PRESS RELEASE

<u>**Solidity and growth of capital ratios confirmed**</u>
Common Equity Tier 1 ratio "phased in" as at 31st March 2015 of 12.45% (not including self-financing for the period) compared with 12.33% as at 31.12.2014
Total capital ratio "phased in" of 15.34% (15.29% as at 31.12.2014)
Common Equity Tier 1 ratio "fully loaded" estimate of 12.20% (11.5% as at 31.12.2014)
Leverage ratio phased in of 5.82% and fully loaded of 5.73%
NSFR and LCR >1

<u>**Income statement result for 1Q 2015 compared with 1Q 2014:**</u>
Consolidated profit of €75.9 million, +30.6% compared with €58.1 million for 1Q 2014
Profit net of non-recurring items of €81.7 million, +38.4% compared with €59 million for 1Q 2014
Operating income of €866 million (+1.5%)
- **Core revenues (net interest income + fees and commissions) of €771.8 million (+2.3%), but with a change in the composition, more favourable for the fee and commission item, up 13.7% y/y**
- **Finance result of €58 million (€62.6 million in 1Q 2014)**

Operating expenses unchanged year-on-year at €521.4 million
Net operating income of €344.7 million (+3.8% y/y)
Annualised loan loss rate of 90 basis points (91 bps in 1Q 2014)
Pre-tax profit from continuing operations of €148.9 million (+19.6% y/y)

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Bergamo, 12th May 2015 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) approved the consolidated results for the first quarter of 2015, which ended with a **net profit of €75.9 million, up 30.6%** compared with €58.1 million in the first quarter of 2014, due to good performance by net operating income - and net fee and commission income in particular -, to stable operating expenses and a reduction in loan losses.
Net of non-recurring items, profit for the period was €81.7 million, +38.4% compared with €59 million for the first quarter of 2014.

<u>The income statement</u>

In the first quarter of the year Group operations generated **net operating income** of €344.7 million, **up 3.8%** compared with €332.2 million achieved in the same period of 2014 (+12.5% compared with 4Q 2014).

Operating income came to €866 million, up 1.5% compared with €853.4 million in the first quarter of 2014 (+1.6% compared with 4Q 2014) as a result of good performance by core revenues. The contribution from core items (net interest income + net fee and commission income) came to €771.8

million, up by over €17 million compared with 1Q 2014 and by over €11 million compared with 4Q 2014.

In detail, **net interest income** amounted to €430.6 million, down 5.3% year-on-year, mainly due to the lower contribution from the financial component (securities portfolio -€23.2 million following the maturity at end 2014 of approximately €5 billion of high yielding government securities; interbank +€8.2 million).
The improvement in the customer spread, which rose to 186 basis points from 180 basis points in 1Q 2014 as a result of a continuous reduction in the cost of funding, partially offset the effect of lower volumes of business in relation to the economic situation, thereby limiting the contraction in the contribution from business with customers to approximately €9 million.
In the comparison with 4Q 2014, net interest income fell by 2.6% (€11.5 million) due to the smaller contribution from the financial component (securities portfolio mentioned above -€16.9 million; interbank +€2 million), while net interest from business with customers, affected in 2014 by a negative one-off component of approximately €5 million[1], rose slightly. Additionally, 1Q 2015 had a fewer number of calendar days compared with 4Q 2014, which represented a total reduction in interest of €9.6 million.

Profits of equity-accounted investees in the quarter totalled €6.2 million (€10.9 million in 1Q 2014 and €8.2 million in 4Q 2014). Account should be taken in the comparison with 2014 that on 22nd December 2014 UBI Banca reduced its stakes held in Aviva Vita Spa and Aviva Assicurazioni Vita Spa from 50% to 20% and on 30th December 2014 the stake held in UBI Assicurazioni Spa (49.99%) was disposed of entirely with a consequent reduction in the relative share of profits.

Net fee and commission income came to €341.2 million, up 13.7% compared with €300.1 million in the same period of 2014, as a result of good performance by fees and commissions on investment services[2] (+21%, up €33.8 million to €193.4 million), which benefited almost in equal measure from favourable trends on markets and from the placement of asset management products. Fee and commission income earned on general banking services was substantially in line in the two periods (€147.8 million compared with €150.6 million in 1Q 2014), while commissions paid on government backed bonds amounting to €10.1 million, recognised in 1Q 2014, were no longer present at the beginning of 2015.
In the comparison with 4Q 2014, fee and commission income grew by 7.2% (+€22.8 million), again due to the contribution made by investment services (primarily customer portfolio management, placement of securities and the distribution of third-party services – up by €36.2 million year to €193.4 million), while earnings on general banking services fell due to the impact of seasonal factors, which have a positive impact on the item at the end of the year.

The **finance result** amounted to €58 million (€62.6 million in 1Q 2014 and €49.2 million in 4Q 2014).
That result was due to the following:
- €27.4 million from trading activity (€34.1 million in 1Q 2014 and €6.7 million in 4Q 2014);
- €28.4 million from the disposal of financial assets (€32.1 million in 1Q 2014 and €42.7 million in 4Q 2014), of which €22.7 million from the disposal of €0.8 billion nominal of Italian government securities;
- €5.2 million from fair value movements in financial assets designated at fair value (€0.6 million in 1Q 2014 and €1.9 million in 4Q 2014);

[1] This was recorded at the end of the year due to the introduction at Prestitalia of a new accounting treatment for interest on claims.
[2] Inclusive of forex trading.

- hedging activity incurred a loss of €3 million (-€4.2 million in 1Q 2014 and -€2.1 million in 4Q 2014).

In the first quarter of the year **operating expenses** stood at €521.4 million and were virtually unchanged compared with €521.2 million in 1Q 2014, although some items in the aggregate show showed specific trends:

- **staff costs** stood at €334.9 million, up compared with €326.1 million in the same period of 2014, as, amongst other things, they included organic growth in the cost of labour and provisions to the post employment benefit provision made in compliance with the National Labour Contract of 19th January 2012.

  These provisions will be partially released on approval of the proposed renewal of the National Labour Contract which should be granted by workers' assemblies by the end of June. Furthermore, the second quarter should fully benefit from the economic effects of staff progressively leaving the Group between January and March 2015 (a total of 86% of the staff scheduled to leave - overall 500 resources - in accordance with the trade union agreement signed in November 2014). As a result of the above, staff costs in the second quarter of 2015 are expected to be more in line with the average for 2014.

- **other administrative expenses** amounted to €147.9 million, down by 3.1% (-€4.7 million) year-on-year. The continuation of the efforts made to contain costs in the long-term, which relate to most items of current expenditure, was partially offset by higher costs incurred for advertising campaigns for the development of new business (e.g. UBI Pay).

- finally, **depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets** (inclusive of the PPA) totalled €38.5 million, down by approximately €4 million compared with 1Q 2014, partly attributable to the PPA (€1.6 million) as a consequence of the impairment losses recognised at the end of 2014.

Compared with 4Q 2014, operating expenses fell by 4.4% (-€24.2 million), primarily as a result of lower "other administrative expenses" (-€28.8 million), which are generally higher at the end of the year, and notwithstanding the increase in staff costs reported above.

Net of the PPA, an accounting entry that has a negative impact on operating expenses (+€3.3 million) and on operating income (-€6.5 million) the cost:income ratio stood at 59.4% as at 31st March 2015.

In the period January-March 2015, **net impairment losses on loans** fell to €190.2 million, compared with €198.6 million in the first quarter of 2014, to give an annualised loan loss rate of 0.90% of total net loans, compared with 0.91% before and 1.08% recorded for the full year 2014.
The impairment losses recognised resulted in total coverage for deteriorated loans of 27.7% (37.4% inclusive of loan write-offs), an increase of 0.6 percentage points compared with the end of 2014 and 0.4 percentage points compared with the end of March 2014.

As a result of the performance described above, **profit on continuing operations before tax** amounted to €148.9 million, an improvement of 19.6% compared with the same quarter of 2014 and 71.5% compared with 4Q 2014.

Taxes on income for the period from continuing operations amounted to €62 million, compared with €58.7 million in the first quarter of 2014 to give a tax rate of 41.65%, compared with 47.15% before.

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The balance sheet

Loans to customers amounted to €84.6 billion as at 31st March 2015, down by 1.2% compared with December 2014 (€85.6 billion).
This performance primarily reflects the stability of the "core" loan portfolio[3] relating to the network banks (approximately €58 billion, +0.2% compared with December 2014), the maturities in the portfolio in run-off (approximately -€0.3 billion), the reduction of technical exposures to the CCG for the temporary investment of excess liquidity (-€0.2 billion) and a fall in product company lending and in volumes originating from the former Centrobanca (-€0.4 billion).
More specifically, the medium to long-term component of the network bank portfolios shows a replacement rate for maturing loans of 132% (101% for the full-year 2014), attributable mainly to positive trends for new grants.
The replacement rate for product company medium to long-term loans is still below par, but it is improving (57% compared with 48% for the full year 2014).

As concerns credit quality, **total deteriorated gross loans** amounted to €13,227 million at the end of March 2015 (€13,049 million in December 2014), and include, in accordance with the new regulatory provisions, non-performing, "unlikely to pay" and past due and/or in arrears[4] loan classes.

Again at the end of March 2015, coverage for **total deteriorated loans recorded an increase of 55 basis points to 27.68%** (27.13% in December 2014). If loan write-offs are included, coverage for deteriorated loans rose to 37.4% (37.1% in December 2014).

Total net deteriorated loans stood at €9,565 million at the end of March 2015, almost unchanged compared with December 2014 (€9,508 million).

In detail, <u>net non-performing loans</u> amounted to €4,115 million (€4,025 million in December 2014), accounting for 4.86% of total net loans.
Coverage for non-performing loans, up by 28 basis points since the end of the last quarter of 2014, stood at 38.84% (compared with 38.56% at the end of 2014).
The percentage of positions backed by collateral (approximately 66.5% of the gross total) remains significant and coverage for unsecured positions, considered gross of loan write-offs, was again high (69.5%).

The new category, <u>"unlikely to pay"</u>, amounted to €5,014 million net, with coverage of 17.01%.
In the comparison with December 2014, this new category, compares with the total of impaired and restructured exposures, which together amounted to €4,954 million net, with coverage of 16.65%.

Net positions past due and/or in arrears amounted to €437 million compared with €529 million in December 2014 (coverage of 4.65% compared with 4.39% in December 2014).

Total Group funding amounted to €172.5 billion as at 31st March 2015, up significantly by €3.4 billion (+2%) compared with December 2014.

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[3] Inclusive of the retail (private individuals and small businesses), corporate (core and large) and private banking segments.
[4] This set of three classes constitutes the aggregate "non-performing exposures", according to the EBA Implementing Technical Standards document. The previous concepts of "impaired loans" and "restructured exposures" have therefore been withdrawn.

Performance of the entire aggregate was determined mainly by the good liquidity position of the Group and a context of positive performance by financial markets which oriented customers towards greater demand for assets under management and insurance products.
These conditions gave rise to a decrease in direct funding (€91.1 billion, down 2.2% from €93.2 billion in December 2014) and to growth in indirect funding (€81.4 billion, up 7.3% compared with €75.9 billion at the end of December 2014).

More specifically **direct funding from ordinary customers**, amounting to €72.7 billion in March 2015 (€74 billion last December), recorded resilient performance by current accounts (€44.1 billion in March 2015 compared with €44.3 billion in December 2014) and a slowdown in the placement of bonds with ordinary customers (total outstanding of €22.9 billion at the end of March, down €0.7 billion compared with the end of the year) due to the greater interest mentioned above by customers in more remunerative forms of investment.
Direct funding from institutional customers stood at €18.4 billion in March, down from €19.3 billion in December due to a contraction in short-term forms of funding (repurchase agreements with the *Cassa di Compensazione e Garanzia*, down to €5 billion in March 2015 compared with €5.5 billion in December 2014 and French certificates of deposit/euro commercial paper down to €0.5 billion in March 2015 from €0.8 billion in December 2014).

The good performance by **indirect funding** recorded positive trends for all components: assets under management in the strict sense amounted to €34.2 billion (+11.3% compared with the end of December 2014), insurance products rose to €13.3 billion (+5.2%) and assets under custody amounted to €33.9 billion (+4.2%).

Group exposure to the ECB consists of TLTRO financing totalling €6.1 billion and €3 billion of short-term financing, recognised under "due to banks" and therefore not included in direct funding.

Group liquidity ratios, calculated according to Basel 3 rules (NSFR and LCR), were constantly greater than one.
The Group's solid liquidity position is further assured by its **assets eligible for refinancing**, which as at 5th May 2015 totalled €27 billion net of haircuts (of which €13.1 billion available).

At the end of March 2015, Group **financial assets** had a mark-to-market value of €23.2 billion, of which €21.6 billion relating to Italian government securities. The latter item has fallen slightly compared with December 2014 (€21.9 billion). The nominal value for Italian government securities was €18.4 billion compared with €19.2 billion as at 31st December 2014.

Consolidated **equity** of the UBI Banca Group as at 31st March 2015, including profit for the period, amounted to €10,094 million (€9,804 million at the end of December 2014).

Group capital ratios improve again in March 2015.
The CET 1 ratio "phased in" as at 31st March 2015, which does NOT include self financing for the period, stood at 12.45% compared with 12.33% as at 31.12.2014. The CET1 ratio "fully loaded" was 12.20% compared with 11.5% as at 31.12.2014.
The total capital ratio "phased in" was 15.34% (15.29% as at 31.12.2014).
Finally, the leverage ratio calculated on the basis of Basel 3 rules, which states that the Tier 1 capital must be equal to at least 3% of on- and off-balance-sheet assets, was 5.82% "phased in" and 5.73% "fully loaded".

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Human resources of the UBI Banca Group totalled 17,717 as at 31st March 2015 compared with 18,132 in December 2014. The branch network at the end of the period consisted of 1,560 branches in Italy (1,670 in December 2014) and six abroad.

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

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

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Outlook

Net interest income will be affected in 2015 by a lower contribution from the securities portfolio compared with the previous year, mainly as a result of positions that matured in the held-to-maturity portfolio in the last months of 2014.
A recovery in volumes of business with customers should help support net interest income from business with customers, even in the presence of strong competition on pricing.
Net fee and commission income should benefit year-on-year from positive trends expected for assets under management and insurance and from possible growth in fees and commissions associated with the trend for lending.
Expectations of a more favourable general macroeconomic environment and the consequent effect on sovereign debt risk could allow positive results to be achieved for trading and hedging activity again in future quarters in 2015.
The Group trade union agreement concluded in November 2014 and that for the renewal of the National Labour Contract currently being approved will make it possible to offset inertial increases in staff costs.
The downwards trend for other administrative expenses is forecast to continue compared with 2014.
In the current macroeconomic environment, loan loss provisions for the year are expected to be lower than in 2014.

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Attachments
Financial statements

UBI Banca Group:

- Reclassified consolidated balance sheet
- Reclassified consolidated income statement
- Quarterly evolution of reclassified consolidated income statement
- Reclassified consolidated income statement net of the most significant non-recurring items

Notes to the financial statements

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

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

UBI Banca Group: Reclassified consolidated balance sheet

Figures in thousands of euro	31.3.2015 A	31.12.2014 B	Changes A-B	% changes A/B	31.3.2014 C	Changes A-C	% changes A/C
ASSETS							
Cash and cash equivalents	466,288	598,062	-131,774	-22.0%	492,398	-26,110	-5.3%
Financial assets held for trading	1,527,401	1,420,506	106,895	7.5%	3,900,044	-2,372,643	-60.8%
Financial assets designated at fair value	198,365	193,167	5,198	2.7%	193,692	4,673	2.4%
Available-for-sale financial assets	17,904,652	18,554,956	-650,304	-3.5%	16,030,885	1,873,767	11.7%
Held-to-maturity investments	3,528,010	3,576,951	-48,941	-1.4%	3,113,263	414,747	13.3%
Loans and advances to banks	3,331,195	3,340,415	-9,220	-0.3%	4,009,183	-677,988	-16.9%
Loans and advances to customers	84,634,175	85,644,223	-1,010,048	-1.2%	87,094,749	-2,460,574	-2.8%
Hedging derivatives	689,227	649,250	39,977	6.2%	323,782	365,445	112.9%
Fair value change in hedged financial assets (+/-)	66,716	64,124	2,592	4.0%	36,493	30,223	82.8%
Equity investments	254,129	246,250	7,879	3.2%	427,438	-173,309	-40.5%
Property, plant and equipment	1,711,351	1,729,107	-17,756	-1.0%	1,780,575	-69,224	-3.9%
Intangible assets	1,767,675	1,776,925	-9,250	-0.5%	2,903,371	-1,135,696	-39.1%
of which: goodwill	*1,465,260*	*1,465,260*	-	-	*2,511,679*	*-1,046,419*	*-41.7%*
Tax assets	2,927,911	2,991,600	-63,689	-2.1%	2,824,368	103,543	3.7%
Non-current assets and disposal groups held for sale	68,798	69,893	-1,095	-1.6%	79,769	-10,971	-13.8%
Other assets	847,697	931,275	-83,578	-9.0%	773,252	74,445	9.6%
Total assets	**119,923,590**	**121,786,704**	**-1,863,114**	**-1.5%**	**123,983,262**	**-4,059,672**	**-3.3%**
LIABILITIES AND EQUITY							
Due to banks	12,360,302	13,292,723	-932,421	-7.0%	15,397,770	-3,037,468	-19.7%
Due to customers	50,817,925	51,616,920	-798,995	-1.5%	46,366,664	4,451,261	9.6%
Debt securities issued	40,324,315	41,590,349	-1,266,034	-3.0%	44,477,537	-4,153,222	-9.3%
Financial liabilities held for trading	740,247	617,762	122,485	19.8%	1,409,672	-669,425	-47.5%
Hedging derivatives	1,217,816	1,009,092	208,724	20.7%	528,059	689,757	130.6%
Tax liabilities	735,132	630,223	104,909	16.6%	908,372	-173,240	-19.1%
Other liabilities	2,435,841	1,994,340	441,501	22.1%	2,704,318	-268,477	-9.9%
Post-employment benefits	368,186	391,199	-23,013	-5.9%	387,412	-19,226	-5.0%
Provisions for risks and charges:	289,799	285,029	4,770	1.7%	320,253	-30,454	-9.5%
a) pension and similar obligations	79,457	80,529	-1,072	-1.3%	76,251	3,206	4.2%
b) other provisions	210,342	204,500	5,842	2.9%	244,002	-33,660	-13.8%
Share capital, share premiums, reserves, valuation reserves and treasury shares	10,018,158	10,529,815	-511,657	-4.9%	10,609,347	-591,189	-5.6%
Non-controlling interests	539,941	555,019	-15,078	-2.7%	815,723	-275,782	-33.8%
Profit (loss) for the period/year	75,928	-725,767	n.s.	n.s.	58,135	17,793	30.6%
Total liabilities and equity	**119,923,590**	**121,786,704**	**-1,863,114**	**-1.5%**	**123,983,262**	**-4,059,672**	**-3.3%**

UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	1Q 2015 A	1Q 2014 B	Changes A-B	% changes A/B	FY 2014 C
Net interest income	430,605	454,472	(23,867)	(5.3%)	1,818,387
of which: effects of the purchase price allocation	*(6,503)*	*(6,456)*	*47*	*0.7%*	*(28,540)*
Net interest income excluding the effects of the PPA	*437,108*	*460,928*	*(23,820)*	*(5.2%)*	*1,846,927*
Dividends and similar income	533	787	(254)	(32.3%)	10,044
Profits of equity-accounted investees	6,168	10,899	(4,731)	(43.4%)	37,015
Net fee and commission income	341,192	300,110	41,082	13.7%	1,226,587
of which performance fees	*6,874*	*651*	*6,223*	*n.s.*	*16,951*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	58,024	62,611	(4,587)	(7.3%)	199,658
Other net operating income/expense	29,489	24,546	4,943	20.1%	117,939
Operating income	**866,011**	**853,425**	**12,586**	**1.5%**	**3,409,630**
Operating income excluding the effects of the PPA	***872,514***	***859,881***	***12,633***	***1.5%***	***3,438,170***
Staff costs	(334,930)	(326,094)	8,836	2.7%	(1,301,779)
Other administrative expenses	(147,932)	(152,616)	(4,684)	(3.1%)	(635,034)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(38,498)	(42,533)	(4,035)	(9.5%)	(171,409)
of which: effects of the purchase price allocation	*(3,274)*	*(4,911)*	*(1,637)*	*(33.3%)*	*(21,416)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(35,224)*	*(37,622)*	*(2,398)*	*(6.4%)*	*(149,993)*
Operating expenses	**(521,360)**	**(521,243)**	**117**	**0.0%**	**(2,108,222)**
Operating expenses excluding the effects of the PPA	***(518,086)***	***(516,332)***	***1,754***	***0.3%***	***(2,086,806)***
Net operating income	**344,651**	**332,182**	**12,469**	**3.8%**	**1,301,408**
Net operating income excluding the effects of the PPA	***354,428***	***343,549***	***10,879***	***3.2%***	***1,351,364***
Net impairment losses on loans	(190,192)	(198,626)	(8,434)	(4.2%)	(928,617)
Net impairment losses on other financial assets and liabilities	(966)	1,673	(2,639)	n.s.	(8,650)
Net provisions for risks and charges	(4,319)	(10,063)	(5,744)	(57.1%)	(9,074)
Profits (losses) from the disposal of equity investments	(309)	(660)	(351)	(53.2%)	94,007
Pre-tax profit from continuing operations	**148,865**	**124,506**	**24,359**	**19.6%**	**449,074**
Pre-tax profit from continuing operations excluding the effects of the PPA	***158,642***	***135,873***	***22,769***	***16.8%***	***499,030***
Taxes on income for the period/year from continuing operations	(61,998)	(58,702)	3,296	5.6%	(186,926)
of which: effects of the purchase price allocation	*3,241*	*3,753*	*(512)*	*(13.6%)*	*16,523*
Profit for the period/year attributable to non-controlling interests	(9,749)	(7,669)	2,080	27.1%	(28,918)
of which: effects of the purchase price allocation	*559*	*723*	*(164)*	*(22.7%)*	*2,754*
Profit for the year/period attributable to the shareholders of the Parent before redundancies and impairment excluding the effects of the PPA	*83,095*	*65,026*	*18,069*	*27.8%*	*263,909*
Profit for the year/period attributable to the shareholders of the Parent before redundancies and impairment	**77,118**	**58,135**	**18,983**	**32.7%**	**233,230**
Redundancy expenses net of taxes and non-controlling interests	(1,190)	-	1,190	n.s.	(76,311)
Impairment losses on goodwill, finite useful life intangible assets and property, plant and equipment net of taxes and non-controlling interests	-	-	-	-	(882,686)
Profit (loss) for the year/period attributable to the shareholders of the Parent	**75,928**	**58,135**	**17,793**	**30.6%**	**(725,767)**
Total impact of the purchase price allocation on the income statement	*(5,977)*	*(6,891)*	*(914)*	*(13.3%)*	*(30,679)*

UBI Banca Group: Reclassified consolidated quarterly income statements

Figures in thousands of euro	2015 1st Quarter	2014 4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Net interest income	430,605	442,074	467,785	454,056	454,472
of which: effects of the purchase price allocation	*(6,503)*	*(7,312)*	*(6,990)*	*(7,782)*	*(6,456)*
Net interest income excluding the effects of the PPA	*437,108*	*449,386*	*474,775*	*461,838*	*460,928*
Dividends and similar income	533	800	376	8,081	787
Profits of equity-accounted investees	6,168	8,198	8,155	9,763	10,899
Net fee and commission income	341,192	318,392	298,502	309,583	300,110
of which performance fees	*6,874*	*10,710*	*2,766*	*2,824*	*651*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	58,024	49,156	13,860	74,031	62,611
Other net operating income/expense	29,489	33,418	33,025	26,950	24,546
Operating income	**866,011**	**852,038**	**821,703**	**882,464**	**853,425**
Operating income excluding the effects of the PPA	***872,514***	***859,350***	***828,693***	***890,246***	***859,881***
Staff costs	(334,930)	(325,142)	(328,694)	(321,849)	(326,094)
Other administrative expenses	(147,932)	(176,742)	(147,078)	(158,598)	(152,616)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(38,498)	(43,716)	(42,497)	(42,663)	(42,533)
of which: effects of the purchase price allocation	*(3,274)*	*(6,648)*	*(4,969)*	*(4,888)*	*(4,911)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(35,224)*	*(37,068)*	*(37,528)*	*(37,775)*	*(37,622)*
Operating expenses	**(521,360)**	**(545,600)**	**(518,269)**	**(523,110)**	**(521,243)**
Operating expenses excluding the effects of the PPA	***(518,086)***	***(538,952)***	***(513,300)***	***(518,222)***	***(516,332)***
Net operating income	**344,651**	**306,438**	**303,434**	**359,354**	**332,182**
Net operating income excluding the effects of the PPA	***354,428***	***320,398***	***315,393***	***372,024***	***343,549***
Net impairment losses on loans	(190,192)	(302,466)	(197,050)	(230,475)	(198,626)
Net impairment losses on other financial assets and liabilities	(966)	(6,382)	(267)	(3,674)	1,673
Net provisions for risks and charges	(4,319)	(5,123)	(1,249)	7,361	(10,063)
Profits (losses) from the disposal of equity investments	(309)	94,356	81	230	(660)
Pre-tax profit from continuing operations	**148,865**	**86,823**	**104,949**	**132,796**	**124,506**
Pre-tax profit from continuing operations excluding the effects of the PPA	***158,642***	***100,783***	***116,908***	***145,466***	***135,873***
Taxes on income for the period from continuing operations	(61,998)	557	(52,115)	(76,666)	(58,702)
of which: effects of the purchase price allocation	*3,241*	*4,781*	*2,059*	*5,930*	*3,753*
Profit for the period attributable to non-controlling interests	(9,749)	(3,982)	(9,194)	(8,073)	(7,669)
of which: effects of the purchase price allocation	*559*	*599*	*867*	*565*	*723*
Profit for the period attributable to the shareholders of the Parent before redundancies and impairment excluding the effects of the PPA	*83,095*	*91,978*	*52,673*	*54,232*	*65,026*
Profit for the period attributable to the shareholders of the Parent before redundancies and impairment	**77,118**	**83,398**	**43,640**	**48,057**	**58,135**
Redundancy expenses net of taxes and non-controlling interests	(1,190)	(76,311)	-	-	-
Impairment losses on goodwill, finite useful life intangible assets and property, plant and equipment net of taxes and non-controlling interests	-	(882,686)	-	-	-
Profit (loss) for the period attributable to the shareholders of the Parent	**75,928**	**(875,599)**	**43,640**	**48,057**	**58,135**
Total impact of the purchase price allocation on the income statement	*(5,977)*	*(8,580)*	*(9,033)*	*(6,175)*	*(6,891)*

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

Figures in thousands of euro	1Q 2015	non-recurring items: Disposal of equity investments	non-recurring items: Impairment losses and recoveries in value on shares, bonds and units in UCITS (AFS)	non-recurring items: IW Bank and UBI Banca Private Investment integration costs	non-recurring items: Redundancy expenses (pursuant to Agreement 4th February 2015)	1Q 2015 net of non-recurring items (A)	1Q 2014	non-recurring items: Balance on disposal price of Banque de Dépôts et de Gestion Sa (Switzerland)	1Q 2014 net of non-recurring items (B)	Changes A-B	% changes A/B
Net interest income (including the effects of the PPA)	430,605					430,605	454,472		454,472	(23,867)	(5.3%)
Dividends and similar income	533					533	787		787	(254)	(32.3%)
Profits of equity-accounted investees	6,168					6,168	10,899		10,899	(4,731)	(43.4%)
Net fee and commission income	341,192					341,192	300,110		300,110	41,082	13.7%
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	58,024					58,024	62,611		62,611	(4,587)	(7.3%)
Other net operating income/expense	29,489					29,489	24,546		24,546	4,943	20.1%
Operating income (including the effects of PPA)	**866,011**	**-**	**-**	**-**	**-**	**866,011**	**853,425**	**-**	**853,425**	**12,586**	**1.5%**
Staff costs	(334,930)					(334,930)	(326,094)		(326,094)	8,836	2.7%
Other administrative expenses	(147,932)			1,331		(146,601)	(152,616)		(152,616)	(6,015)	(3.9%)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(38,498)					(38,498)	(42,533)		(42,533)	(4,035)	(9.5%)
Operating expenses (including the effects of PPA)	**(521,360)**	**-**	**-**	**1,331**	**-**	**(520,029)**	**(521,243)**	**-**	**(521,243)**	**(1,214)**	**(0.2%)**
Net operating income (including the effects of PPA)	**344,651**	**-**	**-**	**1,331**	**-**	**345,982**	**332,182**	**-**	**332,182**	**13,800**	**4.2%**
Net impairment losses on loans	(190,192)					(190,192)	(198,626)		(198,626)	(8,434)	(4.2%)
Net impairment losses on other financial assets and liabilities	(966)		4,466			3,500	1,673		1,673	1,827	109.2%
Net provisions for risks and charges	(4,319)					(4,319)	(10,063)		(10,063)	(5,744)	(57.1%)
Profits from the disposal of equity investments	(309)	463				154	(660)	890	230	(76)	(33.0%)
Pre-tax profit from continuing operations (including the effects of PPA)	**148,865**	**463**	**4,466**	**1,331**	**-**	**155,125**	**124,506**	**890**	**125,396**	**29,729**	**23.7%**
Taxes on income for the period from continuing operations	(61,998)	5	(1,226)	(440)		(63,659)	(58,702)		(58,702)	4,957	8.4%
Profit for the period attributable to non-controlling interests	(9,749)			(30)		(9,779)	(7,669)		(7,669)	2,110	27.5%
Profit for the /period attributable to the shareholders of the Parent before redundancy expenses	**77,118**	**468**	**3,240**	**861**	**-**	**81,687**	**58,135**	**890**	**59,025**	**22,662**	**38.4%**
Redundancy expenses net of taxes and non-controlling interests	(1,190)				1,190	-	-		-	-	-
Profit for the /period attributable to the shareholders of the Parent	**75,928**	**468**	**3,240**	**861**	**1,190**	**81,687**	**58,135**	**890**	**59,025**	**22,662**	**38.4%**