PRESS RELEASE

Growth in ordinary profitability of the Group is confirmed: consolidated profit net of non-recurring items[1] at €195.1 million, +33.2% compared with €146.5 million in 2014 and +95% compared with €100.2 million in 2013.

A dividend proposal of 11 euro cents per share (+37.5% compared with 8 cents in 2014).

A "phased-in" CET1 ratio, <u>inclusive</u> of the impact of the right of withdrawal, of 12.08% (+2.83 percentage points compared with the SREP requirement of 9.25%).
A "fully loaded" CET1 ratio, <u>inclusive</u> of the impact of the right of withdrawal, of 11.62%.
Both the ratios also include the update of the credit risk parameters used in the internal rating model to fully include 2014 (55 bps approx.), following which the Group's internal rating model is one of the most updated on the market, and the impact of the loan and extraordinary contributions to the Resolution Fund (17 bps approx.).

A virtuous trend for balance sheet aggregates in December 2015 compared with September 2015.
Growth in lending of 0.9% to €84.6 billion.
Growth in funding of 2.8% to €91.5 billion, due to a growth of 3.6 billion in customer deposits.
Both gross and net total non-performing exposures down by 1.6% to €13.4 billion and by 1.9% to €9.7 billion respectively.
New inflows from performing to non-performing status reduced further in the fourth quarter of 2015 compared with both the third quarter of 2015 (-15%) and the fourth quarter of 2014 (-25%).

***

<u>Results for 2015 (compared with 2014)</u>

- **Operating income of €3,370.9 million (-1.1% compared with 2014)**
  Net interest income of €1,631.1 million (-10.3% primarily following a change in the composition and a reduction in the size of the securities portfolio, but also a consequence of pressure on commercial volumes and spreads at system level, and of the lower contribution of the portfolio in run off).
  Net fee and commission income of €1,300.1 million (+6%, primarily as a result of growth in assets under managment,+12% y/y)

[1] The principal **non-recurring items** net of tax and non-controlling interests:
2015: profit on the partial disposal of the interest held in ICBPI, +€75.3 million; redundancy expenses pursuant to the December 2015 agreements, -€61.5 million; extraordinary contribution to the Resolution Fund, -€42.9 million; settlement of tax litigation, -€25.6 million; impairment of AFS securities, -€14 million, integration costs IW Bank-UBI Private Investment, -€5.1 million; **2014**: impairment of intangible assets -€882.7 million; expenses relating to the December 2014 trade union agreement, -€76.3 million; sale of equity investments, mainly in insurance companies, +€92.5 million.

Result from finance of €208.4 million compared with €199.7 million in 2014, to which €82.2 million deriving from the partial disposal of an interest in ICBPI should be added, used to finance the voluntary redundancy plan signed in December 2015.

- **Operating expenses, inclusive of the ordinary and extraordinary contributions to the Resolution Fund and to the Deposit Guarantee Scheme of €2,175.2 million (+3.2%). <u>Net of non-recurring items, expenses were unchanged compared with 2014 (-0.1%), notwithstanding the inclusion of ordinary contributions to the Resolution Fund and to the Deposit Guarantee Scheme in 2015, which totalled €33.4 million.</u>**
  On a like-for-like basis with respect to 2014, and that is excluding all the above contributions, costs fell further by 1.7% compared with 2014.

- **As at 31st January 2016, 317 staff (out of approximately 410) had already left under the redundancy plan signed in December 2015, which gave rise to one off costs recognised in the 2015 financial year of €95 million and which, when fully phased-in, will generate savings of over €31 million per year.**

- **Losses on loans of €802.6 million (95 basis points) compared to €928.6 million (108 basis points) in 2014 with a reduction of 13.6%. It is underlined that this reduction is physiological, as UBI Banca did not need to resort to significant additional provisions in 2014 in relation to the AQR.**

- **Consolidated Group profit of €116.8 million in 2015, compared with a loss of €725.8 million in 2014**, following recognition of approximately €883 million of net impairment losses.

*** * ***

Bergamo, 10th February 2016 – The Management Board of Unione di Banche Italiane Spa (UBI Banca) has approved the draft separate and consolidated annual report of UBI Banca for the year ended 31st December 2015, which will be submitted for approval to the Supervisory Board on 8th March 2016.
The Management Board will submit a proposal to the Shareholders' Meeting to be held in a single call on 2nd April 2016, to distribute a dividend of €0.11 per share on the 900,316,743 shares outstanding (equal to the number of shares that constitute the share capital net of treasury shares held in portfolio).
If approved by the Shareholders' Meeting in the amount proposed, the dividend will be paid with the ex dividend date, record date and payment date on 23rd, 24th and 25th May 2016 respectively. The total dividend payout will amount to approximately €99 million, drawn on net profit.

<u>A summary of operations in 2015</u>

The year 2015 was one of repositioning for the UBI Group, which being the first to make the change – in compliance with the law – from a co-operative group to a joint stock company confirmed the usual transparency and clarity towards its shareholders and the market as a whole.
From an operational viewpoint, the Group's solidity enabled it to undertake actions which affected both the balance sheet and the income statement, such as for example, as part of de-risking, reducing the size of the securities portfolio in terms of both volumes and maturity, and continuing the Group's withdrawal, started some years ago, from lending sectors no longer considered core.

With regard to business, the merger was effected between IW Bank (the Group's internet bank) and UBI Private Investment (over 800 Financial advisors) for the creation of a new customer service model, and the re-organisation of UBI Leasing and Prestitalia was completed, together with the relaunching of UBI Factor, with positive results expected in 2016.
Towards the end of the year, the Group contributed to the rescue of the well-known four banks in difficulty by granting, together with two other major Italian banks, financing to the Resolution Fund (financing still outstanding for the UBI Group amounts to approximately €470 million, guaranteed by the *Cassa Depositi e Prestiti*), in addition to paying three years of extraordinary contributions, required of all banks in the country, amounting to €65.3 million for the UBI Group.
The progressive change in the way in which banking is done, also consequent of the development of the digital approach, led to a new trade union agreement in December 2015 to reduce staff numbers on a voluntary basis, accompanied as usual by action to increase generation turnover with a strong training component. This involved recognition of one off extraordinary expenses in 2015 of €95 million, with expected yearly savings at regime of over €31 million . At the end of January 2016, 317 staff out of approximately 410 had already left.

The year ended with a profit net of non-recurring items of €195.1 million, to show growth of 33.2% compared with 2014.
The stated profit was €116.8 million, compared with a loss of €725.8 million in 2014 following the recognition of impairment losses on intangibles.
The operating results for the Group in 2015 confirmed the good progress made by net fee and commission income (+6% y/y), driven by investment products (assets under management grew by 12% y/y), and the consolidation of the improvement in the quality of credit with less need for provisions (-13.6%). These trends were able to more than offset the trend for net interest income (-10.3%), affected mainly by the lower contribution from the securities portfolio – in progressive reduction and re-composition – but also by strong competition on markets for new lending - conditions that are only now showing signs of stabilising – and by a lower contribution from the portfolio in run off.
Continuing control over costs succeeded in absorbing the entire impact of the ordinary annual contributions to the Resolution Fund and to the Deposit Guarantee Scheme (over €33 million), leaving recurring operating expenses largely unchanged compared with 2014 (-0.1%). These were added to by extraordinary contributions to the Resolution Fund (€65.3 million) and expenses relating to the integration of IW Bank (€7.9 million) , which temporarily raised costs for the year by 3.2% compared with 2014.
Finally with regard to tax, as part of activities to contain risks connected with contingent liabilities, including those of a tax nature, on 4th February 2016 UBI Banca reached a final settlement agreement with the tax authorities on two lines of litigation which represent most of the Group's contingent tax risk. The impact on the consolidated income statement for 2015 came to €25.6 million, after the deduction of provisions made from time to time in the accounts to cover the tax risk.

Balance sheet aggregates tended to normalise in the last part of the year, as funding from customers increased compared with September 2015 (+2.8%, concentrated in customer deposits), lending grew slightly (+0.9%), non-performing exposures (previously termed "deteriorated loans") fell in both gross and net terms (-1.6% and -1.9%) and new inflows from performing to non-performing status reduced further, supporting expectations of lower loan losses in future years.

The transformation into an Ordinary Joint-Stock Company and the right of withdrawal

As already reported, the right of withdrawal as a consequence of the transformation of UBI Banca into an ordinary joint-stock company approved by an extraordinary Shareholders' Meeting on 10th October 2015 and filed on 12th October 2015 with the Bergamo Company Registrar was validly exercised by the final deadline of 27th October 2015 on 35,409,477 UBI Banca shares (approximately 3.927% of the current subscribed and paid-up share capital of UBI Banca) for a total amount of €258,064,268.38, at the liquidation value of €7.2880 per share, as determined in accordance with article 2437-*ter*, paragraph 3 of the Italian Civil Code.
From 12th November 2015 until 12th January 2016, the shares subject to withdrawal were offered as an option right in accordance with Art. 2437-*quater* of the Italian Civil Code., at the price of €7.2880 per share and with a ratio of one share for every 24.4259 rights held. At the end of the period applications had been received under the option and pre-emption rights to purchase 58,322 UBI Banca shares at a price per share of €7.2880 for a total of €425,050.74.
In consideration of the results of the option and pre-emption right offering, UBI Banca took steps to offer the 35,351,155 shares subject to withdrawal not taken up under option and pre-emption rights on the *Mercato Telematico Azionario* (electronic stock exchange) organised and managed by Borsa Italiana S.p.A. ("MTA") on the single day of 28th January 2016 at a price per share of €7.2880 (rounded up to €7.290 in compliance with the rules set by Borsa Italiana S.p.A.). On conclusion of the offering on the MTA, none of the above mentioned 35,351,155 UBI Banca shares had been purchased.
On 3rd February 2016, settlement of the sale and purchase of the 58,322 UBI Banca shares subject to the exercise of option and pre-emption rights took place on the basis of a share out of that number of shares among the withdrawing shareholders in proportion to the number of shares subject to withdrawal.
With regard to the 35,351,155 shares not purchased following the offer in option and pre-emption and the offering on the MTA procedures, the Supervisory Board had already decided that it wished, should it be the case, to exercise its right to limit the redemption of those shares on the basis of the criterion already illustrated in the Illustrative Report to the Shareholders' Meeting published on 9th September 2015, which involves a threshold below which the "fully loaded" Common Equity Tier 1 ratio ("CET1 ratio") must not fall as a consequence of the redemption of the shares subject to withdrawal. That threshold is the arithmetic average between (i) the CET1 ratio required of the UBI Group by the ECB on the basis of the latest decision taken on the matter (known as the "SREP decision"), plus 150 b.p. and (ii) the latest CET1 ratio available recorded by the ECB as at 31st December 2014 with reference to banks subject to single European supervision.
The fully loaded CET1 threshold is 11.62%, calculated as follows:
[(9.25% (November 2015 SREP decision) + 1.50%) + 12.48%]/2 = 11.62%
That threshold must be compared with a fully loaded CET1 ratio as at 31st December 2015 of 11.64%, down compared with the fully loaded CET1 ratio of 12.56% as at 30th September 2015, due primarily to the update of the credit risk parameters included in the internal rating model up to the end of the whole of 2014 and the impact of the financing and extraordinary contributions to the Resolution Fund.
The Management Board will therefore make a proposal to the Supervisory Board, which will make a decision in its meeting of 18th February 2016, having consulted with the Internal Control Committee, to redeem 1,807,217 shares, rounded up to 1,807,220 shares so as to grant equal treatment among shareholders holders of the same number of shares subject to withdrawal.
At the liquidation price of €7.288 per share, the countervalue of the 1,807,220 shares to be redeemed amounts to €13,171,019.36. This will bring the proportion of the total number of shares subject to liquidation (the sum of the 58,322 shares subject to option and pre-emption and the 1,807,220 shares to be redeemed) to 5.268% of the number of shares subject to withdrawal and to

0.207% of the shares that constitute the share capital. The amount of the share redemption commitment has already been incorporated in the phase-in CET1 ratio and in the fully loaded CET1 ratio as at 31st December 2015.
Once the proposal to redeem 1,807,220 UBI Banca shares is approved by the Supervisory Board, the redemption in favour of the withdrawing shareholders will be carried out once the required authorisation for the reduction of own funds is obtained from the competent supervisory authority in accordance with the provisions contained in articles 77 and 78 of Regulation (EU) No. 575/2013 and also Section 2 of the Commission Delegated Regulation (EU) No. 241/2014. In this respect it is forecast that the relevant procedures carried out by the competent supervisory authority may be completed by the end of next March.

***

Results for the year in detail (2015 vs 2014)

The year 2015 ended with a profit net of non-recurring items of €195.1 million, up 33.2% compared with €146.5 million in 2014.
In stated terms, the year ended with a profit of €116.8 million, compared with a loss of €725.8 million in 2014.
The main non-recurring items recognised in 2015 are as follows:

- the partial disposal of the interest held in ICBPI, +€75.3 million net (+€82.2 million gross);
- integration costs for IW Bank and UBI Private Investment, -€5.1 million net (-€7.9 million gross);
- the extraordinary contribution to the Resolution Fund, -€42.9 million net (-€65.3 million gross);
- expenses in relation to the December 2015 trade union agreement, -€61.5 million net (-€95 million gross);
- the elimination of most of the tax risks borne by the Group with an impact recognised in 2015, net of the provisions made over the years, of -€25.6 million.

The stated profit recognised in 2014 was mainly affected, on the other hand, by the recognition of impairment losses on intangible assets of -€882.7 million[2].

As regards revenues, ordinary activities generated **net operating income** of €3,370.9 million , slightly down by 1.1% compared with €3,409.6 million in 2014.
This decrease is attributable entirely to the performance of **net interest income** – down to €1,631.1 million from €1,818.4 million in 2014 – affected mainly by the financial component (securities and interbank business), the contribution from which fell by approximately €104 million, a consequence primarily of the re-composition and reduction strategy carried out as concerns the AFS portfolio of Italian government securities (-€3.4 billion y/y), but also by the component related to business with customers, impacted by strong competition on volumes and on spreads not fully offset by the lower cost of funding (the customer spread was down by 6 basis points y/y) and by the decreasing contribution, -€35 million, from the discontinued loan portfolio (i.e. loans in "run off").

Profits of equity-accounted investees totalled €35.3 million (€37 million in 2014). The strong growth should be noted in the comparison with 2014, in the contribution from the Chinese asset management investee Zhong Ou (€17.9 million compared with €3.1 million in 2014) and from Lombarda Vita (€11.9 million compared with €7.7 million in 2014), while it must be considered that on 22nd December 2014 UBI Banca reduced its stakes held in Aviva Vita Spa and Aviva

[2] See note 1 also.

Assicurazioni Vita Spa from 50% to 20% and that the entire interest held in UBI Assicurazioni Spa was sold on 30th December 2014 with a consequent decrease in the relative contributions to profits.

The good performance and very positive contribution from **net fee and commission income** continued, accounting for approximately 39% of operating income. The item totalled €1,300.1 million, up 6% (+€73.5 million) compared with €1,226.4 million in 2014, as a result of the favourable trend for fees and commissions on investment services[3] (up 12% or €76 million to approximately €706 million), which benefited mainly from commissions on customer portfolio management, which rose by €64 million to €331 million, and also on the placement of asset management products (total assets under management and insurance products grew year-on-year by 11% to €34.1 billion and by +14.5% to €14.4 billion respectively). The contribution from "up front" commissions to net fee and commission income remained low during the year, and unchanged at 11.2% of the total.
Fee and commission income earned on general banking services was more or less unchanged at €594 million (€596 million in 2014, which included commissions paid on the issue of government backed bonds, no longer present in 2015).

The **Result from finance** rose to €290.6 million compared with €199.7 in 2014.
The result included the following:
- €63.9 million from trading, mainly foreign exchange business with customers (€63.2 million in 2014);
- €211.4 million from the disposal/repurchase of financial assets/liabilities (€144.6 million in 2014), of which €173.1 million from debt instruments, primarily Italian government securities. The item also includes €82.2 million, non-recurring, relating to the partial disposal of the interest held in ICBPI, then used to finance the voluntary redundancy plan signed in 2015;
- €4.3 million from fair value movements in financial assets (€3.1 million in 2014);
- €11 million from hedging activities (-€11.2 million in 2014).

Net of the mentioned non-recurring item, relating to the disposal of the stake in ICBPI, the Result from finance still shows growth to 208.4 million compared to 199.7 in 2014.

As concerns **operating expenses** in 2015, the following were recognised in the item "other administrative expenses":
- upon receipt of final confirmation of the relevant amounts, which arrived in the fourth quarter of the year, the ordinary contributions to the Resolution Fund and the Deposit Guarantee Scheme which had been provisioned for during the year, in the fund for risks and charges, while waiting for confirmation;
- the extraordinary contribution to the Resolution Fund in relation to the rescue of four banks that occurred at the end of the year[4].

Continuing control over costs (-€35.8 million, on a like-for-like comparison with 2014) succeeded in absorbing the entire impact of the new ordinary annual contributions to the Resolution Fund and to the Deposit Guarantee Scheme in force from 2015 (€33.4 million), leaving operating expenses net of extraordinary items largely unchanged compared with 2014 (-0.1%). These were added to in 2015 by extraordinary contributions to the Resolution Fund (€65.3 million) and expenses relating to the IW Bank-UBI Private Investment merger (€7.9 million), both non-recurring, which temporarily raised costs for the year by 3.2% compared with 2014.

---

[3] Management, trading and advisory services, inclusive of forex trading.
[4] The contribution to the Deposit Guarantee Scheme for 6 months amounting to €11.4 million (against €11.3 million estimated posted to the fund for risks and charges) and the ordinary contribution to the Resolution Fund amounting to €22 million (against €22.8 million estimated posted to the fund for risks and charges); the extraordinary contribution to the Resolution Fund amounting to €65.3 million.

In detail:

- **staff costs**, amounting to €1,295.1 million, decreased by 0.5% (-€6.7 million) compared with €1,301.8 million in 2014 as a result of changes in staff numbers (-706 on average, with a saving of over €37 million), which offset both inertial increases in wages and higher costs in 2015 in relation to reductions and suspensions of working hours.

  As already reported, a trade union agreement was signed on 23rd December 2015 involving voluntary redundancies for nearly 410 staff at Group level, with access to the sector "Income Support Fund". While one-off costs amount to €95 million (recognised in the income statement in 2015 under a separate item, net of tax and non-controlling interests), savings of over €31 million per year are forecast when this is fully phased in, which will help to stabilise staff costs. As at 31st January 2016, 317 staff had left, accounting for approx. 80% of the planned redundancies;

- **other administrative expenses**, subject to constant monitoring, fell on a like-for-like comparison with 2014 from €633.5 million to €620.5 million (-€13 million). Inclusive of the new ordinary contributions to the Resolution Fund and to the Deposit Guarantee Scheme (€33.4 million), due from 2015, other operating expenses grew by 3.22% (€20.4 million).

  Finally, extraordinary amounts recognised in 2015, in relation to the extraordinary contribution to the Resolution Fund (€65.3 million) and to the IW Bank-UBI Private Investment merger (€7.9 million) resulted in a temporary increase in other administrative expenses of 14.5%;

- **depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets** (inclusive of the PPA) totalled €153 million down by approximately €18 million compared with 2014, partly attributable to the PPA (-€8.3 million) as a consequence of the impairment losses recognised at the end of 2014.

The downward trend for losses on loans that started in 2014 strengthened in 2015, a trend that is also confirmed for 2016 due to the appreciable reduction in new inflows to non-performing status down by 36.2% in 2014 and by a further 7.5% in 2015.
The year 2015 recorded **net impairment losses on loans** of €802.6 million, down by 13.6% (€126 million) compared with €928.6 million in 2014 to give an annualised loan loss rate of 0.95% of total net loans, compared with 1.08% recorded in 2014.
The impairment losses recognised led to coverage for total non-performing exposures of 27.9% (27.7% in September 2015) up on the end of 2014 (27.1%), notwithstanding the sale in 2015 of €289.3 million of gross loans with coverage of 71%.

Finally, following the reclassification of contributions to the Resolution Fund and the Deposit Guarantee Scheme into other administrative expenses, **net provisions for risks and charges** in the period fell to approximately €3 million compared with €9 million in 2014.

As a result of the performance described above, **profit on continuing operations before tax** amounted to €373.7 million compared with €449.1 million in 2014. **Net of non-recurring items** profit on continuing operations before tax **grew by 8%, rising from €355.1 million in 2014 to €383.4 million in 2015**.

Taxes on income for the period from continuing operations amounted to €161.1 million, compared with €186.9 million in 2014, and they include a non-recurring negative component amounting to €25.6 million.
As part of activities to contain risks connected with contingent liabilities, including those of a tax nature, UBI Banca reached a settlement agreement with the tax authorities on two lines of litigation, including the preference share matter, which represented most of the Group's contingent tax risk. The settlement agreement stipulated on 4th February 2016 involves the conclusion of all the

litigation connected with the two areas in question for all years already assessed and currently being assessed, by means of the payment of taxes in an amount recalculated by the tax authorities and of the related interest. The impact on the consolidated income statement for 2015 came to €25.6 million, after the deduction of provisions made from time to time in the accounts to cover the tax risk.
The tax rate therefore stood at 43.12% for 2015 compared with 41.62% before.

Finally, **redundancy expenses** were booked under separate item, net of taxes and non-controlling interests, amounting to €62.7 million, of which €1.2 million recognised in the first quarter when an agreement with trade unions was signed on 4th February 2015 in relation to the merger of IW Bank into UBI Banca Private Investment, and €61.5 million (€95 million gross) recognised in the fourth quarter when an agreement with trade unions was signed on 23rd December 2015 in relation to voluntary redundancies for approx. 410 staff.

*** * ***

Group operating results in the fourth quarter of the year

Net of non-recurring items, concentrated mostly in the last part of the year[5], for the first time since 2011 the fourth quarter of 2015 ended with a profit of €19.1 million compared with a profit of €40.1 million in the third quarter of the year and a loss of €28.9 million in the fourth quarter of 2014.

In stated terms, the fourth quarter, affected, amongst other things, by the extraordinary contributions paid to the Resolution Fund, by the costs of the new redundancy scheme and by an extraordinary tax charge, closed with a loss of €45.2 million compared with a profit of €37.6 million in the third quarter of the year and a loss of €875.6 million in the fourth quarter of 2014, in relation to impairment recognised on intangible assets.

In detail **operating income** totalled €903.8 million, recording growth compared with both €758.2 million in 3Q 2015 and €852 million in 4Q 2014, the result of differing performance by the various components.
Net interest income amounted to €385.2 million (€398.7 million in 3Q 2015 and €442.1 million in 4Q 2014), following a lower contribution from the securities portfolio (lower average total assets, -€0.8 billion 4Q/3Q 2015 and -€3.2 billion 4Q 2015/4Q 2014, and a different composition) and also in relation to competitive pressure on volumes and pricing of loans and to a lower contribution from the run-off portfolio. Furthermore, on the basis the latest estimates, **the quarterly performance of net interest income in 2016 is forecast to grow compared with the minimum reached in the last quarter of 2015.**
Net fee and commission income contributed €330.6 million to profits (of which €22.5 million from performance fees), up compared with both €300.5 million in 3Q 2015 and with €318.4 million

[5] Most of the non-recurring items were recognised in the fourth quarter of 2015 as follows:
- the partial disposal of the interest held in ICBPI, +€75.3 million net (+€82.2 million gross);
- the extraordinary contribution to the Resolution Fund, -€42.9 million net (-€65.3 million gross);
- impairment on AFS securities, -14 million net (-18.3 gross)
- expenses in relation to the December 2015 trade union agreement, -€61.5 million net (-€95 million gross);
- the elimination of most of the tax risks borne by the Group with an impact recognised in quarter, net of the provisions made over the years, of -€25.6 million.

The following items were also recognised in the fourth quarter of 2014:
- impairment of intangible assets, -€882.7 million;
- expenses in relation to the December 2014 trade union agreement, -€76.3 million net (€111.5 million gross);
- sale of equity investments primarily in insurance companies, +€92.5 million (€95.1 million gross).

in 4Q 2014 as a result of favourable performance by management, trading and advisory services. Up front commissions accounted for approximately 8.3% of total commissions in the fourth quarter of the year (8.9% in 3Q 2015 and 7.8% in 4Q 2014).
The **finance result** contributed income of €151.7 million (€27.8 million in 3Q 2015 and €49.2 million in 4Q 2014), attributable mainly to the disposal of Italian government securities, as part of a policy to reduce and diversify the portfolio currently being implemented, which contributed over €90.7 million and to a profit of €82.2 million realised on the partial disposal of the interest held in ICBPI, then used to finance the redundancy plan agreement signed in December 2015.

As concerns **operating expenses**, in the last quarter of the year, both

- the ordinary contributions to the Resolution Fund and the Deposit Guarantee Scheme for which provisions had been made during the year to the fund for risks and charges (where they had been recognised while waiting to receive final confirmation of the estimated amounts, which arrived in the fourth quarter of the year) and
- the extraordinary contribution to the Resolution Fund in relation to the rescue of four banks that occurred at the end of the year[6],

were registered among **other administrative expenses** for a total of €98.7 million (of which €33.4 million ordinary and €65.3 million extraordinary contributions). At the same time, the fund for risks and charges recorded reversals of the amounts already provisioned for.
Net of the aforementioned contributions, **other administrative expenses** came to €173.7 million compared with €141.6 million in 3Q 2015, the result of the usual seasonal factors, but they were slightly down compared with €176.7 million in 4Q 2014.
Staff costs stood at €322.4 million in 4Q 2015, slightly up on €318 million in 3Q 2015 and in line with €325.1 million in 4Q 2014.
With regard to the trend for the item in 2016, as already reported, a trade union agreement was signed on 23rd December 2015 involving voluntary redundancies for approx. 410 staff at Group level, with access to the sector "Income Support Fund". While one-off costs amount to €95 million (recognised in the income statement in the fourth quarter of 2015 under a separate item net of tax and non-controlling interests), savings at regime of over €31 million per year are forecast, which will help to stabilise staff costs. As at 31st January 2016, 317 staff had left, accounting for approx. 80% of the planned redundancies.
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets amounted to €38.3 million, in line with the figure for 3Q 2015 and down compared with €43.7 million in 4Q 2014 as a result of the impairment recognised at the end of 2014.

Net impairment losses on loans slowed markedly in the fourth quarter of the year to reach €245 million (-19% or -€57.5 million compared with 4Q 2014), also reflecting a further progressive reduction in inflows of new non-performing exposures from performing status (-25% 4Q 2015/4Q 2014).

Finally, €44.8 million was released from the **provision for risks and charges** during the quarter, due primarily to the reclassification into the item "other administrative expenses" of the ordinary provision estimates made in the third quarter for the Deposit Guarantee Scheme and in the second quarter for the Resolution Fund.

Taxes on income for the period from continuing operations came to €33.3 million and included a non-recurring negative component amounting to €25.6 million in relation to the settlement

[6] The contribution to Deposit Guarantee Scheme for 6 months amounting to €11.4 million (against €11.3 million estimated posted to the fund for risks and charges) and the ordinary contribution to the Resolution Fund amounting to €22 million (against €22.8 million estimated posted to the fund for risks and charges); the extraordinary contribution to the Resolution Fund amounting to €65.3 million.

agreement with the tax authorities mentioned in the commentary on the results for the full year. These taxes compare with €28.6 million in 3Q 2015 and with a slightly positive figure (€0.6 million) in 4Q 2014.

* * *

The balance sheet

Loans to customers as at 31st December 2015 amounted to €84.6 billion, slightly up (0.9%) on €83.8 billion in September 2015, as a result of a recovery in short-term loans, which rose by approximately €1.1 billion to €22.8 billion compared with September, while medium to long-term loans remained stable at €55.6 billion and the run-off portfolio reduced by approximately €200 million, to stand at €6.2 billion. Loans recorded a decrease compared with €85.6 billion in December 2014, due primarily to the run-off portfolio which reduced during the year by over €800 million.
In December 2015 the Group's **market share** of the private sector lending segment net of bad loans (sofferenze) had increased slightly to 5.68% compared with 5.67% in September 2015.

As concerns credit quality, **total gross non-performing exposures** (termed "deteriorated loans" in past press releases), stood at €13,434 million at the end of December 2015, down 1.6% compared with €13,651 million in September 2015 and (€13,049 million in December 2014).
Coverage for total non-performing exposures was 27.9% (up compared with 27.7% in September 2015 and 27.1% in December 2014), notwithstanding the disposal over the twelve months of 2015 of approximately €290 million of bad loans, written down by 71%. If loan write-offs are included, coverage for non-performing exposures rises to 37.4% (37.3% in September 2015 and 37.1% in December 2014).

Total net non-performing exposures amounted to €9,689 million at the end of December 2015, down 1.9% compared with €9,871 million at the end of September 2015 (€9,508 million in December 2014).

In detail, net bad loans (termed "non-performing loans" in past press releases) amounted to €4,288 million (€4,244 million in September 2015 and €4,025 million in December 2014), accounting for 5.06% of total net loans.
Following the disposal of the above-mentioned €290 million of bad loans, coverage for bad loans was 38.64% (unchanged compared with 38.67% in September 2015 and up compared with 38.56% at the end of 2014). If loan write-offs are included, coverage for bad loans was 52.5% after the disposals carried out in the fourth quarter (53% in September 2015 and 53.4% in December 2014).

The new category, "unlikely to pay", amounted to €5,147 million net, down compared with €5,241 million at the end of September 2015 (€4,954 million in December 2014), with coverage of 16.7%.

Net positions past due and/or in arrears recorded a constant reduction to €254 million (compared with €387 million in September 2015 and €529 million in December 2014), with coverage of 4.9%.

Total direct funding of the Group, both from ordinary customers and from institutional customers stood at €91.5 billion, up compared with €89 billion in September 2015, as a result of significant inflows of deposits that occurred in the last quarter of the year, but down compared with €93.2 billion at the end of 2014 (-€1.7 billion euro), primarily as a result of customers reallocating their

liquidity, in search of more remunerative forms of investment, into asset management products, which grew during the year by approximately €5.2 billion.
In detail:
- **direct funding from ordinary customers**, amounting to €72.5 billion in December 2015 (€70.9 billion in September 2015 and €74 billion in December 2014), recorded a significant increase in current account deposits, especially in the fourth quarter of the year (up to €47.7 billion from €44.1 billion in September 2015 and from €44.3 billion in December 2014). On the other hand, total outstanding bonds placed with customers (€20.2 billion in December 2015, €21.6 billion in September 2015 and €23.6 billion at the end of 2014), reduced progressively in favour of **indirect funding from ordinary customers**, which reached €79.5 billion, up 0.5% compared with September 2015 and 4.8% compared with December 2014.
With regard to indirect funding, **assets under management in the strict sense** amounted to €34.1 billion (+€3.4 billion compared with December 2014, +€0.8 billion in the quarter), **insurance funding** to €14.4 billion (+€1.8 billion compared with December 2014, +€0.5 billion in the quarter) and **assets under custody** to €31 billion (-€1.6 billion compared with December 2014, -€1 billion in the quarter);
- **direct funding from institutional customers** recorded no particular changes and, following a €750 million issuance of covered bonds in October, it stood at €19 billion (€18.1 billion in September and €19.3 billion in December 2014).

The solidity of the Group's liquidity position is again confirmed with ratios (Net Stable Funding Ratio and Liquidity Coverage Ratio) now higher than 1 for some years and total **assets eligible for refinancing** as at 31st December 2015 of **€26.4 billion** (of which €13.1 billion available), already net of haircuts.

Group exposure to the ECB consisted of a total of €8.1 billion of TLTROs, recognised under "due to banks" and therefore not included in direct funding.

The Group's **net financial assets** had a mark-to-market value of €19.7 billion at the end of December 2015, of which €18.3 billion were Italian government securities: the latter total was down compared with December 2014 (€21.9 billion) and unchanged compared with September 2015. The nominal value of the Italian government securities was €15.8 billion compared with €19.2 billion in December 2014 and €15.6 billion in September 2015.

The consolidated **equity** of the UBI Banca Group as at 31st December 2015, including profit for the period, amounted to €9,982 million compared with €10,073 million in September 2015 (€9,804 million at the end of December 2014).
Finally, the **leverage ratio** calculated on the basis of Commission Delegated Regulation EU 2015/62 indications was 6.00% "phase in" and 5.81% "fully loaded".

* * *

Human resources of the UBI Banca Group totalled 17,718 as at 31st December 2015 compared with 17,745 in September 2015. The branch network at the end of the period consisted of 1,554 branches in Italy (1,555 in September 2015) and six abroad.

* * *

The Statement of the Senior Officer Responsible for the preparation of corporate accounting documents

Elisabetta Stegher, as the Senior Officer Responsible for preparing the corporate accounting documents of Unione di Banche Italiane Spa, hereby declares, in compliance with the second paragraph of article 154 *bis* of the *Testo unico delle disposizioni in materia di intermediazione finanziaria* (Consolidated Finance Act), that the financial information contained in this press release is reliably based on the records contained in corporate documents and accounting records.

* * *

Outlook

The quarterly performance of net interest income in 2016 is forecast to grow compared with the minimum recorded in the last quarter of 2015.
Net fee and commission income is forecast to benefit again in 2016 from the re-composition process of total funding in favour of assets under management and from the gradual recovery in lending to customers.
In the context of a start to the year characterised by greater volatility on markets, profit-taking on positive fair value reserves relating to the securities portfolio should make it possible to offset the forecast lower contribution from trading and hedging activity compared with 2015.
The continuous optimisation of other administrative expenses and the recent trade union agreement should make it possible to maintain operating expenses in line with those for 2015, notwithstanding the increase in costs relating to the contribution to the European Resolution Fund and the Deposit Guarantee Scheme.
The particularly prudent approach to the performing portfolio and the reduction in progress of new inflows to non performing status should make it possible to reduce loan losses in the coming year, net of any extraordinary components resulting from a possible acceleration of the process to dispose of bad loans (sofferenze).

* * *

For further information please contact:
UBI Banca – Investor relations – Tel. +39 035 3922217 - Email: investor.relations@ubibanca.it
UBI Banca – Media relations – Tel. +39 027781 4213 - 4932 – 4936 - Email: media.relations@ubibanca.it
Copy of this press release is available on the website www.ubibanca.it

Attachments
Financial statements

UBI Banca Group:

- Reclassified consolidated balance sheet
- Reclassified consolidated income statement
- Quarterly evolution of reclassified consolidated income statement
- Reclassified consolidated income statement net of the most significant non-recurring items
- Reclassified consolidated income statement net of the most significant non-recurring items: details (2015 and 2014)

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

UBI Banca S.p.A.:

- Mandatory balance sheet
- Mandatory income statement

Notes to the financial statements

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

The "notes on the reclassified financial statements" contained in the periodic financial reports of the Group may be consulted for a fuller comprehension of the rules followed in preparing the reclassified financial statements.

The mandatory financial statements, prepared on the basis of Bank of Italy Circular No. 262 of 22nd December 2005 and subsequent amendments and additions (in particular, 4th update of 15th December 2015).

UBI Banca Group: Reclassified consolidated balance sheet

Figures in thousands of euro	31.12.2015	31.12.2014	Changes	% changes
ASSETS				
Cash and cash equivalents	530,098	598,062	-67,964	-11.4%
Financial assets held for trading	994,478	1,420,506	-426,028	-30.0%
Financial assets designated at fair value	196,034	193,167	2,867	1.5%
Available-for-sale financial assets	15,554,282	18,554,956	-3,000,674	-16.2%
Held-to-maturity investments	3,494,547	3,576,951	-82,404	-2.3%
Loans and advances to banks	3,429,937	3,340,415	89,522	2.7%
Loans and advances to customers	84,586,200	85,644,223	-1,058,023	-1.2%
Hedging derivatives	594,685	649,250	-54,565	-8.4%
Fair value change in hedged financial assets (+/-)	59,994	64,124	-4,130	-6.4%
Equity investments	260,812	246,250	14,562	5.9%
Property, plant and equipment	1,744,463	1,729,107	15,356	0.9%
Intangible assets	1,757,468	1,776,925	-19,457	-1.1%
of which: goodwill	*1,465,260*	*1,465,260*	-	-
Tax assets	2,814,933	2,991,600	-176,667	-5.9%
Non-current assets and disposal groups held for sale	11,148	69,893	-58,745	-84.0%
Other assets	1,171,686	931,275	240,411	25.8%
Total assets	**117,200,765**	**121,786,704**	**-4,585,939**	**-3.8%**
LIABILITIES AND EQUITY				
Due to banks	10,454,303	13,292,723	-2,838,420	-21.4%
Due to customers	55,264,471	51,616,920	3,647,551	7.1%
Debt securities issued	36,247,928	41,590,349	-5,342,421	-12.8%
Financial liabilities held for trading	531,812	617,762	-85,950	-13.9%
Hedging derivatives	749,725	1,009,092	-259,367	-25.7%
Tax liabilities	472,564	630,223	-157,659	-25.0%
Other liabilities	2,354,617	1,994,340	360,277	18.1%
Post-employment benefits	340,954	391,199	-50,245	-12.8%
Provisions for risks and charges:	266,628	285,029	-18,401	-6.5%
a) pension and similar obligations	70,237	80,529	-10,292	-12.8%
b) other provisions	196,391	204,500	-8,109	-4.0%
Share capital, share premiums, reserves, valuation reserves and treasury shares	9,865,097	10,529,815	-664,718	-6.3%
Non-controlling interests	535,901	555,019	-19,118	-3.4%
Profit (loss) for the year	116,765	-725,767	842,532	n.s.
Total liabilities and equity	**117,200,765**	**121,786,704**	**-4,585,939**	**-3.8%**

UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	2015 A	2014 B	Changes A-B	% changes A/B	4th Quarter 2015 C	4th Quarter 2014 D	Changes C-D	% changes C/D
Net interest income	1,631,055	1,818,387	(187,332)	(10.3%)	385,240	442,074	(56,834)	(12.9%)
of which: effects of the purchase price allocation	*(27,149)*	*(28,540)*	*(1,391)*	*(4.9%)*	*(6,901)*	*(7,312)*	*(411)*	*(5.6%)*
Net interest income excluding the effects of the PPA	*1,658,204*	*1,846,927*	*(188,723)*	*(10.2%)*	*392,141*	*449,386*	*(57,245)*	*(12.7%)*
Dividends and similar income	10,349	10,044	305	3.0%	1,578	800	778	97.3%
Profits of equity-accounted investees	35,260	37,015	(1,755)	(4.7%)	12,104	8,198	3,906	47.6%
Net fee and commission income	1,300,119	1,226,587	73,532	6.0%	330,574	318,392	12,182	3.8%
of which performance fees	*35,182*	*16,951*	*18,231*	*107.6%*	*22,496*	*10,710*	*11,786*	*110.0%*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	290,633	199,658	90,975	45.6%	151,705	49,156	102,549	208.6%
Other net operating income/expense	103,448	117,939	(14,491)	(12.3%)	22,611	33,418	(10,807)	(32.3%)
Operating income	**3,370,864**	**3,409,630**	**(38,766)**	**(1.1%)**	**903,812**	**852,038**	**51,774**	**6.1%**
Operating income excluding the effects of the PPA	***3,398,013***	***3,438,170***	***(40,157)***	***(1.2%)***	***910,713***	***859,350***	***51,363***	***6.0%***
Staff costs	(1,295,090)	(1,301,779)	(6,689)	(0.5%)	(322,360)	(325,142)	(2,782)	(0.9%)
Other administrative expenses	(727,067)	(635,034)	92,033	14.5%	(272,472)	(176,742)	95,730	54.2%
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(153,024)	(171,409)	(18,385)	(10.7%)	(38,294)	(43,716)	(5,422)	(12.4%)
of which: effects of the purchase price allocation	*(13,158)*	*(21,416)*	*(8,258)*	*(38.6%)*	*(3,283)*	*(6,648)*	*(3,365)*	*(50.6%)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(139,866)*	*(149,993)*	*(10,127)*	*(6.8%)*	*(35,011)*	*(37,068)*	*(2,057)*	*(5.5%)*
Operating expenses	**(2,175,181)**	**(2,108,222)**	**66,959**	**3.2%**	**(633,126)**	**(545,600)**	**87,526**	**16.0%**
Operating expenses excluding the effects of the PPA	***(2,162,023)***	***(2,086,806)***	***75,217***	***3.6%***	***(629,843)***	***(538,952)***	***90,891***	***16.9%***
Net operating income	**1,195,683**	**1,301,408**	**(105,725)**	**(8.1%)**	**270,686**	**306,438**	**(35,752)**	**(11.7%)**
Net operating income excluding the effects of the PPA	***1,235,990***	***1,351,364***	***(115,374)***	***(8.5%)***	***280,870***	***320,398***	***(39,528)***	***(12.3%)***
Net impairment losses on loans	(802,646)	(928,617)	(125,971)	(13.6%)	(245,013)	(302,466)	(57,453)	(19.0%)
Net impairment losses on other financial assets and liabilities	(16,866)	(8,650)	8,216	95.0%	(10,464)	(6,382)	4,082	64.0%
Net provisions for risks and charges	(2,975)	(9,074)	(6,099)	(67.2%)	44,794	(5,123)	49,917	n.s.
Profits from the disposal of equity investments	464	94,007	(93,543)	(99.5%)	81	94,356	(94,275)	(99.9%)
Pre-tax profit from continuing operations	**373,660**	**449,074**	**(75,414)**	**(16.8%)**	**60,084**	**86,823**	**(26,739)**	**(30.8%)**
Pre-tax profit from continuing operations excluding the effects of the PPA	***413,967***	***499,030***	***(85,063)***	***(17.0%)***	***70,268***	***100,783***	***(30,515)***	***(30.3%)***
Taxes on income for the period/year from continuing operations	(161,121)	(186,926)	(25,805)	(13.8%)	(33,342)	557	(33,899)	n.s.
of which: effects of the purchase price allocation	*13,362*	*16,523*	*(3,161)*	*(19.1%)*	*3,376*	*4,781*	*(1,405)*	*(29.4%)*
Profit for the period/year attributable to non-controlling interests	(29,765)	(28,918)	847	2.9%	(7,151)	(3,982)	3,169	79.6%
of which: effects of the purchase price allocation	*2,115*	*2,754*	*(639)*	*(23.2%)*	*529*	*599*	*(70)*	*(11.7%)*
Profit for the year/period attributable to the shareholders of the Parent before redundancies and impairment excluding the effects of the PPA	*207,604*	*263,909*	*(56,305)*	*(21.3%)*	*25,870*	*91,978*	*(66,108)*	*(71.9%)*
Profit for the period/year attributable to the shareholders of the Parent before redundancies and impairment	**182,774**	**233,230**	**(50,456)**	**(21.6%)**	**19,591**	**83,398**	**(63,807)**	**(76.5%)**
Redundancy expenses net of taxes and non-controlling interests	(62,705)	(76,311)	(13,606)	(17.8%)	(61,515)	(76,311)	(14,796)	(19.4%)
Impairment losses on goodwill, finite useful life intangible assets and property, plant and equipment net of taxes and non-controlling interests	(3,304)	(882,686)	(879,382)	(99.6%)	(3,304)	(882,686)	(879,382)	(99.6%)
Profit (loss) for the period/year attributable to the shareholders of the Parent	**116,765**	**(725,767)**	**842,532**	**n.s.**	**(45,228)**	**(875,599)**	**(830,371)**	**(94.8%)**
Total impact of the purchase price allocation on the income statement	*(24,830)*	*(30,679)*	*(5,849)*	*(19.1%)*	*(6,279)*	*(8,580)*	*(2,301)*	*(26.8%)*

UBI Banca Group: Reclassified consolidated quarterly income statements

Figures in thousands of euro	2015				2014			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Net interest income	385,240	398,667	416,543	430,605	442,074	467,785	454,056	454,472
of which: effects of the purchase price allocation	*(6,901)*	*(6,630)*	*(7,115)*	*(6,503)*	*(7,312)*	*(6,990)*	*(7,782)*	*(6,456)*
Net interest income excluding the effects of the PPA	*392,141*	*405,297*	*423,658*	*437,108*	*449,386*	*474,775*	*461,838*	*460,928*
Dividends and similar income	1,578	3,452	4,786	533	800	376	8,081	787
Profits of equity-accounted investees	12,104	3,583	13,405	6,168	8,198	8,155	9,763	10,899
Net fee and commission income	330,574	300,467	327,886	341,192	318,392	298,502	309,583	300,110
of which performance fees	*22,496*	*878*	*4,934*	*6,874*	*10,710*	*2,766*	*2,824*	*651*
Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	151,705	27,830	53,074	58,024	49,156	13,860	74,031	62,611
Other net operating income/expense	22,611	24,162	27,186	29,489	33,418	33,025	26,950	24,546
Operating income	**903,812**	**758,161**	**842,880**	**866,011**	**852,038**	**821,703**	**882,464**	**853,425**
Operating income excluding the effects of the PPA	***910,713***	***764,791***	***849,995***	***872,514***	***859,350***	***828,693***	***890,246***	***859,881***
Staff costs	(322,360)	(317,957)	(319,843)	(334,930)	(325,142)	(328,694)	(321,849)	(326,094)
Other administrative expenses	(272,472)	(141,642)	(165,021)	(147,932)	(176,742)	(147,078)	(158,598)	(152,616)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(38,294)	(36,952)	(39,280)	(38,498)	(43,716)	(42,497)	(42,663)	(42,533)
of which: effects of the purchase price allocation	*(3,283)*	*(3,285)*	*(3,316)*	*(3,274)*	*(6,648)*	*(4,969)*	*(4,888)*	*(4,911)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(35,011)*	*(33,667)*	*(35,964)*	*(35,224)*	*(37,068)*	*(37,528)*	*(37,775)*	*(37,622)*
Operating expenses	**(633,126)**	**(496,551)**	**(524,144)**	**(521,360)**	**(545,600)**	**(518,269)**	**(523,110)**	**(521,243)**
Operating expenses excluding the effects of the PPA	***(629,843)***	***(493,266)***	***(520,828)***	***(518,086)***	***(538,952)***	***(513,300)***	***(518,222)***	***(516,332)***
Net operating income	**270,686**	**261,610**	**318,736**	**344,651**	**306,438**	**303,434**	**359,354**	**332,182**
Net operating income excluding the effects of the PPA	***280,870***	***271,525***	***329,167***	***354,428***	***320,398***	***315,393***	***372,024***	***343,549***
Net impairment losses on loans	(245,013)	(168,534)	(198,907)	(190,192)	(302,466)	(197,050)	(230,475)	(198,626)
Net impairment losses on other financial assets and liabilities	(10,464)	(3,054)	(2,382)	(966)	(6,382)	(267)	(3,674)	1,673
Net provisions for risks and charges	44,794	(18,634)	(24,816)	(4,319)	(5,123)	(1,249)	7,361	(10,063)
Profits (losses) from the disposal of equity investments	81	300	392	(309)	94,356	81	230	(660)
Pre-tax profit from continuing operations	**60,084**	**71,688**	**93,023**	**148,865**	**86,823**	**104,949**	**132,796**	**124,506**
Pre-tax profit from continuing operations excluding the effects of the PPA	***70,268***	***81,603***	***103,454***	***158,642***	***100,783***	***116,908***	***145,466***	***135,873***
Taxes on income for the period from continuing operations	(33,342)	(28,632)	(37,149)	(61,998)	557	(52,115)	(76,666)	(58,702)
of which: effects of the purchase price allocation	*3,376*	*3,287*	*3,458*	*3,241*	*4,781*	*2,059*	*5,930*	*3,753*
Profit for the period attributable to non-controlling interests	(7,151)	(5,506)	(7,359)	(9,749)	(3,982)	(9,194)	(8,073)	(7,669)
of which: effects of the purchase price allocation	*529*	*423*	*604*	*559*	*599*	*867*	*565*	*723*
Profit for the year/period attributable to the shareholders of the Parent before redundancies and impairment excluding the effects of the PPA	*25,870*	*43,755*	*54,884*	*83,095*	*91,978*	*52,673*	*54,232*	*65,026*
Profit for the period attributable to the shareholders of the Parent before redundancies and impairment	**19,591**	**37,550**	**48,515**	**77,118**	**83,398**	**43,640**	**48,057**	**58,135**
Redundancy expenses net of taxes and non-controlling interests	(61,515)	-	- -	1,190	(76,311)	-	-	-
Impairment losses on goodwill, finite useful life intangible assets and property, plant and equipment net of taxes and non-controlling interests	(3,304)	-	-	-	(882,686)	-	-	-
Profit for the period attributable to the shareholders of the Parent	**(45,228)**	**37,550**	**48,515**	**75,928**	**(875,599)**	**43,640**	**48,057**	**58,135**
Total impact of the purchase price allocation on the income statement	*(6,279)*	*(6,205)*	*(6,369)*	*(5,977)*	*(8,580)*	*(9,033)*	*(6,175)*	*(6,891)*

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

Figures in thousands of euro	**2015** *net of non-recurring items*	**2014** *net of non-recurring items*	Changes	% changes
Net interest income (including the effects of the PPA)	1,631,055	1,818,387	(187,332)	(10.3%)
Dividends and similar income	10,349	10,044	305	3.0%
Profits of equity-accounted investees	35,260	37,015	(1,755)	(4.7%)
Net fee and commission income	1,300,119	1,226,587	73,532	6.0%
of which performance fees	*35,182*	*16,951*	*18,231*	*107.6%*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	208,437	188,924	19,513	10.3%
Other net operating income/expense	103,448	117,939	(14,491)	(12.3%)
Operating income (including the effects of the PPA)	**3,288,668**	**3,398,896**	**(110,228)**	**(3.2%)**
Staff costs	(1,295,090)	(1,301,779)	(6,689)	(0.5%)
Other administrative expenses	(653,880)	(633,494)	20,386	3.2%
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(153,024)	(169,140)	(16,116)	(9.5%)
Operating expenses (including the effects of the PPA)	**(2,101,994)**	**(2,104,413)**	**(2,419)**	**(0.1%)**
Net operating income (including the effects of the PPA)	**1,186,674**	**1,294,483**	**(107,809)**	**(8.3%)**
Net impairment losses on loans	(802,646)	(928,617)	(125,971)	(13.6%)
Net impairment losses on other financial assets and liabilities	1,424	(3,192)	4,616	n.s.
Net provisions for risks and charges	(2,975)	(7,527)	(4,552)	(60.5%)
Profits (losses) from the disposal of equity investments	927	(89)	1,016	n.s.
Pre-tax profit from continuing operations (including the effects of the PPA)	**383,404**	**355,058**	**28,346**	**8.0%**
Taxes on income for the year from continuing operations	(157,096)	(178,693)	(21,597)	(12.1%)
Profit for the year attributable to non-controlling interests	(31,176)	(29,828)	1,348	4.5%
Profit for the year attributable to the shareholders of the Parent	**195,132**	**146,537**	**48,595**	**33.2%**

UBI Banca Group: reclassified consolidated income statement net of the most significant non-recurring items - details 2015

Figures in thousands of euro	2015	non-recurring items: Disposal of equity investments	Impairment losses on equity instruments, bonds and units of UCITS (AFS)	IW Bank and UBI Banca Private Investment integration costs	Redundancy expenses (pursuant to trade union agreements of 4th February 2015 and 23rd December 2015)	Extraordinary contribution to the Resolution Fund	Impairment losses on property, plant and equipment (owned properties)	Conclusion of tax litigation	2015 *net of non-recurring items*
Net interest income (including the effects of the PPA)	1,631,055								1,631,055
Dividends and similar income	10,349								10,349
Profits of equity-accounted investees	35,260								35,260
Net fee and commission income	1,300,119								1,300,119
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	290,633	(82,196)							208,437
Other net operating income/expense	103,448								103,448
Operating income (including the effects of the PPA)	**3,370,864**	**(82,196)**	**-**	**-**	**-**	**-**	**-**	**-**	**3,288,668**
Staff costs	(1,295,090)								(1,295,090)
Other administrative expenses	(727,067)			7,868		65,319			(653,880)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(153,024)								(153,024)
Operating expenses (including the effects of the PPA)	**(2,175,181)**		**-**	**7,868**	**-**	**65,319**	**-**	**-**	**(2,101,994)**
Net operating income (including the effects of the PPA)	**1,195,683**	**(82,196)**	**-**	**7,868**	**-**	**65,319**	**-**	**-**	**1,186,674**
Net impairment losses on loans	(802,646)								(802,646)
Net impairment losses on other financial assets and liabilities	(16,866)		18,290						1,424
Net provisions for risks and charges	(2,975)								(2,975)
Profits from the disposal of equity investments	464	463							927
Pre-tax profit from continuing operations (including the effects of the PPA)	**373,660**	**(81,733)**	**18,290**	**7,868**	**-**	**65,319**	**-**	**-**	**383,404**
Taxes on income for the year from continuing operations	(161,121)	6,411	(4,175)	(2,602)		(21,237)		25,628	(157,096)
Profit for the year attributable to non-controlling interests	(29,765)		(94)	(161)		(1,156)			(31,176)
Profit for the year attributable to the shareholders of the Parent before redundancies and impairment	**182,774**	**(75,322)**	**14,021**	**5,105**	**-**	**42,926**	**-**	**25,628**	**195,132**
Redundancy expenses net of taxes and non-controlling interests	(62,705)				62,705				-
Impairment losses on goodwill, finite useful life intangible assets and property, plant and equipment net of taxes and non-controlling interests	(3,304)						3,304		-
Profit for the year attributable to the shareholders of the Parent	**116,765**	**(75,322)**	**14,021**	**5,105**	**62,705**	**42,926**	**3,304**	**25,628**	**195,132**

UBI Banca Group: reclassified consolidated income statement net of the most significant non-recurring items - details 2014

Figures in thousands of euro	2014	non-recurring items									2014 *net of non-recurring items*
		Impairment of goodwill, intangible assets and property, plant and equipment	Redundancy expenses (purs. to Framework Agreement 26th November 2014)	Disposal of equity investments	Profit on the disposal of investment property	Change in the substitute tax on the new profit sharing stakes held in the Bank of Italy	Impairment of AFS securities	Write off of IT systems	Integration costs of merger of UBI Banca Private Investment and IW Bank	Interbank Deposit Protection Fund action to assist Banca Tercas	
Net interest income (including the effects of the PPA)	1,818,387										1,818,387
Dividends and similar income	10,044										10,044
Profits of equity-accounted investees	37,015										37,015
Net fee and commission income	1,226,587										1,226,587
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	199,658			(10,734)							188,924
Other net operating income/expense	117,939										117,939
Operating income (including the effects of the PPA)	**3,409,630**	**-**	**-**	**(10,734)**	**-**	**-**	**-**	**-**	**-**	**-**	**3,398,896**
Staff costs	(1,301,779)										(1,301,779)
Other administrative expenses	(635,034)								1,540		(633,494)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(171,409)							2,269			(169,140)
Operating expenses (including the effects of the PPA)	**(2,108,222)**	**-**	**-**	**-**	**-**	**-**	**-**	**2,269**	**1,540**	**-**	**(2,104,413)**
Net operating income (including the effects of the PPA)	**1,301,408**	**-**	**-**	**(10,734)**	**-**	**-**	**-**	**2,269**	**1,540**	**-**	**1,294,483**
Net impairment losses on loans	(928,617)										(928,617)
Net impairment losses on other financial assets and liabilities	(8,650)						4,821			637	(3,192)
Net provisions for risks and charges	(9,074)							1,547			(7,527)
Profits from the disposal of equity investments	94,007			(84,384)	(9,712)						(89)
Pre-tax profit from continuing operations (including the effects of the PPA)	**449,074**	**-**	**-**	**(95,118)**	**(9,712)**	**-**	**4,821**	**3,816**	**1,540**	**637**	**355,058**
Taxes on income for the year from continuing operations	(186,926)			2,590	3,184	4,482	(169)	(1,169)	(510)	(175)	(178,693)
Profit for the year attributable to non-controlling interests	(28,918)				20	(705)	(204)			(21)	(29,828)
Profit for the year attributable to the shareholders of the Parent before redundancies and impairment	**233,230**	**-**	**-**	**(92,528)**	**(6,508)**	**3,777**	**4,448**	**2,647**	**1,030**	**441**	**146,537**
Redundancy expenses net of taxes and non-controlling interests	(76,311)		76,311								-
Impairment losses on goodwill, finite useful life intangible assets and property, plant and equipment net of taxes and non-controlling interests	(882,686)	882,686									-
Profit (loss) for the year attributable to the shareholders of the Parent	**(725,767)**	**882,686**	**76,311**	**(92,528)**	**(6,508)**	**3,777**	**4,448**	**2,647**	**1,030**	**441**	**146,537**

UBI Banca Group: Consolidated balance sheet
- mandatory statement -

ASSETS *(figures in thousand euro)*	**31.12.2015**	**31.12.2014**
Cash and cash equivalents	530,098	598,062
Financial assets held for trading	994,478	1,420,506
Financial assets designated at fair value	196,034	193,167
Available-for-sale financial assets	15,554,282	18,554,956
Held-to-maturity investments	3,494,547	3,576,951
Loans and advances to banks	3,429,937	3,340,415
Loans and advances to customers	84,586,200	85,644,223
Hedging derivatives	594,685	649,250
Fair value change in hedged financial assets (+/-)	59,994	64,124
Equity investments	260,812	246,250
Property, plant and equipment	1,744,463	1,729,107
Intangible assets	1,757,468	1,776,925
of which:		
goodwill	*1,465,260*	*1,465,260*
Tax assets:	2,814,933	2,991,600
a) current	605,770	547,704
b) deferred	2,209,163	2,443,896
- of which pursuant to Law No. 214/2011	1,966,054	2,078,403
Non current assets and disposal groups held for sale	11,148	69,893
Other assets	1,171,686	931,275
Total assets	**117,200,765**	**121,786,704**

LIABILITIES AND EQUITY *(figures in thousand euro)*	**31.12.2015**	**31.12.2014**
Due to banks	10,454,303	13,292,723
Due to customers	55,264,471	51,616,920
Debt securities issued	36,247,928	41,590,349
Financial liabilities held for trading	531,812	617,762
Hedging derivatives	749,725	1,009,092
Tax liabilities:	472,564	630,223
a) current	171,620	303,740
b) deferred	300,944	326,483
Other liabilities	2,354,617	1,994,340
Post employment benefits	340,954	391,199
Provisions for risks and charges:	266,628	285,029
a) pension and similar obligations	70,237	80,529
b) other provisions	196,391	204,500
Valuation reserves	260,848	113,836
Reserves	3,556,603	3,450,082
Share premiums	3,798,430	4,716,866
Share capital	2,254,371	2,254,371
Treasury shares	(5,155)	(5,340)
Non-controlling interests	535,901	555,019
Profit (loss) for the year	116,765	(725,767)
Total liabilities and equity	**117,200,765**	**121,786,704**

UBI Banca Group: Consolidated income statement
- mandatory statement -

figures in thousands of euro	**2015**	**2014**
Interest and similar income	2,509,201	3,015,058
Interest expense and similar	(878,146)	(1,196,671)
Net interest income	**1,631,055**	**1,818,387**
Fee and commission income	1,488,853	1,403,306
Fee and commission expense	(188,734)	(176,719)
Net fee and commission income	**1,300,119**	**1,226,587**
Dividends and similar income	10,349	10,044
Net trading income	63,919	63,166
Net hedging income (loss)	10,968	(11,217)
Income from disposal or repurchase of:	211,390	144,636
a) loans and receivables	(34,527)	(15,348)
b) available-for-sale financial assets	262,251	168,304
d) financial liabilities	(16,334)	(8,320)
Net income on financial assets and liabilities designated at fair value	4,356	3,073
Gross income	**3,232,156**	**3,254,676**
Net impairment losses on:	(819,512)	(937,267)
a) loans and receivables	(802,646)	(928,617)
b) available-for-sale financial assets	(18,290)	(4,821)
d) other financial transactions	1,424	(3,829)
Net financial income	**2,412,644**	**2,317,409**
Net income from banking and insurance operations	**2,412,644**	**2,317,409**
Administrative expenses	(2,340,247)	(2,273,143)
a) staff costs	(1,391,732)	(1,413,312)
b) other administrative expenses	(948,515)	(859,831)
Net provisions for risks and charges	(2,975)	(9,074)
Net impairment losses on property, plant and equipment	(88,096)	(88,924)
Net impairment losses on intangible assets	(66,523)	(143,141)
Other net operating income/(expense)	321,441	336,366
Operating expenses	**(2,176,400)**	**(2,177,916)**
Profits (losses) of equity investments	35,516	122,293
Net impairment losses on goodwill	-	(1,046,419)
Profits on disposal of investments	208	8,729
Pre-tax profit (loss) from continuing operations	**271,968**	**(775,904)**
Taxes on income for the year from continuing operations	(127,502)	72,314
Post-tax profit (loss) from continuing operations	**144,466**	**(703,590)**
Profit (loss) for the year	**144,466**	**(703,590)**
Profit attributable to non-controlling interests	(27,701)	(22,177)
Profit (loss) for the year attributable to the Parent	**116,765**	**(725,767)**

UBI Banca: Balance sheet - *mandatory statement*

Figures in thousands of euro	31.12.2015	31.12.2014
ASSETS		
Cash and cash equivalents	138,226	160,330
Financial assets held for trading	1,088,262	1,544,835
Financial assets designated at fair value	196,034	193,167
Available-for-sale financial assets	15,357,571	18,066,883
Held-to-maturity investments	3,494,547	3,576,951
Loans and advances to banks	15,489,215	14,055,649
Loans and advances to customers	21,901,390	23,330,321
Hedging derivatives	592,409	647,972
Fair value change in hedged financial assets (+/-)	4,637	5,583
Equity investments	9,657,401	9,624,011
Property, plant and equipment	615,661	634,178
Intangible assets	410	410
Tax assets	1,529,553	1,688,730
a) current	364,734	331,162
b) deferred	1,164,819	1,357,568
- of which pursuant to Law No. 214/2011	*1,127,174*	*1,234,949*
Non-current assets and disposal groups held for sale	2,032	507
Other assets	699,982	642,338
TOTAL ASSETS	**70,767,330**	**74,171,865**

Figures in thousands of euro	31.12.2015	31.12.2014
LIABILITIES AND EQUITY		
Due to banks	15,845,354	19,140,417
Due to customers	7,357,586	7,065,270
Debt securities issued	36,265,240	36,545,668
Financial liabilities held for trading	608,600	722,181
Hedging derivatives	700,871	937,018
Tax liabilities	265,926	352,883
a) current	93,132	169,396
b) deferred	172,794	183,487
Other liabilities	881,275	751,071
Post-employment benefits	39,975	45,443
Provisions for risks and charges:	43,557	45,218
a) pension and similar obligations	1,035	1,144
b) other provisions	42,522	44,074
Valuation reserves	304,389	164,951
Reserves	2,283,488	2,354,285
Share premiums	3,798,430	4,716,866
Share capital	2,254,371	2,254,371
Treasury shares (-)	-5,155	-5,340
Profit (loss) for the year (+/-)	123,423	-918,437
TOTAL LIABILITIES AND EQUITY	**70,767,330**	**74,171,865**

UBI Banca: Income statement - *mandatory statement*

Figures in thousands of euro	2015	2014
Interest and similar income	874,726	1,122,471
Interest and similar expense	(888,319)	(1,026,027)
Net interest income	**(13,593)**	**96,444**
Fee and commission income	93,412	83,474
Fee and commission expense	(44,433)	(59,219)
Net fee and commission income	**48,979**	**24,255**
Dividends and similar income	249,430	276,489
Net trading income	25,902	33,670
Net hedging income (loss)	11,078	(8,069)
Income from disposal or repurchase of:	237,269	149,479
a) loans and receivables	(4,250)	(9,324)
b) available-for-sale financial assets	257,102	166,743
d) financial liabilities	(15,583)	(7,940)
Net income on financial assets and liabilities designated at fair value	4,356	3,073
Gross income	**563,421**	**575,341**
Net impairment losses on:	(120,013)	(121,551)
a) loans and receivables	(104,166)	(116,738)
b) available-for-sale financial assets	(15,556)	(2,995)
d) other financial transactions	(291)	(1,818)
Net financial income	**443,408**	**453,790**
Administrative expenses	(402,576)	(341,440)
a) staff costs	(183,099)	(169,970)
b) other administrative expenses	(219,477)	(171,470)
Net provisions for risks and charges	6,955	(311)
Depreciation and net impairment losses on property, plant and equipment	(21,454)	(21,503)
Other net operating income/expense	117,590	120,159
Operating expenses	**(299,485)**	**(243,095)**
Profits (losses) of equity investments	1,551	(1,122,126)
Profits on disposal of investments	43	61
Pre-tax profit (loss) from continuing operations	**145,517**	**(911,370)**
Taxes on income for the year from continuing operations	(22,094)	(7,067)
Post-tax profit (loss) from continuing operations	**123,423**	**(918,437)**
Profit (loss) for the year	**123,423**	**(918,437)**