(18.045)	18.858				813	1.110	n.s.
Net provisions for risks and charges	(14.555)					3.511	(11.044)	(6.622)					(6.622)	4.422	66,8%
Profits (loss) from disposal of equity investments and net impairment losses on goodwill	(124.973)		126.306				1.333	(2.144)			4.145		2.001	(668)	(33,4%)
Pre-tax profit from continuing operations before tax (including the effects of PPA)	**48.221**	**19.295**	**145.823**	**-**	**-**	**5.114**	**218.453**	**119.587**	**18.858**	**(957)**	**4.145**	**33.233**	**174.866**	**43.587**	**24,9%**
Taxes on income for the period from continuing operations	216.748	(976)	(2.030)	(352.841)	6.267	(1.407)	(134.239)	(94.143)	(79)	263		(9.139)	(103.098)	31.141	30,2%
Post-tax profit from discontinued operations	-						-	83.357		(83.357)			-	-	n.s.
Profit (loss) for the period attributable to non-controlling interests	(13.259)				(925)		(14.184)	(6.727)		173		(1.713)	(8.267)	5.917	71,6%
Profit for the period attributable to the shareholders of the Parent	**251.710**	**18.319**	**143.793**	**(352.841)**	**5.342**	**3.707**	**70.030**	**102.074**	**18.779**	**(83.878)**	**4.145**	**22.381**	**63.501**	**6.529**	**10,3%**

UBI Banca Group: Consolidated Balance Sheet
- Mandatory statement -

ASSETS *(Figures in thousands of euro)*	**30.6.2011**	**31.12.2010**	**30.6.2010**
Cash and cash equivalents	595.685	609.040	632.183
Financial assets held for trading	1.093.974	2.732.751	2.640.330
Financial assets at fair value	468.038	147.286	155.143
Available-for-sale financial assets	10.223.610	10.252.619	12.501.312
Loans to banks	4.384.636	3.120.352	3.290.637
Loans to customers	102.774.467	101.814.829	100.157.746
Hedging derivatives	413.389	591.127	916.055
Fair value change in hedged financial assets (+/-)	254.474	429.073	621.964
Equity investments	381.376	368.894	406.789
Property, equipment and investment property	2.077.758	2.112.664	2.097.820
Intangible assets	5.287.195	5.475.385	5.475.662
of which:			
- goodwill	*4.286.210*	*4.416.660*	*4.397.766*
Tax assets	2.312.956	1.723.231	1.362.428
a) current	316.232	650.177	381.214
b) deferred	1.996.724	1.073.054	981.214
Non-current assets and disposal groups held for sale	7.041	8.429	40.285
Other assets	2.476.298	1.172.889	1.801.061
TOTAL ASSETS	**132.750.897**	**130.558.569**	**132.099.415**

LIABILITIES AND EQUITY *(Figures in thousands of euro)*	**30.6.2011**	**31.12.2010**	**30.6.2010**
Due to banks	4.966.574	5.383.977	9.252.062
Due to customers	56.199.737	58.666.157	58.534.315
Securities issued	49.964.140	48.093.888	44.828.119
Financial liabilities held for trading	844.259	954.423	896.016
Hedging derivatives	953.439	1.228.056	1.560.152
Tax liabilities	1.309.724	993.389	814.057
a) current	769.019	441.433	248.106
b) deferred	540.705	551.956	565.951
Liabilities associated with activities under disposal	987	-	-
Other liabilities	4.778.011	2.600.165	3.697.804
Post-employment benefits	383.467	393.163	405.118
Provisions for risks and charges:	335.057	303.572	271.353
a) pension and similar obligations	67.022	68.082	70.464
b) other provisions	268.035	235.490	200.889
Fair value reserves	-205.821	-253.727	-147.522
Reserves	2.422.253	2.362.382	2.317.202
Share premiums	7.401.115	7.100.378	7.100.378
Share capital	2.203.694	1.597.865	1.597.865
Non-controlling interests (+/-)	942.551	962.760	870.422
Profit for the period/year (+/-)	251.710	172.121	102.074
TOTAL LIABILITIES AND EQUITY	**132.750.897**	**130.558.569**	**132.099.415**

UBI Banca Group: Consolidated Income Statement
- Mandatory statement -

Figures in thousands of euro	**1H 2011**	**1H 2010**	**FY 2010**
Interest and similar income	1.917.327	1.683.391	3.525.312
Interest expense and similar	(875.144)	(629.988)	(1.378.714)
Net interest income	**1.042.183**	**1.053.403**	**2.146.598**
Commission income	671.232	705.735	1.378.117
Commission expense	(85.722)	(100.807)	(196.892)
Net commission income	**585.510**	**604.928**	**1.181.225**
Dividends and similar income	18.665	18.237	24.099
Net trading income (loss)	1.891	(56.924)	(56.891)
Net hedging income (loss)	(3.029)	49.649	67.209
Income/expenses from disposal or repurchase of:	12.447	2.330	17.057
a) loans	442	(380)	(3.850)
b) available-for-sale financial assets	10.543	9.267	31.245
d) other financial transactions	1.462	(6.557)	(10.338)
Net profit (loss) on financial assets and liabilities at fair value	(4.088)	(941)	6.669
Gross income	**1.653.579**	**1.670.682**	**3.385.966**
Net impairment losses on:	(283.114)	(339.749)	(756.653)
a) loans	(263.522)	(321.704)	(706.932)
b) available-for-sale financial assets	(20.836)	(19.426)	(42.364)
d) other financial transactions	1.244	1.381	(7.357)
Net financial income	**1.370.465**	**1.330.933**	**2.629.313**
Net income from banking and insurance operations	**1.370.465**	**1.330.933**	**2.629.313**
Administrative expenses	(1.170.566)	(1.208.147)	(2.375.174)
a) personnel expense	(737.944)	(747.528)	(1.451.584)
b) other administrative expenses	(432.622)	(460.619)	(923.590)
Net provisions for risks and charges	(14.555)	(6.622)	(27.209)
Net impairment losses on property, equipment and investment property	(55.975)	(55.245)	(109.838)
Net impairment losses on intangible assets	(81.562)	(64.001)	(130.500)
Other net operating income/(expense)	115.765	113.747	239.430
Operating expenses	**(1.206.893)**	**(1.220.268)**	**(2.403.291)**
Profits of equity investments	9.915	11.457	99.027
Net impairment losses on goodwill	(126.306)	(4.145)	(5.172)
Profits on disposal of investments	1.040	1.610	14.458
Pre-tax profit from continuing operations	**48.221**	**119.587**	**334.335**
Taxes on income for the period from continuing operations	216.748	(94.143)	(231.980)
Post-tax profit from continuing operations	**264.969**	**25.444**	**102.355**
Post-tax profit from discontinued operations	-	83.357	83.368
Profit for the period/year	**264.969**	**108.801**	**185.723**
Profit for the year/period attributable to non-controlling interests	(13.259)	(6.727)	(13.602)
Profit for the period/year attributable to the shareholders of the Parent	**251.710**	**102.074**	**172.121**