UBI Banca
UNIONE DI BANCHE ITALIANE

PRESS RELEASE

THE 2010 FINANCIAL YEAR

Profit for the year of 172,1 million euro compared to 270,1 in 2009.

A significant increase in operating income in the fourth quarter of the year (+5,5%) compared to the third, with an improvement in all revenue items:
- increase in net interest income (+1%)
- increase in net commissions (+18,9% and +13% net of performance fees)
- a finance result again positive at 20,6 million euro (19,4 million euro in the third quarter)
- an increase in other net operating income (+2,2%)

Year-on-year:

Operating income for the year of 3.496,1 million euro compared to 3.906,2 million euro in 2009 (-10,5%)

Operating expenses for the year of 2.468,6 million euro compared to 2.514,3 in 2009 (-1,8%), partly as a result of the first positive impacts on personnel expense of personnel leaving in relation to the trade union agreement of May 2010. Personnel expense decreased by 4,2% in the fourth quarter compared to the third.

The cost of credit improved during the year to 69 basis points compared to 88 basis points in 2009.

Loans to customers of 101,8 billion euro (+3,9% year-on-year).
Market share for loans of 6,21% in December 2010, an increase compared to 6,14% in December 2009.
Direct funding of 106,8 billion euro (+9,8% year-on-year).
Indirect funding down slightly to 78 billion euro compared to 78,8 billion euro in 2009: assets under management +1,6% up to 30,3 billion euro, life policies +1,8% up to 12,3 billion euro, assets under custody -3,8% down to 35,4 billion euro.

Capital ratios as at 31st December 2010: core tier one ratio of 6,95%, tier one ratio of 7,47%, total capital ratio of 11,17%.

A proposed dividend of 0,15 euro per share.

THE CAPITAL INCREASE

The Management Board and the Supervisory Board resolve to submit a request to be empowered to increase the share capital for an amount up to 1 billion euro (+106 basis points of core tier one ratio) to the extraordinary session of the next Shareholders' Meeting. The subscription of the share issue is guaranteed by Mediobanca. The Group keeps the outstanding convertible bond as capital buffer (benefit of approximately 70 basis points). In future, further benefits may accrue from adopting the advanced approach for the calculation of capital requirements for credit and operational risks.

* * *

Bergamo, 28th March 2011 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) approved the draft separate annual report of UBI Banca and the consolidated annual report for the Group for the year ended 31st December 2010, which will be submitted for approval to the Supervisory Board on 13th April 2011.

The result for the year will allow the Management Board to submit a proposal to the shareholders meeting to be held in first call on 29th April and in second call on 30th April 2011 for the declaration of a **dividend** of 0,15 euro per share on the 639.146.170 ordinary shares outstanding.
If approved by the Shareholders' Meeting in the amount proposed, the dividend will be paid on 23rd May 2011 with value date of 26th May 2011. The total dividend payment will amount to 95,9 million euro drawn, after legal and by-law allocations, **on the profit of the Parent (283,7 million euro)**.

* * *

<u>Comparison of 2010 and 2009 consolidated results</u>

The year 2010 ended with a consolidated profit of 172,1 million euro compared to 270,1 million euro in 2009.

The consolidated income statement recorded **operating income** of 3.496,1 million euro, a decrease of 10,5% compared to 3.906,2 million euro in 2009. As already reported, in 2009 operating income included net income on insurance operations amounting to 31 million euro in relation to UBI Assicurazioni, which was partially disposed of at the end of the year and consequently was no longer present in 2010. On a like-for-like basis, operating income therefore decreased by 9,8% compared to 2009.
Operating income increased substantially (+5,5%) in the <u>fourth quarter</u> of the year compared to the third quarter, confirming the improvement that had been forecast. This increase was assisted by the conclusion, at the end of June 2010, of the operation to reorganise and rationalise the branches of the network banks, which gave a new boost to commercial operations, and also by the implementation of measures to boost profitability, still in progress, which are gradually producing the expected benefits.

Net interest income[1] for the year amounted to 2.142.5 million euro compared to 2.400,5 million euro in 2009, a decrease of 10,7%, due to an unfavourable scenario for market interest rates compared to the previous year. Despite that, the signals of recovery seen in the third quarter were confirmed in the <u>fourth quarter of the year</u>, following the implementation of measures to strengthen Group profitability, commenced in June (repricing action still in progress, with progressive effect from the middle of August 2010 and investment in Italian government securities), to give net interest income of 548,5 million euro, an improvement compared to the third (+1%), the second (+6%) and the first (+2,9%) quarters of the year. As a result of the measures taken, a progressive improvement in net interest income is expected again in 2011, unless a further increase in the cost of funding – which cannot today be forecast - occurs.

Net commission income fell slightly compared to 2009 (-2,4% to 1.185.3 million euro).
As reported previously, 2009 benefited from higher commissions by 13,3 million euro related to depository banking operations which were sold in May 2010 to RBC Dexia. On a like-for-like basis, net commission income therefore decreased by 1,3%.
Within the item, commissions on securities business continued to perform well, up by approximately 19 million euro (to 593,5 million euro from 574,5 in 2009 which however benefited from depository banking commissions, no longer present in 2010); the contribution from the item "other services" fell (-32,5 million euro including -45,7 million euro in relation to the lower contribution from commitment fees compared to previous credit commission structure replaced by them in July 2009 when maximum overdraft charges were abolished); commissions on ordinary business (receipts and payments and current accounts, down by a total

[1] *A commitment fee was introduced from 1st July 2009, of an all encompassing nature, which, with a view to simplification, has replaced not only the maximum overdraft charge (MOC), but also a series of other commissions applied to authorised and unauthorised current account overdrafts. The maximum overdraft charge has been excluded from net interest income (reclassifying it into net commissions) in the reclassified income statement for all the periods prior to 1st July 2009.*

of -17,6 million euro) decreased year-on-year, although they recovered strongly in the fourth quarter of the year compared to third quarter (+6,7 million euro).
Annually, the contribution to the result from commissions on the sale of third party bond products remained modest on the whole, accounting for 4,5% of the total.
Net commission income is expected to improve during the course of 2010.

Even net of performance fees, recognised in the fourth quarter and amounting to 15 million euro, and also of commissions on the sale of third party bonds, net commission income on ordinary business with customers recorded a marked improvement during the year, amounting to 293 million euro in the fourth quarter (+11,2%, +3,2% and +6,8% compared to the third, second and first quarters of the year).

The net profit on **financial activities**[2] totalled 34 million euro, the result of good performance in the fourth and third quarters of the year, which recorded positive results of 20,6 million euro and 19,4 million euro respectively, thereby offsetting the slightly negative results recorded in the first half.
The result of 34 million euro in 2010 compares with 126,8 million euro in 2009, which included 72,8 million euro from non-recurring items (60,5 million euro in relation to the proceeds of the public exchange offer, 37,4 million euro from the sale of held-to-maturity investments and -25,2 million for the impairment loss on a hedge fund).

Operating expenses, amounting to 2.468,6 million euro, were down by 1,8% compared to 2009, as a result of decreases in all components of the item. To summarise:

- **personnel expense** – 1.451,6 million euro – fell by 1% compared to 1.465,6 million euro in 2009 despite the inclusion of a non-recurring expense of 33,2 million euro in relation to the trade union agreement signed in May 2010. Net of that amount it would have decreased by 47,2 million euro (-3,2%) compared to 2009.
  The reduction is due primarily to average trends for personnel numbers, which fell to 19.369 in 2010 from 20.039 in 2009, partly the result of the exclusion from the consolidation of UBI Assicurazioni and Mercato Impresa, but above all as a consequence of personnel leaving in connection with the trade union agreement already mentioned, concluded at the end of September 2010. As already reported, the first savings relating to the trade union agreement were generated in particular in the fourth quarter of 2010 (personnel expense -4,2%, compared to the third quarter of the year) while when fully phased in on an annual basis, starting from 2011, total savings are expected of 70 million euro, which may counterbalance impacts from the renewal of national labour contracts.
- **other administrative expenses,** amounting to 769,7 million euro, fell year-on-year by 1% (approximately 7,5 million euro), continued to confirm the effectiveness of the action taken to contain costs, despite the change in the scope of consolidation after the exclusion of UBI Assicurazioni and Mercato Impresa, which resulted in increased costs for the outsourcing of insurance premiums and services, amounting to 14,9 million euro, which were previously intercompany transactions.
- **net impairment losses on property, equipment and investment property and intangible assets** fell to 247,2 million euro (-24,3 million euro compared to 2009), due primarily to the reduction in the purchase price allocation recognised here to 74,9 million euro after the exceptional amount of 101 million euro in 2009, which incorporated a non-recurring negative item (-34,9 million euro) in relation to impairment on trademarks. The item also included amortisation on new investments in software, as well as a 4,5 million euro non-recurring write-offs of some parts of the IT system.

As a summary of overall performance, **net operating income** for the year amounted to 1.027,5 million euro, compared to 1.391,9 million euro in 2009.
As a result of performance by operating income and expense, in the fourth quarter **net operating income** (300,7 million euro) recorded growth compared to all the previous periods: +16,2% compared to the third of quarter 2010, +29,3% compared to the second quarter and +27,6% compared to the first three months of the year.

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

The figures for the year confirm the positive signals coming from **net impairment losses on loans,** down to 706,9 million euro in 2010 from 865,2 in 2009, a decrease of 158,3 million euro (-18,3%), to give a cost of credit of 0,69% of total loans, compared to 0,88% in 2009.
Net collective impairment losses fell to 76 million euro from 105,4 in 2009, while coverage for performing loans grew over twelve months to 0,54% from 0,52% in 2009 and net analytical impairment losses also fell to 631 million euro from 759,8 in 2009. The latter reduced significantly for the network banks (-130,5 million euro), offering a signal for confidence in terms of future trends, and also of a reduced need to recognise impairment following the positive results of the action taken to align the quality of the loan portfolios of some banks with the average for the Group, started over a year ago. On the other hand difficulties were encountered for some of the product companies, associated with specific operating segments: consumer finance, which is nevertheless showing some first positive signals after the corrective action taken, and property leasing, where a project to generally improve credit quality was launched in the fourth quarter in co-ordination with the Parent Company.
Write backs, net of the time reversal effect, amounted to 196,2 million euro in 2010, up by 53% compared to 128,2 million euro in 2009, and contributed to the improvement in net analytical impairment losses.
The annualised cost of credit in the fourth quarter of the year stood at 0,99% compared to 1,11% in the same period of 2009, and was influenced by the traditional seasonality.

Net impairment losses on other assets and liabilities amounted to 49,7 million euro and related, as in the previous year (49,2 million euro), basically to impairment losses on available-for-sale equity investments, including Intesa Sanpaolo, recognised in the second and the fourth quarters of the year.

In the period in question, 90,7 million euro (100,3 million in 2009) of **profits on the disposal of equity investments** and **net impairment losses on goodwill** were recognised, almost entirely non-recurring items.
The item included the following main components: +81,1 million euro consisting of the gross gain on the sale of a further 9,9% of Lombarda Vita Spa to Cattolica, recognised in the third quarter of the year, 6,6 million euro relating to the disposal of two branches of Banque de Dépots et de Gestion and -4,1 million euro for the impairment loss on the goodwill of Gestioni Lombarda Suisse that arose following a reduction in the volumes of business of the company and consequent lower profits.

As a result of the performance described above, **pre-tax profit on continuing operations** amounted to 334,3 million euro, compared to 540,9 million euro previously.

As a result of the changes in taxable income in 2010, **taxes on income from continuing operations** fell to 232 million euro from 243,4 million euro in 2009.

Finally, 2010 benefited from **post-tax profits from discontinued operations** amounting to 83,4 million euro (5,1 million euro in 2009) in relation to the sale of depository banking operations by UBI Banca to RBC Dexia Investor Services, recognised in the second quarter of the year.

*** * ***

Balance sheet aggregates

Group net loans to customers as at 31st December 2010 amounted to 101,8 billion euro, recording constant growth with respect to December 2009 (+3,9%), December 2008 (+5,7%) and December 2007 (+9,5%).
Analysis by market segment confirms the trend already recorded in previous quarters of the year with positive performance concentrated in the Group's core business segments: the retail segment (for the Group network banks and Banca 24/7) and the core corporate segment (for network banks only) recorded growth of 3,9% and 4,8% respectively compared to December 2009.

As at 31st December 2010 <u>total net deteriorated loans</u> amounted to 5,3 billion euro and accounted for 5,2% of total net loans (4,6% at the end of December 2009).
In detail, <u>net non performing loans</u>, amounting to 1,9 billion euro, were up by 9,7% in the last quarter of the year, while <u>net impaired loans</u>, amounting to 2 billion euro at the end of December, grew by 6,4% in the last quarter.

The ratio of net non-performing loans to net loans stood at 1,91% (1,36% in December 2009). The coverage for non performing loans stood at 48,7% (51,6% at the end of 2009), a decrease due to a greater percentage of positions secured by mortgages (43,8% in December 2010 compared to 35,2% in December 2009). If account is taken of this aspect and of write offs occurred during the year as a result of bankruptcy proceedings, the coverage for non-performing loans increased to 80,1% compared to 78,5% at the end of 2009.
The ratio of net impaired loans to net loans stood at 2% compared to 1,88% in December 2009. The total coverage for impaired loans was 12,4% compared to 16,5% in December 2009: this class of loan was also affected by the greater percentage of positions secured by mortgages (60,7% in December 2010 compared to 51% in December 2009).

Inflows from performing to non performing and impaired loans, amounted to 1,7 billion euro in 2010, a significant decrease (-23%) compared to 2,2 billion euro in 2009, which should give a positive view on the evolution of deteriorated loan classes in 2011.

Direct funding amounted to 106,8 billion euro, an increase of 9,8% compared to 2009.
In detail, the part relating to **amounts due to customers** increased by 11% year-on-year to 58,7 billion euro: items relating to current accounts, term deposits and customer repurchase agreements totalled a stable 49,4 billion euro, while repurchase agreements with the *Cassa di Compensazione e Garanzia* (central counterparty clearing), as already reported in previous press releases, increased to 9,2 billion euro (3,5 billion euro at the end of 2009) as a result of their use to fund positions taken, in June 2010, in Italian government securities as part of action taken to support Group profitability.
Securities in issue increased by 8,4% year-on-year to 48,1 billion euro. In 2010 the item benefited from an increase in both medium-to-long term (covered bonds amounting to 3,8 billion euro as at 31st December 2010 compared to 2 billion euro in December 2009) and short term (euro commercial paper and French certificates of deposit amounting to 3,4 billion euro as at 31st December 2010 compared to 2,4 billion euro as at 31st December 2009) institutional funding.
Medium-to-long term institutional issues were performed during the year for 3,5 billion euro (including 1,75 billion euro of covered bonds and 1,7 billion euro in EMTN bonds) against 1,7 billion euro of EMTN instruments maturing.
Funding from retail bonds also increased, rising to 27,6 billion euro from 25,9 billion euro at the end of 2009.
Finally, it is underlined that the Group has already issued instruments (both on the institutional and the retail markets) for 4,5 billion euro, equivalent to 39% of the total instruments maturing in 2011 amounting to 11,4 billion euro.
Net interbank exposure was modest at 2,3 billion euro and in line with the 2 billion euro recorded at the end of 2009.
Indirect funding from ordinary customers totalled 78,1 billion euro, a slight contraction compared to December 2009 (78,8 billion euro): the bancassurance component rose to 12,3 billion euro (+1,8% year-on-year) and assets under management amounted to 30,3 billion euro (+1,6% year-on-year), while assets under custody, amounting to 35,4 billion, fell by 3,8% year-on-year. Within investment funds, the year saw a change in composition in favour of equity and bonds funds at the expense of monetary funds.

Consolidated **equity** of the UBI Banca Group as at 31st December 2010, excluding profit for the period, amounted to 10.807 million euro (11.141 million euro at the end of December 2009).

* * *

As at 31st December 2010, the human resources of the UBI Banca Group totalled 19.699 a decrease of 644 compared to 20.343 at the end of 2009. During the year 500 personnel left the Group as part of the completion of a redundancy scheme and 550 personnel were hired on a permanent basis, the majority by conversion of temporary employment contracts (in relation to the trade union agreement signed on 20th May 2010).

The branch network consisted of 1.892 branches in Italy compared to 1.955 at the end of 2009. The decrease was the result of the implementation of the programme to optimise the branch networks of the network banks, which gave rise to a rationalisation of branch overlap situations and the transformation of small branches into mini-branches. In addition to its domestic branches, the Group also has nine branches abroad.

* * *

Declaration of the Senior Officer Responsible for preparing 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 law on financial intermediation), that the financial information contained in this press release is reliably based on the records contained in corporate documents and accounting records.

* * *

Business outlook

The substantial increase in the cost of funding should not compromise the effect on interest income of repricing action already put in place from the second half of 2010. The general level of operating income is expected to improve as a result, amongst other things, of repricing action taken on commission items, partly inherited from the last quarter of 2010 and partly introduced in the first quarter of the current year.

Operating expenses as whole are expected to fall slightly compared to 2010. It should nevertheless be considered that the achievement of this forecast is dependent on the outcome of national labour contract negotiations. Constant measures are being taken to contain administrative expenses.

An improvement is also forecast for the quality of credit which should enable an annual level for the cost of credit to be achieved that is lower than that recorded in 2010, but which will still be conditioned by the unfavourable economic situation.

Consequently, an improvement in profits on ordinary activities is expected for 2011.

* * *

<u>Proposal to increase the share capital</u>

The Management Board of UBI Banca has resolved, with the approval of the Supervisory Board, to submit for examination and approval to an extraordinary Shareholders' Meeting of the Bank, a request to be empowered to increase the share capital by an amount up to 1 billion euro, to be offered in option to shareholders and holders of convertible bonds under the "UBI 2009/2013 Convertibile con facoltà di rimborso in azioni" convertible bond. The transaction is expected to take place shortly, presumably within the summer, if market conditions allow it and subject to the authorisations by the relevant authorities. UBI Banca also informs that the new Industrial Plan will form part of the prospectus relating to the capital increase.

Since its inception, the UBI Banca Group has always considered its capital strength to be one of the most distinctive competitive factors in the national banking scene. Despite the rapid deterioration in the economic situation, this strength has enabled the Group to remain close to its customers and to support them, to increase its market share and to pay regular dividends, while it has had no need of government help.

It should also be considered that the Group's capital is of high quality, with the 94% of its tier one capital consisting of core tier one capital (share capital + reserves) and only 6% of innovative capital instruments.

Recent developments connected with the expected future levels of the new capital adequacy requirements that will be required with the introduction of Basel III, market trends and changes in the economic situation, together with the imminent launch of a new business plan, have led the Group to reconsider its capital situation with the following aims:

- to position itself amongst the "best in the class" at a higher than average level of capital, by taking action in advance with respect to its competitors, consistent with the prudent and realistic approach that has always distinguished the Group;
- to achieve a further improvement in the mix and quality of the Group's capital, further strengthening its common equity, as required by the new regulations which will be gradually introduced;
- to avoid the issue, in the short term, of new capital instruments, which have high costs and for which uncertainties remain over their future eligibility for inclusion in capital, connected with the absence of definitive rules in relation to the required structure, the tax treatment and so forth;
- to be able to grasp, under the business plan, all the opportunities for endogenous growth which may arise in coming years, pursuing at the same time a sustainable dividend policy. The amount of the proposed increase in the share capital is such as to allow to achieve, over the period covered by the business plan, a remuneration of capital consistent with its cost;
- to support/strengthen the ratings assigned by international rating agencies with positive impacts on the international perception of the Group and on the cost of funding.

Once the increase in the share capital is completed, and taking into account the evolution of liquidity, the Group will consider the possibility, subject to authorisation from the competent authorities, of calling the outstanding innovative capital instruments for a nominal amount of 453,46 million euro, which presumably will cease to be included in the tier one capital from the end of 2012.

In this respect, the following is underlined:

1) any call of currently outstanding innovative capital instruments would give annual savings on net interest income of approximately 36 million euro;
2) the hypothesis of issuing new instruments eligible for inclusion in supervisory capital for an amount of one billion euro would have involved a cost for the Group (in addition to the regulatory and tax uncertainties already mentioned), estimated on the basis of recent issues by other banks, of more than 100 million euro per year (at a hypothesised interest rate higher than 10%), recognised within net interest income. In other words that is an impact on earnings per share and therefore on a possible dividend ranging from approximately 8 to 12 euro cents, depending on admissibility or not of the tax deductibility of that cost, for which regulations are not yet in place.

According to a simulation based on figures as at 31st December 2010, following the increase, the core tier one would stand at 8,01%, tier 1 at 8,53% and the total capital ratio at 12,23%.
These capital ratios would also enable the Group to continue to issue covered bonds without limits on the allocation of assets to the cover pool, in the most advantageous position permitted by the regulations.

The capital buffer already mentioned remains available to the Group, i.e. the outstanding convertible bond amounting to 639 million euro, already convertible since 10th January of this year, maturing in July 2013, and accounting for approximately 70 basis points of the core tier one ratio calculated on current figures. Further benefits may accrue in future from adopting the advanced approach for the calculation of capital requirements for credit and operational risks.

Finally, with regard to holders of the convertible bond, on the basis of article 9, "Bondholders rights in the event of operations concerning the share capital of the issuer" of the regulations for that bond issue, they are granted the opportunity to participate in the proposed share increase with one option right assigned for each bond held.

Mediobanca – Banca di Credito Finanziario S.p.A. as the sole Global Coordinator, sole Bookrunner and Guarantor, has agreed to guarantee - under the usual terms and conditions for this type of operation – the subscription of the portion of the share issue that is not taken up on conclusion of the offer on the stock exchange.

For further information:
UBI Banca – Investor Relations – tel. +39 035 3922217
E-mail: investor.relations@ubibanca.it
UBI Banca – Media Relations - tel. +39 030 2473591 – +39 335 8268310
E-mail: relesterne@ubibanca.it
Copy of this press release is available on the website www.ubibanca.it

Attachments
Financial statements

UBI Banca Group:

- Reclassified consolidated statement of financial position
- Reclassified consolidated income statement
- Quarterly evolution of reclassified consolidated income statement
- Reclassified consolidated income statement net of the most significant non-recurring items
- Mandatory financial statements – consolidated balance sheet
- Mandatory financial statements – consolidated income statement

UBI Banca S.c.p.a.:

- Mandatory financial statements – balance sheet
- Mandatory financial statements – income statement

Notes to the financial statements

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

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 statement of financial position

ASSETS *(Figures in thousands of euro)*	**31.12.2010**	**31.12.2009**	**Changes**	**% changes**
Cash and cash equivalents	609.040	683.845	-74.805	-10,9%
Financial assets held for trading	2.732.751	1.575.764	1.156.987	73,4%
Financial assets at fair value	147.286	173.727	-26.441	-15,2%
Available-for-sale financial assets	10.252.619	6.386.257	3.866.362	60,5%
Loans to banks	3.120.352	3.278.264	-157.912	-4,8%
Loans to customers	101.814.829	98.007.252	3.807.577	3,9%
Hedging derivatives	591.127	633.263	-42.136	-6,7%
Fair value change in hedged financial assets (+/-)	429.073	301.852	127.221	42,1%
Equity investments	368.894	413.943	-45.049	-10,9%
Property, equipment and investment property	2.112.664	2.106.835	5.829	0,3%
Intangible assets	5.475.385	5.523.401	-48.016	-0,9%
of which: goodwill	*4.416.660*	*4.401.911*	*14.749*	*0,3%*
Tax assets	1.723.231	1.580.187	143.044	9,1%
Non-current assets and disposal groups held for sale	8.429	126.419	-117.990	-93,3%
Other assets	1.172.889	1.522.214	-349.325	-22,9%
Total assets	**130.558.569**	**122.313.223**	**8.245.346**	**6,7%**

LIABILITIES AND EQUITY *(Figures in thousands of euro)*	**31.12.2010**	**31.12.2009**	**Changes**	**% changes**
Due to banks	5.383.977	5.324.434	59.543	1,1%
Due to customers	58.666.157	52.864.961	5.801.196	11,0%
Securities issued	48.093.888	44.349.444	3.744.444	8,4%
Financial liabilities held for trading	954.423	855.387	99.036	11,6%
Hedging derivatives	1.228.056	927.319	300.737	32,4%
Tax liabilities	993.389	1.210.867	-217.478	-18,0%
Liabilities associated with activities under disposal	-	646.320	-646.320	-100,0%
Other liabilities	2.600.165	3.085.006	-484.841	-15,7%
Post-employment benefits	393.163	414.272	-21.109	-5,1%
Provisions for risks and charges:	303.572	285.623	17.949	6,3%
a) pension and similar obligations	68.082	71.503	-3.421	-4,8%
b) other provisions	235.490	214.120	21.370	10,0%
Share capital, share premiums, reserves and fair value reserves	10.806.898	11.141.149	-334.251	-3,0%
Minority interests	962.760	938.342	24.418	2,6%
Profit for the year	172.121	270.099	-97.978	-36,3%
Total liabilities and equity	**130.558.569**	**122.313.223**	**8.245.346**	**6,7%**

UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	2010 A	2009 B	Changes A-B	% changes A/B	4th Quarter 2010 C	4th Quarter 2009 D	Changes C-D	% changes C/D
Net interest income	2.142.526	2.400.543	(258.017)	(10,7%)	548.555	557.917	(9.362)	(1,7%)
of which: effects of the purchase price allocation	*(61.141)*	*(62.248)*	*(1.107)*	*(1,8%)*	*(14.598)*	*(13.963)*	*635*	*4,5%*
Net interest income excluding the effects of the PPA	*2.203.667*	*2.462.791*	*(259.124)*	*(10,5%)*	*563.153*	*571.880*	*(8.727)*	*(1,5%)*
Dividends and similar income	24.099	10.609	13.490	127,2%	3.531	856	2.675	n.s.
Profits (losses) of equity-accounted investees	17.613	35.375	(17.762)	(50,2%)	(1.867)	16.383	(18.250)	n.s.
Net commission income	1.185.297	1.214.688	(29.391)	(2,4%)	313.767	331.886	(18.119)	(5,5%)
of which performance fees	*15.384*	*22.930*	*(7.546)*	*(32,9%)*	*15.384*	*22.930*	*(7.546)*	*(32,9%)*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	34.044	126.783	(92.739)	(73,1%)	20.573	33.737	(13.164)	(39,0%)
Net income from insurance operations	-	30.945	(30.945)	(100,0%)	-	(51)	(51)	(100,0%)
Other net operating income/(expense)	92.482	87.304	5.178	5,9%	25.893	18.538	7.355	39,7%
Operating income	**3.496.061**	**3.906.247**	**(410.186)**	**(10,5%)**	**910.452**	**959.266**	**(48.814)**	**(5,1%)**
Operating income excluding the effects of the PPA	***3.557.202***	***3.968.495***	***(411.293)***	***(10,4%)***	***925.050***	***973.229***	***(48.179)***	***(5,0%)***
Personnel expense	(1.451.584)	(1.465.574)	(13.990)	(1,0%)	(344.469)	(346.621)	(2.152)	(0,6%)
Other administrative expenses	(769.744)	(777.216)	(7.472)	(1,0%)	(201.335)	(219.492)	(18.157)	(8,3%)
Net impairment losses on property, equipment and investment property and intangible assets	(247.236)	(271.557)	(24.321)	(9,0%)	(63.996)	(97.914)	(33.918)	(34,6%)
of which: effects of the purchase price allocation	*(74.889)*	*(100.992)*	*(26.103)*	*(25,8%)*	*(18.722)*	*(51.416)*	*(32.694)*	*(63,6%)*
Net impairment losses on property, equipment and investment property and intangible assets excluding the effects of the PPA	*(172.347)*	*(170.565)*	*1.782*	*1,0%*	*(45.274)*	*(46.498)*	*(1.224)*	*(2,6%)*
Operating expenses	**(2.468.564)**	**(2.514.347)**	**(45.783)**	**(1,8%)**	**(609.800)**	**(664.027)**	**(54.227)**	**(8,2%)**
Operating expenses excluding the effects of the PPA	***(2.393.675)***	***(2.413.355)***	***(19.680)***	***(0,8%)***	***(591.078)***	***(612.611)***	***(21.533)***	***(3,5%)***
Net operating income	**1.027.497**	**1.391.900**	**(364.403)**	**(26,2%)**	**300.652**	**295.239**	**5.413**	**1,8%**
Net operating income excluding the effects of the PPA	***1.163.527***	***1.555.140***	***(391.613)***	***(25,2%)***	***333.972***	***360.618***	***(26.646)***	***(7,4%)***
Net impairment losses on loans	(706.932)	(865.211)	(158.279)	(18,3%)	(251.217)	(272.667)	(21.450)	(7,9%)
Net impairment losses on other financial assets and liabilities	(49.721)	(49.160)	561	1,1%	(31.529)	(13.606)	17.923	131,7%
Net provisions for risks and charges	(27.209)	(36.932)	(9.723)	(26,3%)	(15.204)	(7.440)	7.764	104,4%
Profit (loss) from the disposal of equity investments and net impairment losses on goodwill	90.700	100.302	(9.602)	(9,6%)	12.346	96.684	(84.338)	(87,2%)
Pre-tax profit from continuing operations	**334.335**	**540.899**	**(206.564)**	**(38,2%)**	**15.048**	**98.210**	**(83.162)**	**(84,7%)**
Pre-tax profit from continuing operations excluding the effects of the PPA	***470.365***	***704.139***	***(233.774)***	***(33,2%)***	***48.368***	***163.589***	***(115.221)***	***(70,4%)***
Taxes on income for the year from continuing operations	(231.980)	(243.442)	(11.462)	(4,7%)	(34.693)	(22.524)	12.169	54,0%
of which: effects of the purchase price allocation	*43.770*	*52.532*	*(8.762)*	*(16,7%)*	*10.720*	*21.093*	*(10.373)*	*(49,2%)*
Integration costs	-	(15.465)	(15.465)	*(100,0%)*	-	(633)	(633)	*(100,0%)*
of which: personnel expense	-	*(11.626)*	*(11.626)*	*(100,0%)*	-	*(97)*	*(97)*	*(100,0%)*
other administrative expenses	-	*(5.886)*	*(5.886)*	*(100,0%)*	-	*(186)*	*(186)*	*(100,0%)*
net impairment losses on property, equipment and investment property and intangible assets	-	*(4.510)*	*(4.510)*	*(100,0%)*	-	*(646)*	*(646)*	*(100,0%)*
taxes	-	*6.557*	*(6.557)*	*(100,0%)*	-	*296*	*(296)*	*(100,0%)*
Post-tax profit (loss) from discontinued operations	83.368	5.155	78.213	n.s.	(1)	-	1	n.s.
Profit (loss) for the year/period attributable to minority interests	(13.602)	(17.048)	(3.446)	(20,2%)	(5.967)	7.749	(13.716)	n.s.
of which: effects of the purchase price allocation	*10.034*	*24.280*	*(14.246)*	*(58,7%)*	*2.503*	*12.461*	*(9.958)*	*(79,9%)*
Profit for the year/period attributable to the shareholders of the Parent excluding the effects of the PPA	*254.347*	*356.527*	*(102.180)*	*(28,7%)*	*(5.516)*	*114.627*	*(120.143)*	*(104,8%)*
Profit for the year/period attributable to the shareholders of the Parent	**172.121**	**270.099**	**(97.978)**	**(36,3%)**	**(25.613)**	**82.802**	**(108.415)**	**n.s.**
Total impact of the purchase price allocation on the income statement	*(82.226)*	*(86.428)*	*(4.202)*	*(4,9%)*	*(20.097)*	*(31.825)*	*(11.728)*	*(36,9%)*

UBI Banca Group: Quarterly evolution of reclassified consolidated income statement

Figures in thousands of euro	2010 4th Quarter	2010 3th Quarter	2010 2nd Quarter	2010 1st Quarter	2009 4th Quarter	2009 3th Quarter	2009 2nd Quarter	2009 1st Quarter
Net interest income	548.555	543.197	517.441	533.333	557.917	572.951	616.804	652.871
of which: effects of the purchase price allocation	*(14.598)*	*(14.060)*	*(15.934)*	*(16.549)*	*(13.963)*	*(15.198)*	*(18.027)*	*(15.060)*
Net interest income excluding the effects of the PPA	*563.153*	*557.257*	*533.375*	*549.882*	*571.880*	*588.149*	*634.831*	*667.931*
Dividends and similar income	3.531	2.331	16.862	1.375	856	6.253	1.656	1.844
Profits (losses) of equity-accounted investees	(1.867)	8.414	6.043	5.023	16.383	8.828	5.956	4.208
Net commission income	313.767	263.973	313.929	293.628	331.886	297.178	294.300	291.324
of which performance fees	*15.384*	-	-	-	*22.930*	-	-	-
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	20.573	19.357	(964)	(4.922)	33.737	26.363	48.429	18.254
Net income from insurance operations	-	-	-	-	(51)	8.967	16.088	5.941
Other net operating income/(expense)	25.893	25.327	17.170	24.092	18.538	24.249	23.226	21.291
Operating income	**910.452**	**862.599**	**870.481**	**852.529**	**959.266**	**944.789**	**1.006.459**	**995.733**
Operating income excluding the effects of the PPA	***925.050***	***876.659***	***886.415***	***869.078***	***973.229***	***959.987***	***1.024.486***	***1.010.793***
Personnel expense	(344.469)	(359.587)	(376.496)	(371.032)	(346.621)	(373.655)	(366.562)	(378.736)
Other administrative expenses	(201.335)	(183.844)	(199.730)	(184.835)	(219.492)	(174.589)	(200.525)	(182.610)
Net impairment losses on property, equipment and investment property and intangible assets	(63.996)	(60.425)	(61.729)	(61.086)	(97.914)	(58.143)	(57.546)	(57.954)
of which: effects of the purchase price allocation	*(18.722)*	*(18.723)*	*(18.722)*	*(18.722)*	*(51.416)*	*(16.526)*	*(16.525)*	*(16.525)*
Net impairment losses on property, equipment and investment property and intangible assets excluding the effects of the PPA	*(45.274)*	*(41.702)*	*(43.007)*	*(42.364)*	*(46.498)*	*(41.617)*	*(41.021)*	*(41.429)*
Operating expenses	**(609.800)**	**(603.856)**	**(637.955)**	**(616.953)**	**(664.027)**	**(606.387)**	**(624.633)**	**(619.300)**
Operating expenses excluding the effects of the PPA	***(591.078)***	***(585.133)***	***(619.233)***	***(598.231)***	***(612.611)***	***(589.861)***	***(608.108)***	***(602.775)***
Net operating income	**300.652**	**258.743**	**232.526**	**235.576**	**295.239**	**338.402**	**381.826**	**376.433**
Net operating income excluding the effects of the PPA	***333.972***	***291.526***	***267.182***	***270.847***	***360.618***	***370.126***	***416.378***	***408.018***
Net impairment losses on loans	(251.217)	(134.011)	(189.845)	(131.859)	(272.667)	(197.349)	(235.622)	(159.573)
Net impairment losses on other financial assets and liabilities	(31.529)	(147)	(18.660)	615	(13.606)	(580)	39.372	(74.346)
Net provisions for risks and charges	(15.204)	(5.383)	(4.407)	(2.215)	(7.440)	(2.621)	(17.081)	(9.790)
Profit (loss) from the disposal of equity investments and net impairment losses on goodwill	12.346	80.498	(2.236)	92	96.684	(213)	(357)	4.188
Pre-tax profit from continuing operations	**15.048**	**199.700**	**17.378**	**102.209**	**98.210**	**137.639**	**168.138**	**136.912**
Pre-tax profit from continuing operations excluding the effects of the PPA	***48.368***	***232.483***	***52.034***	***137.480***	***163.589***	***169.363***	***202.690***	***168.497***
Taxes on income for the year from continuing operations	(34.693)	(103.144)	(34.285)	(59.858)	(22.524)	(67.883)	(50.367)	(102.668)
of which: effects of the purchase price allocation	*10.720*	*10.545*	*11.153*	*11.352*	*21.093*	*10.189*	*11.106*	*10.144*
Integration costs	-	-	-	-	(633)	(3.875)	(4.555)	(6.402)
of which: personnel expense	-	-	-	-	*(97)*	*(2.563)*	*(3.998)*	*(4.968)*
other administrative expenses	-	-	-	-	*(186)*	*(1.690)*	*(1.136)*	*(2.874)*
net impairment losses on property, equipment and investment property and intangible assets	-	-	-	-	*(646)*	*(1.289)*	*(1.312)*	*(1.263)*
taxes	-	-	-	-	*296*	*1.667*	*1.891*	*2.703*
Post-tax profit (loss) from discontinued operations	(1)	12	83.035	322	-	(33)	(5)	5.193
Profit (loss) for the year/period attributable to minority interests	(5.967)	(908)	(2.179)	(4.548)	7.749	(4.488)	(11.619)	(8.690)
of which: effects of the purchase price allocation	*2.503*	*2.395*	*2.622*	*2.514*	*12.461*	*4.219*	*4.117*	*3.483*
Profit for the year/period attributable to the shareholders of the Parent excluding the effects of the PPA	*(5.516)*	*115.503*	*84.830*	*59.530*	*114.627*	*78.676*	*120.921*	*42.303*
Profit for the year/period attributable to the shareholders of the Parent	**(25.613)**	**95.660**	**63.949**	**38.125**	**82.802**	**61.360**	**101.592**	**24.345**
Total impact of the purchase price allocation on the income statement	*(20.097)*	*(19.843)*	*(20.881)*	*(21.405)*	*(31.825)*	*(17.316)*	*(19.329)*	*(17.958)*

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

Figures in thousands of euro	2010	non-recurring items: Impairment of equity investments: Intesa Sanpaolo, A2A and the Tlcom fund	Contribution of "Depository banking" operations	Net impairment losses on goodwill of Gestioni Lombarda (Switzerland)	Leaving incentives	Tax effect of branch switching operations	Partial disposal of the interest held in Lombarda Vita Spa	Disposal of BDG branches	IT systems write-off	Real estate disposal	2010 net of non-recurring items A	2009	non-recurring items: Disposal of shares, sale / impairment of equity investments, impairment of intangible assets	PEO gain on own subordinated instruments	Impairment losses on DD Growth Fund	Tax realignment pursuant to Art. 15, paragraph 3, Decree Law 185/2008 and IRAP refund	Appraisal expenses for the "branch switching" operation	Integration costs and other items	2009 net of non-recurring items B	Changes A-B	% changes A/B
Net interest income (including the effects of PPA)	2.142.526										2.142.526	2.400.543							2.400.543	(258.017)	(10,7%)
Dividends and similar income	24.099										24.099	10.609							10.609	13.490	127,2%
Profits (losses) of equity-accounted investees	17.613										17.613	35.375							35.375	(17.762)	(50,2%)
Net commission income	1.185.297										1.185.297	1.214.688							1.214.688	(29.391)	(2,4%)
of which performance fees	*15.384*										*15.384*	*22.930*							*22.930*	*(7.546)*	*(32,9%)*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	34.044							1.374			35.418	126.783	(37.441)	(60.543)	25.234				54.033	(18.615)	(34,5%)
Net income from insurance operations	-										-	30.945							30.945	(30.945)	(100,0%)
Other net operating income/(expense)	92.482		(957)								91.525	87.304						1.686	88.990	2.535	2,8%
Operating income (including the effects of PPA)	**3.496.061**	**-**	**(957)**	**-**	**-**	**-**	**-**	**1.374**	**-**	**-**	**3.496.478**	**3.906.247**	**(37.441)**	**(60.543)**	**25.234**	**-**	**-**	**1.686**	**3.835.183**	**(338.705)**	**(8,8%)**
Personnel expense	(1.451.584)				33.233						(1.418.351)	(1.465.574)							(1.465.574)	(47.223)	(3,2%)
Other administrative expenses	(769.744)										(769.744)	(777.216)					7.511		(769.705)	39	0,0%
Net impairment losses on property, equipment and investment property and intangible assets (including the effects of PPA)	(247.236)								4.455		(242.781)	(271.557)	34.891						(236.666)	6.115	2,6%
Operating expenses (including the effects of PPA)	**(2.468.564)**	**-**	**-**	**-**	**33.233**	**-**	**-**	**-**	**4.455**	**-**	**(2.430.876)**	**(2.514.347)**	**34.891**	**-**	**-**	**-**	**7.511**	**-**	**(2.471.945)**	**(41.069)**	**(1,7%)**
Net operating income (including the effects of PPA)	**1.027.497**	**-**	**(957)**	**-**	**33.233**	**-**	**-**	**1.374**	**4.455**	**-**	**1.065.602**	**1.391.900**	**(2.550)**	**(60.543)**	**25.234**	**-**	**7.511**	**1.686**	**1.363.238**	**(297.636)**	**(21,8%)**
Net impairment losses on loans	(706.932)										(706.932)	(865.211)						3.479	(861.732)	(154.800)	(18,0%)
Net impairment losses on other financial assets and liabilities	(49.721)	41.111									(8.610)	(49.160)	41.454						(7.706)	904	11,7%
Net provisions for risks and charges	(27.209)										(27.209)	(36.932)						4.996	(31.936)	(4.727)	(14,8%)
Profit (loss) from the disposal of equity investments and net impairment losses on goodwill	90.700			4.145			(81.095)	(6.596)		(5.442)	1.712	100.302	(96.157)						4.145	(2.433)	(58,7%)
Pre-tax profit from continuing operations before tax (including the effects of PPA)	**334.335**	**41.111**	**(957)**	**4.145**	**33.233**	**-**	**(81.095)**	**(5.222)**	**4.455**	**(5.442)**	**324.563**	**540.899**	**(57.253)**	**(60.543)**	**25.234**	**-**	**7.511**	**10.161**	**466.009**	**(141.446)**	**(30,4%)**
Taxes on income for the year from continuing operations	(231.980)	(609)	263		(9.139)	18.294	20.201	1.566	(1.444)	1.759	(201.089)	(243.442)	(20)	19.586	(8.156)	(31.038)	(2.433)	(2.524)	(268.027)	(66.938)	(25,0%)
Integration costs	-										-	(15.465)						15.465	-	-	-
of which: personnel expense	-										-	*(11.626)*						*11.626*	-	-	-
other administrative expenses	-										-	*(5.886)*						*5.886*	-	-	-
net impairment losses on property, equipment and investment property and intangible assets	-										-	*(4.510)*						*4.510*	-	-	-
taxes	-										-	*6.557*						*(6.557)*	-	-	-
Post-tax profit from discontinued operations	83.368		(83.356)								12	5.155						(5.155)	-	12	n.s.
Profit for the year attributable to minority interests	(13.602)		173		(1.711)	(2.951)			(279)		(18.370)	(17.048)	(8.198)			3.284	(633)	(2.007)	(24.602)	(6.232)	(25,3%)
Profit for the year attributable to the shareholders of the Parent	**172.121**	**40.502**	**(83.877)**	**4.145**	**22.383**	**15.343**	**(60.894)**	**(3.656)**	**2.732**	**(3.683)**	**105.116**	**270.099**	**(65.471)**	**(40.957)**	**17.078**	**(27.754)**	**4.445**	**15.940**	**173.380**	**(68.264)**	**(39,4%)**

UBI Banca Group: Mandatory financial statements - Consolidated Balance Sheet

ASSETS *(Figures in thousands of euro)*	**31.12.2010**	**31.12.2009**
Cash and cash equivalents	609.040	683.845
Financial assets held for trading	2.732.751	1.575.764
Financial assets at fair value	147.286	173.727
Available-for-sale financial assets	10.252.619	6.386.257
Loans to banks	3.120.352	3.278.264
Loans to customers	101.814.829	98.007.252
Hedging derivatives	591.127	633.263
Fair value change in hedged financial assets	429.073	301.852
Equity investments	368.894	413.943
Property, equipment and investment property	2.112.664	2.106.835
Intangible assets	5.475.385	5.523.401
of which:		
- goodwill	*4.416.660*	*4.401.911*
Tax assets:	1.723.231	1.580.187
a) current	650.177	744.435
b) deferred	1.073.054	835.752
Non-current assets and disposal groups held for sale	8.429	126.419
Other assets	1.172.889	1.522.214
TOTAL ASSETS	**130.558.569**	**122.313.223**

LIABILITIES AND EQUITY *(Figures in thousands of euro)*	**31.12.2010**	**31.12.2009**
Due to banks	5.383.977	5.324.434
Due to customers	58.666.157	52.864.961
Securities issued	48.093.888	44.349.444
Financial liabilities held for trading	954.423	855.387
Hedging derivatives	1.228.056	927.319
Tax liabilities:	993.389	1.210.867
a) current	441.433	558.997
b) deferred	551.956	651.870
Liabilities associated with activities under disposal	-	646.320
Other liabilities	2.600.165	3.085.006
Post employment benefits	393.163	414.272
Provisions for risks and charges:	303.572	285.623
a) pension and similar obligations	68.082	71.503
b) other provisions	235.490	214.120
Fair value reserves	(253.727)	235.043
Reserves	2.362.382	2.207.863
Share premiums	7.100.378	7.100.378
Share capital	1.597.865	1.597.865
Minority interests	962.760	938.342
Profit for the year	172.121	270.099
TOTAL LIABILITIES AND EQUITY	**130.558.569**	**122.313.223**

UBI Banca Group: Mandatory financial statements - Consolidated Income Statement

Figures in thousands of euro	**31.12.2010**	**31.12.2009**
Interest and similar income	3.525.312	4.213.948
Interest expense and similar	(1.378.714)	(1.718.320)
Net interest income	**2.146.598**	**2.495.628**
Commission income	1.378.117	1.329.184
Commission expense	(196.892)	(199.009)
Net commission income	**1.181.225**	**1.130.175**
Dividends and similar income	24.099	10.609
Net trading income (loss)	(56.891)	13.864
Net hedging income	67.209	15.960
Income/expense from disposal or repurchase of:	17.057	122.115
a) loans	(3.850)	(81)
b) available-for-sale financial assets	31.245	30.516
c) held-to-maturity investments	-	37.441
d) financial liabilities	(10.338)	54.239
Net income/expense on financial assets and liabilities at fair value	6.669	(25.151)
Gross income	**3.385.966**	**3.763.200**
Net impairment losses on:	(756.653)	(914.371)
a) loans	(706.932)	(865.211)
b) available-for-sale financial assets	(42.364)	(43.883)
d) other financial transactions	(7.357)	(5.277)
Net financial income	**2.629.313**	**2.848.829**
Net insurance premiums	-	169.176
Other income/expense of insurance operations	-	(149.127)
Net income from banking and insurance operations	**2.629.313**	**2.868.878**
Administrative expenses	(2.375.174)	(2.415.610)
a) personnel expense	(1.451.584)	(1.477.200)
b) other administrative expenses	(923.590)	(938.410)
Net provisions for risks and charges	(27.209)	(36.932)
Net impairment losses on property, equipment and investment property	(109.838)	(117.408)
Net impairment losses on intangible assets	(130.500)	(150.770)
Other net operating income	239.430	235.042
Operating expenses	**(2.403.291)**	**(2.485.678)**
Profits (losses) of equity investments	99.027	35.578
Net impairment losses on goodwill	(5.172)	-
Profits (losses) on disposal of investments	14.458	100.099
Pre-tax profit (loss) from continuing operations	**334.335**	**518.877**
Taxes on income for the year from continuing operations	(231.980)	(236.885)
Post-tax profit (loss) from continuing operations	**102.355**	**281.992**
Post-tax profit (loss) from discontinued operations	83.368	5.155
Profit for year	**185.723**	**287.147**
Profit for the year attributable to minority interests	(13.602)	(17.048)
Profit for the year attributable to the shareholders of the Parent	**172.121**	**270.099**

UBI Banca: Mandatory financial statements - Balance Sheet

ASSETS ***(Figures in euro)***	**31.12.2010**	**31.12.2009**
Cash and cash equivalents	195.060.106	215.834.809
Financial assets held for trading	3.143.191.440	1.857.483.753
Financial assets at fair value	147.285.903	173.726.637
Available-for-sale financial assets	8.698.209.093	4.919.281.521
Loans to banks	28.424.383.576	28.278.016.388
Loans to customers	14.536.120.881	12.560.060.343
Hedging derivatives	164.595.239	122.894.441
Equity investments	13.336.899.439	12.183.513.925
Property, equipment and investment property	624.906.782	652.815.865
Intangible assets	542.792.402	545.892.836
of which:		
- goodwill	*521.244.521*	*521.244.521*
Tax assets:	725.032.355	633.576.235
a) current	380.220.092	407.687.831
b) deferred	344.812.263	225.888.404
Non-current assets and disposal groups held for sale	6.022.891	658.462.654
Other assets	353.101.328	648.632.264
TOTAL ASSETS	**70.897.601.435**	**63.450.191.671**

LIABILITIES AND EQUITY ***(Figures in euro)***	**31.12.2010**	**31.12.2009**
Due to banks	22.589.437.090	27.737.222.535
Due to customers	11.422.728.258	4.531.502.833
Securities issued	23.367.787.687	16.746.093.256
Financial liabilities held for trading	1.542.533.534	1.393.828.627
Hedging derivatives	599.874.209	379.598.430
Tax liabilities:	381.641.985	472.809.627
a) current	277.626.159	349.546.665
b) deferred	104.015.826	123.262.962
Liabilities associated with activities under disposal	-	646.319.590
Other liabilities	613.923.930	832.235.040
Post employment benefits	38.129.542	40.120.179
Provisions for risks and charges:	13.278.734	8.231.440
a) pension and similar obligations	-	-
b) other provisions	13.278.734	8.231.440
Fair value reserves	(226.574.548)	198.011.355
Reserves	1.572.877.892	1.359.658.807
Share premiums	7.100.378.060	7.100.378.060
Share capital	1.597.864.755	1.597.864.755
Profit for the year	283.720.307	406.317.137
TOTAL LIABILITIES AND EQUITY	**70.897.601.435**	**63.450.191.671**

UBI Banca: Mandatory financial statements - Income Statement

Figures in euro	31.12.2010	31.12.2009
Interest and similar income	805.570.868	979.474.913
Interest expense and similar	(893.005.683)	(1.088.446.368)
Net interest income	**(87.434.815)**	**(108.971.455)**
Commission income	30.055.158	37.825.576
Commission expense	(16.130.071)	(21.477.035)
Net commission income	**13.925.087**	**16.348.541**
Dividends and similar income	300.579.803	552.266.144
Net trading income (loss)	87.267.863	46.138.713
Net hedging income	17.665.773	7.177.775
Income/expense from disposal or repurchase of:	17.730.226	98.312.433
a) loans	(6.350)	(12)
b) available-for-sale financial assets	17.962.917	22.553.884
c) held-to-maturity investments	-	37.440.843
d) financial liabilities	(226.341)	38.317.718
Net income/expense on financial assets and liabilities at fair value	6.669.410	(25.151.268)
Gross income	**356.403.347**	**586.120.883**
Net impairment losses on:	(49.364.706)	(45.379.278)
a) loans	(50.631)	180.854
b) available-for-sale financial assets	(39.971.013)	(41.601.291)
d) other financial transactions	(9.343.062)	(3.958.841)
Net financial income	**307.038.641**	**540.741.605**
Administrative expenses	(247.254.078)	(250.188.118)
a) personnel expense	(130.591.255)	(127.379.441)
b) other administrative expenses	(116.662.823)	(122.808.677)
Net provisions for risks and charges	(2.046.037)	(2.787.832)
Net impairment losses on property, equipment and investment property	(26.352.055)	(29.217.298)
Net impairment losses on intangible assets	(3.100.434)	(3.632.148)
Other net operating income	108.722.960	122.828.022
Operating expenses	**(170.029.644)**	**(162.997.374)**
Profits (losses) of equity investments	62.127.392	29.720.186
Net impairment losses on goodwill	-	(11.455.092)
Profits (losses) on disposal of investments	5.533.138	572.244
Pre-tax profit (loss) from continuing operations	**204.669.527**	**396.581.569**
Taxes on income for the year from continuing operations	(4.316.911)	9.735.568
Post-tax profit (loss) from continuing operations	**200.352.616**	**406.317.137**
Post-tax profit (loss) from discontinued operations	83.367.691	-
Profit for the year	**283.720.307**	**406.317.137**