PRESS RELEASE

Important growth in profitability in the first nine months of the year

Consolidated profit of €149.8 million in significant growth compared with €101.9 million in the same period of 2013
Consolidated profit net of non-recurring items of €175.5 million, a more than twofold increase compared with €74.3 million in the first nine months of 2013

- **Operating income of €2,557.6 million (+2.9%)**
  Net interest income of €1,376.3 million (+6.6%). Net interest income in the third quarter of 2014 was the best in the last two years notwithstanding the decrease in loans
  Net fee and commission income of €908.2 million (+2.3%)
  Finance result of €150.5 million (€168.5 million in the first nine months of 2013)
- **Constantly lower operating expenses, down to €1,562.6 million (-2.5%)**
- **Net operating income of €995 million (+12.7%)**
- **Annualised loan loss rate of 98 basis points (86 basis points in the first nine months of 2013). New inflows from performing loans to deteriorated status down significantly by 37.2% compared with the first nine months of 2013**
- **Pre-tax profit from continuing operations of €362.3 million (+34.3%)**

The Group's capital strength is confirmed:

Common equity tier one ratio "phased in" as at 30th September 2014: 13% (12.73% in June 2014)
Total capital ratio "phased in" of 18.09% (18.03% in June 2014)

Pro-forma Common equity tier one ratio "fully loaded" estimate of 12% (11.7% in June 2014)
Common equity tier one ratio "fully loaded" estimate (management figure[1]) of 11.2% (compared with 10.9% in June 2014)

Basel 3 "phased in" leverage ratio of 5.9%
Basel 3 "fully loaded" leverage ratio estimate of 5.4%

NSFR and LCR > 1, even net of the LTRO
Over €30 billion of assets eligible for refinancing
Over €4 billion of LTRO repaid as at 12th November (out of €12 billion)

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[1] With account taken of the compulsory periodic update of historical data series relating to credit and market parameters for the calculation of risk-weighted assets that will take place in the fourth quarter and of other expected factors, such as the Aviva and UBI Assicurazioni operations, but not including any optimisation operations and self-financing.

Bergamo, 11th November 2014 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) approved the consolidated results for the first nine months of 2014 which ended with a **profit of €149.8 million, to record significant growth compared with €101.9 million in the same period of 2013. Net of non-recurring items, profit for the period came to €175.5 million, a more than twofold increase compared with €74.3 million in the first nine months of 2013.**

On the one hand, the first nine months of 2014 recorded **good performance by operating income**, up by over €71 million compared with January-September 2013, due to **growth in core revenues** consisting of net interest income (+€84.9 million) and net fee and commission income (+€20.1 million), while the finance result was slightly down (-€18 million).
On the cost front, **the reduction in operating expenses continued, down by 2.5% (€41 million approx.)** compared with 2013.

With regard to credit quality, the first nine months of 2014 saw confirmation of the substantial reduction in the generation of new deteriorated loans flows, already recorded in the first part of the year: **the inflows from performing loans to deteriorated status fell by 37.2% compared with the first nine months of 2013, which strengthens expectations of a lower loan loss rate in the next few years.** Net deteriorated loans remained more or less unchanged in the first nine months of the year (+€136 million, while they grew by €1.064 billion in the first nine months of 2013), reflecting lower growth in gross deteriorated loans (+€415.4 million while these grew by €1.408 billion in the first nine months of 2013) and an increase in coverage by 130 basis points compared with December 2013.

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Group operating results in the first nine months of 2014 compared with the first nine months of 2013

In the period January-September 2014, Group operations generated **growth in net operating income of 12.7%** to €995 million from approx. €883 million in the same period of 2013.

As a result of good performance by core activities, **operating income** increased by 2.9%, to €2,557.6 million compared with €2,486.3 million in 2013.

Net interest income made a significant contribution to that result, amounting to €1,376.3 million, up by 6.6% (+€85 million) year-on-year, largely due to good results for business with customers, which rose by €45.6 million to €1,086.3 million following a further improvement in the interest rate spread, which widened by approximately 20 basis points (up on average over nine months to 1.83% from 1.63% in 2013), primarily as a result of a sharp decrease in the cost of funding and despite the year-on-year fall in average lending.

Net fee and commission income also performed well, rising to €908.2 million compared with €888.1 million in the same period of 2013. Investment services-related business improved further over the nine month period (+7.5% or +€33 million to reach €473.1 million), with outstanding performance by portfolio management (+€17 million), while the contribution from general banking services (-6% to €453.5 million) continued to be affected by low volumes of business in relation to the weak economic environment.
Finally, the item benefited, in terms of lower fee and commission expenses (total savings of approximately €16 million), from the positive impact of the redemption of bonds backed by a government guarantee, which was completed in August.

Financial activities generated **a profit** of €150.5 million in the period January-September 2014, slightly down compared with the same period of 2013 (€168.5 million) due to the more physiological results achieved in the third quarter of 2014 (€13.9 million) compared with the extraordinary performance recorded in previous quarters, largely connected with the progressive profit-taking on investments in government securities made during the financial crisis.
The finance result was composed as follows over the nine month period: €56.5 million from trading activities (€79 million in 2013); €102 million (€90 million in 2013) from the sale and repurchase of financial assets and liabilities and primarily from the sale of approximately €4 billion of Italian government securities; €1.2 million from changes in the fair value of financial assets (€3.2 million in 2013); while hedging activities generated a loss of €9.1 million (-€3.7 million in 2013).

The trend already recorded for **operating expenses** continued again in the first nine months of 2014 with a **further decrease of 2.5% to €1,562.6 million compared with the same period in 2013.**

In detail:
- **staff costs** of €976.6 million were more or less unchanged compared with 2013 (€974.4 million), having absorbed ordinary wage increases, thanks to efficiencies achieved in recent years, including the latest scheduled increases under the provisions of the current national labour contract, applied from 1st June 2014;
- **other administrative expenses** of €458.3 million were down by 7.2% year-on-year, attributable to a contraction in current expense items;
- finally, **depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets** totalled €127.7 million, also down by 5.4% compared with 2013, primarily due to lower depreciation and amortisation in the core perimeter of the Group and notwithstanding the write-off of the Prestitalia IT platform.

As already reported, following the reorganisation of the Group's distribution network, which will result in the closure of 114 operating facilities by January 2015, negotiations are in progress with trade unions to address the repercussions, also in terms of overall efficiency, of actions under way.

In the period January-September 2014, **net impairment losses on loans** rose to €626.2 million, compared with €576.6 million in the same period in 2013, to give an annualised loan loss rate of 0.98% of total net loans, compared with 0.86% before.

As a result of the performance described above, **profit on continuing operations before tax** amounted to €362.3 million, **an improvement of 34.3%** compared with the first nine months of 2013.

Taxes on income for the period from continuing operations amounted to €187.5 million, up compared with €149.6 million in 2013, primarily the result of the inclusion in 2014 of non-recurring components. These consisted of a change in the retroactive substitute tax on stakes in the Bank of Italy and the impact of an adjustment to the IRAP (regional production tax) rate on deferred tax assets to give a total of around €24 million. In normalised terms, the tax rate for the first nine months of 2014 was 44.9%, compared with 62.9% in 2013.

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Group operating results in the third quarter of the year

The third quarter of 2014 saw Group **operating income** total €821.7 million compared with €882.5 million in 2Q 2014 and €834.1 million in 3Q 2013, affected by the differing performance of the main items:

- **net interest income** rose to €468 million (+**3% compared with 2Q 2014 and +4.9% compared with the 3Q 2013**) as a result of an improvement in the customer spread (1.87% compared with 1.82% in 2Q 2014 and 1.68% in 3Q 2013) and notwithstanding lower average volumes of lending;
- **net fee and commission income** contributed €298.5 million to the result (-3.6% compared with 2Q 2014, following the normal effect of seasonal factors and +4.4% compared with 3Q 2013);
- the **net finance result** totalled €13.9 million, to stand at more physiological levels compared with the extraordinary performance (€74 million in 2Q 2014 and €59.1 million in 3Q 2013) recorded in previous quarters, largely connected with the progressive profit-taking on investments in government securities made during the financial crisis.

Net of the finance result, **operating income** in 3Q 2014 stood at around €808 million, **unchanged compared with 2Q 2014 and up by 4.2% compared with 3Q 2013.**

The good performance by costs continued again in the third quarter of the year, with **operating expenses** down further to €518.3 million, **a reduction of 0.9% compared with 2Q 2014 and 2.5% compared with 3Q 2013.**

Net impairment losses on loans amounted to €197.1 million, more or less the same as the impairment losses recognised in 3Q 2013 (€192.7 million), but affected by the usual seasonal factors compared with €230.5 million recognised in 2Q 2014.

As a result of the performance described above, **profit on continuing operations before tax** amounted to €105 million, **an improvement of 3.7% compared with 3Q 2013**, but down compared with €132.8 million in 2Q 2014 following the lower finance result.

Taxes on income for the period from continuing operations amounted to €52.1 million, €76.7 million in 2Q 2014 (as a result of the inclusion in the second quarter of the year of non-recurring components, consisting in particular of a change in the retroactive tax on stakes in the Bank of Italy and the impact of an adjustment to the IRAP – regional production tax – rate on deferred tax assets, to give a total of €24 million) and €46.5 million in 3Q 2013.

The third quarter of the year therefore ended with **a profit of €43.6 million, substantially in line with €48.1 million in 2Q 2014 and €49 million in 3Q 2013.**

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The balance sheet

Loans to customers as at 30th September 2014, **amounted to €85 billion (-2.5% compared with €87.1 billion at the end of June and -3.9% compared with €88.4 billion in December 2013)**.
The performance of loans during the year and in the quarter was affected by weak demand for credit and by the strategy of margins defence deployed by the Group, which contributed to a significant widening of the commercial spread.
Lending in the third quarter of 2014 was also affected by the expiry of some volatile components (reverse repurchase agreements with the CCG, a central counterparty clearing house, effected by

UBI to invest excess liquidity, for approximately €0.4 billion) and by the progressive decrease in loans in run-off (approximately €0.2 billion). Net of these items, the quarterly change in total loans was -1.9%.

As concerns credit quality, **total gross deteriorated loans** (non-performing loans, impaired loans, restructured and past due/in arrears exposures) **confirmed in September 2014 the tendency to stabilize.** They stood at €13,089 million, slightly up by 2.4% compared with €12,788 million in June 2014 and by 3.3% compared with 12,674 at the end of December 2013. In the first 9 months of 2013, total gross deteriorated loans had grown by 12.8%.

Gross inflows from performing loans to deteriorated status are reducing constantly (€1,923 million in the first nine months of 2014, **down by 37.2%** compared with €3,064 million in the first nine months of 2013).

Again at the end of September 2014, **coverage for total deteriorated loans had risen to 27.82% from 27.61% in June 2014 and 26.52% in December 2013.** If loan write-offs are included, coverage for total deteriorated loans stood at 37.8% (37.6% in June 2014 and 36.2% in December 2013).

In terms of net amounts, as at the 30th of September 2014 total deteriorated loans stood at €9,448 million (€9,257 million in June 2014 and €9,312 million in December 2013). As a consequence of the reduction in new inflows and the increase in coverage, the stock of total net deteriorated loans was **therefore almost unchanged (+1.5%)** compared to December 2013, a marked improvement compared with performance in the first nine months of 2013 when the total stock grew by 13.1%.

In detail, net non-performing loans amounted to €3,911 million (€3,771 million in June 2014 and €3,437 million in December 2013), accounting for 4.60% of total net loans.
Following the disposal of €79 million of gross loans written-down by 80%, coverage for non-performing loans stood at 40.53% (40.61% in June 2014 and 41.60% in December 2013). If that disposal had not taken place, coverage for non-performing loans would stand at 40.96%. If loan write-offs are included, coverage for non-performing loans rises to 55%.

Net impaired loans amounted to €4,162 million (€4,117 million in June 2014 and €4,314 million in December 2013), accounting for 4.90% of total loans.
The total coverage for impaired loans stands a 16.11% compared with 16.23% in June 2014 (15.12% in December 2013).

Net restructured positions amounted to €729 million (€717 million in June 2014 and €751 million in December 2013). The relative coverage was 16.73%, up significantly compared with 14.49% in June 2014 and 13.94% in December 2013.
Net positions past due and/or in arrears amounted to €647 million compared with €652 million in June 2014 and €811 million in December 2013 (coverage of 4.49% compared with 4.78% in June 2014 and 2.83% in December 2013).

Finally, as already reported, **the brilliant outcome of the Asset Quality Review exercise positions the Bank in first place in Italy in terms of post AQR CET1, which demonstrates the consistency and appropriateness of the Group's provisioning policies for deteriorated loans.**

Total direct funding as at 30th September 2014, amounted to €87.9 billion compared with €90.2 billion in June 2014 and (€92.6 billion in December 2013). Net of repurchase agreements with the CCG (a central counterparty clearing house – €0.7 billion in September 2014, €2.3 billion in June 2014 and €5.5 billion in December 2013), direct funding amounted to €87.1 billion and was therefore more or less unchanged compared with the end of the first half and the end of 2013. Good performance by current accounts and retail bonds confirmed the Group's solid commercial basis.

The **ratio of loans to deposits** was 96.7% (96.6% at the end of June 2014 and 95.5% at the end of December 2013).

Group exposure to the ECB as at 30th September 2014 totalled €12 billion of LTRO (unchanged compared with June 2014) recognised within the item "due to banks" and therefore not included within direct funding. Following the end of the third quarter, €1 billion was repaid early (at the beginning of October). A further €3 billion will be repaid with value date 12th November 2014.
Liquidity indicators calculated according to Basel 3 rules (**NSFR and LCR**) are greater than one even in the presence of an ordinary funding structure not based on LTRO support. **Assets eligible for refinancing** as at 31st October 2014 totalled €30.1 billion net of haircuts.
The Group estimates that it will bid for around €3 billion of TLTRO finance in December 2014.

At the end of September 2014, the Group's **financial assets** amounted to €22.6 billion, of which €20.7 billion related to Italian government securities (€20.3 billion in June 2014 and €19.7 billion in December 2013). With a view to supporting net interest income and in relation to the evolution of credit demand, the Group intends to replace, in an opportunistic way, government securities maturing in the fourth quarter (approximately €4.9 billion) with securities of the same type to be recognised in the AFS portfolio.

Again at the end of September 2014, **indirect funding from ordinary customers** had increased to €76.1 billion compared with €73.7 billion in June 2014 and €71.7 billion in December 2013. Positive performance was recorded both by assets under management in the strict sense of the term, which reached €30 billion (+4.7% compared with June 2014) and also by insurance funding, which rose to €12.2 billion (+1.2% compared with June 2014). Finally assets under custody amounted to €33.9 billion (€32.9 billion in June 2014).

Consolidated **equity** of the UBI Banca Group as at 30th September 2014, including profit for the period, amounted to €10,801 million (€10,709 million at the end of June 2014 and €10,339 million at the end of December 2013).

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Human resources of the UBI Banca Group totalled 18,188 as at 30th September 2014 (18,438 in June 2014 and 18,338 in December 2013). At the end of the period, the branch network consisted of 1,670 branches in Italy (1,673 in June 2014) and six abroad (unchanged).

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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.

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Outlook

Net interest income will be influenced by the performance of average volumes of business, by the maturity of government securities in the fourth quarter – which will be replaced in an opportunistic way – by the benefits of repricing action already taken with regard to funding and by the resilience of medium to long-term loan spreads.
Net fee and commission income will benefit from the usual and positive seasonal factors normally experienced in the last quarter of the year.
The expected year-on-year fall in recurring operating expenses is confirmed.
The slowdown in the pace of new defaults on loans recorded in the first nine months of the year and the results of the AQR allow expectations of a slight overall year-on-year improvement in loan losses, in terms of absolute amounts, to be confirmed.

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Merger between IW Bank and UBI Private Investment

In a meeting held today, the Management Board approved the plan to merge IW Bank into UBI Banca Private Investment. The banking entity that will result from the merger will take the name of "IW Bank S.p.A.", in order to conserve a well-known brand on the market, and its registered offices will be located in Milan. The merger is scheduled to take legal effect on 18th May 2015, while for accounting and tax purposes it will take effect from 1st January 2015.

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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.

UBI Banca Group: reclassified consolidated balance sheet

Figures in thousands of euro	30.9.2014 A	31.12.2013 B	Changes A-B	% changes A/B	30.9.2013 C	Changes A-C	% changes A/C
ASSETS							
Cash and cash equivalents	497,623	589,705	-92,082	-15.6%	505,765	-8,142	-1.6%
Financial assets held for trading	1,014,902	3,056,264	-2,041,362	-66.8%	3,318,492	-2,303,590	-69.4%
Financial assets designated at fair value	193,637	208,143	-14,506	-7.0%	207,370	-13,733	-6.6%
Available-for-sale financial assets	18,331,820	15,489,497	2,842,323	18.4%	14,900,979	3,430,841	23.0%
Held-to-maturity investments	3,076,556	3,086,815	-10,259	-0.3%	3,149,620	-73,064	-2.3%
Loans and advances to banks	3,329,046	4,129,756	-800,710	-19.4%	4,118,005	-788,959	-19.2%
Loans and advances to customers	84,946,817	88,421,467	-3,474,650	-3.9%	89,846,392	-4,899,575	-5.5%
Hedging derivatives	615,897	253,609	362,288	142.9%	294,878	321,019	108.9%
Fair value change in hedged financial assets (+/-)	53,668	33,380	20,288	60.8%	45,164	8,504	18.8%
Equity investments	314,143	411,886	-97,743	-23.7%	421,918	-107,775	-25.5%
Property, plant and equipment	1,741,474	1,798,353	-56,879	-3.2%	1,908,712	-167,238	-8.8%
Intangible assets	2,883,252	2,918,509	-35,257	-1.2%	2,938,448	-55,196	-1.9%
of which: goodwill	*2,511,679*	*2,511,679*	-	-	*2,536,574*	*-24,895*	*-1.0%*
Tax assets	2,566,942	2,833,188	-266,246	-9.4%	2,385,593	181,349	7.6%
Non-current assets and disposal groups held for sale	195,469	79,877	115,592	144.7%	20,448	175,021	n.s.
Other assets	777,806	931,388	-153,582	-16.5%	939,797	-161,991	-17.2%
Total assets	**120,539,052**	**124,241,837**	**-3,702,785**	**-3.0%**	**125,001,581**	**-4,462,529**	**-3.6%**
LIABILITIES AND EQUITY							
Due to banks	15,588,229	15,017,266	570,963	3.8%	15,066,091	522,138	3.5%
Due to customers	45,581,825	50,702,157	-5,120,332	-10.1%	51,222,883	-5,641,058	-11.0%
Debt securities issued	42,271,880	41,901,779	370,101	0.9%	41,545,618	726,262	1.7%
Financial liabilities held for trading	586,243	1,396,350	-810,107	-58.0%	1,294,108	-707,865	-54.7%
Hedging derivatives	806,325	483,545	322,780	66.8%	936,894	-130,569	-13.9%
Tax liabilities	732,156	756,359	-24,203	-3.2%	619,552	112,604	18.2%
Other liabilities	2,673,720	2,111,533	562,187	26.6%	2,781,684	-107,964	-3.9%
Post-employment benefits	383,871	382,262	1,609	0.4%	373,165	10,706	2.9%
Provisions for risks and charges:	282,886	309,219	-26,333	-8.5%	314,808	-31,922	-10.1%
a) pension and similar obligations	80,000	77,387	2,613	3.4%	77,462	2,538	3.3%
b) other provisions	202,886	231,832	-28,946	-12.5%	237,346	-34,460	-14.5%
Share capital, share premiums, reserves, valuation reserves and treasury shares	10,650,908	10,088,562	562,346	5.6%	9,907,258	743,650	7.5%
Non-controlling interests	831,177	841,975	-10,798	-1.3%	837,576	-6,399	-0.8%
Profit for the period/year	149,832	250,830	n.s.	n.s.	101,944	47,888	47.0%
Total liabilities and equity	**120,539,052**	**124,241,837**	**-3,702,785**	**-3.0%**	**125,001,581**	**-4,462,529**	**-3.6%**

UBI Banca Group: reclassified consolidated income statement

Figures in thousands of euro	9M 2014 A	9M 2013 B	Changes A-B	% changes A/B	3rd Quarter 2014 C	3rd Quarter 2013 D	Changes C-D	% changes C/D	FY 2013 E
Net interest income	1,376,313	1,291,448	84,865	6.6%	467,785	446,006	21,779	4.9%	1,750,801
of which: effects of the purchase price allocation	*(21,228)*	*(26,455)*	*(5,227)*	*(19.8%)*	*(6,990)*	*(7,859)*	*(869)*	*(11.1%)*	*(33,983)*
Net interest income excluding the effects of the PPA	*1,397,541*	*1,317,903*	*79,638*	*6.0%*	*474,775*	*453,865*	*20,910*	*4.6%*	*1,784,784*
Dividends and similar income	9,244	9,337	(93)	(1.0%)	376	1,119	(743)	(66.4%)	10,409
Profits of equity-accounted investees	28,817	43,666	(14,849)	(34.0%)	8,155	12,947	(4,792)	(37.0%)	46,579
Net fee and commission income	908,195	888,108	20,087	2.3%	298,502	285,863	12,639	4.4%	1,187,065
of which performance fees	*1,480*	*-*	*1,480*	*n.s.*	*572*	*-*	*572*	*n.s.*	*14,198*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	150,502	168,455	(17,953)	(10.7%)	13,860	59,088	(45,228)	(76.5%)	324,554
Other net operating income/expense	84,521	85,257	(736)	(0.9%)	33,025	29,030	3,995	13.8%	117,884
Operating income	**2,557,592**	**2,486,271**	**71,321**	**2.9%**	**821,703**	**834,053**	**(12,350)**	**(1.5%)**	**3,437,292**
Operating income excluding the effects of the PPA	***2,578,820***	***2,512,726***	***66,094***	***2.6%***	***828,693***	***841,912***	***(13,219)***	***(1.6%)***	***3,471,275***
Staff costs	(976,637)	(974,378)	2,259	0.2%	(328,694)	(328,144)	550	0.2%	(1,301,717)
Other administrative expenses	(458,292)	(493,949)	(35,657)	(7.2%)	(147,078)	(158,699)	(11,621)	(7.3%)	(659,893)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(127,693)	(135,049)	(7,356)	(5.4%)	(42,497)	(44,660)	(2,163)	(4.8%)	(180,188)
of which: effects of the purchase price allocation	*(14,768)*	*(15,284)*	*(516)*	*(3.4%)*	*(4,969)*	*(5,088)*	*(119)*	*(2.3%)*	*(20,377)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(112,925)*	*(119,765)*	*(6,840)*	*(5.7%)*	*(37,528)*	*(39,572)*	*(2,044)*	*(5.2%)*	*(159,811)*
Operating expenses	**(1,562,622)**	**(1,603,376)**	**(40,754)**	**(2.5%)**	**(518,269)**	**(531,503)**	**(13,234)**	**(2.5%)**	**(2,141,798)**
Operating expenses excluding the effects of the PPA	***(1,547,854)***	***(1,588,092)***	***(40,238)***	***(2.5%)***	***(513,300)***	***(526,415)***	***(13,115)***	***(2.5%)***	***(2,121,421)***
Net operating income	**994,970**	**882,895**	**112,075**	**12.7%**	**303,434**	**302,550**	**884**	**0.3%**	**1,295,494**
Net operating income excluding the effects of the PPA	***1,030,966***	***924,634***	***106,332***	***11.5%***	***315,393***	***315,497***	***(104)***	***(0.0%)***	***1,349,854***
Net impairment losses on loans	(626,151)	(576,641)	49,510	8.6%	(197,050)	(192,749)	4,301	2.2%	(942,978)
Net impairment losses on other financial assets and liabilities	(2,268)	(22,278)	(20,010)	(89.8%)	(267)	(5,005)	(4,738)	(94.7%)	(47,511)
Net provisions for risks and charges	(3,951)	(14,333)	(10,382)	(72.4%)	(1,249)	(2,729)	(1,480)	(54.2%)	(12,372)
Profits (losses) from the disposal of equity investments	(349)	183	(532)	n.s.	81	(902)	983	n.s.	(7,324)
Pre-tax profit from continuing operations	**362,251**	**269,826**	**92,425**	**34.3%**	**104,949**	**101,165**	**3,784**	**3.7%**	**285,309**
Pre-tax profit from continuing operations excluding the effects of the PPA	***398,247***	***311,565***	***86,682***	***27.8%***	***116,908***	***114,112***	***2,796***	***2.5%***	***339,669***
Taxes on income for the period/year from continuing operations	(187,483)	(149,566)	37,917	25.4%	(52,115)	(46,480)	5,635	12.1%	55,136
of which: effects of the purchase price allocation	*11,742*	*13,790*	*(2,048)*	*(14.9%)*	*2,059*	*4,276*	*(2,217)*	*(51.8%)*	*17,959*
Post-tax profit (loss) from discontinued operations	-	-	-	-	-	-	-	-	-
Profit for the period/year attributable to non-controlling interests	(24,936)	(18,316)	6,620	36.1%	(9,194)	(5,674)	3,520	62.0%	(25,895)
of which: effects of the purchase price allocation	*2,155*	*2,607*	*(452)*	*(17.3%)*	*867*	*811*	*56*	*6.9%*	*3,385*
Profit for the year/period attributable to the shareholders of the Parent before impairment and expenses for leaving incentives excluding the effects of the PPA	*171,931*	*127,286*	*133,719*	*121.5%*	*52,673*	*56,871*	*14,112*	*121.6%*	*347,566*
Profit for the year/period attributable to the shareholders of the Parent before impairment and expenses for leaving incentives	**149,832**	**101,944**	**47,888**	**47.0%**	**43,640**	**49,011**	**(5,371)**	**(11.0%)**	**314,550**
Net impairment losses on goodwill and property, plant and equipment net of taxes and non-controlling interests	-	-	-	-	-	-	-	-	(37,736)
Expenses for the leaving incentives programme net of taxes and non-controlling interests	-	-	-	-	-	-	-	-	(25,984)
Profit for the year/period attributable to the shareholders of the Parent	**149,832**	**101,944**	**47,888**	**47.0%**	**43,640**	**49,011**	**(5,371)**	**(11.0%)**	**250,830**
Total impact of the purchase price allocation on the income statement	*(22,099)*	*(25,342)*	*(3,243)*	*(12.8%)*	*(9,033)*	*(7,860)*	*1,173*	*14.9%*	*(33,016)*

UBI Banca Group: reclassified consolidated quarterly income statements

Figures in thousands of euro	2014 3rd Quarter	2014 2nd Quarter	2014 1st Quarter	2013 4th Quarter	2013 3rd Quarter	2013 2nd Quarter	2013 1st Quarter
Net interest income	467,785	454,056	454,472	459,353	446,006	428,222	417,220
of which: effects of the purchase price allocation	*(6,990)*	*(7,782)*	*(6,456)*	*(7,528)*	*(7,859)*	*(9,033)*	*(9,563)*
Net interest income excluding the effects of the PPA	*474,775*	*461,838*	*460,928*	*466,881*	*453,865*	*437,255*	*426,783*
Dividends and similar income	376	8,081	787	1,072	1,119	7,763	455
Profits of equity-accounted investees	8,155	9,763	10,899	2,913	12,947	22,213	8,506
Net fee and commission income	298,502	309,583	300,110	298,957	285,863	297,459	304,786
of which performance fees	*572*	*463*	*445*	*14,198*	*-*	*-*	*-*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	13,860	74,031	62,611	156,099	59,088	67,351	42,016
Other net operating income/expense	33,025	26,950	24,546	32,627	29,030	29,428	26,799
Operating income	**821,703**	**882,464**	**853,425**	**951,021**	**834,053**	**852,436**	**799,782**
Operating income excluding the effects of the PPA	***828,693***	***890,246***	***859,881***	***958,549***	***841,912***	***861,469***	***809,345***
Staff costs	(328,694)	(321,849)	(326,094)	(327,339)	(328,144)	(314,881)	(331,353)
Other administrative expenses	(147,078)	(158,598)	(152,616)	(165,944)	(158,699)	(173,557)	(161,693)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(42,497)	(42,663)	(42,533)	(45,139)	(44,660)	(45,114)	(45,275)
of which: effects of the purchase price allocation	*(4,969)*	*(4,888)*	*(4,911)*	*(5,093)*	*(5,088)*	*(5,098)*	*(5,098)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(37,528)*	*(37,775)*	*(37,622)*	*(40,046)*	*(39,572)*	*(40,016)*	*(40,177)*
Operating expenses	**(518,269)**	**(523,110)**	**(521,243)**	**(538,422)**	**(531,503)**	**(533,552)**	**(538,321)**
Operating expenses excluding the effects of the PPA	***(513,300)***	***(518,222)***	***(516,332)***	***(533,329)***	***(526,415)***	***(528,454)***	***(533,223)***
Net operating income	**303,434**	**359,354**	**332,182**	**412,599**	**302,550**	**318,884**	**261,461**
Net operating income excluding the effects of the PPA	***315,393***	***372,024***	***343,549***	***425,220***	***315,497***	***333,015***	***276,122***
Net impairment losses on loans	(197,050)	(230,475)	(198,626)	(366,337)	(192,749)	(226,150)	(157,742)
Net impairment losses on other financial assets and liabilities	(267)	(3,674)	1,673	(25,233)	(5,005)	(8,960)	(8,313)
Net provisions for risks and charges	(1,249)	7,361	(10,063)	1,961	(2,729)	(9,275)	(2,329)
Profits (losses) from the disposal of equity investments	81	230	(660)	(7,507)	(902)	1,609	(524)
Pre-tax profit from continuing operations	**104,949**	**132,796**	**124,506**	**15,483**	**101,165**	**76,108**	**92,553**
Pre-tax profit from continuing operations excluding the effects of the PPA	***116,908***	***145,466***	***135,873***	***28,104***	***114,112***	***90,239***	***107,214***
Taxes on income for the period/year from continuing operations	(52,115)	(76,666)	(58,702)	204,702	(46,480)	(46,507)	(56,579)
of which: effects of the purchase price allocation	*2,059*	*5,930*	*3,753*	*4,169*	*4,276*	*4,669*	*4,845*
Post-tax profit (loss) from discontinued operations	-	-	-	-	-	-	-
Profit for the period/year attributable to non-controlling interests	(9,194)	(8,073)	(7,669)	(7,579)	(5,674)	(3,126)	(9,516)
of which: effects of the purchase price allocation	*867*	*565*	*723*	*778*	*811*	*856*	*940*
Profit for the year/period attributable to the shareholders of the Parent before impairment and expenses for leaving incentives excluding the effects of the PPA	*52,673*	*54,232*	*65,026*	*220,280*	*56,871*	*35,081*	*35,334*
Profit for the year/period attributable to the shareholders of the Parent before impairment and expenses for leaving incentives	**43,640**	**48,057**	**58,135**	**212,606**	**49,011**	**26,475**	**26,458**
Net impairment losses on goodwill and property, plant and equipment net of taxes and non-controlling interests	-	-	-	(37,736)	-	-	-
Expenses for the leaving incentives programme net of taxes and non-controlling interests	-	-	-	(25,984)	-	-	-
Profit for the year/period attributable to the shareholders of the Parent	**43,640**	**48,057**	**58,135**	**148,886**	**49,011**	**26,475**	**26,458**
Total impact of the purchase price allocation on the income statement	*(9,033)*	*(6,175)*	*(6,891)*	*(7,674)*	*(7,860)*	*(8,606)*	*(8,876)*

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

Figures in thousands of euro	9M 2014	non-recurring items: Adjustment to the disposal price of BDG	non-recurring items: Change in the substitute tax on new Bank of Italy stakes	non-recurring items: Impact of the change in the IRAP tax rate on prior year deferred tax provisions	non-recurring items: Impairment of AFS securities	non-recurring items: Write-off of the Prestitalia IT platform	9M 2014 *net of non-recurring items* A	9M 2013	non-recurring items: Disposal of AFS equity stakes (ISP and A2A)	non-recurring items: Net impairment losses on financial assets (AFS)	non-recurring items: Cerved Group (former Centrale dei Bilanci) earn out	non-recurring items: Replenish-ment of G.E.C. Spa loss and total write-off of the investment	non-recurring items: Profit on the repurchase of financial liabilities (subordinated EMTN)	non-recurring items: Full write-down of the investment in HRS - Help Rental Service Srl	9M 2013 *net of non-recurring items* B	Changes A-B	% changes A/B
Net interest income	1,376,313						1,376,313	1,291,448							1,291,448	84,865	6.6%
Dividends and similar income	9,244						9,244	9,337							9,337	(93)	(1.0%)
Profits of equity-accounted investees	28,817						28,817	43,666							43,666	(14,849)	(34.0%)
Net fee and commission income	908,195						908,195	888,108							888,108	20,087	2.3%
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	150,502						150,502	168,455	(38,288)		(1,525)		(4,822)		123,820	26,682	21.5%
Other net operating income/expense	84,521						84,521	85,257							85,257	(736)	(0.9%)
Operating income	**2,557,592**	**-**	**-**	**-**	**-**	**-**	**2,557,592**	**2,486,271**	**(38,288)**	**-**	**(1,525)**	**-**	**(4,822)**	**-**	**2,441,636**	**115,956**	**4.7%**
Staff costs	(976,637)						(976,637)	(974,378)							(974,378)	2,259	0.2%
Other administrative expenses	(458,292)						(458,292)	(493,949)							(493,949)	(35,657)	(7.2%)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(127,693)					1,481	(126,212)	(135,049)							(135,049)	(8,837)	(6.5%)
Operating expenses	**(1,562,622)**	**-**	**-**	**-**	**-**	**1,481**	**(1,561,141)**	**(1,603,376)**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,603,376)**	**(42,235)**	**(2.6%)**
Net operating income	**994,970**	**-**	**-**	**-**	**-**	**1,481**	**996,451**	**882,895**	**(38,288)**	**-**	**(1,525)**	**-**	**(4,822)**	**-**	**838,260**	**158,191**	**18.9%**
Net impairment losses on loans	(626,151)						(626,151)	(576,641)							(576,641)	49,510	8.6%
Net impairment losses on other financial assets and liabilities	(2,268)				712		(1,556)	(22,278)		22,908		142			772	(2,328)	n.s.
Net provisions for risks and charges	(3,951)						(3,951)	(14,333)				1,618			(12,715)	(8,764)	(68.9%)
Profits (losses) from the disposal of equity investments	(349)	890					541	183						529	712	(171)	(24.0%)
Pre-tax profit from continuing operations	**362,251**	**890**	**-**	**-**	**712**	**1,481**	**365,334**	**269,826**	**(38,288)**	**22,908**	**(1,525)**	**1,760**	**(4,822)**	**529**	**250,388**	**114,946**	**45.9%**
Taxes on income for the period/year from continuing operations	(187,483)		4,482	19,565		(483)	(163,919)	(149,566)	(3,805)	(5,682)	102		1,594		(157,357)	6,562	4.2%
Post-tax profit (loss) from discontinued operations	-						-	-							-	-	-
Profit for the period/year attributable to non-controlling interests	(24,936)		(826)	(8)	(180)		(25,950)	(18,316)				(445)			(18,761)	7,189	38.3%
Profit for the year/period attributable to the shareholders of the Parent	**149,832**	**890**	**3,656**	**19,557**	**532**	**998**	**175,465**	**101,944**	**(42,093)**	**17,226**	**(1,423)**	**1,315**	**(3,228)**	**529**	**74,270**	**101,195**	**136.3%**