PRESS RELEASE

The first semester of 2010 registers significant development in the Group's business activity
Loans to customers: +3,4% y/y to 100,2 billion euro with an increase in market share to 6,24% (6,04% in June 2009)
Indirect funding: +4% to 78,5 billion euro

Net Profit of 102,1 million euro compared to 125,9 million euro achieved in the first half of 2009

Operating income to 1.723 million euro (-13,9%):
- **net interest income to 1.050,8 million euro (-17,2%), with the lowest point recorded during the 2nd quarter of the year**
- **growth in net commissions to 607,6 million euro (+3,8%)**

Operating expenses down by 1,8% net of the non-recurring expenses related to the trade union agreement of 20th May. Inclusive of that expense, operating expenses were basically stable year-on-year (+0,9%)

Cost of credit down to 64 basis points (82 basis points in the first half of 2009)

Capital soundness confirmed: core tier one ratio at 7,34%, tier one ratio at 7,86% and total capital ratio at 11,86%, in the presence of growth in lending and including the portion attributable to the quarter of an hypothesis of dividend

2nd Quarter 2010 / 1st Quarter 2010
Operating income: +2,1%
Net interest income: -3%
Net commission income: +6,9%
Operating expenses net of the above non-recurring expense: -2%
Net operating result net of non recurring item: +12,4%

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Bergamo, 27th August 2010 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) approved the interim financial report as at 30th June 2010.

After completing the substantial internal reorganisation commenced at the beginning of the year and despite the complex economic context, the Group has given new impulse to its activity aimed at developing business and supporting its reference territories, which has led the Group to gain market shares and acquire new customers.

The progressive growth in traditional banking business in the first half of the year allowed the Group to **increase its lending to customers** to more than 100 billion euro, up on the same period of 2009, with market share rising to 6,24% compared to 6,04% in June 2009. This growth was recorded in market segments typical of the Group's business, i.e. the retail and core corporate segments.

Growth in lending, which involved growth in risk weighted assets of approximately 1,3 billion euro, and the inclusion in the calculations on an accruals basis of an hypothesis of dividend had no significant impact on

Group **capital ratios**, which remained sound. The core tier one ratio as at 30th June 2010 stood at 7,34%, the tier one ratio at 7,86% and the total capital ratio at 11,86%.

As far as economic results are concerned, **careful control of operating costs** continued; the item was only slightly up compared to June 2009 despite the presence in 2010 of expenses in respect of the trade union agreement signed last May, which laid the foundations for initial cost savings in the second half of 2010 (expenses cut by 10-15 million euro) and full benefits in 2011 (expenses cut by 70 million euro) in relation to personnel redundancies currently in progress which will be completed by 30th September 2010. The **cost of credit** improved to levels significantly lower than in 2009, also assisted by structural action undertaken, commenced more than a year ago, to bring the quality of the lending portfolios of some of the network banks into line with the average for the Group. **Operating income** fell compared to the same period in 2009, but recorded an increase in the second quarter of 2010 compared to the first. It continued to suffer from the impact of low market interest rates on net interest income, which was only partly offset by the favourable performance of commission income. The low exposure to trading (assets held for trading accounted for 12% of the securities portfolio) lessened the unfavourable impacts of market trends on results from financial activities which ended the second quarter with a break-even result.
Finally, the period benefited from a net gain of 83,4 million euro in relation to the contribution of depository banking operations performed on 31st May 2010 by UBI Banca to RBC Dexia Investor Services.

The UBI Banca Group ended the first half of the year with a profit of 102,1 million euro compared to 125,9 million euro recorded in the same period of 2009.

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In detail, the income statement recorded **operating income** of 1.723 million euro, a decrease of 13,9% compared to 2009, but up by 2% in second quarter of the year compared to the first.

Net interest income[1] amounted to 1.050,8 million euro compared to 1.269,7 million euro in the first half of 2009. It was affected by the impact of the fall in interest rates to a record low at the end of June, which the growth in lending that occurred in the second quarter of the year was unable to offset. **Net interest income** also fell on a quarterly basis (-3%), although monthly figures for the second quarter recorded a modest gradual recovery with respect to the low reached in April.
An investment was made, implemented in June to support net interest income in the second half of the year, consisting of approximately six billion euro in Italian government securities with maturity in September 2011. They were classified within available-for-sale financial assets in the proprietary portfolio and, with account taken of the current cost of funding, should provide an average return estimated at present at approximately 100 basis points annually.

Dividends, amounting to 18,2 million euro compared to 3,5 million euro previously, relate mainly to securities held in the AFS portfolio of the Parent, UBI Banca, and included 11,6 million euro of profits distributed on the ordinary shares of Intesa Sanpaolo (not remunerated in the comparative half year).

Net commission income grew by 3,8% on an annual basis to total 607,6 million euro compared to 585,6 million euro in 2009. It was driven primarily by commissions on securities business, up by more than 70 million euro (to 320,7 million euro), against a lower contribution (-36 million euro or -39%) from the set of commissions, including the maximum overdraft charge, replaced by the commitment fee, and a decrease (-17 million euro) in commissions relating to economic activity (payments and receipts, current accounts, etc.). The contribution from commissions on third party financial products remained modest accounting for approximately 8% of the total.

[1] *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, 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.*

Action has already been commenced to adjust the pricing of some components of net interest income and net income from services, the positive effects of which will be seen progressively from the third quarter of the year onwards. This action will nevertheless still position the Bank competitively in terms of pricing in order to allow growth in market share currently in progress to continue.

As at 30 June 2010, the **net result for financial activities**[2] amounted to -5,9 million euro, practically unchanged compared to the first quarter of the year. The low exposure to trading did in fact lessen the unfavourable impacts of market performance on result for finance activities which ended the second quarter with a break-even result. The result for the first half compares with a profit of approximately 31 million euro recorded in the same period of 2009 net of extraordinary items recognised in the period (60,6 million euro relating to the public exchange offer and 25,2 million euro relating to an impairment loss on a hedge fund).

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 (22 million euro in the comparative half year). The profits of the company are now recognised within the item "profit of equity investments valued using the equity method" in proportion to the percentage interest held.

Operating expenses, amounting to 1.254,9 million euro, were only a slightly higher (+0,9%) than in the first half of 2009, despite the inclusion of a non-recurring expense of 33,2 million euro in respect of the trade union agreement signed last May. Net of that non-recurring item, operating expenses would have fallen by 1,8%. To summarise:

- **personnel expenses** – 747,5 million euro – were slightly lower than in 2009 (745,3 million euro) despite the inclusion of the non recurring item just mentioned. Net of that amount they would have fallen by 31 million euro compared to the first half del 2009. This reduction is attributable 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.
  Again net of the non-recurring item recognised in the second quarter of the year, for the reasons just mentioned, personnel expenses decreased also compared to the first quarter of the year (-7,5%).
  As reported previously, the trade union agreement of 20th May 2010 involves a reduction in total personnel numbers for the UBI Group of 895, consisting of 500 by means of a leaving incentive programme and the remainder by using normal management mechanisms, to be implemented also through the partial replacement of personnel leaving the Group. As concerns the leaving programme, 321 personnel left the Group with effect from 1st July 2010, while the remainder will leave the Group by 30th September 2010. The estimated savings from personnel reductions in the second half of the year amount to approximately 10-15 million euro, while these savings will amount to approximately 70 million euro, at regime, from 2011;

- **other administrative expenses** performed, on a quarterly basis, in line with the figures for 2009 (approximately 185 million euro in the first quarter and 200 million euro in the second) and amounted to 384,6 million euro at the end of period, basically unchanged compared to 2009;

- **net impairment losses on property, equipment and investment property and intangible assets** (inclusive of the PPA) totalled 122,8 million euro (+7,3 million euro compared to the first half of 2009). The changes that occurred were a result of the increase in the purchase price allocation performed (37,4 million euro compared to 33 million euro before), attributable to the amortisation charge on the remaining goodwill on brand names, which has an annual impact of approximately 11 million euro after the reduction in value resulting from the impairment test performed at the end of 2009;

As a summary of overall performance, **net operating income** amounted to 468,1 million euro, compared to 758,3 million euro in 2009.

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

Net impairment losses on loans recognised in the period fell to 321,7 million euro compared to 395,2 million euro previously, to give a cost of credit of 0,64%, compared to 0,82% recorded in the first half of 2009. This was the positive result of action started over a year ago taken to bring the quality of the lending portfolios of some network banks into line with the Group average, and also of a slowdown in the worsening in the quality of credit, which, however, depends on how the economic situation develops.

Impairment losses on other assets/liabilities amounting to 18 million euro were recognised in the period (17,2 million euro for Intesa Sanpaolo and 1,7 million euro for A2A, which are now carried on the books at 2,17 euro and at 1,12 euro respectively) compared to 35 million euro in 2009.

The performance described above resulted in a **profit from continuing operations**, before taxation, of 119,6 million euro compared to 305 million euro before.

Taxes on income for the period from continuing operations amounted to 94,1 million euro, down compared to 153 million euro in the first half of 2009.

Finally, **after tax profit from discontinued operations** was recognised in the second quarter of the year amounting to 83,4 million euro in relation to the contribution of depository banking operations performed on 31st May 2010 by UBI Banca to RBC Dexia Investor Services.

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Balance sheet aggregates

Net loans to customers of the Group as at 30th June 2010 amounted to 100,2 billion euro, an increase of 3,4% compared to June 2009 (96,8 billion euro) and of 2,2% compared to December 2009 (98 billion euro). As already evidenced in March 2010, the analysis at market segment level confirms growth in the "private individual retail" segment and in the "core corporate" segment, while the figures for the "small business" segment are in line with those as at June 2009.

As at 30th June 2010, total net deteriorated loans amounted to 4,8 billion euro and accounted for 4,8% of total net loans (the percentage was virtually unchanged compared to March 2010, while it was 4,62% at the end of December 2009 and 3,27% at the end of June 2009).
The rate of growth of net deteriorated loans reduced to +2,8% at the end of June 2010 compared to March 2010 whilst it was +3,2% at the end of March 2010 compared to December 2009. The reduction was recorded in all classes of deteriorated loans except for restructured positions, which increased due to the definition of restructuring plans for positions already classified as impaired.
The positive gap with respect to the banking sector nationally for the ratio of net non performing loans to net loans widened. More specifically the ratio of net non performing loans to net loans increased from 2% in March 2010 to 2,20% in June 2010 for the sector nationally, while it rose from 1,53% to 1,62% for the UBI Banca Group. The total coverage for non performing loans was 50,2% (50,7% in March 2010) as a result of a greater presence of positions backed by collateral. If those positions are considered, the coverage for non performing loans was 79,8% in June (78,8% in March 2010).
The ratio of net impaired loans to net loans was 1,93% compared to 1,95% in March 2010. The total coverage for impaired loans was 13,8% (14% in March 2010) also as a result of an increase in positions backed by collateral. If those positions are taken into consideration, the coverage for non performing loans was 24,2% in June 2010 (21,7% in March 2010).

Direct funding amounted to 103,4 billion euro, recording a growth of 7,5% compared to June 2009 (+6,3% compared to December 2009).
In detail, the part relating to **amounts due to customers** increased by 9,2% year on year to 58,5 billion euro: current accounts remained virtually unchanged at 44,3 billion euro, while repurchase agreements increased from 7 billion euro in June 2009 to 12,1 billion euro in June 2010 and included a higher exposure to the "*Cassa di Compensazione e Garanzia*" (from 4 billion euro to 11 billion euro), used to fund the six billion euro position held in short term Italian government securities as part of action taken to support Group profitability.

The part relating to **securities issued** increased by 5,4% year-on-year to 44,8 billion euro: the item benefited from issues of covered bonds amounting to 2,4 billion euro and from growth in issues performed as part of funding programmes in euro commercial paper and French certificates of deposit (+1,2 billion euro), while funding through the EMTN programme reduced (-1,2 billion euro).

Indirect funding from ordinary customers totalled 78,5 billion euro, an increase of 4% year-on-year and a slight decrease compared to December 2009 (-0,4%): insurance policies performed very positively, rising to approximately 12,6 billion euro, (+7,3% year-on-year and +3,9% compared to December 2009); assets under management stood at approximately 42,5 billion euro, (+5,7% year-on-year and +1,5% compared to December 2009), while assets under custody, amounting to 35,9 billion euro, recorded an increase year-on-year, but a fall compared to December 2009 (+2% and -2,5% respectively).

The **Group financial assets portfolio**, calculated net of financial liabilities, amounted to 14,4 billion euro and was composed as follows: 87% of available-for-sale financial assets (up in the first half due to the six billion euro investment in Italian government securities already mentioned), 12% 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 June 2010, excluding profit for the period, amounted to 10.868 million euro (10.943 in June 2009 and 11.141 million euro at the end of December 2009).

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The human resources of the UBI Group as at 30th June 2010 totalled 20.260 headcounts, a decrease of 445 compared to 20.705 in June 2009 at comparable perimeter. Furthermore, as part of the trade union agreement already mentioned, signed on 20th May 2010, 321 personnel left the Group with effect from 1st July, while the remaining 179 personnel involved in the agreement will leave by the Group by 30th September 2010. If those personnel reductions are included, total human resources of the Group fell below 20.000 (they were 21.709 as at 1st April 2007).

The branch network consisted of 1.884 branches in Italy at the end of period compared to 1.955 at the end of 2009. The decrease was the result of the completion of the project to optimise the geographical distribution of the network banks which allowed the rationalisation of situations of branch overlap and the transformation of small branches into mini-branches. In addition to its domestic branches, the Group also possesses 12 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*" (consolidated law on financial intermediation), 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

In the second half of 2010, the economic context started showing some positive signals, the result of an increase in demand from major emerging countries towards some countries in the euro area, including Italy, which recorded a significant increase of in industrial output driven by the recovery in exports.

Also the recent, slight, growth in interest rates recorded the first reversal of the trend seen since 2008 with a rise in the shorter term part of the curve (maturities of 1-3 months). Debates in progress at present within the major central banks over the timing and modalities of exit strategies do not yet allow any forecasts to be made for trends in interest rates. Nevertheless the careful repricing action currently being taken by the Group on both net interest income and net income from services should, all else remaining equal, allow a progressive improvement in operating income to be made. This action will nevertheless still position the Group competitively in terms of pricing in order to allow growth in market share currently in progress to continue.

The policy to contain personnel costs will continue. In the second half, this cost item will start to benefit from savings linked to the recent trade union agreement, savings which will be fully displayed in 2011.

As concerns the cost of credit, presently there are no signs of worsening compared to the trend in the first half.

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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.

Reclassified consolidated statement of financial position

ASSETS *(Figures in thousands of euro)*	**30.6.2010 A**	**31.12.2009 B**	**Changes A-B**	**% change A/B**	**30.6.2009 C**	**Changes A-C**	**% change A/C**
Cash and cash equivalents	632.183	683.845	-51.662	-7,6%	600.755	31.428	5,2%
Financial assets held for trading	2.640.330	1.575.764	1.064.566	67,6%	1.634.912	1.005.418	61,5%
Financial assets at fair value	155.143	173.727	-18.584	-10,7%	252.388	-97.245	-38,5%
Available-for-sale financial assets	12.501.312	6.386.257	6.115.055	95,8%	5.483.644	7.017.668	128,0%
Held-to-maturity investments	-	-	-	-	1.577.276	-1.577.276	-100,0%
Loans to banks	3.290.637	3.278.264	12.373	0,4%	3.184.949	105.688	3,3%
Loans to customers	100.157.746	98.007.252	2.150.494	2,2%	96.830.116	3.327.630	3,4%
Hedging derivatives	916.055	633.263	282.792	44,7%	641.238	274.817	42,9%
Fair value change in hedged financial assets (+/-)	621.964	301.852	320.112	106,0%	313.129	308.835	98,6%
Equity investments	406.789	413.943	-7.154	-1,7%	337.162	69.627	20,7%
Technical reserves of reinsurers	-	-	-	-	72.166	-72.166	-100,0%
Property, equipment and investment property	2.097.820	2.106.835	-9.015	-0,4%	2.098.840	-1.020	0,0%
Intangible assets	5.475.662	5.523.401	-47.739	-0,9%	5.603.009	-127.347	-2,3%
of which: goodwill	*4.397.766*	*4.401.911*	-4.145	*-0,1%*	*4.446.873*	*-49.107*	*-1,1%*
Tax assets	1.362.428	1.580.187	-217.759	-13,8%	1.163.829	198.599	17,1%
Non-current assets and disposal groups held for sale	40.285	126.419	-86.134	-68,1%	71.265	-30.980	n.s.
Other assets	1.801.061	1.522.214	278.847	18,3%	1.978.893	-177.832	-9,0%
Total assets	**132.099.415**	**122.313.223**	**9.786.192**	**8,0%**	**121.843.571**	**10.255.844**	**8,4%**

LIABILITIES AND EQUITY *(Figures in thousands of euro)*	**30.6.2010 A**	**31.12.2009 B**	**Changes A-B**	**% change A/B**	**30.6.2009 C**	**Changes A-C**	**% change A/C**
Due to banks	9.252.062	5.324.434	3.927.628	73,8%	6.073.741	3.178.321	52,3%
Due to customers	58.534.315	52.864.961	5.669.354	10,7%	53.612.989	4.921.326	9,2%
Securities issued	44.828.119	44.349.444	478.675	1,1%	42.522.368	2.305.751	5,4%
Financial liabilities held for trading	896.016	855.387	40.629	4,7%	746.246	149.770	20,1%
Hedging derivatives	1.560.152	927.319	632.833	68,2%	724.402	835.750	115,4%
Tax liabilities	814.057	1.210.867	-396.810	-32,8%	1.014.788	-200.731	-19,8%
Liabilities associated with disposal groups held for sale	-	646.320	-646.320	-100,0%	156	-156	n.s.
Other liabilities	3.697.804	3.085.006	612.798	19,9%	3.916.535	-218.731	-5,6%
Staff severance provisions	405.118	414.272	-9.154	-2,2%	436.763	-31.645	-7,2%
Provisions for risks and charges:	271.353	285.623	-14.270	-5,0%	289.167	-17.814	-6,2%
a) pension and similar obligations	70.464	71.503	-1.039	-1,5%	72.758	-2.294	-3,2%
b) other provisions	200.889	214.120	-13.231	-6,2%	216.409	-15.520	-7,2%
Technical reserves	-	-	-	-	391.352	-391.352	-100,0%
Share capital, share premiums and reserves	10.867.923	11.141.149	-273.226	-2,5%	10.942.579	-74.656	-0,7%
Minority interests	870.422	938.342	-67.920	-7,2%	1.046.548	-176.126	-16,8%
Profit for the period	102.074	270.099	-168.025	-62,2%	125.937	-23.863	-18,9%
Total liabilities and equity	**132.099.415**	**122.313.223**	**9.786.192**	**8,0%**	**121.843.571**	**10.255.844**	**8,4%**

Reclassified consolidated income statement

Figures in thousands of euro	30.6.2010 A	30.6.2009 B	Changes A-B	% change A/B	2nd Quarter 2010 C	2nd Quarter 2009 D	Changes C-D	% change C/D	31.12.2009 E
Net interest income	1.050.774	1.269.675	(218.901)	(17,2%)	517.441	616.804	(99.363)	(16,1%)	2.400.543
of which: effects of the purchase price allocation	*(32.483)*	*(33.087)*	*(604)*	*(1,8%)*	*(15.934)*	*(18.027)*	*(2.093)*	*(11,6%)*	*(62.248)*
Net interest income excluding the effects of the PPA	*1.083.257*	*1.302.762*	*(219.505)*	*(16,8%)*	*533.375*	*634.831*	*(101.456)*	*(16,0%)*	*2.462.791*
Dividends and similar income	18.237	3.500	14.737	n.s.	16.862	1.656	15.206	n.s.	10.609
Profit (loss) of equity investments valued using the equity method	11.066	10.164	902	8,9%	6.043	5.956	87	1,5%	35.375
Net commission income	607.557	585.624	21.933	3,7%	313.929	294.300	19.629	6,7%	1.214.688
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	(5.886)	66.683	(72.569)	n.s.	(964)	48.429	(49.393)	n.s.	126.783
Net income from insurance operations	-	22.029	(22.029)	(100,0%)	-	16.088	(16.088)	(100,0%)	30.945
Other operating income/(expense)	41.262	44.517	(3.255)	(7,3%)	17.170	23.226	(6.056)	(26,1%)	87.304
Operating income	**1.723.010**	**2.002.192**	**(279.182)**	**(13,9%)**	**870.481**	**1.006.459**	**(135.978)**	**(13,5%)**	**3.906.247**
Operating income excluding the effects of the PPA	***1.755.493***	***2.035.279***	***(279.786)***	***(13,7%)***	***886.415***	***1.024.486***	***(138.071)***	***(13,5%)***	***3.968.495***
Personnel expenses	(747.528)	(745.298)	2.230	0,3%	(376.496)	(366.562)	9.934	2,7%	(1.465.574)
Other administrative expenses	(384.565)	(383.135)	1.430	0,4%	(199.730)	(200.525)	(795)	(0,4%)	(777.216)
Net impairment losses on property, equipment and investment property and intangible assets	(122.815)	(115.500)	7.315	6,3%	(61.729)	(57.546)	4.183	7,3%	(271.557)
of which: effects of the purchase price allocation	*(37.444)*	*(33.050)*	*4.394*	*13,3%*	*(18.722)*	*(16.525)*	*2.197*	*13,3%*	*(100.992)*
Net impairment losses on property, equipment and investment property and intangible assets excluding the effects of the PPA	*(85.371)*	*(82.450)*	*2.921*	*3,5%*	*(43.007)*	*(41.021)*	*1.986*	*4,8%*	*(170.565)*
Operating expenses	**(1.254.908)**	**(1.243.933)**	**10.975**	**0,9%**	**(637.955)**	**(624.633)**	**13.322**	**2,1%**	**(2.514.347)**
Operating expenses excluding the effects of the PPA	***(1.217.464)***	***(1.210.883)***	***6.581***	***0,5%***	***(619.233)***	***(608.108)***	***11.125***	***1,8%***	***(2.413.355)***
Net operating income	**468.102**	**758.259**	**(290.157)**	**(38,3%)**	**232.526**	**381.826**	**(149.300)**	**(39,1%)**	**1.391.900**
Net operating income excluding the effects of the PPA	***538.029***	***824.396***	***(286.367)***	***(34,7%)***	***267.182***	***416.378***	***(149.196)***	***(35,8%)***	***1.555.140***
Net impairment losses on loans	(321.704)	(395.195)	(73.491)	(18,6%)	(189.845)	(235.622)	(45.777)	(19,4%)	(865.211)
Net impairment losses on other assets/liabilities	(18.045)	(34.974)	(16.929)	(48,4%)	(18.660)	39.372	(58.032)	n.s.	(49.160)
Net provisions for risks and charges	(6.622)	(26.871)	(20.249)	(75,4%)	(4.407)	(17.081)	(12.674)	(74,2%)	(36.932)
Profits (loss) from disposal of equity investments and net impairment losses on goodwill	(2.144)	3.831	(5.975)	n.s.	(2.236)	(357)	1.879	n.s.	100.302
Profit (loss) from continuing operations before tax	**119.587**	**305.050**	**(185.463)**	**(60,8%)**	**17.378**	**168.138**	**(150.760)**	**(89,7%)**	**540.899**
Profit (loss) from continuing operations before tax excluding the effects of the PPA	***189.514***	***371.187***	***(181.673)***	***(48,9%)***	***52.034***	***202.690***	***(150.656)***	***(74,3%)***	***704.139***
Taxes on income for the period from continuing operations	(94.143)	(153.035)	(58.892)	(38,5%)	(34.285)	(50.367)	(16.082)	(31,9%)	(243.442)
of which: effects of the purchase price allocation	*22.505*	*21.250*	*1.255*	*5,9%*	*11.153*	*11.106*	*47*	*0,4%*	*52.532*
Integration costs	-	(10.957)	(10.957)	(100,0%)	-	(4.555)	(4.555)	(100,0%)	(15.465)
of which: personnel expenses	-	*(8.966)*	*(8.966)*	*(100,0%)*	-	*(3.998)*	*(3.998)*	*(100,0%)*	*(11.626)*
other administrative expenses	-	*(4.010)*	*(4.010)*	*(100,0%)*	-	*(1.136)*	*(1.136)*	*(100,0%)*	*(5.886)*
net impairment losses on property, equipment and investment property and intangible assets	-	*(2.575)*	*(2.575)*	*(100,0%)*	-	*(1.312)*	*(1.312)*	*(100,0%)*	*(4.510)*
taxes	-	*4.594*	*(4.594)*	*(100,0%)*	-	*1.891*	*(1.891)*	*(100,0%)*	*6.557*
After tax profit (loss) from discontinued operations	83.357	5.188	78.169	n.s.	83.035	(5)	(83.040)	n.s.	5.155
Profit (loss) for the period attributable to minority interests	(6.727)	(20.309)	(13.582)	(66,9%)	(2.179)	(11.619)	(9.440)	(81,2%)	(17.048)
of which: effects of the purchase price allocation	*5.136*	*7.600*	*(2.464)*	*(32,4%)*	*2.622*	*4.117*	*(1.495)*	*(36,3%)*	*24.280*
Profit (loss) for the period attributable to the shareholders of the Parent excluding the effects of the PPA	*144.360*	*163.224*	*(18.864)*	*(11,6%)*	*84.830*	*120.921*	*(36.091)*	*(29,8%)*	*356.527*
Profit (loss) for the period attributable to the shareholders of the Parent	**102.074**	**125.937**	**(23.863)**	**(18,9%)**	**63.949**	**101.592**	**(37.643)**	**(37,1%)**	**270.099**
Total impact of the purchase price allocation on the income statement	*(42.286)*	*(37.287)*	*4.999*	*13,4%*	*(20.881)*	*(19.329)*	*1.552*	*8,0%*	*(86.428)*

Quarterly evolution of reclassified consolidated income statement

Figures in thousands of euro	2010 2nd Quarter	2010 1st Quarter	2009 4th Quarter	2009 3rd Quarter	2009 2nd Quarter	2009 1st Quarter
Net interest income	517.441	533.333	557.917	572.951	616.804	652.871
of which: effects of the purchase price allocation	*(15.934)*	*(16.549)*	*(13.963)*	*(15.198)*	*(18.027)*	*(15.060)*
Net interest income excluding the effects of the PPA	*533.375*	*549.882*	*571.880*	*588.149*	*634.831*	*667.931*
Dividends and similar income	16.862	1.375	856	6.253	1.656	1.844
Profit (loss) of equity investments valued using the equity method	6.043	5.023	16.383	8.828	5.956	4.208
Net commission income	313.929	293.628	331.886	297.178	294.300	291.324
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	(964)	(4.922)	33.737	26.363	48.429	18.254
Net income from insurance operations	-	-	(51)	8.967	16.088	5.941
Other operating income/(expense)	17.170	24.092	18.538	24.249	23.226	21.291
Operating income	**870.481**	**852.529**	**959.266**	**944.789**	**1.006.459**	**995.733**
Operating income excluding the effects of the PPA	***886.415***	***869.078***	***973.229***	***959.987***	***1.024.486***	***1.010.793***
Personnel expenses	(376.496)	(371.032)	(346.621)	(373.655)	(366.562)	(378.736)
Other administrative expenses	(199.730)	(184.835)	(219.492)	(174.589)	(200.525)	(182.610)
Net impairment losses on property, equipment and investment property and intangible assets	(61.729)	(61.086)	(97.914)	(58.143)	(57.546)	(57.954)
of which: effects of the purchase price allocation	*(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	*(43.007)*	*(42.364)*	*(46.498)*	*(41.617)*	*(41.021)*	*(41.429)*
Operating expenses	**(637.955)**	**(616.953)**	**(664.027)**	**(606.387)**	**(624.633)**	**(619.300)**
Operating expenses excluding the effects of the PPA	***(619.233)***	***(598.231)***	***(612.611)***	***(589.861)***	***(608.108)***	***(602.775)***
Net operating income	**232.526**	**235.576**	**295.239**	**338.402**	**381.826**	**376.433**
Net operating income excluding the effects of the PPA	***267.182***	***270.847***	***360.618***	***370.126***	***416.378***	***408.018***
Net impairment losses on loans	(189.845)	(131.859)	(272.667)	(197.349)	(235.622)	(159.573)
Net impairment losses on other assets and liabilities	(18.660)	615	(13.606)	(580)	39.372	(74.346)
Net provisions for risks and charges	(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	(2.236)	92	96.684	(213)	(357)	4.188
Profit (loss) from continuing operations before tax	**17.378**	**102.209**	**98.210**	**137.639**	**168.138**	**136.912**
Profit (loss) from continuing operations before tax excluding the effects of the PPA	***52.034***	***137.480***	***163.589***	***169.363***	***202.690***	***168.497***
Taxes on income for the period from continuing operations	(34.285)	(59.858)	(22.524)	(67.883)	(50.367)	(102.668)
of which: effects of the purchase price allocation	*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*
After tax profit (loss) from discontinued operations	83.035	322	-	(33)	(5)	5.193
Profit (loss) for the period attributable to minority interests	(2.179)	(4.548)	7.749	(4.488)	(11.619)	(8.690)
of which: effects of the purchase price allocation	*2.622*	*2.514*	*12.461*	*4.219*	*4.117*	*3.483*
Profit (loss) for the period attributable to the shareholders of the Parent excluding the effects of the PPA	*84.830*	*59.530*	*114.627*	*78.676*	*120.921*	*42.303*
Profit (loss) for the period attributable to the shareholders of the Parent	**63.949**	**38.125**	**82.802**	**61.360**	**101.592**	**24.345**
Total impact of the purchase price allocation on the income statement	*(20.881)*	*(21.405)*	*(31.825)*	*(17.316)*	*(19.329)*	*(17.958)*

Reclassified consolidated income statement net of the most significant non-recurring items

Figures in thousands of euro	30.6.2010	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	30.6.2010 net of non-recurring items A	30.6.2009	non-recurring items: Public Exchange Offer gain on own sub. securities	non-recurring items: Disposal of shares of IW Bank and impairment losses on investment in Intesa Sanpaolo	non-recurring items: Impairment losses on DD Growth Fund	non-recurring items: Integration costs	non-recurring items: Tax realignment pursuant to Art. 15, paragraph 3, of Decree Law No. 185/2008	non-recurring items: Disposal of UBI insurance agent operations and 1 branch + portion of CBU of BPCI	non-recurring items: Coralis Rent provision	30.6.2009 net of non-recurring items B	Change A-B	% change A/B
Net interest income (including the effects of PPA)	1.050.774					1.050.774	1.269.675								1.269.675	(218.901)	(17,2%)
Dividends and similar income	18.237					18.237	3.500								3.500	14.737	n.s.
Profit (loss) of equity investments valued using the equity method	11.066					11.066	10.164								10.164	902	8,9%
Net commission income	607.557					607.557	585.624								585.624	21.933	3,7%
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	(5.886)					(5.886)	66.683	(60.592)		25.234					31.325	(37.211)	n.s.
Net income from insurance operations	-					-	22.029								22.029	(22.029)	(100,0%)
Other net operating income/(expense)	41.262		(957)			40.305	44.517								44.517	(4.212)	(9,5%)
Operating income (including the effects of PPA)	**1.723.010**	**-**	**(957)**	**-**	**-**	**1.722.053**	**2.002.192**	**(60.592)**	**-**	**25.234**	**-**	**-**	**-**	**-**	**1.966.834**	**(244.781)**	**(12,4%)**
Personnel expenses	(747.528)				33.233	(714.295)	(745.298)								(745.298)	(31.003)	(4,2%)
Other administrative expenses	(384.565)					(384.565)	(383.135)								(383.135)	1.430	0,4%
Net impairment losses on property, equipment and investment property and intangible assets (including the effects of PPA)	(122.815)					(122.815)	(115.500)								(115.500)	7.315	6,3%
Operating expenses (including the effects of PPA)	**(1.254.908)**	**-**	**-**	**-**	**33.233**	**(1.221.675)**	**(1.243.933)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1.243.933)**	**(22.258)**	**(1,8%)**
Net operating income (including the effects of PPA)	**468.102**	**-**	**(957)**	**-**	**33.233**	**500.378**	**758.259**	**(60.592)**	**-**	**25.234**	**-**	**-**	**-**	**-**	**722.901**	**(222.523)**	**(30,8%)**
Net impairment losses on loans	(321.704)					(321.704)	(395.195)								(395.195)	(73.491)	(18,6%)
Net impairment losses on other assets and liabilities	(18.045)	18.858				813	(34.974)		32.369						(2.605)	3.418	n.s.
Net provisions for risks and charges	(6.622)					(6.622)	(26.871)							6.761	(20.110)	(13.488)	(67,1%)
Profit (loss) from disposal of equity investments and net impairment losses on goodwill	(2.144)			4.145		2.001	3.831		(2.618)						1.213	788	65,0%
Profit (loss) from continuing operations before tax (including the effects of PPA)	**119.587**	**18.858**	**(957)**	**4.145**	**33.233**	**174.866**	**305.050**	**(60.592)**	**29.751**	**25.234**	**-**	**-**	**-**	**6.761**	**306.204**	**(131.338)**	**(42,9%)**
Taxes on income for the period from continuing operations	(94.143)	(79)	263		(9.139)	(103.098)	(153.035)	19.602	(576)	(8.156)		(12.629)		(2.185)	(156.979)	(53.881)	(34,3%)
Integration costs	-					-	(10.957)				10.957				-	-	-
of which: personnel expenses	-					-	*(8.966)*				*8.966*				-	-	-
other administrative expenses	-					-	*(4.010)*				*4.010*				-	-	-
net impairment losses on property, equipment and investment property and intangible assets	-					-	*(2.575)*				*2.575*				-	-	-
taxes	-					-	*4.594*				*(4.594)*				-	-	-
After tax profit (loss) from discontinued operations	83.357		(83.357)			-	5.188						(5.155)		33	(33)	(100,0%)
Profit (loss) for the period attributable to minority interests	(6.727)		173		(1.713)	(8.267)	(20.309)		185		(907)	1.838	424	(66)	(18.835)	(10.568)	(56,1%)
Profit (loss) for the period attributable to the shareholders of the Parent	**102.074**	**18.779**	**(83.878)**	**4.145**	**22.381**	**63.501**	**125.937**	**(40.990)**	**29.360**	**17.078**	**10.050**	**(10.791)**	**(4.731)**	**4.510**	**130.423**	**(66.922)**	**(51,3%)**

Mandatory financial statements - Consolidated Balance Sheet

ASSETS *(Figures in thousands of euro)*	**30.6.2010**	**31.12.2009**	**30.6.2009**
Cash and cash equivalents	632.183	683.845	600.755
Financial assets held for trading	2.640.330	1.575.764	1.634.912
Financial assets at fair value	155.143	173.727	252.388
Available-for-sale financial assets	12.501.312	6.386.257	5.483.644
Held-to-maturity investments	-	-	1.577.276
Loans to banks	3.290.637	3.278.264	3.184.949
Loans to customers	100.157.746	98.007.252	96.830.116
Hedging derivatives	916.055	633.263	641.238
Fair value change in hedged financial assets (+/-)	621.964	301.852	313.129
Equity investments	406.789	413.943	337.162
Technical reserves of reinsurers	-	-	72.166
Property, equipment and investment property	2.097.820	2.106.835	2.098.840
Intangible assets	5.475.662	5.523.401	5.603.009
of which:			
- goodwill	*4.397.766*	*4.401.911*	*4.446.873*
Tax assets	1.362.428	1.580.187	1.163.829
a) current	381.214	744.435	340.960
b) deferred	981.214	835.752	822.869
Non-current assets and disposal groups held for sale	40.285	126.419	71.265
Other assets	1.801.061	1.522.214	1.978.893
TOTAL ASSETS	**132.099.415**	**122.313.223**	**121.843.571**

LIABILITIES AND EQUITY *(Figures in thousands of euro)*	**30.6.2010**	**31.12.2009**	**30.6.2009**
Due to banks	9.252.062	5.324.434	6.073.741
Due to customers	58.534.315	52.864.961	53.612.989
Securities issued	44.828.119	44.349.444	42.522.368
Financial liabilities held for trading	896.016	855.387	746.246
Hedging derivatives	1.560.152	927.319	724.402
Tax liabilities	814.057	1.210.867	1.014.788
a) current	248.106	558.997	313.871
b) deferred	565.951	651.870	700.917
Liabilities associated with disposal groups held for sale	-	646.320	156
Other liabilities	3.697.804	3.085.006	3.916.535
Staff severance provisions	405.118	414.272	436.763
Provisions for risks and charges:	271.353	285.623	289.167
a) pension and similar obligations	70.464	71.503	72.758
b) other provisions	200.889	214.120	216.409
Technical reserves	-	-	391.352
Fair value reserves	-147.522	235.043	30.063
Reserves	2.317.202	2.207.863	2.214.273
Share premiums	7.100.378	7.100.378	7.100.378
Share capital	1.597.865	1.597.865	1.597.865
Minority interests (+/-)	870.422	938.342	1.046.548
Profit (loss) for the period (+/-)	102.074	270.099	125.937
TOTAL LIABILITIES AND EQUITY	**132.099.415**	**122.313.223**	**121.843.571**

Mandatory financial statements - Consolidated Income Statement

Figures in thousands of euro	**30.6.2010**	**30.6.2009**	**31.12.2009**
Interest and similar income	1.683.391	2.381.873	4.213.948
Interest expense and similar	(629.988)	(1.027.661)	(1.718.320)
Net interest income	**1.053.403**	**1.354.212**	**2.495.628**
Commission income	705.735	611.871	1.329.184
Commission expense	(100.807)	(104.430)	(199.009)
Net commission income	**604.928**	**507.441**	**1.130.175**
Dividends and similar income	18.237	3.500	10.609
Net trading income (loss)	(56.924)	29.217	13.864
Net hedging income (loss)	49.649	1.186	15.960
Income/expenses from disposal or repurchase of:	2.330	64.370	122.115
a) loans	(380)	-	(81)
b) available-for-sale financial assets	9.267	7.283	30.516
c) held-to-maturity investments	-	-	37.441
d) financial liabilities	(6.557)	57.087	54.239
Net income/expenses on financial assets and liabilities at fair value	(941)	(28.085)	(25.151)
Gross income	**1.670.682**	**1.931.841**	**3.763.200**
Net impairment losses on:	(339.749)	(430.169)	(914.371)
a) loans	(321.704)	(395.195)	(865.211)
b) available-for-sale financial assets	(19.426)	(32.496)	(43.883)
c) held-to-maturity investments	-	-	-
d) other financial transactions	1.381	(2.478)	(5.277)
Net financial operating income	**1.330.933**	**1.501.672**	**2.848.829**
Net insurance premiums	-	85.755	169.176
Other income/expenses of insurance operations	-	(70.794)	(149.127)
Net income from banking and insurance operations	**1.330.933**	**1.516.633**	**2.868.878**
Administrative expenses	(1.208.147)	(1.218.804)	(2.415.610)
a) personnel expenses	(747.528)	(754.264)	(1.477.200)
b) other administrative expenses	(460.619)	(464.540)	(938.410)
Net provisions for risks and charges	(6.622)	(26.871)	(36.932)
Net impairment losses on property, equipment and investment property	(55.245)	(57.067)	(117.408)
Net impairment losses on intangible assets	(64.001)	(56.463)	(150.770)
Other operating income/(expense)	113.747	118.076	235.042
Operating expenses	**(1.220.268)**	**(1.241.129)**	**(2.485.678)**
Profits (losses) of equity investments	11.457	10.344	35.578
Net result of fair valuation of property, equipment and investment property and intangible assets	-	-	-
Net impairment losses on goodwill	(4.145)	-	-
Profits (losses) on disposal of investments	1.610	3.651	100.099
Profit (loss) from continuing operations before tax	**119.587**	**289.499**	**518.877**
Taxes on income for the period from continuing operations	(94.143)	(148.441)	(236.885)
After tax profit (loss) from continuing operations	**25.444**	**141.058**	**281.992**
Profit (loss) after tax of discontinued operations	83.357	5.188	5.155
Profit (loss) for the period	**108.801**	**146.246**	**287.147**
Profit (loss) for the period attributable to minority interests	(6.727)	(20.309)	(17.048)
Profit (loss) for the period attributable to the shareholders of the Parent	**102.074**	**125.937**	**270.099**