PRESS RELEASE

- **Capital strength is confirmed:**
  On the basis of figures as at 31st December 2013:
  <u>Capital</u>: **Core Tier 1 ratio of 12.6%**
  Estimated fully loaded Basel 3 common equity tier 1 ratio higher than 10%, not including any optimisation action
  <u>Liquidity</u>: **Liquidity coverage ratio >1 and Net stable funding ratio >1**
  <u>Financial leverage</u>: **Basel 3 leverage ratio[1]: 5.1%**

- **A proposed <u>dividend</u> of €0.06 per share, up compared to €0.05 in 2012**

- **<u>Profit for 2013</u> of €250.8 million (€82.7 million in 2012)**
  Operating income of €3,437.3 million (-2.5% y/y)
  Net interest income of €1,750.8 million (-6.1% y/y but a progressive recovery during the year from the low of 4Q 2012; +10% 4Q 2013/4Q 2012)
  Net fee and commission income of €1,187.1 million (+0.4% y/y)
  A net finance result of €324.6 million (€257.3 million in 2012)
  Operating expenses down to €2,141.8 million (-€124.9 million or -5.5% y/y; all components of expense down by over 5% y/y)
  Losses on loans of €943 million (107 basis points compared to 91 basis points in 2012)

- **Normalised profit for the year of €100.2 million (€97.3 million in 2012)**

- **<u>Fourth quarter</u> profit of €148.9 million, compared to €49 million for the third quarter of the year, achieved as a result of an improvement in revenues which contributed to offset the cost of credit, and to the positive effect of the amendments to the tax laws approved at year end:**
  Operating income of €951 million, +14% compared to 3Q 2013
  Quarter-on-quarter recovery in net interest income continued, to reach €459.4 million (€446 million in 3Q 2013, €428.2 million in 2Q 2013, €417.2 million in 1Q 2013)
  Net fee and commission income of €299 million (compared to €285.9 million in 3Q 2013)
  The finance result was again positive at €156.1 million (€59.1 million in 3Q 2013)
  Operating expenses of €538.4 million (€531.5 million in 3Q 2013)
  Losses on loans in 4Q 2013 of €366.3 million (€192.7 million in 3Q 2013) reflected the usual seasonal trends

- **Normalised profit for 4Q 2013 of €26 million (€22 million in 3Q 2013)**

- **In preparation for 2014:**
  <u>Agreement signed with trade unions</u> for 183 staff exits by June 2014 through the "solidarity fund": one-off net expense of €26 million in 2013 against structural savings expected at regime of approximately €15 million.
  <u>€3 billion of government backed bonds cancelled</u> (a positive impact on commissions); after the cancellation, assets eligible for refinancing stand at €33.6 billion
  <u>Redemption of outstanding preference shares in progress</u> (positive impact on net interest income)

[1] In order to contain total banking debt, the minimum **leverage ratio** is set at 3% on the basis of Basel 3 requirements; the tier one capital must be equal to at least 3% of on- and off-balance-sheet assets.

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Bergamo, 11th March 2014 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) has approved the proposed separate annual report of UBI Banca and the consolidated annual report for the Group as at and for the year ended 31st December 2013, which will be submitted for approval to the Supervisory Board on 26th March 2013.
The Management Board will submit a proposal to the Shareholders' Meeting to be held in first call on 30th April and in second call on 10th May 2014, to distribute a **dividend** of €0.06 per share on the 900,048,572 shares outstanding (equal to the number of shares that constitute the share capital net of treasury shares held in portfolio).
If approved by the shareholders in the amount proposed, the dividend will be paid with ex dividend date, record date and payment date on 19th, 21st and 22nd May 2014 respectively. The total dividend payout will be approximately €54 million, drawn from the profit of the Parent.

From a balance sheet viewpoint, the Group has **already been Basel 3 compliant for some time** and it compares favourably with the figures published by major international players. The fully loaded common equity tier one ratio estimated on the basis of Basel 3 rules is again higher than 10% and both the short-term (liquidity coverage ratio) and the medium-term (net stable funding ratio) liquidity indicators are greater than 1, while financial leverage according to Basel 3 rules is higher than 5.1%, significantly better than the 3% requirement.

On the basis of the rules in force as at 31/12/2013, the Core Tier One Ratio stood at 12.6%, the Tier One Ratio at 13.2% and the Total Capital Ratio at 18.9%.

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Income statement figures for the full year 2013 and quarterly results

The **full year 2013** recorded **consolidated profit of €250.8 million** compared to €82.7 million in 2012. Fourth quarter profit of €148.9 million (€49 million for the third quarter of the year) contributed to the year's result and was achieved thanks to an improvement in revenues which contributed to offset the cost of credit. The quarter also benefited from the positive effect of the amendments to the tax laws approved at year end.

The Group recorded **net operating income** of €1,295.5 million, up on 2012 (+2.85%), the result of significant savings on costs (€124.9 million), which more than offset the contraction in income (-€89 million).

In fact **operating income** totalled €3,437.3 million compared to €3,526.3 million in 2012, a decrease attributable primarily to net interest income and other operating income, while both the finance result[2] and net fee and commission income recorded growth.
Thanks to the improvement registered by all revenue items, 4Q 2013 operating income amounted to €951 million and showed an increase of 14% compared to €834 million achieved in 3Q 2013.

More specifically **net interest income**[3], which came to €1,750.8 million compared to €1,863.6 million in 2012, was affected by falling interest rates (the yearly average of one-month Euribor fell from 0.338% to 0.131%) and by the difficult economic environment that affected demand and therefore the performance of average volumes of lending, which prevented a recovery that would otherwise have been possible given the Group's capital strength.

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

[3] Following the introduction of the fast credit processing fee (recognised within other operating income) from the fourth quarter of 2012, a reclassification was performed in the income statement. Sums relating (mainly) to the previous past due penalty were reclassified out of net interest income and recognised within other operating income in order to render the figures for the different periods comparable.
Net interest income includes the effect of the PPA.

The quarterly performance of net interest income over the year confirmed the progressive growth that started at the beginning of the year (€459.4 million was achieved in 4Q 2013 compared to €446 million in 3Q 2013, €428.2 million in 2Q 2013 and €417.2 million in 1Q 2013) due principally to growth in net interest income from customers (€364 million in 4Q 2013 compared to €361 million in 3Q 2013, €343 million in 2Q 2013 and €337 million in 1Q 2013), which accounts for approximately 80% of the item.
It was above all a fall in the cost of funding which contributed to this result, a consequence of lower market pressures and active management of higher cost marginal funding, commenced in the second quarter, which determined a further improvement in the customer spread reaching 1.74% in the fourth quarter of the year (+6 basis points compared to 3Q 2013 and +15 compared to 1Q 2013).

Dividends of €10.4 million were received during the year, relating primarily to the AFS securities portfolio held by UBI Banca, €4 million of which came from Intesa Sanpaolo shares, after the partial disposals carried out since the last months of 2012 and concluded in December 2013. In the same period of 2012 the item had recorded income of €15.6 million, of which €9.3 million from Intesa Sanpaolo.

Net fee and commission income recorded year-on-year growth of 0.4% to €1,187.1 million compared to €1,182.3 million before. Commissions for management, trading and advisory services, totalled €588.3 million (+5.4%) compared to €558.1 million in 2012, an increase in both results for customer portfolio management , placement of securities and the distribution of third-party services. This positive performance more than compensated for the contraction in other commissions from ordinary banking business – which came to €645.4 million compared to €667.1 million in 2012 - primarily the result of lower volumes of business caused by the economic situation - and for the greater fees paid for the issuance of government backed bonds (€46.5 million compared to €42.8 million in 2012).
As concerns the quarterly performance of fee and commission income, the increase recorded in 4Q 2013 compared to 3Q 2013 (€299 million compared to €285.9 million) is attributable to a greater seasonal contribution from commissions on ordinary banking business (€162.7 million compared to €157.9 million in 3Q 2013) while, net of performance fees present in 4Q 2013 only, the contribution from securities business fell following the commercial decision taken to perform fewer placements of Sicav's. The cost of government backed bonds (€11.7 million), issues not placed on the market, but included among assets eligible for refinancing, was constant in the two quarters. <u>Having obtained the necessary authorisations, €3 billion of these bonds were cancelled on 7th March 2014 (out of a total of €6 billion outstanding), which will have a positive impact on commissions starting from the second quarter of 2014.</u> Even net of the cancelled bonds, total assets eligible for refinancing remain close to €34 billion (net of haircuts).

The **result for financial activities in 2013 was significant at €324.5 million** (€257.3 million in 2012). This result was composed as follows:
- €107.2 million from trading activities (€91.8 million in 2012);
- €217.5 million (€163.6 million in 2012) from the "disposal of available-for-sale securities and the repurchase of financial liabilities", primarily Italian government securities, the investment in Intesa Sanpaolo (€49.5 million) and the revaluation of the Bank of Italy stake (€29.2 million);
- €3.2 million from "fair value changes in financial assets designated at fair value" (€0.9 million in 2012);
- "hedging activities" resulted in a loss of €3.3 million (+€1.1 million in 2012).

The best result for the year of €156.1 million was recorded in 4Q 2013, the result mainly of profits on the disposal and repurchase of financial instruments realised mainly on Italian government securities (€89.1 million), on the last tranche of Intesa Sanpaolo shares (€11.8 million, on Bank of Italy stakes (€29.2 million) and on the result for trading activity (€28.3 million), which came largely from trading in domestic bonds.

Other net operating income amounted to €117.9 million compared to €163.2 million in 2012. This item underwent a structural reduction year-on-year following the full discontinuation of Banca 24/7 operations and the performance of the fast credit processing fee, which replaced the previous overdraft penalty[4] from 1st October 2012, with a lower contribution above all following the curb put on the number of unauthorised overdrafts determined by monitoring action put in place.

[4] See note 3.

In 4Q 2013, the item "other net operating income" amounted to €32.6 million, slightly higher than the average quarterly performance during the year.

For the 5th consecutive year the virtuous performance of **operating expenses** continued, down in 2013 by €124.9 million (-5.5%) compared to 2012, as a result of a contraction in all expense items:

- **staff costs** of €1,301.7 million, were down significantly (-5.2% or -€72 million y/y) compared to 2012, as a result of a progressive reduction in average staff numbers (-865 on average year-on-year, due mainly to the implementation of the trade union agreements of November 2012 and February 2013) and despite ordinary wage trends.

  A trade union agreement was signed on 6th March 2014 with which exit applications in excess of those provided for in the November 2012 agreement, as supplemented in February 2013, were accepted. By June 2014, a total of 183 staff will access the "solidarity fund". One-off expenses of €26 million net related to the recent agreement were recognised in the income statement for 2013 within the item "expenses for the redundancy incentive scheme", while structural yearly gross cost savings of approximately 15 million are expected at regime. Following the exits from the Group, 96 temporary contracts of staff already working in the Group will be transformed into permanent.

  In terms of quarterly performance, staff costs for 4Q 2013 (€327.3 million) were a little lower than those in 3Q 2013, more or less unchanged compared to the quarterly average for 2013 (€325.4 million) and significantly lower than that for 2012 (€343.4 million).

- containment of other **administrative expenses** of €659.9 million continued (-6% or -€41.9 million y/y). The savings, which involved all components of current expenditure (-€34.8 million), were supplemented by lower indirect taxes (-€7 million), mainly as a result of the absence of intragroup VAT on rents and condominium expenses.

  Administrative expenses recognised in 4Q 2013 amounted to €165.9 million, reflecting the usual seasonal trends – although contained - compared to 3Q 2013, and they were largely unchanged compared to the quarterly average for 2013 (€165 million) also significantly lower than that for 2012 (€175.4 million).

- finally, **depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets** totalled €180.2 million, also down compared to €191.1 million in 2012, primarily due to the absence of some expense items connected with Group reorganisation (write-offs of abandoned IT systems, branch closures, etc.).

As a result of the continuing difficult economic situation and the delay in the economic recovery, **net impairment losses on loans** rose to €943 million, compared to €847.2 million in 2012, to give a loan loss rate of 1.07% of total loans, compared to 0.91% in 2012.
The item includes specific impairment losses on deteriorated loans amounting to €908.1 million (+€25.5 million compared to 2012) and by collective impairment losses on performing loans amounting to €34.9 million (+€70.3 million in relation to net write backs recorded in 2012 amounting to €35.4 million).
In quarterly terms, net impairment losses on loans of €366.3 million recognised in 4Q 2013 recorded the usual seasonal trends compared to the third quarter, as usual prudentially incorporating events which occurred after the end of the year, but before the approval of the annual report, and the effects of the update of the historical data series for the determination of risk parameters, consistent with the continuing economic crisis.

Net impairment losses on other financial assets/liabilities of €47.5 million were also recognised (€54.8 million in 2012), relating almost entirely in both years to non-recurring items consisting of impairment losses on instruments held in the AFS portfolio. In the fourth quarter of 2013 an expense of €17.1 million was incurred as a result of intervention to support Banca Tercas carried out by the Interbank Deposit Protection Fund.

Net provisions for risks and charges reduced significantly in 2013, down to €12.4 million compared to €49.2 million in 2012, which had been affected in that year by the reorganisation of indirect distribution networks.

"Net impairment losses on goodwill and property, plant and equipment" of €37.7 million net of tax and minorities, were recognised relating to Prestitalia and to some properties relating to the network banks, revaluated following purchase price allocation.

Finally, **taxes on income for the year** from continuing operations consisted of tax income of €55.1 million – expense of €121.2 million in 2012 – the result of the recognition of taxes on recurring activities of €136 million and taxes on non-recurring items attributable primarily to additional corporate income tax (IRES) of 8.5% for 2013 which determined greater tax expense of €32.9 million and to a specific component of tax income relating to UBI Banca, amounting to €212.6 million, in relation to the recognition, following the new provisions of Law No. 147 of 27th December 2013, the 2014 "Stability Law" (annual finance law), which ensures its recoverability, of deferred local production tax (IRAP) on realigned goodwill, not recognised in previous years, because the conditions were not satisfied.

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The balance sheet

Loans to customers as at 31st December 2013 amounted to €88.4 billion, down by 1.6% compared to €89.8 billion in September 2013 and by 4.8% compared to €92.9 billion in December 2012. The performance of Group lending was affected mainly not only by the economic environment characterised by continuing weak demand, but also by the progressive discontinuation of some higher risk activities (primarily the non-captive business of the former Banca 24/7 and UBI Leasing) and by the disposal of Banque de Dépôts et de Gestion in November 2013.
Despite this, signs of improvement seen in the third quarter were confirmed again in the fourth quarter of the year, in relation to new loans originated by the Group's network banks. In fact as a result of good performance in the second half of the year, mortgages granted to private individuals and medium to long-term loans granted to "corporate" customers were up by 10.7% and 11.8% respectively on the same figures for 2012.

As concerns credit quality, total **deteriorated gross loans** (non-performing loans, impaired loans, restructured and past due/in arrears loans) amounted to €12.7 billion in December 2013 (€12.4 billion in September 2013, €11 billion in December 2012).
Although the economic scenario was still one of recession, 2013 nevertheless recorded slower growth in total deteriorated gross loans, up by €1.7 billion compared to €2.4 billion in 2012 (-28%).
Migrations of loans from performing to deteriorated status also decreased (-4.2% or -€182 million) and returns from deteriorated to performing status increased (+22.7% or +€220 million).

In net terms total deteriorated loans, amounting to €9.3 billion, were largely unchanged compared to €9.2 billion in September 2013 (€8.1 billion in December 2012).
More specifically, with regard to the different categories of deteriorated loans, **net non-performing loans** (*sofferenze*) amounted to approximately €3.4 billion, largely unchanged compared to September 2013 (while they stood at approximately €3 billion in December 2012), accounting for 3.89% of total net loans (4.31% for the sector nationally).
Coverage for non-performing loans was 41.60% (56.05% inclusive of write offs), an increase compared to 41.30% in September 2013, but down on December 2012 (42.6%) due to the impact (-1.11 percentage points) of the inclusion in the second quarter of the year of a position of €153 million with no impairment recognised on it due to the expected full recovery of the loan.
The percentage of positions backed by collateral (63% of the gross total) remains significant. Coverage including write offs for unsecured positions was also high (72.5%) and growing (+69 bps) compared to September 2013.

Net impaired loans amounted to €4.3 billion (unchanged compared to 2013) with total coverage of 15.12%, up significantly compared both to September (14.03%) and to the end of 2012 (12.63%). The percentage of positions backed by collateral (approximately 62%) remains important also for impaired loans, while the coverage for unsecured positions was 23.5% (+218 bps compared to September).

Finally, **net restructured positions** totalled €751 million, (€580 million in September 2013) and positions past due/in arrears amounted to €811 million (€926 million in September 2013).

Total direct funding amounted to €92.6 billion as at 31st December 2013, largely unchanged compared September 2013 (€92.8 billion) and down by 6.3% compared to €98.8 billion as at 31st December 2012. The annual performance was primarily the consequence of actions taken to optimise funding as a whole, designed to reduce the more costly marginal components, mainly institutional and large corporate accounts and term deposits. These actions were allowed by the Group's strong liquidity position and generated positive impacts on net interest income.

Details of movements in the main components are as follows:

- direct funding from ordinary customers (excluding of "retail" bond issues and institutional funding) amounted to €45.2 billion (€45.7 billion in September 2013 and €49.8 billion in December 2012). The slight fall in the fourth quarter was attributable to a reduction in term deposits (down by €0.6 billion), while only the item "current accounts and deposits" was unchanged compared to September, but would be up by 0.7% if the absence of €0.2 billion of BDG (disposed of in November) deposits were considered. However, the performance of the entire item during the year reflected the action taken, already mentioned, to optimise the overall stock of funding which allowed an improvement in the overall cost of funding;
- bonds placed with ordinary Group customers amounted to €24.1 billion (€23.8 billion in September 2013). The decrease compared to December 2012 (€24.5 billion) is more than entirely due to the redemption of the convertible bond (approximately €640 million) carried out in July 2013. This therefore confirms the Group's traditional ability to fully replace maturities.
- repurchase agreements with the *Cassa di Compensazione e Garanzia* (a central counterparty clearing house), used to fund positions in securities, amounted to €5.5 billion, unchanged compared to September 2013 (€3.9 billion in December 2012)
- the remaining institutional funding, consisting primarily of EMTNs and covered bonds, amounted to €12.4 billion (€12 billion at the end of September 2013 and €14.5 billion at the end of December 2012). The reduction since the end of 2012 was dictated by the advisability of waiting for better conditions before making issuances on international markets, stance allowed by the Group's positive liquidity position and structural balance. In fact, with the improvement in market conditions, a total of four public "benchmark" issuances were carried out starting at the end of 2013 and in the first months of 2014, for a total of €4 billion, fully subscribed above all by foreign institutional investors.

As a consequence of the information reported, the **ratio of loans to deposits** at the end of December 2013 was 95.5%.

Group exposure to the ECB remained unchanged as at 31st December 2013 and consisted of a total of €12 billion nominal, the result of Group participation in the 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 Group's solid liquidity position is further assured by its **assets eligible for refinancing**, which as at 7th March 2014 totalled €33.6 billion[5] net of haircuts (€18.8 billion of assets eligible for refinancing available and approximately €12 billion pledged as collateral for the LTRO). This result is particularly significant because it already includes the effects of the aforementioned early cancellation on 7th March of €3 billion of government backed bonds.

[5] That amount includes government securities owned, which on that date were refinanced with the *Cassa di Compensazione e Garanzia* (a central counterparty clearing house).

Group financial assets amounted to €21.8 billion at the end of 2013, of which €19.7 billion relating to Italian government securities: the latter were more or less unchanged compared to the figure as at 30th September 2013 and up by €1.7 billion compared to the end of 2012.

Finally, **indirect funding from ordinary customers** increased to €71.7 billion compared both to €70.1 billion at the end of September 2013 and to €70.2 billion in December 2012. The positive performance by assets under management in the strict sense was confirmed, reaching €27.8 billion (approximately €27.8 billion in September 2013 and €26.8 billion in December 2012), as a result, amongst other things, of the success of the placement of UBI Pramerica Sicavs and notwithstanding the absence of assets under management by BDG (approximately €0.7 billion) disposed of in November. Both insurance funding at €11.7 billion (€11.6 billion in September 2013, €11.3 billion in December 2012) and assets under custody of €32.1 billion (€30.7 billion in September 2013, €32.1 billion in December 2012) also performed positively.

Consolidated equity of the UBI Banca Group as at 31st December 2013, not including profit for the period, amounted to approximately €10.1 billion (€9.9 billion in September 2013 and €9.7 billion at the end of December 2012).

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The human resources of the UBI Banca Group totalled 18,337 as at 31st December 2013, a decrease compared to December 2012 (19,089 on a like-for-like basis). The branch network consisted of 1,725 branches in Italy and six abroad at the end of the year.

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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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Business outlook for 2014

The forecasts of all the major study centres show Italy exiting from recession. However, the growth forecast is very low.
As concerns the UBI Group, under current market conditions, net interest income is expected to continue to improve, benefiting on the liabilities side from a reduction in the pressure on the cost of funding and on the asset side from the progressive replacement of medium to long-term loans, made in the past at lower spreads than those practised at present.
Fee and commission income is expected to be resilient.
A further decrease in sovereign debt risk could allow positive results to be achieved for trading and hedging activity again in 2014, although the magnitude is not easy to predict.
The downward trend for administrative expenses will continue, while the performance of personnel expense will also depend on the final outcome of the renewal of the national trade union contract.
Even if the economic recovery remains rather weak, loss loan provisions should show signs of improvement compared to 2013.

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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
- Reclassified consolidated income statement net of the most significant non-recurring items: details (2013 and 2012)

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

UBI Banca S.c.p.A.:

- Mandatory balance sheet
- Mandatory income statement

Notes to the financial statements

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

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

Following the disposal of Banque de Dépôts et de Gestion Sa (Switzerland) on 29th November 2013, the balance sheet as at 31st December 2013 contains no items relating to this Swiss bank, while the income statement for 2013 does contain items relating to this subsidiary from 1st January until 31st October 2013.

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

Reclassified consolidated balance sheet

Figures in thousands of euro	31.12.2013	31.12.2012	Changes	% changes
ASSETS				
Cash and cash equivalents	589,705	641,608	-51,903	-8.1%
Financial assets held for trading	3,056,264	4,023,934	-967,670	-24.0%
Financial assets designated at fair value	208,143	200,441	7,702	3.8%
Available-for-sale financial assets	15,489,497	14,000,609	1,488,888	10.6%
Held-to-maturity investments	3,086,815	3,158,013	-71,198	-2.3%
Loans and advances to banks	4,129,756	6,072,346	-1,942,590	-32.0%
Loans and advances to customers	88,421,467	92,887,969	-4,466,502	-4.8%
Hedging derivatives	253,609	1,478,322	-1,224,713	-82.8%
Fair value change in hedged financial assets (+/-)	33,380	885,997	-852,617	-96.2%
Equity investments	411,886	442,491	-30,605	-6.9%
Property, plant and equipment	1,798,353	1,967,197	-168,844	-8.6%
Intangible assets	2,918,509	2,964,882	-46,373	-1.6%
of which: goodwill	*2,511,679*	*2,536,574*	*-24,895*	*-1.0%*
Tax assets	2,833,188	2,628,121	205,067	7.8%
Non-current assets and disposal groups held for sale	79,877	21,382	58,495	273.6%
Other assets	931,388	1,060,390	-129,002	-12.2%
Total assets	**124,241,837**	**132,433,702**	**-8,191,865**	**-6.2%**
LIABILITIES AND EQUITY				
Due to banks	15,017,266	15,211,171	-193,905	-1.3%
Due to customers	50,702,157	53,758,407	-3,056,250	-5.7%
Debt securities issued	41,901,779	45,059,153	-3,157,374	-7.0%
Financial liabilities held for trading	1,396,350	1,773,874	-377,524	-21.3%
Hedging derivatives	483,545	2,234,988	-1,751,443	-78.4%
Tax liabilities	756,359	666,364	89,995	13.5%
Other liabilities	2,111,533	2,391,283	-279,750	-11.7%
Post-employment benefits	382,262	420,704	-38,442	-9.1%
Provisions for risks and charges:	309,219	340,589	-31,370	-9.2%
a) pension and similar obligations	77,387	80,563	-3,176	-3.9%
b) other provisions	231,832	260,026	-28,194	-10.8%
Share capital, share premiums, reserves, valuation reserves and treasury shares	10,088,562	9,655,174	433,388	4.5%
Non-controlling interests	841,975	839,287	2,688	0.3%
Profit for the year	250,830	82,708	168,122	203.3%
Total liabilities and equity	**124,241,837**	**132,433,702**	**-8,191,865**	**-6.2%**

Reclassified consolidated income statement

Figures in thousands of euro	2013 A	2012 B	Changes A-B	% changes A/B	4th Quarter 2013 C	4th Quarter 2012 D	Changes C-D	% changes C/D
Net interest income	1,750,801	1,863,561	(112,760)	(6.1%)	459,353	417,494	41,859	10.0%
of which: effects of the purchase price allocation	*(33,983)*	*(36,980)*	*(2,997)*	*(8.1%)*	*(7,528)*	*(8,966)*	*(1,438)*	*(16.0%)*
Net interest income excluding the effects of the PPA	*1,784,784*	*1,900,541*	*(115,757)*	*(6.1%)*	*466,881*	*426,460*	*40,421*	*9.5%*
Dividends and similar income	10,409	15,591	(5,182)	(33.2%)	1,072	1,929	(857)	(44.4%)
Profits of equity-accounted investees	46,579	44,426	2,153	4.8%	2,913	10,683	(7,770)	(72.7%)
Net fee and commission income	1,187,065	1,182,276	4,789	0.4%	298,957	310,677	(11,720)	(3.8%)
of which performance fees	*14,198*	*19,741*	*(5,543)*	*(28.1%)*	*14,198*	*19,741*	*(5,543)*	*(28.1%)*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	324,554	257,278	67,276	26.1%	156,099	109,016	47,083	43.2%
Other net operating income/expense	117,884	163,179	(45,295)	(27.8%)	32,627	41,047	(8,420)	(20.5%)
Operating income	**3,437,292**	**3,526,311**	**(89,019)**	**(2.5%)**	**951,021**	**890,846**	**60,175**	**6.8%**
Operating income excluding the effects of the PPA	***3,471,275***	***3,563,291***	***(92,016)***	***(2.6%)***	***958,549***	***899,812***	***58,737***	***6.5%***
Staff costs	(1,301,717)	(1,373,719)	(72,002)	(5.2%)	(327,339)	(336,348)	(9,009)	(2.7%)
Other administrative expenses	(659,893)	(701,797)	(41,904)	(6.0%)	(165,944)	(188,130)	(22,186)	(11.8%)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(180,188)	(191,144)	(10,956)	(5.7%)	(45,139)	(49,605)	(4,466)	(9.0%)
of which: effects of the purchase price allocation	*(20,377)*	*(20,099)*	*278*	*1.4%*	*(5,093)*	*(5,015)*	*78*	*1.6%*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(159,811)*	*(171,045)*	*(11,234)*	*(6.6%)*	*(40,046)*	*(44,590)*	*(4,544)*	*(10.2%)*
Operating expenses	**(2,141,798)**	**(2,266,660)**	**(124,862)**	**(5.5%)**	**(538,422)**	**(574,083)**	**(35,661)**	**(6.2%)**
Operating expenses excluding the effects of the PPA	***(2,121,421)***	***(2,246,561)***	***(125,140)***	***(5.6%)***	***(533,329)***	***(569,068)***	***(35,739)***	***(6.3%)***
Net operating income	**1,295,494**	**1,259,651**	**35,843**	**2.8%**	**412,599**	**316,763**	**95,836**	**30.3%**
Net operating income excluding the effects of the PPA	***1,349,854***	***1,316,730***	***33,124***	***2.5%***	***425,220***	***330,744***	***94,476***	***28.6%***
Net impairment losses on loans	(942,978)	(847,214)	95,764	11.3%	(366,337)	(352,535)	13,802	3.9%
Net impairment losses on other financial assets and liabilities	(47,511)	(54,810)	(7,299)	(13.3%)	(25,233)	(4,078)	21,155	n.s.
Net provisions for risks and charges	(12,372)	(49,212)	(36,840)	(74.9%)	1,961	(28,367)	30,328	n.s.
Profits (losses) from the disposal of equity investments	(7,324)	14,714	(22,038)	n.s.	(7,507)	6,091	(13,598)	n.s.
Pre-tax profit (loss) from continuing operations	**285,309**	**323,129**	**(37,820)**	**(11.7%)**	**15,483**	**(62,126)**	**(77,609)**	**n.s.**
Pre-tax profit (loss) from continuing operations excluding the effects of the PPA	***339,669***	***380,208***	***(40,539)***	***(10.7%)***	***28,104***	***(48,145)***	***(76,249)***	***n.s.***
Taxes on income for the period/year from continuing operations	55,136	(121,238)	176,374	n.s.	204,702	17,570	187,132	-
of which: effects of the purchase price allocation	*17,959*	*18,862*	*(903)*	*(4.8%)*	*4,169*	*4,620*	*(451)*	*(9.8%)*
Post-tax profit (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit for the period/year attributable to non-controlling interests	(25,895)	(17,310)	8,585	49.6%	(7,579)	(1,547)	6,032	n.s.
of which: effects of the purchase price allocation	*3,385*	*3,580*	*(195)*	*(5.4%)*	*778*	*834*	*(56)*	*(6.7%)*
Profit (loss) for the year/period attributable to the shareholders of the Parent before impairment and expenses for leaving incentives excluding the effects of the PPA	*347,566*	*219,218*	*128,348*	*58.5%*	*220,280*	*(37,576)*	*257,856*	*n.s.*
Profit (loss) for the year/period attributable to the shareholders of the Parent before impairment and expenses for leaving incentives	**314,550**	**184,581**	**129,969**	**70.4%**	**212,606**	**(46,103)**	**258,709**	**n.s.**
Net impairment losses on goodwill and property, plant and equipment net of taxes and non-controlling interests	(37,736)	-	37,736	-	(37,736)	-	37,736	-
Expenses for the leaving incentives programme net of taxes and non-controlling interests	(25,984)	(101,873)	(75,889)	(74.5%)	(25,984)	(93,941)	(67,957)	(72.3%)
Profit (loss) for the year/period attributable to the shareholders of the Parent	**250,830**	**82,708**	**168,122**	**n.s.**	**148,886**	**(140,044)**	**288,930**	**n.s.**
Total impact of the purchase price allocation on the income statement	*(33,016)*	*(34,637)*	*(1,621)*	*(4.7%)*	*(7,674)*	*(8,527)*	*(853)*	*(10.0%)*

Reclassified consolidated quarterly income statements

Figures in thousands of euro	2013 4th Quarter	2013 3rd Quarter	2013 2nd Quarter	2013 1st Quarter	2012 4th Quarter	2012 3rd Quarter	2012 2nd Quarter	2012 1st Quarter
Net interest income	459,353	446,006	428,222	417,220	417,494	466,438	486,311	493,318
of which: effects of the purchase price allocation	*(7,528)*	*(7,859)*	*(9,033)*	*(9,563)*	*(8,966)*	*(9,341)*	*(9,051)*	*(9,622)*
Net interest income excluding the effects of the PPA	*466,881*	*453,865*	*437,255*	*426,783*	*426,460*	*475,779*	*495,362*	*502,940*
Dividends and similar income	1,072	1,119	7,763	455	1,929	980	12,384	298
Profits of equity-accounted investees	2,913	12,947	22,213	8,506	10,683	7,984	14,924	10,835
Net fee and commission income	298,957	285,863	297,459	304,786	310,677	285,544	286,672	299,383
of which performance fees	*14,198*	-	-	-	*19,741*	-	-	-
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	156,099	59,088	67,351	42,016	109,016	42,898	11,397	93,967
Other net operating income/expense	32,627	29,030	29,428	26,799	41,047	37,056	49,045	36,031
Operating income	**951,021**	**834,053**	**852,436**	**799,782**	**890,846**	**840,900**	**860,733**	**933,832**
Operating income excluding the effects of the PPA	***958,549***	***841,912***	***861,469***	***809,345***	***899,812***	***850,241***	***869,784***	***943,454***
Staff costs	(327,339)	(328,144)	(314,881)	(331,353)	(336,348)	(348,572)	(327,564)	(361,235)
Other administrative expenses	(165,944)	(158,699)	(173,557)	(161,693)	(188,130)	(161,445)	(176,476)	(175,746)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(45,139)	(44,660)	(45,114)	(45,275)	(49,605)	(45,770)	(47,020)	(48,749)
of which: effects of the purchase price allocation	*(5,093)*	*(5,088)*	*(5,098)*	*(5,098)*	*(5,015)*	*(5,020)*	*(5,003)*	*(5,061)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(40,046)*	*(39,572)*	*(40,016)*	*(40,177)*	*(44,590)*	*(40,750)*	*(42,017)*	*(43,688)*
Operating expenses	**(538,422)**	**(531,503)**	**(533,552)**	**(538,321)**	**(574,083)**	**(555,787)**	**(551,060)**	**(585,730)**
Operating expenses excluding the effects of the PPA	***(533,329)***	***(526,415)***	***(528,454)***	***(533,223)***	***(569,068)***	***(550,767)***	***(546,057)***	***(580,669)***
Net operating income	**412,599**	**302,550**	**318,884**	**261,461**	**316,763**	**285,113**	**309,673**	**348,102**
Net operating income excluding the effects of the PPA	***425,220***	***315,497***	***333,015***	***276,122***	***330,744***	***299,474***	***323,727***	***362,785***
Net impairment losses on loans	(366,337)	(192,749)	(226,150)	(157,742)	(352,535)	(160,328)	(203,181)	(131,170)
Net impairment losses on other financial assets and liabilities	(25,233)	(5,005)	(8,960)	(8,313)	(4,078)	(992)	(47,663)	(2,077)
Net provisions for risks and charges	1,961	(2,729)	(9,275)	(2,329)	(28,367)	34	(16,764)	(4,115)
Profits (losses) from the disposal of equity investments	(7,507)	(902)	1,609	(524)	6,091	8,593	9	21
Pre-tax profit (loss) from continuing operations	**15,483**	**101,165**	**76,108**	**92,553**	**(62,126)**	**132,420**	**42,074**	**210,761**
Pre-tax profit (loss) from continuing operations excluding the effects of the PPA	***28,104***	***114,112***	***90,239***	***107,214***	***(48,145)***	***146,781***	***56,128***	***225,444***
Taxes on income for the period from continuing operations	204,702	(46,480)	(46,507)	(56,579)	17,570	(62,554)	19,727	(95,981)
of which: effects of the purchase price allocation	*4,169*	*4,276*	*4,669*	*4,845*	*4,620*	*4,746*	*4,643*	*4,853*
Post-tax profit (loss) from discontinued operations	-	-	-	-	-	(13)	-	13
Profit for the period attributable to non-controlling interests	(7,579)	(5,674)	(3,126)	(9,516)	(1,547)	(1,352)	(7,137)	(7,274)
of which: effects of the purchase price allocation	*778*	*811*	*856*	*940*	*834*	*1,002*	*862*	*882*
Profit (loss) for the period attributable to the shareholders of the Parent before impairment and expenses for leaving incentives excluding the effects of the PPA	*220,280*	*56,871*	*35,081*	*35,334*	*(37,576)*	*77,114*	*63,213*	*116,467*
Profit (loss) for the period attributable to the shareholders of the Parent before impairment and expenses for leaving incentives	**212,606**	**49,011**	**26,475**	**26,458**	**(46,103)**	**68,501**	**54,664**	**107,519**
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)	-	-	-	(93,941)	(5,292)	(499)	(2,141)
Profit (loss) for the period attributable to the shareholders of the Parent	**148,886**	**49,011**	**26,475**	**26,458**	**(140,044)**	**63,209**	**54,165**	**105,378**
Total impact of the purchase price allocation on the income statement	*(7,674)*	*(7,860)*	*(8,606)*	*(8,876)*	*(8,527)*	*(8,613)*	*(8,549)*	*(8,948)*

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

Figures in thousands of euro	**2013** *net of non-recurring items*	**2012 net of non-recurring items**	Changes	% changes
Net interest income (including the effects of the PPA)	1,750,801	1,863,561	(112,760)	(6.1%)
Dividends and similar income	10,409	15,591	(5,182)	(33.2%)
Profits of equity-accounted investees	53,860	44,426	9,434	21.2%
Net fee and commission income	1,187,065	1,182,276	4,789	0.4%
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	238,860	223,079	15,781	7.1%
Other net operating income/expense	117,884	163,179	(45,295)	(27.8%)
Operating income (including the effects of PPA)	**3,358,879**	**3,492,112**	**(133,233)**	**(3.8%)**
Staff costs	(1,301,717)	(1,373,719)	(72,002)	(5.2%)
Other administrative expenses	(659,893)	(701,797)	(41,904)	(6.0%)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(180,188)	(188,921)	(8,733)	(4.6%)
Operating expenses (including the effects of PPA)	**(2,141,798)**	**(2,264,437)**	**(122,639)**	**(5.4%)**
Net operating income (including the effects of PPA)	**1,217,081**	**1,227,675**	**(10,594)**	**(0.9%)**
Net impairment losses on loans	(942,978)	(847,214)	95,764	11.3%
Net impairment losses on other financial assets and liabilities	(3,501)	1,334	(4,835)	n.s.
Net provisions for risks and charges	(12,372)	(49,212)	(36,840)	(74.9%)
Profits from the disposal of equity investments	2,901	779	2,122	272.4%
Pre-tax profit (loss) from continuing operations (including the effects of PPA)	**261,131**	**333,362**	**(72,231)**	**(21.7%)**
Taxes on income for the year from continuing operations	(136,042)	(224,046)	(88,004)	(39.3%)
Profit for the year attributable to non-controlling interests	(24,869)	(11,992)	12,877	107.4%
Profit for the year attributable to the shareholders of the Parent	**100,220**	**97,324**	**2,896**	**3.0%**

Reclassified consolidated income statement net of the most significant non-recurring items: details (2013)

Figures in thousands of euro	2013	non-recurring items: Disposal of equity stakes	Disposals of equity investments	Net impairment losses on AFS financial assets (equity instruments, bonds and units in OICR - collective investment instruments)	Profit on Bank of Italy Spa stakes	Net impairment losses on goodwill and property, plant and equipment	Profit on the repurchase of financial liabilities (subordinated EMTN)	Leaving incentives (purs. to Law No. 214 of 22nd December 2011)	Intervention by the Interbank Deposit Protection Fund to support Tercas	Recognition of IRAP (local production tax) DTA on tax relief on goodwill	Modification of the 2013 Corporate Income tax (IRES) rate	2013 *net of non-recurring items*
Net interest income (including the effects of the PPA)	1,750,801											1,750,801
Dividends and similar income	10,409											10,409
Profits of equity-accounted investees	46,579										7,281	53,860
Net fee and commission income	1,187,065											1,187,065
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	324,554	(51,642)			(29,230)		(4,822)					238,860
Other net operating income/expense	117,884											117,884
Operating income (including the effects of PPA)	**3,437,292**	**(51,642)**	**-**	**-**	**(29,230)**	**-**	**(4,822)**	**-**	**-**	**-**	**7,281**	**3,358,879**
Staff costs	(1,301,717)											(1,301,717)
Other administrative expenses	(659,893)											(659,893)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(180,188)											(180,188)
Operating expenses (including the effects of PPA)	**(2,141,798)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,141,798)**
Net operating income (including the effects of PPA)	**1,295,494**	**(51,642)**	**-**	**-**	**(29,230)**	**-**	**(4,822)**	**-**	**-**	**-**	**7,281**	**1,217,081**
Net impairment losses on loans	(942,978)											(942,978)
Net impairment losses on other financial assets and liabilities	(47,511)			26,898					17,112			(3,501)
Net provisions for risks and charges	(12,372)											(12,372)
Profits (losses) from the disposal of equity investments	(7,324)	(456)	10,681									2,901
Pre-tax profit (loss) from continuing operations (including the effects of PPA)	**285,309**	**(52,098)**	**10,681**	**26,898**	**(29,230)**	**-**	**(4,822)**	**-**	**17,112**	**-**	**7,281**	**261,131**
Taxes on income for the year from continuing operations	55,136	(4,040)	(2,134)	(5,632)	3,508		1,594		(4,706)	(212,645)	32,877	(136,042)
Post-tax profit (loss) from discontinued operations	-											-
Profit for the year attributable to non-controlling interests	(25,895)			(521)	5,197				(969)		(2,681)	(24,869)
Profit for the year attributable to the shareholders of the Parent before impairment and expenses for leaving incentives	**314,550**	**(56,138)**	**8,547**	**20,745**	**(20,525)**	**-**	**(3,228)**	**-**	**11,437**	**(212,645)**	**37,477**	**100,220**
Net impairment losses on goodwill and property, plant and equipment net of taxes and non-controlling interests	(37,736)					37,736						-
Expenses for leaving incentives net of taxes and non-controlling interests	(25,984)							25,984				-
Profit for the year attributable to the shareholders of the Parent	**250,830**	**(56,138)**	**8,547**	**20,745**	**(20,525)**	**37,736**	**(3,228)**	**25,984**	**11,437**	**(212,645)**	**37,477**	**100,220**

Reclassified consolidated income statement net of the most significant non-recurring items: details (2012)

Figures in thousands of euro	31.12.2012	non-recurring items								31.12.2012 *net of non-recurring items*
		Gain on public tender offer to purchase preference shares	Impairment losses on equity instruments and OICR (collective investment instruments) units (AFS)	Leaving incentives (purs. to Law No. 214 of 22nd December 2011)	Tax realignment pursuant to 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 loan provisions and write-downs of UBI Banca purs. to Law No. 244/2007 (Section EC)	Prior year tax credit for deduction for corporate income tax purposes of regional production tax on the cost of labour purs. to Law No. 214/2011	Disposal of shares and investments	Impairment losses on tangible and intangible assets	
Net interest income (including the effects of the PPA)	1,863,561									1,863,561
Dividends and similar income	15,591									15,591
Profits of equity-accounted investees	44,426									44,426
Net fee and commission income	1,182,276									1,182,276
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	257,278	(20,671)						(13,528)		223,079
Other net operating income/expense	163,179									163,179
Operating income (including the effects of PPA)	**3,526,311**	**(20,671)**	**-**	**-**	**-**	**-**	**-**	**(13,528)**	**-**	**3,492,112**
Staff costs	(1,373,719)									(1,373,719)
Other administrative expenses	(701,797)									(701,797)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(191,144)								2,223	(188,921)
Operating expenses (including the effects of PPA)	**(2,266,660)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,223**	**(2,264,437)**
Net operating income (including the effects of PPA)	**1,259,651**	**(20,671)**	**-**	**-**	**-**	**-**	**-**	**(13,528)**	**2,223**	**1,227,675**
Net impairment losses on loans	(847,214)									(847,214)
Net impairment losses on other financial assets and liabilities	(54,810)		56,144							1,334
Net provisions for risks and charges	(49,212)									(49,212)
Profits (losses) from the disposal of equity investments	14,714							(13,935)		779
Pre-tax profit (loss) from continuing operations (including the effects of PPA)	**323,129**	**(20,671)**	**56,144**	**-**	**-**	**-**	**-**	**(27,463)**	**2,223**	**333,362**
Taxes on income for the year from continuing operations	(121,238)	5,684	(5,596)		(24,992)	(8,298)	(66,086)	(2,835)	(685)	(224,046)
Post-tax profit (loss) from discontinued operations	-									-
Profit for the year attributable to non-controlling interests	(17,310)		(21)				5,191	181	(33)	(11,992)
Profit for the year attributable to the shareholders of the Parent before impairment and expenses for leaving incentives	**184,581**	**(14,987)**	**50,527**	**-**	**(24,992)**	**(8,298)**	**(60,895)**	**(30,117)**	**1,505**	**97,324**
Net impairment losses on goodwill and property, plant and equipment net of taxes and non-controlling interests	-									-
Expenses for leaving incentives net of taxes and non-controlling interests	(101,873)			101,873						-
Profit for the year attributable to the shareholders of the Parent	**82,708**	**(14,987)**	**50,527**	**101,873**	**(24,992)**	**(8,298)**	**(60,895)**	**(30,117)**	**1,505**	**97,324**

UBI Banca Group: Consolidated Balance Sheet
- Mandatory statement -

ASSET ITEMS *(figures in thousand euro)*	**31.12.2013**	**31.12.2012**
Cash and cash equivalents	589,705	641,608
Financial assets held for trading	3,056,264	4,023,934
Financial assets designated at fair value	208,143	200,441
Available-for-sale financial assets	15,489,497	14,000,609
Held-to-maturity investments	3,086,815	3,158,013
Loans and advances to banks	4,129,756	6,072,346
Loans and advances to customers	88,421,467	92,887,969
Hedging derivatives	253,609	1,478,322
Fair value change in hedged financial assets	33,380	885,997
Equity investments	411,886	442,491
Property, plant and equipment	1,798,353	1,967,197
Intangible assets	2,918,509	2,964,882
of which:		
goodwill	*2,511,679*	*2,536,574*
Tax assets:	2,833,188	2,628,121
a) current	552,039	616,684
b) deferred	2,281,149	2,011,437
- of which pursuant to Law No. 214/2011	1,864,579	1,454,704
Non current assets and disposal groups held for sale	79,877	21,382
Other assets	931,388	1,060,390
Total assets	**124,241,837**	**132,433,702**

LIABILITIES AND EQUITY *(figures in thousand euro)*	**31.12.2013**	**31.12.2012**
Due to banks	15,017,266	15,211,171
Due to customers	50,702,157	53,758,407
Debt securities issued	41,901,779	45,059,153
Financial liabilities held for trading	1,396,350	1,773,874
Hedging derivatives	483,545	2,234,988
Tax liabilities:	756,359	666,364
a) current	404,246	317,506
b) deferred	352,113	348,858
Other liabilities	2,111,533	2,391,283
Post employment benefits	382,262	420,704
Provisions for risks and charges:	309,219	340,589
a) pension and similar obligations	77,387	80,563
b) other provisions	231,832	260,026
Valuation reserves	(170,968)	(571,045)
Reserves	3,294,414	3,259,365
Share premiums	4,716,866	4,716,861
Share capital	2,254,371	2,254,368
Treasury shares	(6,121)	(4,375)
Non-controlling interests	841,975	839,287
Profit for the year	250,830	82,708
Total liabilities and equity	**124,241,837**	**132,433,702**

UBI Banca Group: Consolidated Income Statement
- Mandatory statement -

figures in thousands of euro	**2013**	**2012**
Interest and similar income	3,254,962	3,924,400
Interest expense and similar	(1,504,247)	(1,992,716)
Net interest income	**1,750,715**	**1,931,684**
Fee and commission income	1,382,528	1,369,422
Fee and commission expense	(195,462)	(187,616)
Net fee and commission income	**1,187,066**	**1,181,806**
Dividends and similar income	10,409	15,591
Net trading income	107,234	91,803
Net hedging income (loss)	(3,318)	1,072
Income from disposal or repurchase of:	217,475	163,551
a) loans and receivables	(3,149)	(2,131)
b) available-for-sale financial assets	220,025	141,556
d) financial liabilities	599	24,126
Net income on financial assets and liabilities designated at fair value	3,163	852
Gross income	**3,272,744**	**3,386,359**
Net impairment losses on:	(990,489)	(902,024)
a) loans and receivables	(942,978)	(847,214)
b) available-for-sale financial assets	(26,898)	(56,145)
d) other financial transactions	(20,613)	1,335
Net financial income	**2,282,255**	**2,484,335**
Net income from banking and insurance operations	**2,282,255**	**2,484,335**
Administrative expenses	(2,194,758)	(2,384,023)
a) staff costs	(1,337,687)	(1,525,753)
b) other administrative expenses	(857,071)	(858,270)
Net provisions for risks and charges	(12,372)	(49,212)
Net impairment losses on property, plant and equipment	(119,956)	(102,543)
Net impairment losses on intangible assets	(78,535)	(81,117)
Other net operating income/(expense)	310,511	244,515
Operating expenses	**(2,095,110)**	**(2,372,380)**
Profits of equity investments	46,506	52,650
Net impairment losses on goodwill	(24,895)	-
Profits (losses) on disposal of investments	(7,251)	6,490
Pre-tax profit from continuing operations	**201,505**	**171,095**
Taxes on income for the year from continuing operations	72,632	(79,429)
Post-tax profit from continuing operations	**274,137**	**91,666**
Post-tax profit (loss) from discontinued operations	-	-
Profit for the year	**274,137**	**91,666**
Profit attributable to non-controlling interests	(23,307)	(8,958)
Profit for the year attributable to the Parent	**250,830**	**82,708**

UBI Banca: Balance sheet - *mandatory statement*

ASSETS *(figures in thousand euro)*	**31.12.2013**	**31.12.2012**
Cash and cash equivalents	151,927	203,442
Financial assets held for trading	3,191,080	4,766,163
Financial assets designated at fair value	208,143	123,381
Available-for-sale financial assets	14,753,276	11,955,356
Held-to-maturity financial assets	3,086,815	3,158,013
Loans and advances to banks	13,487,366	15,830,498
Loans and advances to customers	25,168,913	22,584,747
Hedging derivatives	215,310	925,693
Fair value change in hedged financial assets	5,418	196,828
Equity investments	10,608,614	10,911,721
Property, plant and equipment	650,742	586,806
Intangible assets	410	410
of which:		
- goodwill	-	-
Tax assets:	1,727,626	1,605,830
a) current	322,536	412,800
b) deferred	1,405,090	1,193,030
b1) pursuant to Law 214/2011	1,238,386	920,811
Non-current assets and disposal groups held for sale	2,329	2,329
Other assets	656,676	485,037
TOTAL ASSETS	**73,914,645**	**73,336,254**

LIABILITIES AND EQUITY *(figures in thousand euro)*	**31.12.2013**	**31.12.2012**
Due to banks	24,285,811	28,081,434
Due to customers	7,223,913	7,897,195
Debt securities issued	30,211,092	23,405,765
Financial liabilities held for trading	1,531,436	2,553,159
Hedging derivatives	377,702	1,307,735
Tax liabilities:	323,144	230,964
a) current	232,645	165,766
b) deferred	90,499	65,198
Liabilities associated with assets held for sale	-	-
Other liabilities	631,077	1,168,383
Post-employment benefits	40,166	43,612
Provisions for risks and charges:	58,488	40,286
a) pension and similar obligations	1,061	-
b) other provisions	57,427	40,286
Valuation reserves	(142,564)	(502,574)
Reserves	2,337,924	1,919,945
Share premiums	4,716,866	4,716,861
Share capital	2,254,371	2,254,368
Treasury shares	(6,121)	(4,375)
Profit for the year	71,340	223,496
TOTAL LIABILITIES AND EQUITY	**73,914,645**	**73,336,254**

UBI Banca: Income statement - *mandatory statement*

Figures in thousands of euro	2013	2012
Interest and similar income	1,229,614	1,315,833
Interest and similar expense	(1,110,224)	(1,342,604)
Net interest income (expense)	**119,390**	**(26,771)**
Fee and commission income	94,789	75,983
Fee and commission expense	(89,550)	(88,194)
Net fee and commission income (expense)	**5,239**	**(12,211)**
Dividends and similar income	247,205	339,096
Net trading income	44,949	77,474
Net hedging income (loss)	(4,182)	12,942
Income from disposal or repurchase of:	189,015	156,086
a) loans and receivables	(2,338)	1,741
b) available-for-sale financial assets	188,192	140,036
d) financial liabilities	3,161	14,309
Net profit on financial assets and liabilities designated at fair value	3,163	1,203
Gross income	**604,779**	**547,819**
Net impairment losses on:	(228,482)	(110,348)
a) loans and receivables	(188,115)	(67,600)
b) available-for-sale financial assets	(21,768)	(53,290)
d) other financial transactions	(18,599)	10,542
Net financial income	**376,297**	**437,471**
Administrative expenses	(326,588)	(331,772)
a) staff costs	(153,453)	(157,103)
b) other administrative expenses	(173,135)	(174,669)
Net provisions for risks and charges	(1,354)	(11,106)
Depreciation and net impairment losses on property, plant and equipment	(22,850)	(24,138)
Amortisation and net impairment losses on intangible assets	-	(38)
Other net operating income/expense	116,334	125,404
Operating expenses	**(234,458)**	**(241,650)**
Losses of equity investments	(316,397)	(23,508)
Profits on disposal of investments	7	40
Pre-tax profit (loss) from continuing operations	**(174,551)**	**172,353**
Taxes on income for the year from continuing operations	245,891	51,143
Post tax profit from continuing operations	**71,340**	**223,496**
Profit for the year	**71,340**	**223,496**