PRESS RELEASE

UBI Banca faces the crisis by increasing its solidity

UBI Banca maintains its operational focus on traditional business, confirming and increasing its capital strength, carefully managing costs and credit quality, consistently with its federated business model, with local banks close to their customers, especially at times of deep crisis, as demonstrated by the stability of lending

- **Core tier 1 ratio of 7,24% (7,09% in December 2008), tier 1 ratio of 7,76% (7,73% in December 2008), total capital ratio of 11,63% (11,08% in December 2008)**

- **Net operating income of 758,3 million euro (-18,5% year-on-year)**
  Normalised net operating income of 722,9 million euro (-21,7% year-on-year)

  - **Operating costs fall by 5,5% year-on-year as a result of cost synergies related to integration programmes and a policy of further containment of costs in relation to the current economic situation**

  - **Net interest income, down by 7,9% on an annual basis, is impacted by the reduction in the reference rate, the composition of direct funding (86% from ordinary customers and 14% from institutional customers) and the greater capitalisation of the Group, both factors which react more to changes in interest rates**

  - **Lower decrease in net commissions year-on-year (-19,1%) showing the first signs of recovery in the second quarter of 2009 (+2,6% compared to the first quarter of 2009)**

  - **The contribution from the finance area was positive (67 million euro compared to 11 million euro in the first half of 2008), partly the result of the success of the public exchange offer closed in June 2009**

- **Cost of credit at 82 basis points in annualised terms**

- **Stated net profit of 125,9 million euro (-75,7% year-on-year, also penalised by fiscal treatment of adjustments to loans)**
- **Normalised net profit of 130,4 million euro (-68,3% year-on-year)**

- **Lending: +0,34% year-on-year (+0,48% compared to December 2008)**
  Direct funding: +2,7% year-on-year (-1,5% compared to December 2008)
  Indirect funding: - 9,4% year-on-year (+1,9% compared to December 2008)

* * *

Bergamo, 28th August 2009 – The Management Board of UBI Banca, which met today, approved the consolidated results of the UBI Banca Group as at and for the period ended 30th June 2009.

The income statement

The first half of the year ended for the UBI Banca Group with **consolidated net profit** of 125,9 million euro, of which 101,6 million euro generated in the second quarter of the year, compared to 519,2 million euro achieved in the first six months of 2008 and -450 million euro recorded in the second half of 2008.
In normalised terms, profit in the first half amounted to 130, 4 million euro, compared with 411 million euro achieved in the first half of 2008 and it showed a marked recovery over the profit of 14 million euro recorded in the second half of 2008, which is more comparable in terms of the economic situation.

An examination of Group operating performance shows **operating income** of 2.002,2 million euro, down by 10,9% compared to 2.246,5 million euro in the first half of 2008, as a result of the performance of net interest income and commissions and the lower dividends received, again in relation to the difficult economic context, offset – although only partially – by the positive result for trading and hedging activity.

Net interest income amounted to 1.347,9 million euro, a fall of 7,9% compared to 1.462,9 million euro in the first half of 2008, attributable principally to the effect of the contraction of the customer spread caused by the fall in market interest rates on the profitability of funding, which was only partially offset by action taken to reprice risk on lending, which began in 2008. The year on year change in net interest income was also affected by the higher weight of funding from ordinary customers (86% of the total – institutional funding accounts for 14% of the total), which is more stable but more subject to the influence, both negative and positive, of changes in reference interest rates, and by the higher costs connected with the strong capitalisation of the Group.

Dividends received on shares held in portfolio fell to 3,5 million euro from 68,5 million euro previously, mainly the result of the absence of 55,1 million euro booked in 2008 in relation to the interest held in Intesa Sanpaolo. The reduction in dividends accounted for 27% of the decrease in operating income.

Net commissions earned in the first half of 2009 amounted to 507,4 million euro, down by 19,1% compared to 2008, an attenuation of the negative trend recorded in the first quarter.
The reduction is basically attributable to the lower commission income from management, trading and advisory services related to indirect funding (-94,3 million euro net of fx trading) and the slowdown in economic activity.
The contribution from the sale of third party financial products already normally low was further reduced, amounting to approximately 17 million euro in the first half of 2009 compared to approximately 57 million euro in the same period of 2008.
As concerns the performance of net commission income recorded in 2009, the item recorded a slight recovery in the second quarter, amounting to 257 million euro compared to 250 million euro in the first quarter, an increase of 2,6% primarily attributable securities business (+9 million euro).

Operating income benefited from a positive **result from finance**[1] in the first half of 2009 amounting to 66,7 million euro, an increase compared to 10,9 million euro in 2008 as a result of the success of the public exchange offer on preferred shares and lower tier 2 securities which ended in June 2009 with a significant gross profit of 60,6 million euro. Net of non-recurring items, which were also present in 2008, the result from finance amounted to 31,3 million euro in the period January-June 2009 compared to 3,8 million euro in 2008.

1 The finance result: net profit on trading, hedging and disposal and repurchase activity and on assets and liabilities at fair value.

The results for the first half recorded a significant decrease of **operating costs**, down year-on-year by 5,5%, to confirm the positive trend which had already commenced in the second half of 2008.

Staff costs decreased to 744,9 million euro, the best quarterly result since the date of the merger and lower by 8,1% than the figure for the first half of 2008 (810,7 million euro), the combined effect of the reduction in staff numbers achieved as part of the integration process and the decrease in the variable component of remuneration in relation to the economic context. The item also fell on a quarterly basis (366 million euro in the second quarter of 2009 compared to 379 million euro in the first quarter of 2009).
A year-on-year decrease was recorded at the end of June 2009 in the numbers of permanent staff (-93) and staff on temporary contracts (-147) with less use of workers on staff leasing contracts (-480), made possible by the conclusion of the IT migrations.

Other administrative expenses amounted to 383,6 million euro compared to 372,2 million euro in the first half of 2008, an increase of approximately 11 million euro. These were affected mainly by the introduction at the beginning of 2009 of VAT on intragroup services, particularly penalising for groups of companies with a federal structure. It was not present in 2008 and had an effect amounting to approximately 15 million euro in the first half of 2009. On a like-for-like basis (i.e. net of the newly introduced VAT), other administrative expenses fell by 1% despite increased costs in relation to debt recovery activity required by the economic situation (+6 million euro compared to the first half of 2008, inclusive of indirect taxes).

Finally **net impairment losses on property, plant and equipment and intangible assets** recorded a fall of 13,5% to 115,5 million euro (133,5 million in 2008), benefiting from the migration to a single IT platform.

The above operating income and costs trends determined a **net operating result** of 758,3 million euro (-18,5% year-on-year); in normalised terms, the item recorded a 21,7% decrease.

Affected by the economic context, **net impairment losses on loans** amounted to 395,2 million euro, a considerable increase compared to approximately 153 million euro recorded in the first half of 2008.
Compared to total net lending, net impairment losses on loans determined a cost of credit of 82 basis points on an annual basis in the first half of 2009 (32 basis points in the same period of 2008), below the average for the second half of 2008 (86 basis points), as indicated in the business outlook for 2009 presented in the annual report.

The first half was affected by further **impairment of financial assets** (-35 million euro), manly related to an additional write-down (-32,4 million euro) of the investment in Intesa San Paolo compared to the value at the end of 2008.

Finally, the contribution to profits of "**gains on the disposal of equity investments**" was modest, amounting to 3,8 million euro in the first half of 2009 compared to 79,1 million euro in the same period of 2008, which included the gain on the disposal of a portion of the interests held in UBI Pramerica (+55,9 million euro) and UBI Assicurazioni Vita (+23,2 million euro).

As a result of the performance described above, **profit on continuing operations before tax** amounted to 305 million euro (-63,4% year-on-year); in normalised terms, the item recorded a 58,9% decrease.

Taxation for the period amounted to 153 million euro (227,1 million euro in the first half of 2008) with a tax rate of 50,2% (27,2% in 2008) primarily the result of the non deductibility of the impairment of available-for-sale financial assets, the increased burden as a consequence of the increased impairment losses on loans, not deductable for IRAP (local production tax) purposes, and the greater non deductibility of interest expense (4% in 2009 compared to 3% in 2008). Also, the item as at 30th June 2009 includes the positive impact, amounting to 12,6 million euro, resulting from the realignment of the differences between statutory accounts and tax accounts deriving from the application of the IAS accounting principles, through the payment of a substitute tax and the release of the related deferred taxation. An amount of 73,8 million euro had been recognised to 30th June 2008, as the positive impact of the redemption obtained in the EC section of the income tax return form.

Finally, **net integration costs**, which reflect the progress made with the Group integration process, amounted to 11 million euro in 2009 compared to 28,5 million euro recorded in 2008.

The balance sheet

Group **lending to customers** as at 30th June 2009 amounted to 96,8 billion euro, a slight increase (+0,3%) compared to 96,5 billion euro recorded as at 30th June 2008: if the large corporate segment, which starting from 2H2008 was affected by action taken to rationalise exposures with marginal profitability, is excluded, the rise in lending on an annual basis was 2,8%, in line with the Bank of Italy estimate for the banking sector in Italy (+2,7%). A comparison with the item as at 31st December 2008, amounting to 96,4 billion euro, shows growth of 0,5%.
It will be recalled that the Group is a party to all the agreements designed to mitigate the effects of the crisis on both its household and business customers.
Examination of the lending item shows positive growth in the medium-to-long term component (+6% year-on-year and +2,9% compared to December 2008), which accounts for 65% of the total. It was driven by mortgages and medium-to-long term loans (+4,8% year-on-year), while short term lending decreased partly due to lower requirements by businesses to fund working capital.

The **quality of the lending portfolio** was affected by the worsening of the economic context: the ratio of net non performing loans to net lending was 1,14% compared to 0,77% in June 2008 (0,88% in December 2008) and that of net impaired loans to net lending was 1,54% compared to 0,89% in June 2008 (1,20% in December 2008).

Direct funding amounted to 96,1 billion euro to record positive growth year-on-year (+2,7%) as a result of increases both in current accounts and deposits (+10% to 44,2 billion euro) and in bonds issued by the network banks to retail customers (+8,3% to 20,1 billion euro), which more than compensated for maturities of EMTN securities and lower volumes of repurchase agreement business. However, direct funding contracted slightly compared to the end of 2008 (-1,5% from 97,6 billion euro in December 2008), due mainly to lower volumes of repurchase agreement business.
Group funding as at 30th June 2009 was composed of funding from ordinary customers which accounted for approximately 85,8% and of issues on international markets accounting for 14,2%.
It will be recalled that in July 2009, the Group also issued convertible bonds amounting to 639 million euro, fully subscribed without intervention by the underwriting syndicate.

Assets eligible for refinancing with the central banks as at 30th June 2009 amounted to more than 9 billion euro.

As at 30 June 2009, the ratio of lending to funding was 100,7% (103,1% in June 2008). The **net interbank position** at the end of the first half stood at -2,9 billion euro (approximately -3 billion euro in June 2008 and approximately -1 billion euro at the end of 2008).

Total indirect funding **from private individual customers,** down year-on-year by 9,4% to 75,5 billion euro (83,3 billion euro in June 2008), increased by 1,9% compared to the end of December 2008 (74,1 billion euro), with modest signs of recovery, which were seen in all components of the item (assets under management +2,1%, insurance products +3,9% and assets under custody +1,1%).
On the basis of Assogestioni data, although negative in the first quarter by approximately 239 million euro, **Group net inflows into mutual investment funds** were positive in the second quarter by approximately 83 million euro. The figures for July 2009 confirm this trend with net positive inflows of approximately 190 million euro.
At the end of June, again on the basis of Assogestioni data and for mutual funds and Sicav's, the Group had the third largest market share in Italy of 4,98% in terms of net assets (4,52% in June 2008 and 4,87% in December 2008).

At the end of June 2009 the consolidated shareholders' equity of the UBI Banca Group, excluding profit for the period, amounted to 10.943 million euro (10.841 million euro in June 2008).

* * *

As at 30th June 2009, the human resources of the UBI Group numbered 20.926, a decrease of 702 compared to 21.628 in June 2008. The branch network at the end of the first half consisted of 1.939 branches in Italy and ten abroad.

* * *

Declaration of the executive officer responsible for preparing corporate accounting documents

Elisabetta Stegher, as the executive officer responsible for preparing the corporate accounting documents of Unione di Banche Italiane Scpa, hereby declares, in compliance with the second paragraph of article 154 *bis* of the "Testo unico delle disposizioni in materia di intermediazione finanziaria" (consolidated law on financial intermediation), that the information contained in this press release is reliably based on the records contained in corporate documents and accounting records.

* * *

Business outlook for consolidated operations in the second half of 2009

With regard to the business outlook for consolidated operations in the second half of 2009, the unfavourable economic context is expected to continue and it will have repercussions on both income generation and the valuation of risk for the banking sector as a whole.

As concerns the UBI Banca Group, net interest income will continue to be affected by the evolution of market interest rates. Starting from 1st July 2009, the item will also be affected by government intervention on maximum overdraft charges, partially replaced by a commitment fee which will be recognised within commission income.

Net commissions are expected to recover slightly if financial markets do not record new and unexpected negative trends, although they will nevertheless contract year-on-year.

The forecast for the finance area is consistent with a low risk profile and with positive results.

At operating costs' level, staff costs are expected to rise slightly compared to first half, but will nevertheless continue to reduce on an annual basis, while other administrative expenses and depreciation and amortisation should keep following the trend seen in the first half.

If the signs of recovery from the present recession are confirmed, the cost of credit should stand close to the level reached in the second half of 2008 (86 basis points).

* * *

The Half year financial report of UBI Banca to 30 th June 2009 will be published on the website of the Bank (www.ubibanca.it) on Saturday 29 th August.

For further information:
Investor Relations | *Press relations*
tel. +39 035 392217 | *tel.+39 030 2433591 – Mobile +39 335 8268310*
e-mail: investor.relations@ ubibanca.it; | *e-mail: 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
- Reclassified consolidated quarterly income statement
- Consolidated income statement net of the main non recurring items
- Consolidated balance sheet – mandatory financial statements (Bank of Italy Circular No. 262 of 22nd December 2005 and subsequent amendments and additions)
- Consolidated income statement – mandatory financial statements (Bank of Italy Circular No. 262 of 22nd December 2005 and subsequent amendments and additions)

Notes on the preparation of the financial statements

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

Following the partial disposal (50% of the share capital + 1 share) of UBI Assicurazioni Vita (now Aviva Assicurazioni Vita), concluded on 18th June 2008, which meant that the consolidation method was changed from full consolidation to consolidation using the equity method, pro-forma changes were made to the reclassified income statement for the first quarter of 2008 in order to back-date the new consolidation criterion to 1st January 2008. This, however, did not affect the final net results
The change in the consolidation also affected the reclassified balance sheet as at 31st March 2008, with changes in particular to direct funding from customers, resulting from the absence of Aviva Assicurazioni Vita financial funding, and to the portfolio of financial assets, resulting from the absence of the related investments.

The balance sheet as at 31st March 2008 was also affected by a reclassification of repurchase and reverse repurchase agreements with an institutional counterparty out of the item “amounts due to/from banks” into the item “amounts due to/from customers”, which affected the related items in the income statement. This reclassification was necessary in order to align the classification of this counterparty in the former BLP and former BPU IT systems.

Finally, some items in the reclassified income statements for 2008 have been affected by reclassifications as a result of the following: on the one hand the alignment of the accounting policies of some non banking companies that were merged with Group accounting policies and on the other the implementation of Bank of Italy instructions to reclassify statutory auditors’ remuneration out of other administrative expenses into staff expenses.

The comments on the performance of the main balance sheet and income statement items have been made on the basis of the reclassified financial statements.

In order to facilitate analysis of the Group’s performance and in compliance with Consob Communication No. DEM/6064293 of 28th July 2006, a special schedule has been included in the reclassified financial statements to show the impact on earnings only of the **principal non-recurring events and items** – the relative effects on capital and cash flow not being significant, because they are closely linked – which are summarised as follows:

first half 2009

- gain on public exchange offer;
- write-down of the interest held in Intesa Sanpaolo and gain on the disposal of IW Bank shares;

- write-down of DD Growth Fund;
- integration costs;
- tax effects of realignment pursuant to Art. 15, paragraph 3 of Decree Law No. 185/2008;
- disposal of UBI Assicurazioni agent operations and sale to BPVI of a Palermo branch and a part of a Brescia corporate business unit by BPCI;
- provisions for liabilities and charges set aside in relation to Coralis Rent.

first half 2008

- gains on the disposal of an investment (Key Client) and of UBI Pramerica SGR and UBI Assicurazioni Vita shares and the write-down of the interest held in Hopa;
- tax effects in relation to the tax redemption in the EC section;
- change in the method of calculating collective impairment losses on guarantees issued;
- price adjustment for disposal of BPCI and Carime branches;
- integration costs.

UBI Banca Group: Reclassified consolidated balance sheet

Figures in thousands of euro	30 June 09 A	31 Dec. 08 B	Changes A-B	% Changes A/B	30 June 08 C	Changes A-C	% Changes A/C
ASSETS							
Cash and cash equivalents	600.755	793.657	-192.902	-24,3%	529.922	70.833	13,4%
Financial assets held for trading	1.634.912	2.326.654	-691.742	-29,7%	2.275.860	-640.948	-28,2%
Financial assets at fair value	252.388	460.157	-207.769	-45,2%	1.254.337	-1.001.949	-79,9%
Available-for-sale financial assets	5.483.644	4.351.838	1.131.806	26,0%	3.678.806	1.804.838	49,1%
Held-to-maturity financial assets	1.577.276	1.630.844	-53.568	-3,3%	1.401.857	175.419	12,5%
Loans to banks	3.184.949	3.053.704	131.245	4,3%	3.221.741	-36.792	-1,1%
Loans to customers	96.830.116	96.368.452	461.664	0,5%	96.506.114	324.002	0,3%
Hedging derivatives	641.238	792.398	-151.160	-19,1%	217.615	423.623	194,7%
Fair value change of hedged financial assets (+/-)	313.129	335.417	-22.288	-6,6%	-70.934	384.063	n.s.
Equity investments	337.162	246.099	91.063	37,0%	230.911	106.251	46,0%
Technical reserves of reinsurers	72.166	88.362	-16.196	-18,3%	84.441	-12.275	-14,5%
Property, plant and equipment	2.098.840	2.170.867	-72.027	-3,3%	2.131.786	-32.946	-1,5%
Intangible assets	5.603.009	5.531.633	71.376	1,3%	5.568.650	34.359	0,6%
of which: goodwill	*4.446.873*	*4.338.486*	*108.387*	*2,5%*	*4.357.430*	*89.443*	*2,1%*
Tax assets	1.163.829	1.512.530	-348.701	-23,1%	1.004.769	159.060	15,8%
Non-current assets and disposal groups held for sale	71.265	18.931	52.334	276,4%	19.803	51.462	259,9%
Other assets	1.978.893	2.274.142	-295.249	-13,0%	2.662.354	-683.461	-25,7%
Total assets	**121.843.571**	**121.955.685**	**-112.114**	**-0,1%**	**120.718.032**	**1.125.539**	**0,9%**
LIABILITIES AND SHAREHOLDERS' EQUITY							
Due to banks	6.073.741	3.980.922	2.092.819	52,6%	6.179.055	-105.314	-1,7%
Due to customers	53.612.989	54.150.681	-537.692	-1,0%	51.185.280	2.427.709	4,7%
Securities issued	42.522.368	43.440.556	-918.188	-2,1%	42.416.184	106.184	0,3%
Financial liabilities held for trading	746.246	799.254	-53.008	-6,6%	794.656	-48.410	-6,1%
Hedging derivatives	724.402	635.129	89.273	14,1%	396.679	327.723	82,6%
Tax liabilities	1.014.788	1.514.050	-499.262	-33,0%	1.360.800	-346.012	-25,4%
Liabilities associated with disposal groups held for sale	156	4.412	-4.256	-96,5%	6.609	-6.453	-97,6%
Other liabilities	3.916.535	4.030.238	-113.703	-2,8%	4.756.203	-839.668	-17,7%
Staff severance provision	436.763	433.094	3.669	0,8%	425.648	11.115	2,6%
Provisions for liabilities and charges:	289.167	295.429	-6.262	-2,1%	361.253	-72.086	-20,0%
a) pension and similar obligations	72.758	81.285	-8.527	-10,5%	82.361	-9.603	-11,7%
b) other provisions	216.409	214.144	2.265	1,1%	278.892	-62.483	-22,4%
Technical reserves	391.352	408.076	-16.724	-4,1%	380.198	11.154	2,9%
Share capital, share premiums and reserves	10.942.579	11.071.206	-128.627	-1,2%	10.841.295	101.284	0,9%
Minority interests	1.046.548	1.123.637	-77.089	-6,9%	1.094.986	-48.438	-4,4%
Net profit for the the period	125.937	69.001	n.s.	n.s.	519.186	-393.249	-75,7%
Total liabilities and shareholders' equity	**121.843.571**	**121.955.685**	**-112.114**	**-0,1%**	**120.718.032**	**1.125.539**	**0,9%**

UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	30 June 09	30 June 08	Changes	% Changes	2Q09	2Q08	31 Dec. 08
Net interest income	1.347.858	1.462.932	(115.074)	(7,9%)	654.067	731.909	2.982.127
of which: effects of the purchase price allocation	*(33.087)*	*(43.298)*	*(10.211)*	*(23,6%)*	*(18.027)*	*(24.079)*	*(77.238)*
Net interest income excluding the effects of the PPA	1.380.945	1.506.230	(125.285)	(8,3%)	672.094	755.988	3.059.365
Dividends and similar income	3.500	68.475	(64.975)	(94,9%)	1.656	66.839	71.204
Profit (loss) of equity investments valued using the equity method	10.164	14.200	(4.036)	(28,4%)	5.956	5.470	18
Net commission income	507.441	627.123	(119.682)	(19,1%)	257.037	305.747	1.188.275
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	66.683	10.892	55.791	n.s.	48.429	37.980	(242.261)
Net income from insurance operations	22.029	13.811	8.218	59,5%	16.088	9.700	9.639
Other operating income / (expense)	44.517	49.074	(4.557)	(9,3%)	23.226	20.793	80.737
Operating income	**2.002.192**	**2.246.507**	**(244.315)**	**(10,9%)**	**1.006.459**	**1.178.438**	**4.089.739**
Operating income excluding the effects of PPA	**2.035.279**	**2.289.805**	**(254.526)**	**(11,1%)**	**1.024.486**	**1.202.517**	**4.166.977**
Staff costs	(744.858)	(810.683)	(65.825)	(8,1%)	(366.294)	(415.289)	(1.584.178)
Other administrative expenses	(383.575)	(372.168)	11.407	3,1%	(200.793)	(198.404)	(749.260)
Net impairment losses on property, plant and equipment and intangible assets	(115.500)	(133.494)	(17.994)	(13,5%)	(57.546)	(66.942)	(277.910)
of which: effects of the purchase price allocation	*(33.050)*	*(36.464)*	*(3.414)*	*(9,4%)*	*(16.525)*	*(18.237)*	*(81.364)*
Net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	(82.450)	(97.030)	(14.580)	(15,0%)	(41.021)	(48.705)	(196.546)
Operating costs	**(1.243.933)**	**(1.316.345)**	**(72.412)**	**(5,5%)**	**(624.633)**	**(680.635)**	**(2.611.348)**
Operating costs excluding the effects of the PPA	**(1.210.883)**	**(1.279.881)**	**(68.998)**	**(5,4%)**	**(608.108)**	**(662.398)**	**(2.529.984)**
Net operating income	**758.259**	**930.162**	**(171.903)**	**(18,5%)**	**381.826**	**497.803**	**1.478.391**
Net operating income excluding the effects of the PPA	**824.396**	**1.009.924**	**(185.528)**	**(18,4%)**	**416.378**	**540.119**	**1.636.993**
Net impairment losses on loans	(395.195)	(152.956)	242.239	158,4%	(235.622)	(93.299)	(566.223)
Net impairment losses on other assets/liabilities	(34.974)	3.507	(38.481)	n.s.	39.372	3.517	(510.550)
Net provisions for liabilities and charges	(26.871)	(25.920)	951	3,7%	(17.081)	(17.431)	(34.489)
Profits (loss) from disposal of equity investments	3.831	79.090	(75.259)	(95,2%)	(357)	21.708	84.985
Profit (loss) on continuing operations before tax	**305.050**	**833.883**	**(528.833)**	**(63,4%)**	**168.138**	**412.298**	**452.114**
Profit (loss) on continuing operations before tax excluding the effects of the PPA	**371.187**	**913.645**	**(542.458)**	**(59,4%)**	**202.690**	**454.614**	**610.716**
Taxes on income for the period for continuing operations	(153.035)	(227.085)	(74.050)	(32,6%)	(50.367)	(66.345)	(221.564)
of which: effects of the purchase price allocation	*21.250*	*25.815*	*(4.565)*	*(17,7%)*	*11.106*	*13.782*	*51.258*
Integration costs	(10.957)	(28.457)	(17.500)	(61,5%)	(4.555)	(14.037)	(67.236)
of which: staff costs	*(8.966)*	*(18.523)*	*(9.557)*	*(51,6%)*	*(3.998)*	*(8.634)*	*(47.796)*
other administrative expenses	*(4.010)*	*(21.190)*	*(17.180)*	*(81,1%)*	*(1.136)*	*(10.788)*	*(41.920)*
net impairment losses on property, plant and equipment and intangible assets	*(2.575)*	*(1.040)*	*1.535*	*147,6%*	*(1.312)*	*(718)*	*(6.223)*
taxes	*4.594*	*12.296*	*(7.702)*	*(62,6%)*	*1.891*	*6.103*	*28.703*
After tax profit (loss) from discontinued operations	5.188	(11.029)	16.217	n.s.	(5)	(11.029)	(15.727)
Profit (loss) for the period attributable to minority interests	(20.309)	(48.126)	(27.817)	(57,8%)	(11.619)	(20.971)	(78.586)
of which: effects of the purchase price allocation	*7.600*	*9.070*	*(1.470)*	*(16,2%)*	*4.117*	*4.942*	*18.868*
Profit (loss) for the period attributable to the Parent Bank excluding the effects of the PPA	*163.224*	*564.063*	*(400.839)*	*(71,1%)*	*120.921*	*323.508*	*157.477*
Profit (loss) for the period attributable to the Parent Bank	**125.937**	**519.186**	**(393.249)**	**(75,7%)**	**101.592**	**299.916**	**69.001**

Total impact of the purchase price allocation on the income statement	*(37.287)*	*(44.877)*	*(7.590)*	*(16,9%)*	*(19.329)*	*(23.592)*	*(88.476)*

UBI Banca Group: Reclassified consolidated income statement - quarterly evolution

	2009		2008			
Figures in thousands of euro	2Q	1Q	4Q	3Q	2Q	1Q pro-forma
Net interest income	654.067	693.791	778.524	740.671	731.909	731.023
of which: effects of the purchase price allocation	*(18.027)*	*(15.060)*	*(18.768)*	*(15.172)*	*(24.079)*	*(19.219)*
Net interest income excluding the effects of the PPA	672.094	708.851	797.292	755.843	755.988	750.242
Dividends and similar income	1.656	1.844	1.210	1.519	66.839	1.636
Profit (loss) of equity investments valued using the equity method	5.956	4.208	(14.556)	374	5.470	8.730
Net commission income	257.037	250.404	280.957	280.195	305.747	321.376
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	48.429	18.254	(192.557)	(60.596)	37.980	(27.088)
Net income from insurance operations	16.088	5.941	(6.915)	2.743	9.700	4.111
Other operating income / (expense)	23.226	21.291	13.848	17.815	20.793	28.281
Operating income	**1.006.459**	**995.733**	**860.511**	**982.721**	**1.178.438**	**1.068.069**
Operating income excluding the effects of the PPA	**1.024.486**	**1.010.793**	**879.279**	**997.893**	**1.202.517**	**1.087.288**
Staff costs	(366.294)	(378.564)	(393.405)	(380.090)	(415.289)	(395.394)
Other administrative expenses	(200.793)	(182.782)	(211.799)	(165.293)	(198.404)	(173.764)
Net impairment losses on property, plant and equipment and intangible assets	(57.546)	(57.954)	(77.467)	(66.949)	(66.942)	(66.552)
of which: effects of the purchase price allocation	*(16.525)*	*(16.525)*	*(26.663)*	*(18.237)*	*(18.237)*	*(18.227)*
Net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	(41.021)	(41.429)	(50.804)	(48.712)	(48.705)	(48.325)
Operating costs	**(624.633)**	**(619.300)**	**(682.671)**	**(612.332)**	**(680.635)**	**(635.710)**
Operating costs excluding the effects of the PPA	**(608.108)**	**(602.775)**	**(656.008)**	**(594.095)**	**(662.398)**	**(617.483)**
Net operating income	**381.826**	**376.433**	**177.840**	**370.389**	**497.803**	**432.359**
Net operating income excluding the effects of the PPA	**416.378**	**408.018**	**223.271**	**403.798**	**540.119**	**469.805**
Net impairment losses on loans	(235.622)	(159.573)	(310.399)	(102.868)	(93.299)	(59.657)
Net impairment losses on other assets/liabilities	39.372	(74.346)	(516.179)	2.122	3.517	(10)
Net provisions for liabilities and charges	(17.081)	(9.790)	4.531	(13.100)	(17.431)	(8.489)
Profits (loss) from disposal of equity investments	(357)	4.188	4.699	1.196	21.708	57.382
Profit (loss) on continuing operations before tax	**168.138**	**136.912**	**(639.508)**	**257.739**	**412.298**	**421.585**
Profit (loss) on continuing operations before tax excluding the effects of the PPA	**202.690**	**168.497**	**(594.077)**	**291.148**	**454.614**	**459.031**
Taxes on income for the period for continuing operations	(50.367)	(102.668)	125.544	(120.023)	(66.345)	(160.740)
of which: effects of the purchase price allocation	*11.106*	*10.144*	*14.320*	*11.123*	*13.782*	*12.033*
Integration costs	(4.555)	(6.402)	(21.825)	(16.954)	(14.037)	(14.420)
of which: staff costs	*(3.998)*	*(4.968)*	*(14.538)*	*(14.735)*	*(8.634)*	*(9.889)*
other administrative expenses	*(1.136)*	*(2.874)*	*(12.442)*	*(8.288)*	*(10.788)*	*(10.402)*
net impairment losses on property, plant and equipment and intangible assets	*(1.312)*	*(1.263)*	*(4.232)*	*(951)*	*(718)*	*(322)*
taxes	*1.891*	*2.703*	*9.387*	*7.020*	*6.103*	*6.193*
After tax profit (loss) from discontinued operations	(5)	5.193	(4.698)	-	(11.029)	-
Profit (loss) for the period attributable to minority interests	(11.619)	(8.690)	(10.552)	(19.908)	(20.971)	(27.155)
of which: effects of the purchase price allocation	*4.117*	*3.483*	*6.152*	*3.646*	*4.942*	*4.128*
Profit (loss) for the period attributable to the Parent Bank excluding the effects of the PPA	*120.921*	*42.303*	*(526.080)*	*119.494*	*323.508*	*240.555*
Profit (loss) for the period attributable to the Parent Bank	**101.592**	**24.345**	**(551.039)**	**100.854**	**299.916**	**219.270**

Total impact of the purchase price allocation on the income statement	*(19.329)*	*(17.958)*	*(24.959)*	*(18.640)*	*(23.592)*	*(21.285)*

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

Figures in thousands of euro	30 June 09	Non-recurring items: Gain on OPA	Non-recurring items: Disposal and impairment of equity investments	Non-recurring items: Write-down DD Growth Fund	Non-recurring items: Integrations costs	Non-recurring items: Fiscal allignement ex art. 15, par.3, law decree 185/2008	Non-recurring items: Disposal of UBI Assicurazioni 's advisors network and sale to BPVI of 1 branch + part CBU by BPCI	Non-recurring items: Loss provision for Coralis Rent	30 June 09 *net of the most significant non-recurring items* A	30 June 08	Non-recurring items: Disposal and impairment equity investments	Non-recurring items: Tax redemption EC section	Non-recurring items: Provisions on credit commitme nts	Non-recurring items: Price adjustment fod disposal of BPCI and Carime branches	Non-recurring items: Integration costs	30 June 08 *net of most non-recurring items* B	Changes A-B	% Changes A/B
Net interest income (including the effects of PPA)	1.347.858								1.347.858	1.462.932						1.462.932	(115.074)	(7,9%)
Dividends and similar income	3.500								3.500	68.475						68.475	(64.975)	(94,9%)
Profit (loss) of equity investments valued using the equity method	10.164								10.164	14.200						14.200	(4.036)	(28,4%)
Net commission income	507.441								507.441	627.123						627.123	(119.682)	(19,1%)
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	66.683	(60.592)		25.234					31.325	10.892	(7.055)					3.837	27.488	n.s.
Net income from insurance operations	22.029								22.029	13.811						13.811	8.218	59,5%
Other net operating income/(expense)	44.517								44.517	49.074						49.074	(4.557)	(9,3%)
Operating income (including the effects of PPA)	**2.002.192**	**(60.592)**	**-**	**25.234**	**-**	**-**	**-**	**-**	**1.966.834**	**2.246.507**	**(7.055)**	**-**	**-**	**-**	**-**	**2.239.452**	**(272.618)**	**(12,2%)**
Staff costs	(744.858)								(744.858)	(810.683)						(810.683)	(65.825)	(8,1%)
Other administrative expenses	(383.575)								(383.575)	(372.168)						(372.168)	11.407	3,1%
Net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(115.500)								(115.500)	(133.494)						(133.494)	(17.994)	(13,5%)
Operating costs (including the effects of PPA)	**(1.243.933)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1.243.933)**	**(1.316.345)**	**-**	**-**	**-**	**-**	**-**	**(1.316.345)**	**(72.412)**	**(5,5%)**
Net operating income (including the effects of PPA)	**758.259**	**(60.592)**	**-**	**25.234**	**-**	**-**	**-**	**-**	**722.901**	**930.162**	**(7.055)**	**-**	**-**	**-**	**-**	**923.107**	**(200.206)**	**(21,7%)**
Net impairment losses on loans	(395.195)								(395.195)	(152.956)						(152.956)	242.239	158,4%
Net impairment losses on other assets and liabilities	(34.974)		32.369						(2.605)	3.507	6.432		(8.501)			1.438	(4.043)	n.s.
Net provisions for liabilities and charges	(26.871)							6.761	(20.110)	(25.920)						(25.920)	(5.810)	(22,4%)
Profit (loss) from disposal of equity investments	3.831		(2.618)						1.213	79.090	(79.053)					37	1.176	n.s.
Profit (loss) on continuing operations before tax (incl. PPA)	**305.050**	**(60.592)**	**29.751**	**25.234**	**-**	**-**	**-**	**6.761**	**306.204**	**833.883**	**(79.676)**	**-**	**(8.501)**	**-**	**-**	**745.706**	**(439.502)**	**(58,9%)**
Taxes on income for the period for continuing operations	(153.035)	19.602	(576)	(8.156)		(12.629)		(2.185)	(156.979)	(227.085)	7.548	(73.832)	2.338			(291.031)	(134.052)	(46,1%)
Integration costs	(10.957)				10.957				-	(28.457)					28.457	-	-	-
of wich: staff costs	*(8.966)*				*8.966*				-	*(18.523)*					*18.523*	-	-	-
other administrative expenses	*(4.010)*				*4.010*				-	*(21.190)*					*21.190*	-	-	-
net impairment losses on property, plant and equipment and intangible assets	*(2.575)*				*2.575*				-	*(1.040)*					*1.040*	-	-	-
taxes	*4.594*				*(4.594)*				-	*12.296*					*(12.296)*	-	-	-
After tax profit (loss) from discontinued operations	5.188						(5.155)		33	(11.029)				11.029		-	33	n.s.
Profit (loss) for the period attributable to minority	(20.309)		185		(907)	1.838	424	(66)	(18.835)	(48.126)	563	6.115	970	(1.831)	(1.324)	(43.633)	(24.798)	(56,8%)
Profit (loss) for the period attributable to the Parent Bank	**125.937**	**(40.990)**	**29.360**	**17.078**	**10.050**	**(10.791)**	**(4.731)**	**4.510**	**130.423**	**519.186**	**(71.565)**	**(67.717)**	**(5.193)**	**9.198**	**27.133**	**411.042**	**(280.619)**	**(68,3%)**

UBI Banca Group: Consolidated balance sheet – mandatory financial statements (Bank of Italy Circular No. 262 of 22nd December 2005 and subsequent amendments and additions)

Figures in thousands of euro	30 June 09	31 Dec. 2008	30 June 08
ASSET ITEMS			
Cash and cash equivalents	600.755	793.657	529.922
Financial assets held for trading	1.634.912	2.326.654	2.275.860
Financial assets at fair value	252.388	460.157	1.254.337
Available-for-sale financial assets	5.483.644	4.351.838	3.678.806
Held-to-maturity financial assets	1.577.276	1.630.844	1.401.857
Loans to banks	3.184.949	3.053.704	3.221.741
Loans to customers	96.830.116	96.368.452	96.506.114
Hedging derivatives	641.238	792.398	217.615
Fair value change in hedged financial assets	313.129	335.417	-70.934
Equity investments	337.162	246.099	230.911
Technical reserves of reinsurers	72.166	88.362	84.441
Property, plant and equipment	2.098.840	2.170.867	2.131.786
Intangible assets	5.603.009	5.531.633	5.568.650
of which:			
goodwill	4.446.873	4.338.486	4.357.430
Tax assets:	1.163.829	1.512.530	1.004.769
a) current	340.960	746.975	450.582
b) deferred	822.869	765.555	554.187
Non current assets and disposal groups held for sale	71.265	18.931	19.803
Other assets	1.978.893	2.274.142	2.662.354
Total assets	**121.843.571**	**121.955.685**	**120.718.032**

Figures in thousands of euro	30 June 09	31 Dec. 08	30 June 08
LIABILITIES AND SHAREHOLDERS' EQUITY			
Due to banks	6.073.741	3.980.922	6.179.055
Due to customers	53.612.989	54.150.681	51.185.280
Securities issued	42.522.368	43.440.556	42.416.184
Financial liabilities held for trading	746.246	799.254	794.656
Fair value change of hedged financial liabilities	724.402	635.129	396.679
Tax liabilities:	1.014.788	1.514.050	1.360.800
a) current	313.871	744.869	489.843
b) deferred	700.917	769.181	870.957
Liabilities associated with disposal groups held for sale	156	4.412	6.609
Other liabilities	3.916.535	4.030.238	4.756.203
Staff severance provisions	436.763	433.094	425.648
Provisions for liabilities and charges:	289.167	295.429	361.253
a) pension and similar obligations	72.758	81.285	82.361
b) other provisions	216.409	214.144	278.892
Technical reserves	391.352	408.076	380.198
Valuation reserves	30.063	-70.296	-295.532
Reserves	2.214.273	2.443.259	2.438.584
Share premiums	7.100.378	7.100.378	7.100.378
Share capital	1.597.865	1.597.865	1.597.865
Minority interests	1.046.548	1.123.637	1.094.986
Profit for the period	125.937	69.001	519.186
Total liabilities and shareholders' equity	**121.843.571**	**121.955.685**	**120.718.032**

UBI Banca Group: Consolidated income statement – mandatory financial statements (Bank of Italy Circular No. 262 of 22nd December 2005 and subsequent amendments and additions)

Figures in thousands of euro	30 June 09	30 June 08	31 Dec 08	2Q09	2Q08
Interest and similar income	2.381.873	3.049.072	6.190.249	1.087.413	1.505.235
Interest expense and similar	(1.027.661)	(1.578.257)	(3.193.905)	(430.250)	(793.837)
Net interest income	**1.354.212**	**1.470.815**	**2.996.344**	**657.163**	**711.398**
Commission income	611.871	727.481	1.387.721	316.281	361.006
Commission expense	(104.430)	(107.651)	(199.446)	(59.244)	(56.702)
Net commission income	**507.441**	**619.830**	**1.188.275**	**257.037**	**304.304**
Dividends and similar income	3.500	68.475	71.204	1.656	66.839
Net profit (loss) from trading	29.217	(11.812)	(142.274)	22.893	23.665
Net profit (loss) from hedging activity	1.186	14.116	(18.459)	(26.389)	593
Profit (loss) on disposal or repurchase of:	64.370	10.208	29.452	63.087	8.553
a) loans	-	(728)	(8.147)	-	(286)
b) available-for-sale financial assets	7.283	7.114	30.046	4.808	7.047
d) financial liabilities	57.087	3.822	7.553	58.279	1.792
Net profit (loss) on financial assets and liabilities at fair value	(28.085)	(1.620)	(118.035)	(11.156)	5.169
Gross income	**1.931.841**	**2.170.012**	**4.006.507**	**964.291**	**1.120.521**
Net impairment losses on:	(430.169)	(150.688)	(1.069.718)	(196.250)	(90.456)
a) loans	(395.195)	(154.195)	(559.168)	(235.622)	(93.973)
b) available-for-sale financial assets	(32.496)	(6.669)	(516.917)	43.742	(3.058)
d) other financial transactions	(2.478)	10.176	6.367	(4.370)	6.575
Net financial operating income	**1.501.672**	**2.019.324**	**2.936.789**	**768.041**	**1.030.065**
Net insurance premiums	85.755	99.296	189.040	46.902	4.845
Other net profit (loss) of insurance operations	(70.794)	(91.120)	(191.426)	(34.401)	16.831
Net income from financial and insurance operations	**1.516.633**	**2.027.500**	**2.934.403**	**780.542**	**1.051.741**
Administrative expenses	(1.218.804)	(1.302.563)	(2.581.014)	(612.001)	(672.967)
a) staff costs	(753.824)	(829.206)	(1.631.974)	(370.292)	(422.747)
b) other administrative expenses	(464.980)	(473.357)	(949.040)	(241.709)	(250.220)
Net provisions provisions for liabilities and charges	(26.871)	(25.920)	(34.489)	(17.081)	(17.431)
Net impairment losses on property, plant and equipment	(57.067)	(60.680)	(123.567)	(28.163)	(29.801)
Net impairment losses on intangible assets	(56.463)	(69.089)	(151.045)	(28.418)	(35.360)
Other operating income/(expense)	118.076	130.592	226.884	61.216	64.125
Operating costs	**(1.241.129)**	**(1.327.660)**	**(2.663.231)**	**(624.447)**	**(691.434)**
Profits (losses) of equity investments	10.344	14.198	2.050	5.660	9.184
Profits (losses) on disposal of investments	3.651	79.092	82.953	(61)	21.110
Profit (loss) on continuing operations before tax	**289.499**	**793.130**	**356.175**	**161.694**	**390.601**
Taxes on income for the period for continuing operations	(148.441)	(214.789)	(192.861)	(48.476)	(58.685)
After tax profit (loss) on continuing operations	**141.058**	**578.341**	**163.314**	**113.218**	**331.916**
Profit (loss) after tax of discontinued operations	5.188	(11.029)	(15.727)	(5)	(11.029)
Profit for the period	**146.246**	**567.312**	**147.587**	**113.213**	**320.887**
Profit attributable to minority interests	(20.309)	(48.126)	(78.586)	(11.619)	(20.971)
Profit (loss) for the period attributable to the parent bank	**125.937**	**519.186**	**69.001**	**101.594**	**299.916**