PRESS RELEASE

- **The Group's historical capital strength is further confirmed; the capital ratio recommended by the EBA has been exceeded:**
  Core Tier 1 ratio of 10.24%, Tier 1 ratio of 10.75% and Total Capital Ratio of 15.01% (these include the application of advanced models on corporate credit risk and operational risk. An additional positive contribution is expected from the validation by Bank of Italy of advanced models on Retail credit risk, which will be applied for within 1H2013)
  Core Tier 1 ratio on the basis of the EBA exercise of 9.24%[1]

- **Growth in profitability:**
  Normalised profit grows to €120.5 million (+72.1% compared to €70 million in the first half of 2011)
  The contribution from non-recurring items decreases[2] (down to €39 million from €181.7 million in the first half of 2011)
  Profit for the period of €159.5 million compared to €251.7 in the first half of 2011 (-36.6%)

  Operating income increases to €1,794.6 million (+5.2%)
  Operating expenses fall continuously to €1,140.8 million (-6.2%)
  Net operating income of €653.8 million (+33.3%)
  An annualised loss loan rate of 70 basis points (51 basis points in the first half of 2011)
  Pre-tax profit from continuing operations of €248.9 million (+28.2%)

- **The structural balance and strong liquidity position of the Group are confirmed:**
  Liquidity Coverage Ratio > 1[3]
  Net Stable Funding Ratio > 1[4]
  Leverage ratio: 18.3x [5]
  Loans to customers of €95.3 billion (-7.2% year-on-year) mainly following the reduction of Large Corporate loans and the exit from higher risk sectors
  Direct funding from ordinary customers of €80.4 billion (+2.2% year-on-year)
  Total direct funding of €102.2 billion (-3.7% year-on-year as a result of reduced institutional funding)
  Loans to direct funding of 93.2% (96.8% as at 30th June 2011)
  Loans to direct funding from ordinary customers of 118.6% (130.8% as at 30th June 2011)

* * *

[1] The EBA Core Tier 1 ratio requirement as at 30th June 2012 includes the fair valuation of sovereign debt risk as at 30/09/2011 and, in accordance with the EBA exercise, it considers a minimum capital requirement of 80% of capital requirements calculated on the basis of Basel 1 rules.

[2] Non-recurring items in the first half of 2011, net of tax and non controlling interests, amounted to €181.7 million, all recognised in the second quarter of the year (consisting principally of +€352.8 million of tax realignments pursuant to Law No.111/2011, -€143.8 million of impairment losses on goodwill and intangible assets and -€18.3 million of impairment losses on securities and equity investments). In 2012 net non-recurring items, net of tax and non controlling interests, amounted to €39 million (+€15 million for the result on financial activities following the public tender offer to purchase innovative equity instruments carried out in February and March 2012; €2.6 million of extra staff costs for early incurrence of leaving incentive expenses; -€43.9 million of impairment losses on AFS securities, +€25 million for tax realignments pursuant to Law No. 111/2011, +€8.3 million of tax relief on UBI Banca impairment loss provisions; +€37.3 million of prior year tax credits).

[3] The liquidity coverage ratio is designed to cover possible short-term liquidity shortfalls. The buffer of liquid assets available to the bank must be equal to or greater than expected cash flows over a 30-day time horizon, calculated taking account of predetermined stress scenarios. The ratio is a measure of the capacity of individual banks to "survive" under conditions of acute stress over a short period of time.

[4] The net stable funding ratio is designed to address the problem of structural imbalances in the composition of assets and liabilities over a time horizon of one year. On the basis of that indicator, the total sources of funding with remaining maturities of longer than one year and the portion of on demand deposits considered "stable", must be equal to or greater than the less liquid component of assets.

[5] Tangible assets/(tangible equity + non-controlling interests + profit for the period)

Bergamo, 27th August 2012 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) approved the consolidated results for the first half of 2012, which closed with a **growth of 72.1% in normalised profit, up to €120.5 million from €70 million in the same period of 2011.** Following the reduction in extraordinary items to €39 million in the first half of 2012 compared to €181.7 million in the same period of 2011, stated profit fell by 36.6% to €159.5 million from €251.7 million in the first half 2011.
The good operating performance was accompanied by the continued **capital and structural solidity** of the Group as follows:

- capital solidity: the Core Tier 1 ratio as at 30th June 2012 was 10.24%, the Tier 1 ratio was 10.75% and the Total Capital Ratio 15.01%. The calculation of capital ratios includes from 30th June 2012 the application of advanced models on corporate credit risk and on operational risk, authorised by the Supervisory Authority in May of this year. Further benefits in terms of lower risk weighted assets are expected from the validation of advanced models for retail credit risk (private individuals and small businesses), which will be applied for within the first half of 2013;
- the EBA requirement: the Core Tier 1 ratio calculated on the basis of the EBA exercise (including sovereign debt risk as at 30th September 2011) was 9.24% compared to a minimum requirement of 9%;
- Leverage ratio contained to 18.3x;
- prudent risk profile: the proprietary securities portfolio accounts for 16% of total Group assets and 84% of it consists of Italian government securities. The Group has no exposure to countries considered "at risk".
- structural balance and liquidity:

  The Group already complies with the liquidity coverage ratio and the net stable funding ratio liquidity requirements.

  As at 22nd August last, assets eligible for refinancing with the ECB amounted to €23.6 billion (17.6% of total Group assets) already net of haircuts, of which €11.6 billion available to meet further liquidity requirements.

  Total exposure to the ECB amounts to the €12 billion LTRO, unchanged compared to the end of February 2012.

  The "loans to direct funding" ratio improved to 93.2% (96.8% in June 2011); the "loan to direct funding from ordinary customers" ratio fell to 118.6% (130.8% in June 2011), indicating a lower need to resort to institutional funding to finance lending. Funding from ordinary customers accounts for approximately 80% of total funding.

The income statement

In the first half of 2012, **net operating income** rose to €653.8 million, up by **33.3%** compared to first half of 2011, due to a significant improvement in **operating income**, which increased by **5.2%** to €1,794.6 million, and to a continuous reduction in **operating expenses**, which fell again by **6.2%** to €1,140.8 million.

Within operating income, **net interest income** (inclusive of the PPA) held up well at €1,025.6 million, a slight fall of 1.5% compared to €1,041.1 million recorded in the first half of 2011, despite the substantial contraction in lending, down by 7.2% (approximately €7.5 billion) compared to the end of June 2011, primarily the result of de-risking action undertaken by the Group.
The result was achieved as a consequence of progressive repricing action taken on loans, carried out in consideration of credit risk and the cost of funding, which curbed the narrowing of the customer spread (down on a half year average by approx. 10 basis points year on year, compared to a fall of 51 basis points in the one month Euribor) and thanks to the contribution from the securities portfolio, which increased by approximately €90 million, also assisted by new purchases of government securities made during the first half of 2012.
On the other hand, the optimisation of the lending portfolio had positive repercussions in terms of risk weighted assets, which fell – following, amongst other things, the application in June 2012 of the advanced credit risk model for corporate customers – from €95.8 billion at the end of June 2011 to €76.6 billion at the end of June 2012, contributing, together with the good result for the first half, to the strengthening of capital ratios.

Profits of equity-accounted investees rose to €25.8 million in the first half of the year from €9.6 million before, due to good operating performance in the period by the insurance companies.

Net fee and commission income remained steady at €586.1 million, despite the inclusion of €19.3 million in commissions paid for the issuance of bonds with state guarantee, not present in 2011. On a like-for-like basis, net of the last item, net fee and commission income in the first half of 2012 would have been €605.4 million (+3.2%).
The contribution from *management, trading and advisory services* remained constant at €268.5 million. The impacts of instability on financial markets (commission on customer portfolio management down by €19 million and commission on third party services distribution down by €12.8 million) were offset by the increase in commissions from the placement of securities (+€24.1 million) - especially following the successful placement of a new range of UBI Pramerica Sicav products - and lower fee and commission expense on sales of financial instruments through indirect networks (-€7.7 million following the rationalisation of the network of financial advisors).
Net of commissions paid on the issuance of bonds with state guarantee, commissions from *ordinary banking business* contributed €336.9 million, an increase of 5.9% compared to the first half of 2011.

The **net result for financial activities**[6] was particularly encouraging in the first half of 2012 at €105.4 million compared to €7.2 million in the first half of 2011, primarily the result of the disposal and repurchase of financial assets (€1.2 billion of government securities) and trading in bonds in the first quarter of the year, in relation to market trends. The result also includes profits realised (€20.7 million) following the partial repurchase in February and March 2012 of outstanding innovative equity instruments.

The downward trend for **operating expenses** seen in the last three years continued in the first half of 2012: operating expenses **decreased by 6.2% year-on-year** to €1,140.8 million. In detail:

- **staff costs** of €692.8 million fell by €45.2 million or 6.1% primarily due to the progressive reduction in staff numbers (down by 300 in terms of average total staff numbers). The item includes a non-recurring expense item of €4 million, in relation to leaving incentives charged to the income statement for a general redundancy incentive proposal made by the Group in March 2012, which involved 60 staff leaving during the second quarter.

  Staff costs were €328.3 million in second quarter, compared to €364.4 million in the first quarter of the year and also benefited from the release of a provision made previously, amounting to approximately €17 million. The reduction in staff costs in the second quarter of the year compared to the first remained even net of that release.

- action taken to contain costs was also effective for **other administrative expenses**, which **decreased by 1.1% to €352.2 million** compared to the first half of 2011, despite the impact of higher taxation, as a result, amongst other things, of the "Save Italy" decree (mainly VAT and the municipal property tax). Administrative expenses amounted to €176.5 million in the second quarter of 2012, basically unchanged compared to the first quarter of the year.

- **depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets** (inclusive of the PPA) came to €95.8 million, a decrease of €25.7 million year-on-year, almost entirely the result (-€24.8 million) of the reduction in the amortisation of merger differences (the so-called "purchase price allocation"), as a consequence of impairment losses recognised on intangible assets at the end of 2011.

The deterioration in the economic context affected **net impairment losses on loans,** which rose in the first half of the year to €334.4 million, compared to €263.5 million in the first half of 2011, to give an annualised loan loss rate of 0.70% of total loans (also following the decrease of the latter), compared to 0.51% recorded in the first half of 2011 and 0.61% for the full year 2011.

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

The income statement for the first half contained €49.7 million (€19.6 million in 2011) of **net impairment losses on other financial assets/liabilities**, almost all non-recurring items relating to impairment losses on instruments held in the AFS portfolio and primarily to the stake in Intesa Sanpaolo.

As a result of the performance described above, **pre-tax profit from continuing operations** increased by 28.2% to €248.9 million from €194 million in the first half of 2011.

Taxes on income for the period from continuing operations are estimated at €75.2 million, compared to a positive amount of €214.7 million in the first half of 2011.
Both periods included non-recurring items of tax income, which reduced the tax burden by €73.7 million in 2012 and €352.8 million in 2011.
Net of non-recurring items, taxes rose to €147.4 million from €134.2 million before, to give a normalised effective tax rate of 52.8%, compared to 61.45% before.

* * *

The balance sheet

At the end of June **loans to customers** amounted to €95.3 billion, a decrease of 7.2% over twelve months and of 1.8% compared to March 2012.

In a context of a general worsening of the real economy, which has kept demand for credit at low levels, the composition of the Group's loan portfolio has changed as follows:

- a focus on lending to core customers, with a reduction in exposure to the large corporate segment (-€3 billion year-on-year; -26.7%). At the end of June 2012, 49.1% of the consolidated portfolio consisted of loans to the retail market (47.9% in June 2011), and the share of the corporate segment, net of the "large" component, remained constant year-on-year at 23.9%.
- a withdrawal from high risk segments as follows: at B@nca 24-7, where lending volumes were down by approx. €1 billion year-on-year, a progressive discontinuation of special purpose and consumer credit loans to non captive customers, for which only outstanding loans remained at the end of June, transferred to UBI Banca following the incorporation of Banca 24/7, effective from 23rd July 2012; a change of focus for UBI Leasing's activities onto the "captive" market (-€1.1 billion of loans year-on-year).

As at 30th June 2012, net total deteriorated loans (non-performing loans "*sofferenze*", impaired loans "*incagli*", restructured and past due and/or in arrears) amounted to approximately €7 billion (€6.3 billion in December 2011 and €5.8 billion in June 2011), accounting for 7.36% of total net loans (6.30% in December 2011 and 5.65% in June 2011), also as a consequence of the reduction in lending mentioned above.
The figures are not perfectly comparable, because as from the 1st January 2012 the criteria for reporting "exposures past due and/or in arrears" changed and from that date they include all arrears of between 90 and 180 days not backed by real estate collateral.
Total coverage for deteriorated loans fell to 25.74% (26.89% in December 2011 and 27.56% in June 2011), reflecting the disposal of non performing loans with 100% coverage (€108.2 million in the second quarter of 2012) and an increase in the proportion of newly classified positions backed by collateral, written down taking into account the prudent loan to value ratios of Group loans. Gross of the above disposals, total coverage would have risen to 26.5% from 26.3% in March 2012.

In detail, net non-performing loans amounted to €2.75 billion as at 30th June 2012 (€2.5 billion at the end of 2011 and €2.2 billion in June 2011). The ratio of net non-performing loans to net loans was 2.89% (2.49% at the end of 2011 and 2.14% in June 2011), compared to a ratio for banking sector lending to the private sector of 3.36%.
Coverage for non-performing loans was 41.54% (43.31% at the end of 2011 and 45.43% in June 2011); gross of the disposals mentioned above, the coverage for non-performing loans was 42.76%, an increase compared to 42.67% in March 2012. The percentage of positions backed by collateral continues to grow (they account for 63.4% of gross non-performing positions; 60.6% in December 2011 and 58.8% in June 2011).

Net impaired loans as at 30th June 2012 amounted to €2.8 billion (€2.5 billion at the end of 2011 and €2.4 billion in June 2011). Total coverage for impaired loans was 10.85%, up compared to 10.72% in March 2012 (10.91% in December 2011 and 10.85% in June 2011).
Coverage of impaired loans was also impacted by the large presence of positions backed by collateral (64.4% of total gross impaired loans compared to 65% in December 2011 and 64.5% in June 2011), which require less recognition of impairment.

Direct funding as at 30th June 2012 amounted to €102.2 billion compared to €102.8 billion in December 2011 and €106.2 billion in June 2011, reflecting growth in direct funding from ordinary customers and a decrease in institutional funding.

The following changes occurred within the item:

- **direct funding from ordinary customers** (inclusive of bond issuances and net of institutional funding and repurchase agreements with the *Cassa di Compensazione e Garanzia* – a central counterparty clearing house) increased to €80.4 billion, up by **2.2%** year-on-year (+1% compared to December 2011);
- **repurchase agreements with the *Cassa di Compensazione e Garanzia,*** used to fund positions in securities, amounted to €7.2 billion. They increased compared to the €4.6 billion recorded in December 2011, due to the further investments made in Italian government securities in the first part of the year to support net interest income and for trading purposes;
- the remaining **institutional funding** stood at €14.7 billion (€18.7 billion in December 2011 and €20 billion in June 2011).
  The reduction is due mainly to the expiry of bonds issued on international markets under the EMTN programme. In consideration of the market environment, which would only allow issuances with high costs in relation to developments regarding the spread on Italian sovereign debt, no new issuances were made in the first half of 2012.
  The Group participated in the three-year **LTRO** auctions held by the ECB for a total of €12 billion – which accounts for the entire outstanding position with the ECB – thereby acquiring the liquidity it needs to cover institutional maturities for the whole of the 2012-2014 three-year period (a total of €9.6 billion).
  As at 22nd August 2012, **eligible assets** net of haircuts totalled €23.6 billion (€11.6 billion of unencumbered eligible assets and €12 billion pledged as collateral for the LTRO).

As at 30th June 2012, following new investments made in the first part of the year (€6 billion in the first quarter of 2012 and €3.6 billion in the second), Group **financial assets** accounted for **16% of total Group assets** and totalled €21.4 billion, of which €17.9 billion in Italian government securities.
Again with regard to the Group portfolio, **there is no exposure to government securities issued by countries "at risk"**.

Finally, **indirect funding** from ordinary customers amounted to €69 billion, down by 4.2% compared to €72.1 billion in December 2011, mainly following a significant reduction in assets under custody (-€2.6 billion).

Consolidated equity of the UBI Banca Group as at 30th June 2012, inclusive of profit for the period, amounted to €9,235 million (€8,939 million at the end of December 2011).

* * *

The total human resources of the UBI Banca Group numbered 19,306 as at 30th June 2012, a decrease compared to both December 2011 (19,407) and June 2011 (19,548). The branch network at the end of the period consisted of 1,801 branches in Italy and eight abroad.

* * *

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.

* * *

Business outlook

The high volatility on markets and the importance that institutional decisions to be taken in coming days will assume, render particularly difficult any assessment made today on the outlook for the second half.
The Group will however continue to use all means available to it in order to exploit the advantage it has gained with respect to normalised profit for 2011.

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

Attachments
Financial statements

UBI Banca Group:

- Reclassified consolidated balance sheet
- Reclassified consolidated income statement
- 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.

The mandatory financial statements, prepared on the basis of Bank of Italy Circular No. 262 of 22nd December 2005 and subsequent amendments and additions, are available in the Interim Financial Report as at 30th June 2012.

UBI Banca Group: Reclassified consolidated balance sheet

ASSETS *(figures in thousand euro)*	30.6.2012 A	31.12.2011 B	Changes A-B	% changes A/B	30.6.2011 C	Changes A-C	% changes A/C
Cash and cash equivalents	509,983	625,835	-115,852	-18.5%	595,685	-85,702	-14.4%
Financial assets held for trading	5,211,059	2,872,417	2,338,642	81.4%	1,093,974	4,117,085	376.3%
Financial assets designated at fair value	122,376	126,174	-3,798	-3.0%	468,038	-345,662	-73.9%
Available-for-sale financial assets	12,837,037	8,039,709	4,797,328	59.7%	10,223,610	2,613,427	25.6%
Held-to-maturity investments	3,192,239	-	3,192,239	n.s.	-	3,192,239	n.s.
Loans and advances to banks	4,843,142	6,184,000	-1,340,858	-21.7%	4,384,636	458,506	10.5%
Loans and advances to customers	95,333,181	99,689,770	-4,356,589	-4.4%	102,774,467	-7,441,286	-7.2%
Hedging derivatives	1,340,946	1,090,498	250,448	23.0%	413,389	927,557	224.4%
Fair value change in hedged financial assets (+/-)	819,561	704,869	114,692	16.3%	254,474	565,087	222.1%
Equity investments	406,225	352,983	53,242	15.1%	381,376	24,849	6.5%
Property, plant and equipment	2,002,183	2,045,535	-43,352	-2.1%	2,077,758	-75,575	-3.6%
Intangible assets	2,971,246	2,987,669	-16,423	-0.5%	5,287,195	-2,315,949	-43.8%
of which: goodwill	*2,538,668*	*2,538,668*	-	-	*4,286,210*	*-1,747,542*	*-40.8%*
Tax assets	2,631,652	2,817,870	-186,218	-6.6%	2,312,956	318,696	13.8%
Non-current assets and disposal groups held for sale	37,748	22,020	15,728	71.4%	7,041	30,707	436.1%
Other assets	1,350,560	2,244,343	-893,783	-39.8%	2,476,298	-1,125,738	-45.5%
Total assets	**133,609,138**	**129,803,692**	**3,805,446**	**2.9%**	**132,750,897**	**858,241**	**0.6%**

LIABILITIES AND EQUITY *(figures in thousand euro)*	30.6.2012 A	31.12.2011 B	Changes A-B	% changes A/B	30.6.2011 C	Changes A-C	% changes A/C
Due to banks	14,708,333	9,772,281	4,936,052	50.5%	4,966,574	9,741,759	196.1%
Due to customers	57,074,877	54,431,291	2,643,586	4.9%	56,199,737	875,140	1.6%
Debt securities in issue	45,171,850	48,377,363	-3,205,513	-6.6%	49,964,140	-4,792,290	-9.6%
Financial liabilities held for trading	1,274,898	1,063,673	211,225	19.9%	844,259	430,639	51.0%
Hedging derivatives	1,966,231	1,739,685	226,546	13.0%	953,439	1,012,792	106.2%
Tax liabilities	562,709	702,026	-139,317	-19.8%	1,309,724	-747,015	-57.0%
Liabilities associated with assets held for sale	-	-	-	-	987	-987	-100.0%
Other liabilities	1,991,859	3,139,616	-1,147,757	-36.6%	4,778,011	-2,786,152	-58.3%
Post-employment benefits	400,953	394,025	6,928	1.8%	383,467	17,486	4.6%
Provisions:	352,369	345,785	6,584	1.9%	335,057	17,312	5.2%
a) pension and similar obligations	77,680	76,460	1,220	1.6%	67,022	10,658	15.9%
b) other provisions	274,689	269,325	5,364	2.0%	268,035	6,654	2.5%
Share capital, share premiums, reserves, valuation reserves and treasury shares	9,075,169	10,780,511	-1,705,342	-15.8%	11,821,241	-2,746,072	-23.2%
Non-controlling interests	870,347	898,924	-28,577	-3.2%	942,551	-72,204	-7.7%
Profit (loss) for the period	159,543	-1,841,488	n.s.	n.s.	251,710	-92,167	-36.6%
Total liabilities and equity	**133,609,138**	**129,803,692**	**3,805,446**	**2.9%**	**132,750,897**	**858,241**	**0.6%**

UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	1H 2012 A	1H 2011 B	Changes A-B	% changes A/B	2nd Quarter 2012 C	2nd Quarter 2011 D	Changes C-D	% changes C/D	FY 2011 E
Net interest income	1,025,554	1,041,116	(15,562)	(1.5%)	508,266	513,579	(5,313)	(1.0%)	2,119,915
of which: effects of the purchase price allocation	*(18,673)*	*(25,854)*	*(7,181)*	*(27.8%)*	*(9,051)*	*(12,018)*	*(2,967)*	*(24.7%)*	*(49,931)*
Net interest income excluding the effects of the PPA	*1,044,227*	*1,066,970*	*(22,743)*	*(2.1%)*	*517,317*	*525,597*	*(8,280)*	*(1.6%)*	*2,169,846*
Dividends and similar income	12,682	18,665	(5,983)	(32.1%)	12,384	16,555	(4,171)	(25.2%)	19,997
Profits of equity-accounted investees	25,759	9,622	16,137	167.7%	14,924	4,953	9,971	201.3%	9,947
Net fee and commission income	586,055	586,577	(522)	(0.1%)	286,672	294,641	(7,969)	(2.7%)	1,193,708
of which performance fees	-	-	-	-	-	-	-	-	*11,728*
Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	105,364	7,221	98,143	n.s.	11,397	(7,391)	18,788	n.s.	7,329
Other net operating income/expense	39,151	42,916	(3,765)	(8.8%)	27,090	21,263	5,827	27.4%	87,443
Operating income	**1,794,565**	**1,706,117**	**88,448**	**5.2%**	**860,733**	**843,600**	**17,133**	**2.0%**	**3,438,339**
Operating income excluding the effects of the PPA	***1,813,238***	***1,731,971***	***81,267***	***4.7%***	***869,784***	***855,618***	***14,166***	***1.7%***	***3,488,270***
Staff costs	(692,780)	(737,944)	(45,164)	(6.1%)	(328,345)	(373,217)	(44,872)	(12.0%)	(1,423,196)
Other administrative expenses	(352,222)	(356,290)	(4,068)	(1.1%)	(176,476)	(185,209)	(8,733)	(4.7%)	(717,988)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(95,769)	(121,503)	(25,734)	(21.2%)	(47,020)	(61,779)	(14,759)	(23.9%)	(248,442)
of which: effects of the purchase price allocation	*(10,064)*	*(34,912)*	*(24,848)*	*(71.2%)*	*(5,003)*	*(17,456)*	*(12,453)*	*(71.3%)*	*(69,823)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(85,705)*	*(86,591)*	*(886)*	*(1.0%)*	*(42,017)*	*(44,323)*	*(2,306)*	*(5.2%)*	*(178,619)*
Operating expenses	**(1,140,771)**	**(1,215,737)**	**(74,966)**	**(6.2%)**	**(551,841)**	**(620,205)**	**(68,364)**	**(11.0%)**	**(2,389,626)**
Operating expenses excluding the effects of the PPA	***(1,130,707)***	***(1,180,825)***	***(50,118)***	***(4.2%)***	***(546,838)***	***(602,749)***	***(55,911)***	***(9.3%)***	***(2,319,803)***
Net operating income	**653,794**	**490,380**	**163,414**	**33.3%**	**308,892**	**223,395**	**85,497**	**38.3%**	**1,048,713**
Net operating income excluding the effects of the PPA	***682,531***	***551,146***	***131,385***	***23.8%***	***322,946***	***252,869***	***70,077***	***27.7%***	***1,168,467***
Net impairment losses on loans	(334,351)	(263,522)	70,829	26.9%	(203,181)	(158,148)	45,033	28.5%	(607,078)
Net impairment losses on other financial assets and liabilities	(49,740)	(19,592)	30,148	153.9%	(47,663)	(17,959)	29,704	165.4%	(135,143)
Provisions for liabilities and charges	(20,879)	(14,555)	6,324	43.4%	(16,764)	(4,136)	12,628	305.3%	(31,595)
Profits from disposal of equity investments	30	1,333	(1,303)	(97.7%)	9	1,152	(1,143)	(99.2%)	7,119
Pre-tax profit from continuing operations	**248,854**	**194,044**	**54,810**	**28.2%**	**41,293**	**44,304**	**(3,011)**	**(6.8%)**	**282,016**
Pre-tax profit from continuing operations excluding the effects of the PPA	***277,591***	***254,810***	***22,781***	***8.9%***	***55,347***	***73,778***	***(18,431)***	***(25.0%)***	***401,770***
Taxes on income for the period/year from continuing operations	(75,159)	214,718	(289,877)	n.s.	19,942	291,636	(271,694)	(93.2%)	95,942
of which: effects of the purchase price allocation	*9,496*	*20,006*	*(10,510)*	*(52.5%)*	*4,643*	*9,936*	*(5,293)*	*(53.3%)*	*39,423*
Post-tax profit from discontinued operations	13	-	13	n.s.	-	-	-	-	248
Profit for the period/year attributable to non-controlling interests	(14,165)	(13,259)	906	6.8%	(7,070)	(5,046)	2,024	40.1%	(28,833)
of which: effects of the purchase price allocation	*1,744*	*4,441*	*(2,697)*	*(60.7%)*	*862*	*2,139*	*(1,277)*	*(59.7%)*	*8,687*
Profit for the year/period attributable to the shareholders of the Parent before impairment losses on goodwill and on finite useful life intangible assets excluding the effects of the PPA	*177,040*	*431,822*	*(254,782)*	*(59.0%)*	*62,714*	*348,293*	*(285,579)*	*(82.0%)*	*421,017*
Profit for the year/period attributable to the shareholders of the Parent before impairment losses on goodwill and on finite useful life intangible assets	**159,543**	**395,503**	**(235,960)**	**(59.7%)**	**54,165**	**330,894**	**(276,729)**	**(83.6%)**	**349,373**
Impairment losses on goodwill and finite useful life intangible assets net of taxes and non-controlling interests	-	(143,793)	(143,793)	(100.0%)	-	(143,793)	143,793	(100.0%)	(2,190,861)
Profit (loss) for the year/period attributable to the shareholders of the Parent	**159,543**	**251,710**	**(92,167)**	**(36.6%)**	**54,165**	**187,101**	**(132,936)**	**(71.1%)**	**(1,841,488)**
Total impact of the purchase price allocation on the income statement	*(17,497)*	*(36,319)*	*(18,822)*	*(51.8%)*	*(8,549)*	*(17,399)*	*8,850*	*(50.9%)*	*(71,644)*

UBI Banca Group: Reclassified consolidated quarterly income statements

Figures in thousands of euro	2012 2nd Quarter	2012 1st Quarter	2011 4th Quarter	2011 3rd Quarter	2011 2nd Quarter	2011 1st Quarter
Net interest income	508,266	517,288	544,614	534,185	513,579	527,537
of which: effects of the purchase price allocation	*(9,051)*	*(9,622)*	*(12,441)*	*(11,636)*	*(12,018)*	*(13,836)*
Net interest income excluding the effects of the PPA	*517,317*	*526,910*	*557,055*	*545,821*	*525,597*	*541,373*
Dividends and similar income	12,384	298	89	1,243	16,555	2,110
Profits (losses) of equity-accounted investees	14,924	10,835	(3,171)	3,496	4,953	4,669
Net fee and commission income	286,672	299,383	315,142	291,989	294,641	291,936
of which performance fees	-	-	*11,728*	-	-	-
Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	11,397	93,967	23,999	(23,891)	(7,391)	14,612
Other net operating income	27,090	12,061	23,653	20,874	21,263	21,653
Operating income	**860,733**	**933,832**	**904,326**	**827,896**	**843,600**	**862,517**
Operating income excluding the effects of the PPA	***869,784***	***943,454***	***916,767***	***839,532***	***855,618***	***876,353***
Staff costs	(328,345)	(364,435)	(350,339)	(334,913)	(373,217)	(364,727)
Other administrative expenses	(176,476)	(175,746)	(195,751)	(165,947)	(185,209)	(171,081)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(47,020)	(48,749)	(66,574)	(60,365)	(61,779)	(59,724)
of which: effects of the purchase price allocation	*(5,003)*	*(5,061)*	*(17,455)*	*(17,456)*	*(17,456)*	*(17,456)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(42,017)*	*(43,688)*	*(49,119)*	*(42,909)*	*(44,323)*	*(42,268)*
Operating expenses	**(551,841)**	**(588,930)**	**(612,664)**	**(561,225)**	**(620,205)**	**(595,532)**
Operating expenses excluding the effects of the PPA	***(546,838)***	***(583,869)***	***(595,209)***	***(543,769)***	***(602,749)***	***(578,076)***
Net operating income	**308,892**	**344,902**	**291,662**	**266,671**	**223,395**	**266,985**
Net operating income excluding the effects of the PPA	***322,946***	***359,585***	***321,558***	***295,763***	***252,869***	***298,277***
Net impairment losses on loans	(203,181)	(131,170)	(208,413)	(135,143)	(158,148)	(105,374)
Net impairment losses on other financial assets and liabilities	(47,663)	(2,077)	3,694	(119,245)	(17,959)	(1,633)
Provisions for liabilities and charges	(16,764)	(4,115)	(11,812)	(5,228)	(4,136)	(10,419)
Profits from disposal of equity investments	9	21	5,616	170	1,152	181
Pre-tax profit from continuing operations	**41,293**	**207,561**	**80,747**	**7,225**	**44,304**	**149,740**
Profit on continuing operations before tax and excluding the effects of the PPA	***55,347***	***222,244***	***110,643***	***36,317***	***73,778***	***181,032***
Taxes on income for the period from continuing operations	19,942	(95,101)	(48,585)	(70,191)	291,636	(76,918)
of which: effects of the purchase price allocation	*4,643*	*4,853*	*9,842*	*9,575*	*9,936*	*10,070*
Post-tax profit from discontinued operations	-	13	226	22	-	-
Profit for the period attributable to non-controlling interests	(7,070)	(7,095)	(9,477)	(6,097)	(5,046)	(8,213)
of which: effects of the purchase price allocation	*862*	*882*	*2,132*	*2,114*	*2,139*	*2,302*
Profit (loss) for the period attributable to the shareholders of the Parent before impairment losses on goodwill and on finite useful life intangible assets excluding the effects of the PPA	*62,714*	*114,326*	*40,833*	*(51,638)*	*348,293*	*83,529*
Profit (loss) for the period attributable to the shareholders of the Parent before impairment losses on goodwill and on finite useful life intangible assets	**54,165**	**105,378**	**22,911**	**(69,041)**	**330,894**	**64,609**
Impairment losses on goodwill and finite useful life intangible assets net of taxes and non-controlling interests	-	-	(2,047,068)	-	(143,793)	-
Profit (loss) for the period attributable to the shareholders of the Parent	**54,165**	**105,378**	**(2,024,157)**	**(69,041)**	**187,101**	**64,609**
Total impact of the purchase price allocation on the income statement	*(8,549)*	*(8,948)*	*(17,922)*	*(17,403)*	*(17,399)*	*(18,920)*

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

Figures in thousands of euro	1H 2012	non-recurring items: Gain on public tender offer to purchase preference shares	non-recurring items: Impairment losses on equity shares and on OICR (collective investment instruments) (AFS)	non-recurring items: Leaving incentives (purs. to Law No. 214 of 22nd December 2011)	non-recurring items: Tax realignment in accordance with Law No. 111/2011 and Law No. 214/2011 of BPA goodwill recognised in the consolidated financial statements	non-recurring items: Tax relief on non accounting deductions on provisions and loan impairment of UBI Banca pursuant to Law No. L. 244/2007 (Section EC)	non-recurring items: Prior year tax credit for deduction for corporate income tax purposes of regional production tax on the cost of labour pursuant to Law No. 214/2011	1H 2012 *net of non-recurring items* A	1H 2011 B	non-recurring items: Impairment losses on the Intesa Sanpaolo share and on other AFS securities	non-recurring items: Impairment losses on goodwill and on finite useful life intangible assets (net of taxes and non-controlling interests)	non-recurring items: UBI Banca tax realignment in accordance with Law No. 111/2011 and write off of deferred income tax assets/deferred IRAP tax assets	non-recurring items: Impact of IRAP adjustment for deferred tax provisions recognised as at 31st December 2010	non-recurring items: Restructuring of UBI Leasing agent network	1H 2011 *net of non-recurring items* B	Changes A-B	% changes A/B
Net interest income (including the effects of the PPA)	1,025,554							1,025,554	1,041,116						1,041,116	(15,562)	(1.5%)
Dividends and similar income	12,682							12,682	18,665						18,665	(5,983)	(32.1%)
Profits of equity-accounted investees	25,759							25,759	9,622						9,622	16,137	167.7%
Net fee and commission income	586,055							586,055	586,577						586,577	(522)	(0.1%)
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	105,364	(20,671)						84,693	7,221						7,221	77,472	n.s.
Other net operating income	39,151							39,151	42,916					1,603	44,519	(5,368)	(12.1%)
Operating income (including the effects of PPA)	**1,794,565**	**(20,671)**	**-**	**-**	**-**	**-**	**-**	**1,773,894**	**1,706,117**	**-**	**-**	**-**	**-**	**1,603**	**1,707,720**	**66,174**	**3.9%**
Staff costs	(692,780)			3,981				(688,799)	(737,944)						(737,944)	(49,145)	(6.7%)
Other administrative expenses	(352,222)							(352,222)	(356,290)						(356,290)	(4,068)	(1.1%)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(95,769)							(95,769)	(121,503)						(121,503)	(25,734)	(21.2%)
Operating expenses (including the effects of PPA)	**(1,140,771)**	**-**	**-**	**3,981**	**-**	**-**	**-**	**(1,136,790)**	**(1,215,737)**	**-**	**-**	**-**	**-**	**-**	**(1,215,737)**	**(78,947)**	**(6.5%)**
Net operating income (including the effects of PPA)	**653,794**	**(20,671)**	**-**	**3,981**	**-**	**-**	**-**	**637,104**	**490,380**	**-**	**-**	**-**	**-**	**1,603**	**491,983**	**145,121**	**29.5%**
Net impairment losses on loans	(334,351)							(334,351)	(263,522)						(263,522)	70,829	26.9%
Net impairment losses on other financial assets and liabilities	(49,740)		47,050					(2,690)	(19,592)	19,295					(297)	2,393	n.s.
Provisions for liabilities and charges	(20,879)							(20,879)	(14,555)					3,511	(11,044)	9,835	89.1%
Profits from disposal of equity investments	30							30	1,333						1,333	(1,303)	(97.7%)
Pre-tax profit from continuing operations (including the effects of PPA)	**248,854**	**(20,671)**	**47,050**	**3,981**	**-**	**-**	**-**	**279,214**	**194,044**	**19,295**	**-**	**-**	**-**	**5,114**	**218,453**	**60,761**	**27.8%**
Taxes on income for the period from continuing operations	(75,159)	5,684	(3,161)	(1,095)	(24,992)	(8,298)	(40,400)	(147,421)	214,718	(976)		(352,841)	6,267	(1,407)	(134,239)	13,182	9.8%
Post-tax profit from discontinued operations	13							13	-						-	13	n.s.
Profit for the period attributable to non-controlling interests	(14,165)			(246)			3,142	(11,269)	(13,259)				(925)		(14,184)	(2,915)	(20.6%)
Profit for the period attributable to the shareholders of the Parent before impairment losses on goodwill and on finite useful life intangible assets	**159,543**	**(14,987)**	**43,889**	**2,640**	**(24,992)**	**(8,298)**	**(37,258)**	**120,537**	**395,503**	**18,319**	**-**	**(352,841)**	**5,342**	**3,707**	**70,030**	**50,507**	**72.1%**
Impairment losses on goodwill and finite useful life intangible assets net of taxes and non-controlling interests	-							-	(143,793)		143,793				-	-	-
Profit for the period attributable to the shareholders of the Parent	**159,543**	**(14,987)**	**43,889**	**2,640**	**(24,992)**	**(8,298)**	**(37,258)**	**120,537**	**251,710**	**18,319**	**143,793**	**(352,841)**	**5,342**	**3,707**	**70,030**	**50,507**	**72.1%**