PRESS RELEASE

- **The capital strength of the Group is confirmed:**
  Core Tier 1 ratio of 10.49%
  Total Capital ratio of 15.32% (16.2% pro-forma including the LT2 issuances performed in October 2012)
  Pro-forma Core Tier 1 ratio on the basis of the EBA exercise of 9.35% (9.24% as at 30/06/2012)[1]

- **The structural balance and strong liquidity position of the Group is confirmed:**
  Liquidity coverage ratio > 1[2]
  Net stable funding ratio > 1[3]
  Financial leverage ratio: 17.1x [4]
  Loans to total direct funding of 95%
  Loans to direct funding from ordinary customers of 117%
  An issuance of €750 million of senior bonds on international institutional markets concluded successfully in October

- **Improved profitability:**
  Profit increases to €222.8 million (up by 21.9% compared to €182.7 million in the first nine months of 2011)
  Profit for the period net of non-recurring items of €180.3 million (up by 87.1% compared to €96.4 million in the first nine months of 2011)

  Growth in operating income to €2,635.5 million (+4% year-on-year)
  Operating expenses down to €1,704.2 million (-4.1% or -6.2% net of non-recurring items)
  Net operating income of €931.3 million (+23%)
  Annualised loan loss rate of 70 basis points (52 basis points in the first nine months of 2011)
  Pre-tax profit from continuing operations of €373.6 million (+85.6%)

  Loans to customers of €94.8 billion (-7.7% year-on-year; -0.5% 3Q/2Q2012), mainly as a result of weak demand, a reduction in exposures to large corporates and withdrawal from higher risk sectors
  Direct funding from ordinary customers of €81.4 billion (+3.7% year-on-year; +1.3% 3Q/2Q2012)
  Total direct funding of €100.3 billion (-3.5% year-on-year and -1.9% 3Q/2Q2012 as a result of a decrease in institutional funding)

*** * ***

[1] The EBA core tier one ratio requirement includes the fair valuation of sovereign debt risk as at 30/09/2011 and, in accordance with the EBA exercise, it considers a minimum capital requirement of 80% of capital requirements calculated on the basis of Basel 1 rules.
[2] The liquidity coverage ratio is designed to cover possible short-term liquidity shortfalls. The buffer of liquid assets available to the bank must be equal to or greater than expected cash flows over a 30-day time horizon, calculated taking account of predetermined stress scenarios. The ratio is a measure of the capacity of individual banks to "survive" under conditions of acute stress over a short period of time.
[3] The net stable funding ratio is designed to address the problem of structural imbalances in the composition of assets and liabilities over a time horizon of one year. On the basis of that indicator, the total sources of funding with remaining maturities of longer than one year and the portion of on demand deposits considered "stable", must be equal to or greater than the less liquid components of assets.
[4] Tangible assets/(tangible equity + non-controlling interests + profit for the period).

Bergamo, 13th November 2012 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) approved the consolidated results for the first nine months of 2012, which ended with an **increase in net profit of 21.9% to €222.8 million compared to €182.7 million in the same period of 2011. Normalised profit, net of non-recurring items[5], was €180.3 million, an increase of 87.1% compared to €96.4 million in the first nine months of 2011.**

The economic results, which recorded **a steady improvement in all operating margins**, were achieved in the presence of a **stronger capital and balance sheet structure** for the Group:

- capital solidity: a Core Tier 1 ratio as at 30th September 2012 of 10.49%, a Tier 1 ratio of 11% and a Total Capital ratio of 15.32%[6]. Lower Tier 2 issuances amounting to €1.2 billion were made in October 2012, further strengthening the Total Capital ratio;
- the EBA requirement: the pro-forma Core Tier 1 ratio calculated according to the EBA exercise was 9.35% compared to a minimum requirement of 9% (9.24% as at 30th June 2012);
- the financial leverage ratio was contained to 17.1x (18.4x as at 30th September 2011);
- prudent risk profile:
  - loans to customers account for approximately 72% of total Group assets, proof of the Group's focus on conventional business at the service of local communities;
  - the securities portfolio accounts for 15% of the total Group assets and 82% of it consists of Italian government securities. The Group has no exposure to countries considered "at risk".
- structural balance and liquidity :

  The Group already complies with the *liquidity coverage ratio and the net stable funding ratio* liquidity requirements.

  As at 6th November 2012, assets eligible for refinancing with the ECB further increased compared to the figure of €27.6 billion reported as at 30th June 2012, amounting to €29.9 billion (22.7% of total Group assets) already net of haircuts, of which €17.8 billion available to meet further liquidity requirements.

  Total exposure to the ECB amounts to the €12 billion of the LTRO, unchanged compared to the end of February 2012.

  The ratio of Loans to Deposits from ordinary customers improved further, falling to 117% (131% approx. in September 2011), while the ratio of Loans to Total Deposits stands at 95% (99% in September 2011).

  Direct funding from ordinary customers accounts for approximately 81.2% of total funding.

The income statement

The first nine months of 2012 recorded a **steady improvement in operating income** to €2,635.5 million (+€101.5 million or **+4% year-on-year**) and a **significant reduction in operating expenses** to €1,704.2 million (**-**€72.7 million or **-4.1% year-on-year**), which resulted in an improvement in all intermediate profit margins. **Net operating income** rose by €174.2 million or 23% year-on-year, reaching €931.3 million, and **pre-tax profit from continuing operations** increased by €172.3 million or 85.6% year-on-year, totalling €373.6 million despite greater impairment losses on loans compared to 2011.

As regards operating income, **net interest income** (inclusive of the purchase price allocation) stood at €1,514 million, a decrease limited to 3.9% compared to €1,575.3 million in the same period of 2011, notwithstanding a large contraction in lending – down by 7.7% (approximately €7.9 billion) year-on-year as a result of weak demand for credit and de-risking and deleveraging action taken by the Group which

[5] Non-recurring items in the first nine months of 2011, net of taxation and non-controlling interests, amounted to €86.3 million (mainly +€352.8 million for tax realignments pursuant to Law No. L111/2011, impairment losses on goodwill and intangible assets of -€143.8 million and impairment losses on shares and equity investments of -€133.8 million and the release of provisions relating to staff costs of +€20.1 million). Net non-recurring items in 2012, net of taxation and non-controlling interests, amounted to €42.4 million (+€15 million for the finance result following the public tender offer to purchase innovative equity instruments carried out in February and March 2012, greater staff costs of €7.9 million for leaving incentives and €44.3 million of impairment losses on AFS securities, a tax realignment pursuant to Law No. L111/2011 of +€25 million, tax relief on UBI Banca impairment loan loss provisions of +€8.3 million, prior year tax credits of +€37.2 million, gains on the disposal of equity investments of €9.2 million).

[6] The calculation of capitals ratios from 30th June 2012 includes the application of advanced models on corporate credit risk and on operational risk, authorised by the Supervisory Authority in May of this year. Further benefits in terms of lower risk weighted assets are expected from the validation of advanced models for retail credit risk (private individuals and small businesses), which will be requested for the first half of 2013.

continued in the first part of the year – and the significant fall in the Euribor, down to an average of 0.41% in the first nine months of 2012 from 1.16% in the same period of 2011. The decrease was limited by progressive repricing action taken on loans, performed in consideration of credit risk and higher cost of funding, which limited the narrowing of the customer spread (down on average over the period by approximately 15 basis points year-on-year compared to a fall of 75 basis points in the one month Euribor) and by the securities portfolio higher contribution to net interest income, up by approximately €140 million also following the new purchases of government securities made during the period.
A comparison between the third and second quarters of the year shows net interest income down by 3.9%, primarily the result of a further sharp fall in interest rates (the quarterly average for the one month Euribor fell from 0.40% to 0.17% – the lowest level since the beginning of the crisis - , which further reduced the mark-down on deposits), but also due to a further contraction in lending (-0.5%).

Dividends received over nine months fell to €13.7 million from €19.9 million before, due to lower distributions of profits by all companies, including Intesa Sanpaolo (-€2.3 million).

Profits of equity-accounted investees, mainly from insurance companies, recovered in the first nine months of the year, rising to €33.7 million for the period ended 30th September 2012 from €13.1 million to the end of September 2011.

Net fee and commission income show resilience and stood at €871.6 million (-0.8% year-on-year), despite the inclusion of €31.1 million in commissions paid for the issuance of bonds with state guarantee, not present in 2011. On a like-for-like basis (i.e. net of the last item), net fee and commission income in the first nine months of 2012 would have been €902.7 million (+2.7% year-on-year).
The contribution from *management, trading and advisory services* remained almost unchanged at €401.3 million (€399.7 million as at September 2011), driven by the increase in commissions on the placement of securities (+€41.7 million), in relation to the success of UBI Pramerica's new range of Sicav products (market share of approximately 13% of the total for new products launched in the sector) and by lower fee and commission expense for the distribution of financial instruments through indirect networks (-€6.3 million following the rationalisation of the network of financial advisors), while the effects of the instability on financial markets and the economic situation persisted (customer portfolio managements and custody and administration of securities down by €27.3 million, distribution of third party services down by €17.6 million).
Net of commissions paid on the issuance of bonds with state guarantee, *ordinary banking business* contributed €501.4 million in fee and commission income, an increase of 4.7% compared to the first nine months of 2011.
Fee and commission income earned in the third quarter of 2012 (€285.5 million) was more or less unchanged compared to the second quarter of the year (€286.7 million), as a result of basically similar performance by the various components, and it held firm compared to fee and commission income for the third quarter of 2011 (€292 million).

The **net result from finance**[7] was particularly encouraging in the first nine months of 2012. It totalled €148.3 million (it amounted to -€16.7 million in 2011) and was composed of:
- profits on trading, primarily in bonds, amounting to €69.5 million *(of which €48.3 million in the third quarter of the year)*;
- profits on the disposal/repurchase of financial assets and liabilities of €91.3 million *(€16.6 million in the third quarter)* of which approximately €59,9 million relating to the disposal of available-for-sale Italian government securities *(€10.4 million in the third quarter)*, €20.7 million on the partial repurchase in February and March 2012 of outstanding Tier 1 instruments and €1.6 million from the sale of part (7 million shares) of the interest held in Intesa SanPaolo, performed in the third quarter of the year;
- the result for hedging and fair value changes in funds designated at fair value which was negative on aggregate (-€12.6 million).

[7] The net result from finance: net income on trading, hedging, and disposal and repurchase of financial assets/liabilities, and on assets and liabilities designated at fair value.

The downward trend for **operating expenses** seen in the last three years continued; operating expenses amounted to €1,704.2 million in the first nine months of the year compared to €1,777 million in 2011 **(-4.1% year-on-year or -6.2% net of non-recurring items)**. In detail:

- **staff costs** fell by €23.8 million or 2.2% to €1,049 million, primarily due to the progressive reduction in staff numbers (down by 324 in terms of the average work force) and to a lower impact of the variable component of salaries.

  The item includes non-recurring items in both years: in 2012 an expense of €11.6 million (of which €7.6 million recognised in the third quarter) in relation to specific leaving incentives; on the other hand 2011 benefited in the third quarter of the year from the release of sums recognised in prior years due to the actuarial recalculations for post retirement benefits no longer considered due (€27.9 million).

  In normalised terms, staff costs therefore decreased by €63.4 million, to give a year-on-year reduction of 5.8%.

  Compared to staff costs in the second quarter of the year (€328.3 million), in the third quarter of the year these costs (€356.2 million) were affected by the non-recurring cost mentioned above (€7.6 million) and by the fact that the previous three months had benefited from the recognition of €17 million following the release of provisions. If account is taken of those items, staff costs would have been almost unchanged in the two periods.

- action taken to contain costs was also effective for **other administrative expenses**, which amounted to €513.7 million, a decrease of €8.6 million or 1.6% compared to the first nine months of 2011, despite the impact of higher taxation as a result, amongst other things, of the “Salva Italia” decree (mainly VAT and municipal property tax).

- **depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets** (inclusive of the PPA) amounted to €141.5 million, a decrease of €40.3 million year-on-year, almost entirely the result (-€37.3 million) of the reduction in the amortisation of goodwill arising from the merger (the “purchase price allocation”), as a consequence of impairment losses recognised on some intangible assets at the end of 2011.

As a result of performance reported, the *cost/income ratio* (inclusive of the PPA) fell by over five percentage points year on year.

Net impairment losses on loans were affected by the deterioration in the economic environment, rising in the first nine months of the year to €494.7 million, compared to €398.7 million in the same period of 2011, to give an annualised loan loss rate of 0.70% of total loans (even following the reduction in that total), unchanged compared to 0.70% in the first half of 2012 and greater than the 0.61% recorded for the full year 2011.
More specifically, specific impairment losses recognised on deteriorated loans rose to €698 million (€547 million in 2011). The amount of the reversals of impairment losses amounting to €189 million (€197 million in 2011)[8] was again significant despite the economic situation.
As regards the performing portfolio, reversals of collective impairment losses were recognised in the first nine months of the year amounting to €14.6 million (compared to net impairment losses of €49 million in the first nine months of 2011). The coverage for the performing loan portfolio of 0.56% remained more or less steady year-on-year.

The income statement also contains €50.7 million (€138.8 million in 2011) of **net impairment losses on other financial assets/liabilities.** They are almost all non-recurring items in both years relating to impairment losses on instruments held in the AFS portfolio and primarily to the investment in Intesa Sanpaolo.

The **disposal of equity investments** generated a profit of €8.6 million, of which €8.1 million (non-recurring) from the gain arising from the exercise of a right of withdrawal and the subsequent disposal, at the beginning of September, of the interest held in Arca SGR.

[8] Reversals of losses, net of present value discounts, amounted to €143.4 million in 2012 (€155.6 million in 2011).

As a result of the performance described above, **pre-tax profit from continuing operations** increased by 85.6% to €373.6 million from €201.3 million in the same period of 2011.

Taxes on income for the period from continuing operations are estimated at €135.6 million, compared to tax income of €144.5 million in the first half of 2011. Both periods included positive non-recurring items of tax income amounting to €73,7 million in 2012 and €352.8 million in 2011.

In normalised terms, taxes rose in the first nine months of 2012 to €209.6 million from €197.6 million before, to give a normalised tax rate of 52.1% compared to 62.9% before.

Finally, in 2011 **net impairment losses on goodwill and finite useful life intangible assets net of taxes and non-controlling interests** of €143.8 million were recognised, in relation to the impairment of goodwill for some of the product companies (Centrobanca, UBI Leasing, Banca 24/7) and to the total write-off of the goodwill relating to the investment in BY YOU.

*** * ***

The balance sheet

At the end of September 2012 **loans to customers** amounted to €94.8 billion, a decrease of 7.7% over twelve months and of 0.5% compared to June 2012. The changes that occurred in the loan portfolio were related to de-risking (withdrawal from higher risk positions and sectors) and deleveraging (reduction of lending to large corporate customers) action that was taken, implemented by the Group starting from 4Q2011 and in the first part of the year, and also to a background of weak demand for credit in relation to the ongoing recession.
Notwithstanding the above, loans to customers account for 72% of total Group assets, one of the highest percentages for major European banking groups.

Total net deteriorated loans as at 30th September 2012 (non-performing, impaired, restructured and past due and/or in arrears) amounted to €7.77 billion - an increase compared to €6.28 billion as at 31st December 2011 – accounting for 8.19% of total net loans also following the reorganisation of the Group's consumer credit business[9].
Within deteriorated loans, net non-performing loans rose to €2.85 billion from €2.48 billion as at 31st December 2011, representing 3.01% of total net loans, compared to 3.46% for loans to the private sector at system level.
Coverage for non-performing loans was unchanged compared to June 2012 and stood at 41.54%, while it was 43.31% at the end of 2011. The reduction is due to the growing percentage of positions backed by collateral (which account for 63.4% of gross non-performing positions; 60.6% in December 2011), which require less recognition of impairment. Coverage for positions not backed by collateral is 77%, significantly higher than 68% at system level.
Net impaired loans as at 30th September 2012 accounted for 3.29% of total net loans and amounted to €3.12 billion (€2.53 billion at the end of 2011), an increase influenced amongst other things by the impact of the reorganisation of consumer credit operations[9]. Total coverage for impaired loans was 10.86%, (10.91% in December 2011). The large presence of positions backed by collateral also has a strong impact on this category of loan (63.9% of total gross impaired loans – net of the effect of the reorganisation of consumer lending it would have been 68.6% – compared to 65% in December 2011), which required less recognition of impairment. Coverage for positions not backed by collateral is 17.9%.

---

[9] The merger of Banca 24/7 into UBI Banca, concluded on 23rd July 2012. Following that merger, the outstanding loans of Banca 24/7 are now managed by UBI Banca, except for outstanding salary backed loans (approx. €3 billion), which were contributed to Prestitalia. Moreover, the management of loan portfolios previously managed by finance companies was reorganised in Prestitalia, with the disappearance of the effect of the "non-collected for collected" ("*non riscosso per riscosso*") clause, which until then had ensured the regular payment of instalments to Banca 24/7. Loans were therefore reclassified out of the "performing" category to which they belonged because of that guarantee, into categories determined by the real position of the debtor. This led to approximately an extra €211 million of net impaired loans and an increase of approximately €67 million in past due positions .

The level of net restructured positions is the same as in December 2011, standing at €0.84 billion (0.9% of the total net loans). Positions past due and/or in arrears rose to €0.95 billion from €0.42 billion as at 31st December 2011, accounting for 1% of total net loans. The increase was due to regulatory changes in the classification criteria (over 90 days compared to the criterion of over 180 days in force until 31st December 2011) and the reorganisation of consumer credit operations mentioned above.

Total direct funding as at 30th September 2012, amounted to €100.3 billion compared to €102.2 billion in June 2012 and €103.9 billion in September 2011. This reflects growth in direct funding from ordinary customers offset by a decrease in institutional funding.

The following changes occurred within the item:

- **direct funding from ordinary customers** (inclusive of bond issues and net of institutional funding and repurchase agreements with the *Cassa di Compensazione e Garanzia* – a central counterparty clearing house) grew to €81.4 billion, an **increase of 3.7%** year-on-year (+1.3% compared to June 2012). The item also includes direct deposits by the *Cassa di Compensazione e Garanzia* of approximately €1.5 billion (the same amount in June 2012 and €0.7 billion in September 2011), which following regulatory changes will no longer be present from the end of the year;
- **repurchase agreements with the *Cassa di Compensazione e Garanzia***, used to fund positions in securities, amounted to €4.4 billion, a decrease compared both to €7.2 billion in June 2012 and to €7.4 billion in September 2011;
- the remaining **institutional funding** amounted to €14.5 billion (€14.7 billion in June 2012 and €17.9 billion in September 2011).
  The reduction is due mainly to the maturity of bonds issued on international markets under the EMTN programme (-€3.6 billion year-on-year). However, in October of this year the Group made an **issuance** of senior bonds under the EMTN programme **for €750 million**, the first since April 2011, taking advantage of a good market opportunity, in terms of prices. It was met favourably by institutional investors, confirming UBI's ability to access international markets.

Group exposure to the ECB remains the same as at the end of February 2012 and totals €12 billion nominal, the result of participation by the Group in three-year **LTRO** auctions held by the ECB in December 2011 and February 2012, recognised within the item "due to banks" and therefore not included within direct funding.

The solid liquidity position of the Group is further assured by its **assets eligible for refinancing,** which as at 6th November totalled €29.9 billion net of haircuts (€17.8 billion of assets eligible for refinancing available and €12 billion pledged as collateral for the LTRO) compared to €11.6 billion as at 31st December 2011.

Group **financial assets** as at 30th September 2012 accounted for 15% of **total assets** and totalled €20 billion, of which €16.3 billion in Italian government securities .
Again with regard to the Group portfolio, **there is no exposure to government securities issued by countries "at risk".**

Finally, **indirect funding from ordinary customers** amounted to €70.7 billion, down by 1.9% compared to €72.1 billion in December 2011, but up compared to €69 billion in June 2012, due primarily to performance by assets under management (+€1.5 billion), which includes the new range of UBI Pramerica products.

Consolidated **equity** of the UBI Banca Group as at 30th September 2012, inclusive of profit for the period, amounted to €9,624 million (€8,939 million at the end of December 2011).

* * *

Total human resources of the UBI Group numbered 19,214 as at 30th September 2012, down on both December 2011 (19,407) and September 2011 (19,517). The branch network at the end of period consisted of 1,799 Branches in Italy and eight abroad.

* * *

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

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

* * *

Business outlook

The trends seen in the third quarter are expected to also continue in the final part of the year.
It is not possible to forecast the contribution from Finance, while a one-off cost is expected in relation to action to be taken according to the Group "Optimisation Plan".

For further information:
UBI Banca – Investor relations – Tel. 035 3922217
Email: investor.relations@ubibanca.it
UBI Banca – Press relations - Tel. +39 030 2473591 – +39 335 8268310
Email: relesterne@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

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, are available in the Interim Financial Report as at 30th September 2012.

UBI Banca Group: Reclassified consolidated balance sheet

ASSETS *(figures in thousand euro)*	30.9.2012 A	31.12.2011 B	Changes A-B	% changes A/B	30.9.2011 C	Changes A-C	% changes A/C
Cash and cash equivalents	516,764	625,835	-109,071	-17.4%	568,540	-51,776	-9.1%
Financial assets held for trading	3,177,832	2,872,417	305,415	10.6%	2,250,881	926,951	41.2%
Financial assets designated at fair value	121,026	126,174	-5,148	-4.1%	130,494	-9,468	-7.3%
Available-for-sale financial assets	13,483,510	8,039,709	5,443,801	67.7%	8,365,381	5,118,129	61.2%
Held-to-maturity investments	3,220,200	-	3,220,200	n.s.	-	3,220,200	n.s.
Loans and advances to banks	5,286,733	6,184,000	-897,267	-14.5%	5,314,336	-27,603	-0.5%
Loans and advances to customers	94,843,423	99,689,770	-4,846,347	-4.9%	102,765,316	-7,921,893	-7.7%
Hedging derivatives	1,541,973	1,090,498	451,475	41.4%	995,341	546,632	54.9%
Fair value change in hedged financial assets (+/-)	868,601	704,869	163,732	23.2%	675,977	192,624	28.5%
Equity investments	423,352	352,983	70,369	19.9%	351,463	71,889	20.5%
Property, plant and equipment	1,973,317	2,045,535	-72,218	-3.5%	2,058,170	-84,853	-4.1%
Intangible assets	2,962,430	2,987,669	-25,239	-0.8%	5,268,352	-2,305,922	-43.8%
of which: goodwill	*2,538,668*	*2,538,668*	-	-	*4,286,210*	*-1,747,542*	*-40.8%*
Tax assets	2,525,656	2,817,870	-292,214	-10.4%	2,604,967	-79,311	-3.0%
Non-current assets and disposal groups held for sale	19,231	22,020	-2,789	-12.7%	6,874	12,357	179.8%
Other assets	1,138,807	2,244,343	-1,105,536	-49.3%	2,272,277	-1,133,470	-49.9%
Total assets	**132,102,855**	**129,803,692**	**2,299,163**	**1.8%**	**133,628,369**	**-1,525,514**	**-1.1%**

LIABILITIES AND EQUITY *(figures in thousand euro)*	30.9.2012 A	31.12.2011 B	Changes A-B	% changes A/B	30.9.2011 C	Changes A-C	% changes A/C
Due to banks	14,765,300	9,772,281	4,993,019	51.1%	8,611,714	6,153,586	71.5%
Due to customers	56,356,021	54,431,291	1,924,730	3.5%	56,392,736	-36,715	-0.1%
Debt securities in issue	43,907,855	48,377,363	-4,469,508	-9.2%	47,502,685	-3,594,830	-7.6%
Financial liabilities held for trading	1,479,098	1,063,673	415,425	39.1%	654,949	824,149	125.8%
Hedging derivatives	2,102,181	1,739,685	362,496	20.8%	1,569,117	533,064	34.0%
Tax liabilities	632,136	702,026	-69,890	-10.0%	1,389,753	-757,617	-54.5%
Liabilities associated with assets held for sale	-	-	-	-	827	-827	-100.0%
Other liabilities	1,608,626	3,139,616	-1,530,990	-48.8%	4,554,208	-2,945,582	-64.7%
Post-employment benefits	410,555	394,025	16,530	4.2%	389,096	21,459	5.5%
Provisions for risks and charges:	332,063	345,785	-13,722	-4.0%	326,203	5,860	1.8%
a) pension and similar obligations	76,601	76,460	141	0.2%	65,806	10,795	16.4%
b) other provisions	255,462	269,325	-13,863	-5.1%	260,397	-4,935	-1.9%
Share capital, share premiums, reserves, valuation reserves and treasury shares	9,401,308	10,780,511	-1,379,203	-12.8%	11,105,404	-1,704,096	-15.3%
Non-controlling interests	884,960	898,924	-13,964	-1.6%	949,008	-64,048	-6.7%
Profit (loss) for the period	222,752	-1,841,488	n.s.	n.s.	182,669	40,083	21.9%
Total liabilities and equity	**132,102,855**	**129,803,692**	**2,299,163**	**1.8%**	**133,628,369**	**-1,525,514**	**-1.1%**

UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	9M 2012 A	9M 2011 B	Changes A-B	% changes A/B	3rd Quarter 2012 C	3rd Quarter 2011 D	Changes C-D	% changes C/D	FY 2011 E
Net interest income	1,513,955	1,575,301	(61,346)	(3.9%)	488,401	534,185	(45,784)	(8.6%)	2,119,915
of which: effects of the purchase price allocation	*(28,014)*	*(37,490)*	*(9,476)*	*(25.3%)*	*(9,341)*	*(11,636)*	*(2,295)*	*(19.7%)*	*(49,931)*
Net interest income excluding the effects of the PPA	*1,541,969*	*1,612,791*	*(70,822)*	*(4.4%)*	*497,742*	*545,821*	*(48,079)*	*(8.8%)*	*2,169,846*
Dividends and similar income	13,662	19,908	(6,246)	(31.4%)	980	1,243	(263)	(21.2%)	19,997
Profits of equity-accounted investees	33,743	13,118	20,625	157.2%	7,984	3,496	4,488	128.4%	9,947
Net fee and commission income	871,599	878,566	(6,967)	(0.8%)	285,544	291,989	(6,445)	(2.2%)	1,193,708
of which performance fees	-	-	-	-	-	-	-	-	*11,728*
Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	148,262	(16,670)	164,932	n.s.	42,898	(23,891)	66,789	n.s.	7,329
Other net operating income/expense	54,244	63,790	(9,546)	(15.0%)	15,093	20,874	(5,781)	(27.7%)	87,443
Operating income	**2,635,465**	**2,534,013**	**101,452**	**4.0%**	**840,900**	**827,896**	**13,004**	**1.6%**	**3,438,339**
Operating income excluding the effects of the PPA	***2,663,479***	***2,571,503***	***91,976***	***3.6%***	***850,241***	***839,532***	***10,709***	***1.3%***	***3,488,270***
Staff costs	(1,049,009)	(1,072,857)	(23,848)	(2.2%)	(356,229)	(334,913)	21,316	6.4%	(1,423,196)
Other administrative expenses	(513,667)	(522,237)	(8,570)	(1.6%)	(161,445)	(165,947)	(4,502)	(2.7%)	(717,988)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(141,539)	(181,868)	(40,329)	(22.2%)	(45,770)	(60,365)	(14,595)	(24.2%)	(248,442)
of which: effects of the purchase price allocation	*(15,084)*	*(52,368)*	*(37,284)*	*(71.2%)*	*(5,020)*	*(17,456)*	*(12,436)*	*(71.2%)*	*(69,823)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(126,455)*	*(129,500)*	*(3,045)*	*(2.4%)*	*(40,750)*	*(42,909)*	*(2,159)*	*(5.0%)*	*(178,619)*
Operating expenses	**(1,704,215)**	**(1,776,962)**	**(72,747)**	**(4.1%)**	**(563,444)**	**(561,225)**	**2,219**	**0.4%**	**(2,389,626)**
Operating expenses excluding the effects of the PPA	***(1,689,131)***	***(1,724,594)***	***(35,463)***	***(2.1%)***	***(558,424)***	***(543,769)***	***14,655***	***2.7%***	***(2,319,803)***
Net operating income	**931,250**	**757,051**	**174,199**	**23.0%**	**277,456**	**266,671**	**10,785**	**4.0%**	**1,048,713**
Net operating income excluding the effects of the PPA	***974,348***	***846,909***	***127,439***	***15.0%***	***291,817***	***295,763***	***(3,946)***	***(1.3%)***	***1,168,467***
Net impairment losses on loans	(494,679)	(398,665)	96,014	24.1%	(160,328)	(135,143)	25,185	18.6%	(607,078)
Net impairment losses on other financial assets and liabilities	(50,732)	(138,837)	(88,105)	(63.5%)	(992)	(119,245)	(118,253)	(99.2%)	(135,143)
Net provisions for risks and charges	(20,845)	(19,783)	1,062	5.4%	34	(5,228)	(5,262)	n.s.	(31,595)
Profits from disposal of equity investments	8,623	1,503	7,120	n.s.	8,593	170	8,423	n.s.	7,119
Pre-tax profit from continuing operations	**373,617**	**201,269**	**172,348**	**85.6%**	**124,763**	**7,225**	**117,538**	**n.s.**	**282,016**
Pre-tax profit from continuing operations excluding the effects of the PPA	***416,715***	***291,127***	***125,588***	***43.1%***	***139,124***	***36,317***	***102,807***	***283.1%***	***401,770***
Taxes on income for the period/year from continuing operations	(135,608)	144,527	(280,135)	n.s.	(60,449)	(70,191)	(9,742)	(13.9%)	95,942
of which: effects of the purchase price allocation	*14,242*	*29,581*	*(15,339)*	*(51.9%)*	*4,746*	*9,575*	*(4,829)*	*(50.4%)*	*39,423*
Post-tax profit (loss) from discontinued operations	-	22	(22)	(100.0%)	(13)	22	(35)	n.s.	248
Profit for the period/year attributable to non-controlling interests	(15,257)	(19,356)	(4,099)	(21.2%)	(1,092)	(6,097)	(5,005)	(82.1%)	(28,833)
of which: effects of the purchase price allocation	*2,746*	*6,555*	*(3,809)*	*(58.1%)*	*1,002*	*2,114*	*(1,112)*	*(52.6%)*	*8,687*
Profit for the year/period attributable to the shareholders of the Parent before impairment losses on goodwill and on finite useful life intangible assets excluding the effects of the PPA	*248,862*	*380,184*	*(131,322)*	*(34.5%)*	*71,822*	*(51,638)*	*123,460*	*n.s.*	*421,017*
Profit for the year/period attributable to the shareholders of the Parent before impairment losses on goodwill and on finite useful life intangible assets	**222,752**	**326,462**	**(103,710)**	**(31.8%)**	**63,209**	**(69,041)**	**132,250**	**n.s.**	**349,373**
Impairment losses on goodwill and finite useful life intangible assets net of taxes and non-controlling interests	-	(143,793)	(143,793)	(100.0%)	-	-	-	n.s.	(2,190,861)
Profit (loss) for the year/period attributable to the shareholders of the Parent	**222,752**	**182,669**	**40,083**	**21.9%**	**63,209**	**(69,041)**	**132,250**	**n.s.**	**(1,841,488)**
Total impact of the purchase price allocation on the income statement	*(26,110)*	*(53,722)*	*(27,612)*	*(51.4%)*	*(8,613)*	*(17,403)*	*(8,790)*	*(50.5%)*	*(71,644)*

UBI Banca Group: Reclassified consolidated quarterly income statements

	2012			2011			
Figures in thousands of euro	**3rd Quarter**	**2nd Quarter**	**1st Quarter**	**4th Quarter**	**3rd Quarter**	**2nd Quarter**	**1st Quarter**
Net interest income	488,401	508,266	517,288	544,614	534,185	513,579	527,537
of which: effects of the purchase price allocation	*(9,341)*	*(9,051)*	*(9,622)*	*(12,441)*	*(11,636)*	*(12,018)*	*(13,836)*
Net interest income excluding the effects of the PPA	*497,742*	*517,317*	*526,910*	*557,055*	*545,821*	*525,597*	*541,373*
Dividends and similar income	980	12,384	298	89	1,243	16,555	2,110
Profits (losses) of equity-accounted investees	7,984	14,924	10,835	(3,171)	3,496	4,953	4,669
Net fee and commission income	285,544	286,672	299,383	315,142	291,989	294,641	291,936
of which performance fees	-	-	-	*11,728*	-	-	-
Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	42,898	11,397	93,967	23,999	(23,891)	(7,391)	14,612
Other net operating income	15,093	27,090	12,061	23,653	20,874	21,263	21,653
Operating income	**840,900**	**860,733**	**933,832**	**904,326**	**827,896**	**843,600**	**862,517**
Operating income excluding the effects of the PPA	***850,241***	***869,784***	***943,454***	***916,767***	***839,532***	***855,618***	***876,353***
Staff costs	(356,229)	(328,345)	(364,435)	(350,339)	(334,913)	(373,217)	(364,727)
Other administrative expenses	(161,445)	(176,476)	(175,746)	(195,751)	(165,947)	(185,209)	(171,081)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(45,770)	(47,020)	(48,749)	(66,574)	(60,365)	(61,779)	(59,724)
of which: effects of the purchase price allocation	*(5,020)*	*(5,003)*	*(5,061)*	*(17,455)*	*(17,456)*	*(17,456)*	*(17,456)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(40,750)*	*(42,017)*	*(43,688)*	*(49,119)*	*(42,909)*	*(44,323)*	*(42,268)*
Operating expenses	**(563,444)**	**(551,841)**	**(588,930)**	**(612,664)**	**(561,225)**	**(620,205)**	**(595,532)**
Operating expenses excluding the effects of the PPA	***(558,424)***	***(546,838)***	***(583,869)***	***(595,209)***	***(543,769)***	***(602,749)***	***(578,076)***
Net operating income	**277,456**	**308,892**	**344,902**	**291,662**	**266,671**	**223,395**	**266,985**
Net operating income excluding the effects of the PPA	***291,817***	***322,946***	***359,585***	***321,558***	***295,763***	***252,869***	***298,277***
Net impairment losses on loans	(160,328)	(203,181)	(131,170)	(208,413)	(135,143)	(158,148)	(105,374)
Net impairment losses on other financial assets and liabilities	(992)	(47,663)	(2,077)	3,694	(119,245)	(17,959)	(1,633)
Net provisions for risks and charges	34	(16,764)	(4,115)	(11,812)	(5,228)	(4,136)	(10,419)
Profits from disposal of equity investments	8,593	9	21	5,616	170	1,152	181
Pre-tax profit from continuing operations	**124,763**	**41,293**	**207,561**	**80,747**	**7,225**	**44,304**	**149,740**
Profit on continuing operations before tax and excluding the effects of the PPA	***139,124***	***55,347***	***222,244***	***110,643***	***36,317***	***73,778***	***181,032***
Taxes on income for the period from continuing operations	(60,449)	19,942	(95,101)	(48,585)	(70,191)	291,636	(76,918)
of which: effects of the purchase price allocation	*4,746*	*4,643*	*4,853*	*9,842*	*9,575*	*9,936*	*10,070*
Post-tax profit (loss) from discontinued operations	(13)	-	13	226	22	-	-
Profit for the period attributable to non-controlling interests	(1,092)	(7,070)	(7,095)	(9,477)	(6,097)	(5,046)	(8,213)
of which: effects of the purchase price allocation	*1,002*	*862*	*882*	*2,132*	*2,114*	*2,139*	*2,302*
Profit (loss) for the period attributable to the shareholders of the Parent before impairment losses on goodwill and on finite useful life intangible assets excluding the effects of the PPA	*71,822*	*62,714*	*114,326*	*40,833*	*(51,638)*	*348,293*	*83,529*
Profit (loss) for the period attributable to the shareholders of the Parent before impairment losses on goodwill and on finite useful life intangible assets	**63,209**	**54,165**	**105,378**	**22,911**	**(69,041)**	**330,894**	**64,609**
Impairment losses on goodwill and finite useful life intangible assets net of taxes and non-controlling interests	-	-	-	(2,047,068)	-	(143,793)	-
Profit (loss) for the period attributable to the shareholders of the Parent	**63,209**	**54,165**	**105,378**	**(2,024,157)**	**(69,041)**	**187,101**	**64,609**
Total impact of the purchase price allocation on the income statement	*(8,613)*	*(8,549)*	*(8,948)*	*(17,922)*	*(17,403)*	*(17,399)*	*(18,920)*

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

Figures in thousands of euro	9M 2012	non-recurring items							9M 2012 *net of non-recurring items* A	9M 2011	non-recurring items						9M 2011 *net of non-recurring items* B	Changes A-B	% changes A/B
		Gain on public tender offer to purchase preference shares	Impairment losses on equity shares and on OICR (collective investment instruments) (AFS)	Leaving incentives	Tax realignment in accordance with Law No. 111/2011 and Law No. 214/2011 of BPA goodwill recognised in the consolidated financial statements	Tax relief on non accounting deductions on provisions and loan impairment of UBI Banca pursuant to Law No. L. 244/2007 (Section EC)	Prior year tax credit for deduction for corporate income tax purposes of regional production tax on the cost of labour pursuant to Law No. 214/2011	Disposal of shares and equity investments			Impairment losses on AFS securities and on equity investments in Intesa Sanpaolo and A2A	Impairment losses on goodwill and on finite useful life intangible assets (net of taxes and non-controlling interests)	UBI Banca tax realignment in accordance with Law No. 111/2011 and write off of deferred income tax assets/deferred IRAP tax assets	Impact of IRAP adjustment for deferred tax provisions recognised as at 31st December 2010	Restructuring of UBI Leasing agent network	Release of excess provisions *(staff costs)*			
Net interest income (including the effects of the PPA)	1,513,955								1,513,955	1,575,301							1,575,301	(61,346)	(3.9%)
Dividends and similar income	13,662								13,662	19,908							19,908	(6,246)	(31.4%)
Profits of equity-accounted investees	33,743								33,743	13,118							13,118	20,625	157.2%
Net fee and commission income	871,599								871,599	878,566							878,566	(6,967)	(0.8%)
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	148,262	(20,671)						(1,610)	125,981	(16,670)							(16,670)	142,651	n.s.
Other net operating income	54,244								54,244	63,790					1,603		65,393	(11,149)	(17.0%)
Operating income (including the effects of PPA)	**2,635,465**	**(20,671)**	**-**	**-**	**-**	**-**	**-**	**(1,610)**	**2,613,184**	**2,534,013**	**-**	**-**	**-**	**-**	**1,603**	**-**	**2,535,616**	**77,568**	**3.1%**
Staff costs	(1,049,009)			11,638					(1,037,371)	(1,072,857)						(27,932)	(1,100,789)	(63,418)	(5.8%)
Other administrative expenses	(513,667)								(513,667)	(522,237)							(522,237)	(8,570)	(1.6%)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(141,539)								(141,539)	(181,868)							(181,868)	(40,329)	(22.2%)
Operating expenses (including the effects of PPA)	**(1,704,215)**	**-**	**-**	**11,638**	**-**	**-**	**-**	**-**	**(1,692,577)**	**(1,776,962)**	**-**	**-**	**-**	**-**	**-**	**(27,932)**	**(1,804,894)**	**(112,317)**	**(6.2%)**
Net operating income (including the effects of PPA)	**931,250**	**(20,671)**	**-**	**11,638**	**-**	**-**	**-**	**(1,610)**	**920,607**	**757,051**	**-**	**-**	**-**	**-**	**1,603**	**(27,932)**	**730,722**	**189,885**	**26.0%**
Net impairment losses on loans	(494,679)								(494,679)	(398,665)							(398,665)	96,014	24.1%
Net impairment losses on other financial assets and liabilities	(50,732)		47,500						(3,232)	(138,837)	135,681						(3,156)	76	2.4%
Net provisions for risks and charges	(20,845)								(20,845)	(19,783)					3,511		(16,272)	4,573	28.1%
Profits from disposal of equity investments	8,623							(8,091)	532	1,503							1,503	(971)	(64.6%)
Pre-tax profit from continuing operations (including the effects of PPA)	**373,617**	**(20,671)**	**47,500**	**11,638**	**-**	**-**	**-**	**(9,701)**	**402,383**	**201,269**	**135,681**	**-**	**-**	**-**	**5,114**	**(27,932)**	**314,132**	**88,251**	**28.1%**
Taxes on income for the period from continuing operations	(135,608)	5,684	(3,169)	(3,200)	(24,992)	(8,298)	(40,400)	350	(209,633)	144,527	(1,846)		(352,841)	6,267	(1,407)	7,681	(197,619)	12,014	6.1%
Post-tax profit from discontinued operations	-								-	22							22	(22)	(100.0%)
Profit for the period attributable to non-controlling interests	(15,257)			(506)			3,178	182	(12,403)	(19,356)				(925)		129	(20,152)	(7,749)	(38.5%)
Profit for the period attributable to the shareholders of the Parent before impairment losses on goodwill and on finite useful life intangible assets	**222,752**	**(14,987)**	**44,331**	**7,932**	**(24,992)**	**(8,298)**	**(37,222)**	**(9,169)**	**180,347**	**326,462**	**133,835**	**-**	**(352,841)**	**5,342**	**3,707**	**(20,122)**	**96,383**	**83,964**	**87.1%**
Impairment losses on goodwill and finite useful life intangible assets net of taxes and non-controlling interests	-								-	(143,793)		143,793					-	-	-
Profit for the period attributable to the shareholders of the Parent	**222,752**	**(14,987)**	**44,331**	**7,932**	**(24,992)**	**(8,298)**	**(37,222)**	**(9,169)**	**180,347**	**182,669**	**133,835**	**143,793**	**(352,841)**	**5,342**	**3,707**	**(20,122)**	**96,383**	**83,964**	**87.1%**