

PRESS RELEASE

- **Net profit of 270,1 million euro compared to 69 million euro achieved in 2008**
 - **Net operating income of 1,4 billion euro, in moderate reduction (-5,9%) as a result of:**
 - **a contained decrease in operating income (-4,5%), despite the collapse in market interest rates;**
 - **a reduction in operating costs (-5% net of the impairment of the brand of some network banks and of non recurring costs relating to the branch network optimization project, booked in the last quarter of the year);**
 - **Cost of credit of 88 basis points (59 in 2008), one of the best in the banking sector.**
- **As a result of the performance of interest rates, at a record low, and the increase in the cost of credit, profit, net of non recurring items, fell by approximately 59% to 173,4 million euro.**
- **Capital strengthened further notwithstanding increase in lending and with account taken of the proposed dividend: core tier 1 ratio of 7,43%, tier 1 ratio of 7,96% and a total capital ratio of 11,91%. These ratios do not include the additional potential positive effect of over 70 basis point which could derive from the possible conversion of the convertible bond issued in July 2009.**
- **Proposed a cash dividend of 0,30 euro per share for 2009.**
- **Lending : +1,7% to 98 billion euro**
- **Total funding : +2,4% to 176 billion**
of which : Direct funding: -0,4% to 97,2 billion euro
Indirect funding +6,1% to 78,8 billion euro.

Bergamo, 19th March 2010 – 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 2009, which will be submitted for approval to the Supervisory Board on 7th April 2010.

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 23rd April and in second call on 24th April 2010, for the declaration of a **dividend** of 0,30 euro on the 639.145.902 ordinary shares outstanding.

If approved by shareholders in the amount proposed, the dividend will be paid on 24th May 2010 with value date of 27th May 2010. The total dividend payment will amount to maximum 191,7 million euro drawn, after legal and by-law allocations, on the profit of the Parent Bank (406 million euro).

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The year 2009 ended for the UBI Banca Group with a net profit of 270,1 million euro, a significant increase compared to the total of 69 million euro achieved in 2008.

The basic completion of Group integration which had already been performed at the end of 2008 allowed the new Group to concentrate on structural and organisational repositioning in 2009. Work went ahead with the reorganisation of the Parent Bank and the change of senior management in some network banks, while a wide ranging project, completed at the beginning of 2010, was implemented to optimize the branch network and focus individual brands in the areas in which they operate. Corporate transactions performed in the non life *banc assurance* sector (partnership with Fortis-BNP Paribas

Assurance), the business services sector (partnership with Affinion) and the depository bank sector (partnership with RBC-Dexia, to be concluded in 2010) laid the basis for improving efficiency and assuring the best possible service from operators of the highest standing with recognised expertise. Finally, attention to customer care continued with the *Ascolto* consultation project which entered its second year of operation. This project, implemented in co-operation with an outside specialist firm, consists of surveys performed (over 150.000 interviews per year) to monitor customer satisfaction at the level of individual branches and market segment, with both customer retention and growth objectives.

Rigorous attention to the capital solidity of the Group continued during the year. Action was taken to requalify and optimise capital with the launch of a public exchange offer on outstanding preference shares and Lower Tier II both at domestic and international level and, from the viewpoint of potential reinforcement in the future, with the issue of a convertible bond fully subscribed by shareholders.

With the proposed dividend included and in the presence of growth in lending, Group capital ratios as at 31st December 2009 had improved further with a core tier 1 ratio of 7,43% (7,09% at end 2008), a tier 1 ratio of 7,96% (7,73%) and a total capital ratio of 11,91% (11,08%). These ratios do not include the additional potential positive effect of over 70 basis point which could derive from the possible conversion of the convertible bond issued in July 2009 (the bond is convertible on initiative of the company as from January 2011).

At the same time activity continued designed to ensure a balance between sources of funding and forms of lending. This involved the diversification of international issuances also on longer maturities and took concrete form with the first issues of long term covered bonds.

Action undertaken in 2009 allows the UBI Banca Group to commence its second three-year period on solid foundations, a necessary condition for it to be able to react to the stimuli and grasp the opportunities of the “new normal” that is gradually taking form.

2009 results

Note to the comment on the period

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 fee, but also a series of other commissions applied to authorised and unauthorised current account overdrafts. The reclassified income statement has been prepared excluding the maximum overdraft fee from net interest income (reclassifying it into net commissions) for all the periods prior to 31st December 2009.

This version will be used exclusively, starting with the next financial report, for the purposes of quarterly and year-on-year comparisons.

The schemes attached to this press release also include a version of the reclassified income statement which does not reallocate maximum overdraft fee to net commissions.

The Group operated in a context of reduced economic activity, of difficulties experienced by companies and families and of low market interest rates, which had a significant effect on both net interest income and the cost of credit. On the other hand a positive contribution was made by financial items, although continuing to maintain a low risk profile on investments. Prices on equities and bond markets, which had led to the recognition of further impairment of available-for-sale financial assets in the income statement in the first part of the year, improved during the year, with a positive effect on equity reserves and a contribution to the recovery of net management and performance fees on customers' assets, which increased in the last quarter of 2009. The Group focus remains again on recurring and sustainable core income, with little resort to “up front” commissions.

Finally, the strong action taken to contain costs produced very positive results, which had a significant effect in cushioning the impact of the decrease in operating income driven by market conditions. This was despite the recognition in the fourth quarter of an additional non recurring cost related to the impairment of goodwill on the brand of some Group banks, also the consequence of the economic situation.

Detailed analysis of performance in 2009 shows **operating income**, an indicator of performance by ordinary activities, of 3.906,2 million euro compared to 4.089,7 million euro booked in 2008, recording a moderate reduction (-4,5%) despite the continuing unfavourable economic context.

Net interest income fell by 14,6% to 2,4 billion euro (-16,7% without the reclassification of the maximum overdraft fee), affected by the drastic fall in market interest rates and the change in

composition of assets and liabilities into forms with longer maturities which are less remunerative and more costly respectively. Net interest income amounted to 557,9 million euro in the fourth quarter, a reduction of 2,6% compared to the third quarter, affected by the further decrease in market interest rates to the lowest levels recorded during the year.

Dividends received on securities owned amounted to 10,6 million euro compared to 71,2 million euro in 2008, mainly due to the absence of the 55,1 million euro relating to the interest held in Intesa San Paolo.

Net commission income fell by 10,7% to 1.214,7 million euro (-4,9% without the reclassification of the maximum overdraft fee). However, after reaching a low of 291,3 million euro in the first quarter, this item recorded constant growth to 294,3 million euro in second quarter, 297,2 million euro in the third and 331,9 million in the fourth quarter, supported by commissions on the securities business, which grew from 120,2 million euro in the first quarter to 129,2 million euro in the second, 140,2 million euro in the third and 184,9 million euro (including approximately 23 million euro of performance fees) in the fourth. Up front commissions earned on the “placement of securities” and the “distribution of insurance products” fell from 82,1 million euro to 67 million euro, a decrease of 18,4% resulting from a precise commercial policy with regard to customers.

Operating income benefited from a positive **finance result**¹ in 2009 amounting to 126,8 million euro (3,2% of operating income), compared to a negative result of -242,3 million euro recorded in 2008 (+369,1 million euro year-on-year). The figure for 2009 includes a gross amount of 60,5 million euro from the gain resulting from the success of the public exchange offer on preferred shares and lower tier 2 securities, which ended in June 2009, and the write down on a fund amounting to 25,2 million euro. The entire portfolio of “held-to-maturity” investments, considered no longer strategic, was disposed of in the fourth quarter, and generated a gain of 37,4 million euro. Net of non-recurring items, which were also present in 2008, the finance result amounted to 54 million euro in 2009 compared to -203,4 million euro recognised in 2008 (+257,4 million euro year-on-year).

Furthermore, the impact recognised in fair value reserves in relation to the value recovery of equity and debt securities classified as “available-for-sale” in the proprietary securities portfolio, was positive by **253 million euro** net at the end of 2009 (it was negative by approximately 82 million euro at the end of 2008), which includes the appreciation of the Intesa San Paolo share between 30th June 2009 and 31st December 2009 amounting to 118,3 million euro net.

Net income on insurance operations, relating exclusively to UBI Assicurazioni Danni, practically tripled to approximately 31 million euro from 9,6 million euro in the previous year, which had been affected by extraordinary provisions. It will be recalled that 50%+1 share of the company in question was sold on 29th December 2009 to a strategic partner. In 2010 the company will therefore no longer be fully consolidated in the UBI Group’s accounts, and the quota of the profits attributable to the Group will be recognised within “profits of equity investments valued using the equity method”.

Net of non-recurring items detailed later in this press release, **operating costs were reduced by 5%** year-on-year.

Including these non-recurring items, **total operating costs fell by 3,7%** compared to 2008, amounting to 2.514,3 million euro.

Personnel expenses fell by 7,5% to 1.465,6 million euro, a contraction of 119,3 million euro, the combined effect of the reduction in average personnel numbers achieved as part of the integration process and the decrease in the performance related component of remuneration in relation to the economic context. In the fourth quarter of 2009 personnel expenses fell by more than 27 million euro compared to the third quarter of 2009 and by approximately 47 million euro compared to the fourth quarter of 2008.

Other administrative expenses amounted to 777,2 million euro compared to 748,6 million euro at the end of 2008, an increase of approximately 29 million euro. These were affected mainly by the introduction from the beginning of 2009 of VAT on intragroup services, particularly penalising for groups of companies with a federal structure, for approximately 28,2 million euro. Also in 2009, non recurring

¹ The finance result: net income/expense on trading, hedging and disposal and repurchase of financial assets/liabilities and on assets/ liabilities valued at fair value.

costs in relation to the branch network optimization project also had a penalising effect amounting to 7,5 million euro. **Net of the newly introduced VAT and of the non recurring costs, other administrative expenses fell by 1%.** On a quarterly basis, other administrative expenses followed the same trend as that recorded in previous years, rising in the fourth quarter compared to the third, however, not so sharply in normalised terms, if the presence in 2009 is considered of the non recurring costs just mentioned for a total of 7,5 million euro.

Net impairment losses on property, equipment and investment property and intangible assets fell by 6,4 million euro to 271,6 million euro. On the one hand these benefited from the adoption of the single target IT platform (which resulted in lower depreciation and amortisation of 26 million euro) and on the other hand they were affected by a negative component (-34,9 million euro) in relation to the impairment of the brand names of some of the network banks recognised when the allocation of the purchase price for the merger with the former Banca Lombarda Group was performed. This impairment emerged when the carrying value of the brands was tested for impairment following the completion of the operation to reorganise the branch networks; it went to rectify the amount of the purchase price allocated to the item, which therefore rose to 101 million euro from the previous 81,4 million euro.

Amortisation of the remaining goodwill on the brand names will commence from 2010 for a total of approximately 357 million euro over 19 years, with an annual impact on net profit of approximately 11 million euro.

As a summary of the overall performance of the Group, **net operating income** amounted to 1.391,9 million euro compared to 1.478,4 million euro in 2008.

Net impairment losses on loans were recognised in 2009, amounting to 865,2 million euro, compared to 566,2 million euro previously, to give a cost of credit of 0,88%, compared to 0,59% in 2008, the result of the deterioration in risk profiles for businesses and households.

The item includes the write-down of the Mariella Burani Group amounting to 56,5 million euro (42,7 million euro recognised in the last quarter of the year). Net of that write-down, the cost of credit would be approximately 0,83%.

After the extraordinary impairment of shares recognised in 2008 (510,4 million euro), **net impairment losses on other assets and liabilities**, over the last twelve months, all classified within non-recurring items, fell substantially to 49,2 million euro (9,1 million euro in relation to the Polis Fund and 32,4 million euro for the impairment of the “available for sale” investment in Intesa Sanpaolo that occurred in the first half). In the third and in the fourth quarter of the year this investment recovered in value (118,3 million euro net) on the basis of the official price – 3,1654 euro – recorded on 30th December 2009, which increased the equity reserve in relation to available-for-sale financial assets.

Disposals of equity investments recorded a profit of 100,3 million, compared to 85 million generated in 2008².

Profit on continuing operations before tax therefore rose by 19,6% to 540,9 million euro (452,1 million euro in 2008).

As a result of the changes in taxable income, taxes on income for the year for continuing operations rose to 243,4 million euro, compared to 221,6 million euro in 2008, to give a tax rate of 45,01% compared to 49,01% previously (57,52% and 47,29% respectively in normalised terms).

It should be considered that the IRAP (local production tax) component for the year amounted to 30% of taxable income, compared to a nominal rate of 4,82%, as a result of greater IRAP taxation resulting mainly from the non deductibility of net impairment losses on loans (42 million euro approximately) and the partial non deductibility of personnel expenses as well as from the partial non deductibility of other administrative expenses (a total of approximately 50,9 million euro).

² In 2009 the item mainly included gains on the following transactions: the sale on the basis of specific agreements of an interest in Banca Popolare di Ancona to Aviva for 32,4 million euro, the disposal of the majority of the share capital of UBI Assicurazioni for 45,8 million euro and the sale of the entire interest held in Mercato Impresa to the Affinon Group for 12,8 million euro. In 2008 the amount included gains on the sales of interests held in UBI Pramerica SGR (55,9 million euro) and UBI Assicurazioni Vita (22,9 million euro).

Finally the income statement contains a separate item for **integration costs**, which reduced as the integration process was completed from 67,2 million euro in the 2008 to the current amount of 15,5 million euro.

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The balance sheet

Group **loans to customers** as at 31st December 2009 amounted to more than 98 billion euro, an increase of 1,7% compared to December 2008 – an identical change to that recorded by the banking sector nationally for the private sector – and by 1,5% compared to September 2009. The growth was concentrated in the private individual retail segment and in the non banking financial companies, while demand from businesses remained weak.

The **quality of the lending portfolio** in the year-on-year comparison reflects the progressive deterioration of the economic situation. On a like-for-like basis (net of over 90 days past due loans) net deteriorated loans amounted to almost 4 billion euro at the end of December 2009 compared to 2,3 billion euro in December 2008. It must be considered that on the basis of Bank of Italy instructions, as from December 2009 mortgage backed loans that have been past due for more than 90 days have been included within “past due exposures”. These loans amounted to approximately 569 million euro as at 31st December 2009. The ratio of net non performing loans to net lending was 1,36% compared to 0,88% in December 2008 (1,23% in September 2009). Total coverage for non performing loans inclusive of collateral was 78,5% in December 2009.

The ratio of net impaired loans to net lending was 1,88% compared to 1,20% in December 2008 (1,74% in September 2009). Total coverage for impaired loans, including collateral was 28,4% in December 2009.

Direct funding at the end of 2009 amounted to 97,2 billion euro, slightly less than the 97,6 billion euro recorded at the end of 2008 (95,5 billion euro in September 2009). A year-on-year comparison shows growth in Securities in issue (+0,9 billion euro), the result of new issues of covered bonds designed to provide medium term funding as part of operations to match maturities on assets and liabilities, while the item “due to customers” (-1,3 billion euro) decreased principally as a result of a contraction in “repurchase agreement” business (-5,3 billion euro). These transactions, which are no longer attractive under current market conditions, have led customers to deposit their liquidity in “current accounts and on demand deposits” (+4,5 billion euro) or to increase indirect funding, which grew as a whole year-on-year by approximately +4,5 billion euro.

The **ratio of lending to funding** as at 31st December 2009 was 100,8% (99% approx. in December 2008). **Net interbank exposure** at the end of the year was contained at -2 billion euro (-1 billion approx. in December 2008).

Total indirect funding from private customers increased year-on-year by 6,1% to 78,8 billion euro (78,7 billion euro in September 2009), a recovery compared to the end of 2008 for all components of the aggregate (assets under management +6,3%, of which insurance products +7,3%, and assets under custody +5,8%).

On the basis of Assogestioni (national association of asset management companies) data relating to funds and sicav's, at the end of December 2009 the Group was in third place nationally for net assets with a market share of approximately 4,9%, unchanged compared to December 2008.

As a result of the disposal of the entire portfolio of investments held to maturity, the **Group portfolio of financial assets**, calculated net of financial liabilities, amounted to 7,3 billion euro and was composed as follows: approximately 10% of financial assets held for trading, 2,3% of financial assets at fair value and 87,7% of available-for-sale financial assets.

Consolidated shareholders' equity of the UBI Banca Group, as at 31st December 2009, excluding profit for the year, amounted to 11.141 million euro (11.071,2 million euro at the end of December 2008).

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As at 31st December 2009, the human resources of the UBI Banca Group totalled 20.285, a decrease of 395 compared to 20.680 in December 2008. The branch network at the end of the year consisted of 1.955 branches in Italy and eleven abroad.

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Declaration of the senior officer responsible for preparing corporate accounting documents

Elisabetta Stegher, as the executive 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 information contained in this press release is reliably based on the records contained in corporate documents and accounting records.

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Business outlook

With regard to the business outlook for operations, on the basis of the information currently available, the economic situation and the general environment for 2010 appear for the time being to be improving very slowly.

Improvement activities set in motion, including those to optimize the branch network, commercial projects in the “young people” segment and more generally initiatives to strengthen customer acquisition and growth in business volumes will allow the Group to successfully grasp opportunities arising from any increase in market interest rates.

The action undertaken to contain costs will tend to minimise the effects of increases resulting from the renegotiation of labour contracts and from the slight recovery in inflation, while it is expected that the cost of credit will start to progressively reduce from the second half onwards as a result of action taken on Group companies with lower credit quality.

Finally, with regard to an update of the Business Plan, although the relevant Bodies have already approved guidelines in previous meetings, they feel it is best not to finalise the plan until a less uncertain economic situation takes shape.

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Decisions concerning the option to redeem *the Obbligazioni Convertibili UBI 2009/2013 (UBI 2009/2013 convertible bonds) in cash.*

In view of the possible tightening of prudential regulations on capital outlined in the Basel Committee for Banking Supervision consultation document (“Strengthening the resilience of the banking sector”) published last December, the competent governing bodies of the Bank have irrevocably decided not to take advantage of the right to redeem the bond with a cash payment as provided for by articles 7, 12 and 13 of the bond regulations if the market value of the UBI Banca share on the reference date is greater than 12,80 euro (against a nominal value of the bond 12,75 euro), leaving unchanged the right to choose for lower or equal amounts. This decision will also lessen the impact on the income statement (pursuant to IAS 32) of the implicit volatility resulting from the valuation of the option in the presence of possible future prices of the share higher than 12,80 euro.

Per ulteriori informazioni:

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Copia del presente comunicato è disponibile sul sito www.ubibanca.it

Attachments

Financial statements

UBI Banca Group:

- Reclassified consolidated balance sheet
- Quarterly reclassified consolidated balance sheets
- Reclassified consolidated income statement with maximum overdraft charge reclassified within net commissions
- Quarterly reclassified consolidated income statements with maximum overdraft charge reclassified within net commissions
- Reclassified consolidated income statement without maximum overdraft charge reclassified within net commissions
- Quarterly reclassified consolidated income statements without maximum overdraft charge reclassified within net commissions
- Reclassified consolidated income statement net of the most significant non recurring items
- Bank of Italy consolidated balance sheet – mandatory statement
- Bank of Italy consolidated income statement – mandatory statement

UBI Banca S.c.p.a. :

- Bank of Italy balance sheet – mandatory statement
- Bank of Italy income statement – mandatory 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.

Following the partial disposal of UBI Assicurazioni on 29th December 2009, the income statement for 2009 still includes (the agreement having been completed at the end of the year) all the income and expense items on a “line-by-line” basis and not yet as profits on equity investments valued using the equity method on the basis of the percentage interest held. On the other hand, the balance sheet as at 31st December 2009, no longer includes the items relating to the insurance company.

A **commitment fee** was introduced from 1st July 2009 to replace the maximum overdraft charge, which was classified within interest until 30th June 2009. The reclassified financial statements are presented both with the reclassification of commitment fees into net commission income for all the periods prior to 30th September 2009, in order to allow a uniform comparison between the periods and also without that reclassification.

In order to facilitate analysis of the Group’s performance and in compliance with CONSOB Communication No. DEM/6064293 of 28th July 2006, a special statement has been included in the reclassified financial statements to show the impact on earnings only of the **principal non recurring events and items**.

UBI Banca Group: Reclassified consolidated balance sheet

Figures in thousands of euro	31.12.2009	31.12.2008	Changes	% changes
ASSETS				
Cash and cash equivalents	683.845	793.657	-109.812	-13,8%
Financial assets held for trading	1.575.764	2.326.654	-750.890	-32,3%
Financial assets at fair value	173.727	460.157	-286.430	-62,2%
Available-for-sale financial assets	6.386.257	4.351.838	2.034.419	46,7%
Held-to-maturity investments	-	1.630.844	-1.630.844	-100,0%
Loans to banks	3.278.264	3.053.704	224.560	7,4%
Loans to customers	98.007.252	96.368.452	1.638.800	1,7%
Hedging derivatives	633.263	792.398	-159.135	-20,1%
Fair value change of hedged financial assets (+/-)	301.852	335.417	-33.565	-10,0%
Equity investments	413.943	246.099	167.844	68,2%
Technical reserves of reinsurers	-	88.362	-88.362	-100,0%
Property, equipment and investment property	2.106.835	2.170.867	-64.032	-2,9%
Intangible assets	5.523.401	5.531.633	-8.232	-0,1%
<i>of which: goodwill</i>	<i>4.401.911</i>	<i>4.338.486</i>	<i>63.425</i>	<i>1,5%</i>
Tax assets	1.580.187	1.512.530	67.657	4,5%
Non-current assets and disposal groups held for sale	126.419	18.931	107.488	n.s.
Other assets	1.522.214	2.274.142	-751.928	-33,1%
Total assets	122.313.223	121.955.685	357.538	0,3%
LIABILITIES AND EQUITY				
Due to banks	5.324.434	3.980.922	1.343.512	33,7%
Due to customers	52.864.961	54.150.681	-1.285.720	-2,4%
Securities issued	44.349.444	43.440.556	908.888	2,1%
Financial liabilities held for trading	855.387	799.254	56.133	7,0%
Hedging derivatives	927.319	635.129	292.190	46,0%
Tax liabilities	1.210.867	1.514.050	-303.183	-20,0%
Liabilities associated with disposal groups held for sale	646.320	4.412	641.908	n.s.
Other liabilities	3.085.006	4.030.238	-945.232	-23,5%
Staff severance provision	414.272	433.094	-18.822	-4,3%
Provisions for risks and charges:	285.623	295.429	-9.806	-3,3%
a) pension and similar obligations	71.503	81.285	-9.782	-12,0%
b) other provisions	214.120	214.144	-24	0,0%
Technical reserves	-	408.076	-408.076	-100,0%
Share capital, share premiums and reserves	11.141.149	11.071.206	69.943	0,6%
Minority interests	938.342	1.123.637	-185.295	-16,5%
Profit for the year	270.099	69.001	201.098	291,4%
Total liabilities and equity	122.313.223	121.955.685	357.538	0,3%

UBI Banca Group: quarterly evolution of the reclassified consolidated balance sheet

	31st December 2009	30th September 2009	30th June 2009	31st March 2009	31st December 2008	30th September 2008	30th June 2008	31st March 2008 pro-forma
Figures in thousands of euro								
ASSETS								
Cash and cash equivalents	683.845	613.101	600.755	601.322	793.657	556.927	529.922	518.117
Financial assets held for trading	1.575.764	1.431.752	1.634.912	2.072.595	2.326.654	1.915.381	2.275.860	2.384.417
Financial assets at fair value	173.727	191.583	252.388	398.076	460.157	1.014.669	1.254.337	1.472.379
Available-for-sale financial assets	6.386.257	5.257.186	5.483.644	5.316.954	4.351.838	4.060.565	3.678.806	3.789.154
Held-to-maturity investments	-	1.687.077	1.577.276	1.657.865	1.630.844	1.396.121	1.401.857	1.261.503
Loans to banks	3.278.264	3.101.108	3.184.949	2.824.055	3.053.704	2.748.587	3.221.741	3.200.893
Loans to customers	98.007.252	96.554.963	96.830.116	96.892.382	96.368.452	98.020.148	96.506.114	93.126.196
Hedging derivatives	633.263	652.898	641.238	604.739	792.398	188.926	217.615	174.286
Fair value change of hedged financial assets (+/-)	301.852	403.522	313.129	461.224	335.417	8.685	-70.934	6.715
Equity investments	413.943	360.098	337.162	297.068	246.099	249.561	230.911	274.543
Technical reserves of reinsurers	-	35.249	72.166	77.691	88.362	85.462	84.441	83.682
Property, equipment and investment property	2.106.835	2.094.140	2.098.840	2.144.779	2.170.867	2.118.217	2.131.786	2.137.213
Intangible assets	5.523.401	5.588.714	5.603.009	5.613.720	5.531.633	5.549.111	5.568.650	5.596.736
<i>of which: goodwill</i>	<i>4.401.911</i>	<i>4.447.194</i>	<i>4.446.873</i>	<i>4.446.250</i>	<i>4.338.486</i>	<i>4.360.612</i>	<i>4.357.430</i>	<i>4.357.165</i>
Tax assets	1.580.187	1.200.391	1.163.829	1.555.575	1.512.530	1.077.604	1.004.769	1.239.694
Non-current assets and disposal groups held for sale	126.419	398.011	71.265	20.704	18.931	19.803	19.803	13.205
Other assets	1.522.214	1.931.071	1.978.893	1.940.263	2.274.142	2.585.655	2.662.354	2.851.620
Total assets	122.313.223	121.500.864	121.843.571	122.479.012	121.955.685	121.595.422	120.718.032	118.130.353
LIABILITIES AND EQUITY								
Due to banks	5.324.434	5.306.536	6.073.741	5.953.954	3.980.922	7.071.811	6.179.055	8.205.228
Due to customers	52.864.961	51.383.644	53.612.989	53.992.027	54.150.681	50.464.444	51.185.280	48.180.652
Securities issued	44.349.444	44.162.873	42.522.368	41.707.004	43.440.556	43.829.206	42.416.184	40.389.743
Financial liabilities held for trading	855.387	815.697	746.246	856.656	799.254	477.339	794.656	722.880
Hedging derivatives	927.319	883.088	724.402	981.373	635.129	337.193	396.679	297.082
Fair value change in hedged financial liabilities (+/-)	-	-	-	-	-	-	-	10.939
Tax liabilities	1.210.867	1.132.291	1.014.788	1.633.358	1.514.050	1.528.496	1.360.800	1.937.137
Liabilities associated with disposal groups held for sale	646.320	810.081	156	77	4.412	6.609	6.609	-
Other liabilities	3.085.006	3.743.221	3.916.535	3.939.651	4.030.238	4.111.175	4.756.203	4.212.915
Staff severance provision	414.272	440.728	436.763	430.450	433.094	424.990	425.648	449.500
Provisions for risks and charges:	285.623	282.450	289.167	292.517	295.429	375.015	361.253	317.248
a) pension and similar obligations	71.503	69.820	72.758	80.892	81.285	81.149	82.361	83.517
b) other provisions	214.120	212.630	216.409	211.625	214.144	293.866	278.892	233.731
Technical reserves	-	195.215	391.352	405.032	408.076	385.463	380.198	381.520
Share capital, share premiums and reserves	11.141.149	11.104.760	10.942.579	11.152.097	11.071.206	10.849.749	10.841.295	11.642.377
Minority interests	938.342	1.052.983	1.046.548	1.110.471	1.123.637	1.113.892	1.094.986	1.163.862
Net profit for the period	270.099	187.297	125.937	24.345	69.001	620.040	519.186	219.270
Total liabilities and equity	122.313.223	121.500.864	121.843.571	122.479.012	121.955.685	121.595.422	120.718.032	118.130.353

UBI Banca Group: Reclassified consolidated income statement with reallocation of the Maximum overdraft fee into net commission

Figures in thousands of euro	31.12.2009 A	31.12.2008 B	Changes A-B	% changes A/B	4th Quarter 2009 C	4th Quarter 2008 D	Changes C-D	% changes C/D
Net interest income	2.400.543	2.810.297	(409.754)	(14,6%)	557.917	735.666	(177.749)	(24,2%)
<i>of which: effects of the purchase price allocation</i>	(62.248)	(77.238)	(14.990)	(19,4%)	(13.963)	(18.768)	(4.805)	(25,6%)
Net interest income excluding the effects of the PPA	2.462.791	2.887.535	(424.744)	(14,7%)	571.880	754.434	(182.554)	(24,2%)
Dividends and similar income	10.609	71.204	(60.595)	(85,1%)	856	1.210	(354)	(29,3%)
Profit (loss) of equity investments valued using the equity method	35.375	18	35.357	n.s.	16.383	(14.556)	30.939	n.s.
Net commission income	1.214.688	1.360.105	(145.417)	(10,7%)	331.886	323.815	8.071	2,5%
<i>of which performance fees</i>	22.930	6.274	16.656	265,5%	22.930	6.274	16.656	265,5%
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	126.783	(242.261)	369.044	n.s.	33.737	(192.557)	226.294	n.s.
Net income from insurance operations	30.945	9.639	21.306	221,0%	(51)	(6.915)	(6.864)	(99,3%)
Other operating income/(expense)	87.304	80.737	6.567	8,1%	18.538	13.848	4.690	33,9%
Operating income	3.906.247	4.089.739	(183.492)	(4,5%)	959.266	860.511	98.755	11,5%
Operating income excluding the effects of the PPA	3.968.495	4.166.977	(198.482)	(4,8%)	973.229	879.279	93.950	10,7%
Personnel expenses	(1.465.574)	(1.584.867)	(119.293)	(7,5%)	(346.621)	(393.603)	(46.982)	(11,9%)
Other administrative expenses	(777.216)	(748.571)	28.645	3,8%	(219.492)	(211.601)	7.891	3,7%
Net impairment losses on property, equipment and investment property and intangible assets	(271.557)	(277.910)	(6.353)	(2,3%)	(97.914)	(77.467)	20.447	26,4%
<i>of which: effects of the purchase price allocation</i>	(100.992)	(81.364)	19.628	24,1%	(51.416)	(26.663)	24.753	92,8%
Net impairment losses on property, equipment and investment property and intangible assets excluding the effects of the PPA	(170.565)	(196.546)	(25.981)	(13,2%)	(46.498)	(50.804)	(4.306)	(8,5%)
Operating costs	(2.514.347)	(2.611.348)	(97.001)	(3,7%)	(664.027)	(682.671)	(18.644)	(2,7%)
Operating costs excluding the effects of the PPA	(2.413.355)	(2.529.984)	(116.629)	(4,6%)	(612.611)	(656.008)	(43.397)	(6,6%)
Net operating income	1.391.900	1.478.391	(86.491)	(5,9%)	295.239	177.840	117.399	66,0%
Net operating income excluding the effects of the PPA	1.555.140	1.636.993	(81.853)	(5,0%)	360.618	223.271	137.347	61,5%
Net impairment losses on loans	(865.211)	(566.223)	298.988	52,8%	(272.667)	(310.399)	(37.732)	(12,2%)
Net impairment losses on other assets/liabilities	(49.160)	(510.550)	(461.390)	(90,4%)	(13.606)	(516.179)	(502.573)	(97,4%)
Net provisions for risks and charges	(36.932)	(34.489)	2.443	7,1%	(7.440)	4.531	(11.971)	n.s.
Profits (loss) from disposal of equity investments	100.302	84.985	15.317	18,0%	96.684	4.699	91.985	n.s.
Profit (loss) on continuing operations before tax	540.899	452.114	88.785	19,6%	98.210	(639.508)	737.718	n.s.
Profit (loss) on continuing operations before tax excluding the effects of the PPA	704.139	610.716	93.423	15,3%	163.589	(594.077)	757.666	n.s.
Taxes on income for the period for continuing operations	(243.442)	(221.564)	21.878	9,9%	(22.524)	125.544	(148.068)	n.s.
<i>of which: effects of the purchase price allocation</i>	52.532	51.258	1.274	2,5%	21.093	14.320	6.773	47,3%
Integration costs	(15.465)	(67.236)	(51.771)	(77,0%)	(633)	(21.825)	(21.192)	(97,1%)
<i>of which: personnel expenses</i>	(11.626)	(47.796)	(36.170)	(75,7%)	(97)	(14.538)	(14.441)	(99,3%)
<i>other administrative expenses</i>	(5.886)	(41.920)	(36.034)	(86,0%)	(186)	(12.442)	(12.256)	(98,5%)
<i>net impairment losses on property, equipment and investment property and taxes</i>	(4.510)	(6.223)	(1.713)	(27,5%)	(646)	(4.232)	(3.586)	(84,7%)
	6.557	28.703	(22.146)	(77,2%)	296	9.387	(9.091)	(96,8%)
After tax profit (loss) from discontinued operations	5.155	(15.727)	20.882	n.s.	-	(4.698)	4.698	(100,0%)
Profit (loss) for the period attributable to minority interests	(17.048)	(78.586)	(61.538)	(78,3%)	7.749	(10.552)	18.301	n.s.
<i>of which: effects of the purchase price allocation</i>	24.280	18.868	5.412	28,7%	12.461	6.152	6.309	102,6%
Profit (loss) for the period attributable to the shareholders of the Parent excluding the effects of the PPA	356.527	157.477	199.050	126,4%	114.627	(526.080)	640.707	n.s.
Profit (loss) for the period attributable to the shareholders of the Parent Bank	270.099	69.001	201.098	291,4%	82.802	(551.039)	633.841	n.s.
Total impact of the purchase price allocation on the income statement	(86.428)	(88.476)	(2.048)	(2,3%)	(31.825)	(24.959)	6.866	27,5%

UBI Banca Group: Reclassified consolidated quarterly income statement with reallocation of the Maximum overdraft fee into net commission

Figures in thousands of euro	2009				2008			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter pro-forma
Net interest income	557.917	572.951	616.804	652.871	735.666	698.776	688.994	686.861
<i>of which: effects of the purchase price allocation</i>	(13.963)	(15.198)	(18.027)	(15.060)	(18.768)	(15.172)	(24.079)	(19.219)
Net interest income excluding the effects of the PPA	571.880	588.149	634.831	667.931	754.434	713.948	713.073	706.080
Dividends and similar income	856	6.253	1.656	1.844	1.210	1.519	66.839	1.636
Profit (loss) of equity investments valued using the equity method	16.383	8.828	5.956	4.208	(14.556)	374	5.470	8.730
Net commission income	331.886	297.178	294.300	291.324	323.815	322.090	348.662	365.538
<i>of which performance fees</i>	22.930	-	-	-	6.274	-	-	-
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	33.737	26.363	48.429	18.254	(192.557)	(60.596)	37.980	(27.088)
Net income from insurance operations	(51)	8.967	16.088	5.941	(6.915)	2.743	9.700	4.111
Other operating income/(expense)	18.538	24.249	23.226	21.291	13.848	17.815	20.793	28.281
Operating income	959.266	944.789	1.006.459	995.733	860.511	982.721	1.178.438	1.068.069
Operating income excluding the effects of the PPA	973.229	959.987	1.024.486	1.010.793	879.279	997.893	1.202.517	1.087.288
Personnel expenses	(346.621)	(373.655)	(366.562)	(378.736)	(393.603)	(380.276)	(415.472)	(395.516)
Other administrative expenses	(219.492)	(174.589)	(200.525)	(182.610)	(211.601)	(165.107)	(198.221)	(173.642)
Net impairment losses on property, equipment and investment property and intangible assets	(97.914)	(58.143)	(57.546)	(57.954)	(77.467)	(66.949)	(66.942)	(66.552)
<i>of which: effects of the purchase price allocation</i>	(51.416)	(16.526)	(16.525)	(16.525)	(26.663)	(18.237)	(18.237)	(18.227)
Net impairment losses on property, equipment and investment property and intangible assets excluding the effects of the PPA	(46.498)	(41.617)	(41.021)	(41.429)	(50.804)	(48.712)	(48.705)	(48.325)
Operating costs	(664.027)	(606.387)	(624.633)	(619.300)	(682.671)	(612.332)	(680.635)	(635.710)
Operating costs excluding the effects of the PPA	(612.611)	(589.861)	(608.108)	(602.775)	(656.008)	(594.095)	(662.398)	(617.483)
Net operating income	295.239	338.402	381.826	376.433	177.840	370.389	497.803	432.359
Net operating income excluding the effects of the PPA	360.618	370.126	416.378	408.018	223.271	403.798	540.119	469.805
Net impairment losses on loans	(272.667)	(197.349)	(235.622)	(159.573)	(310.399)	(102.868)	(93.299)	(59.657)
Net impairment losses on other assets and liabilities	(13.606)	(580)	39.372	(74.346)	(516.179)	2.122	3.517	(10)
Net provisions for risks and charges	(7.440)	(2.621)	(17.081)	(9.790)	4.531	(13.100)	(17.431)	(8.489)
Profits (loss) from disposal of equity investments	96.684	(213)	(357)	4.188	4.699	1.196	21.708	57.382
Profit (loss) on continuing operations before tax	98.210	137.639	168.138	136.912	(639.508)	257.739	412.298	421.585
Profit (loss) on continuing operations before tax excluding the effects of the PPA	163.589	169.363	202.690	168.497	(594.077)	291.148	454.614	459.031
Taxes on income for the period for continuing operations	(22.524)	(67.883)	(50.367)	(102.668)	125.544	(120.023)	(66.345)	(160.740)
<i>of which: effects of the purchase price allocation</i>	21.093	10.189	11.106	10.144	14.320	11.123	13.782	12.033
Integration costs	(633)	(3.875)	(4.555)	(6.402)	(21.825)	(16.954)	(14.037)	(14.420)
<i>of which: personnel expenses</i>	(97)	(2.563)	(3.998)	(4.968)	(14.538)	(14.735)	(8.634)	(9.889)
<i>other administrative expenses</i>	(186)	(1.690)	(1.136)	(2.874)	(12.442)	(8.288)	(10.788)	(10.402)
<i>net impairment losses on property, equipment and investment property and intangible assets</i>	(646)	(1.289)	(1.312)	(1.263)	(4.232)	(951)	(718)	(322)
<i>taxes</i>	296	1.667	1.891	2.703	9.387	7.020	6.103	6.193
After tax profit (loss) from discontinued operations	0	(33)	(5)	5.193	(4.698)	-	(11.029)	-
Profit (loss) for the period attributable to minority interests	7.749	(4.488)	(11.619)	(8.690)	(10.552)	(19.908)	(20.971)	(27.155)
<i>of which: effects of the purchase price allocation</i>	12.461	4.219	4.117	3.483	6.152	3.646	4.942	4.128
Profit (loss) for the period attributable to the shareholders of the Parent excluding the effects of the PPA	114.627	78.676	120.921	42.303	(526.080)	119.494	323.508	240.555
Profit (loss) for the period attributable to the shareholders of the Parent Bank	82.802	61.360	101.592	24.345	(551.039)	100.854	299.916	219.270
<i>Total impact of the purchase price allocation on the income statement</i>	<i>(31.825)</i>	<i>(17.316)</i>	<i>(19.329)</i>	<i>(17.958)</i>	<i>(24.959)</i>	<i>(18.640)</i>	<i>(23.592)</i>	<i>(21.285)</i>

UBI Banca Group: Reclassified consolidated income statement without reallocation of the Maximum overdraft fee into net commission

Figures in thousands of euro	31.12.2009 A	31.12.2008 B	Changes A-B	% changes A/B	4th Quarter 2009 C	4th Quarter 2008 D	Changes C-D	% changes C/D
Net interest income	2.485.056	2.982.127	(497.071)	(16,7%)	560.114	778.524	(218.410)	(28,1%)
<i>of which: effects of the purchase price allocation</i>	(62.248)	(77.238)	(14.990)	(19,4%)	(13.963)	(18.768)	(4.805)	(25,6%)
<i>Net interest income excluding the effects of the PPA</i>	2.547.304	3.059.365	(512.061)	(16,7%)	574.077	797.292	(223.215)	(28,0%)
Dividends and similar income	10.609	71.204	(60.595)	(85,1%)	856	1.210	(354)	(29,3%)
Profit (loss) of equity investments valued using the equity method	35.375	18	35.357	n.s.	16.383	(14.556)	30.939	n.s.
Net commission income	1.130.175	1.188.275	(58.100)	(4,9%)	329.689	280.957	48.732	17,3%
<i>of which performance fees</i>	22.930	6.274	16.656	265,5%	22.930	6.274	16.656	265,5%
Net income from trading, hedging and disposal /repurchase activities and from assets/liabilities at fair value	126.783	(242.261)	369.044	n.s.	33.737	(192.557)	226.294	n.s.
Net income from insurance operations	30.945	9.639	21.306	221,0%	(51)	(6.915)	(6.864)	(99,3%)
Other operating income/(expense)	87.304	80.737	6.567	8,1%	18.538	13.848	4.690	33,9%
Operating income	3.906.247	4.089.739	(183.492)	(4,5%)	959.266	860.511	98.755	11,5%
Operating income excluding the effects of the PPA	3.968.495	4.166.977	(198.482)	(4,8%)	973.229	879.279	93.950	10,7%
Personnel expenses	(1.465.574)	(1.584.867)	(119.293)	(7,5%)	(346.621)	(393.603)	(46.982)	(11,9%)
Other administrative expenses	(777.216)	(748.571)	28.645	3,8%	(219.492)	(211.601)	7.891	3,7%
Net impairment losses on property, equipment and investment property and intangible assets	(271.557)	(277.910)	(6.353)	(2,3%)	(97.914)	(77.467)	20.447	26,4%
<i>of which: effects of the purchase price allocation</i>	(100.992)	(81.364)	19.628	24,1%	(51.416)	(26.663)	24.753	92,8%
<i>Net impairment losses on property, equipment and investment property and intangible assets excluding the effects of the PPA</i>	(170.565)	(196.546)	(25.981)	(13,2%)	(46.498)	(50.804)	(4.306)	(8,5%)
Operating costs	(2.514.347)	(2.611.348)	(97.001)	(3,7%)	(664.027)	(682.671)	(18.644)	(2,7%)
Operating costs excluding the effects of the PPA	(2.413.355)	(2.529.984)	(116.629)	(4,6%)	(612.611)	(656.008)	(43.397)	(6,6%)
Net operating income	1.391.900	1.478.391	(86.491)	(5,9%)	295.239	177.840	117.399	66,0%
Net operating income excluding the effects of the PPA	1.555.140	1.636.993	(81.853)	(5,0%)	360.618	223.271	137.347	61,5%
Net impairment losses on loans	(865.211)	(566.223)	298.988	52,8%	(272.667)	(310.399)	(37.732)	(12,2%)
Net impairment losses on other assets/liabilities	(49.160)	(510.550)	461.390	(90,4%)	(13.606)	(516.179)	(502.573)	(97,4%)
Net provisions for risks and charges	(36.932)	(34.489)	2.443	7,1%	(7.440)	4.531	(11.971)	n.s.
Profits (loss) from disposal of equity investments	100.302	84.985	15.317	18,0%	96.684	4.699	91.985	n.s.
Profit (loss) on continuing operations before tax	540.899	452.114	88.785	19,6%	98.210	(639.508)	737.718	n.s.
Profit (loss) on continuing operations before tax excluding the effects of the PPA	704.139	610.716	93.423	15,3%	163.589	(594.077)	757.666	n.s.
Taxes on income for the period for continuing operations	(243.442)	(221.564)	21.878	9,9%	(22.524)	125.544	(148.068)	n.s.
<i>of which: effects of the purchase price allocation</i>	52.532	51.258	1.274	2,5%	21.093	14.320	6.773	47,3%
Integration costs	(15.465)	(67.236)	(51.771)	(77,0%)	(633)	(21.825)	(21.192)	(97,1%)
<i>of which: personnel expenses</i>	(11.626)	(47.796)	(36.170)	(75,7%)	(97)	(14.538)	(14.441)	(99,3%)
<i>other administrative expenses</i>	(5.886)	(41.920)	(36.034)	(86,0%)	(186)	(12.442)	(12.256)	(98,5%)
<i>net impairment losses on property, equipment and investment taxes</i>	(4.510)	(6.223)	(1.713)	(27,5%)	(646)	(4.232)	(3.586)	(84,7%)
<i>taxes</i>	6.557	28.703	(22.146)	(77,2%)	296	9.387	(9.091)	(96,8%)
After tax profit (loss) from discontinued operations	5.155	(15.727)	20.882	n.s.	-	(4.698)	(4.698)	(100,0%)
Profit (loss) for the period attributable to minority interests	(17.048)	(78.586)	(61.538)	(78,3%)	7.749	(10.552)	18.301	n.s.
<i>of which: effects of the purchase price allocation</i>	24.280	18.868	5.412	28,7%	12.461	6.152	6.309	102,6%
<i>Profit (loss) for the period attributable to the shareholders of the Parent excluding the effects of the PPA</i>	356.527	157.477	199.050	126,4%	114.627	(526.080)	640.707	n.s.
Profit (loss) for the period attributable to the shareholders of the Parent Bank	270.099	69.001	201.098	291,4%	82.802	(551.039)	633.841	n.s.
Total impact of the purchase price allocation on the income statement	(86.428)	(88.476)	(2.048)	(2,3%)	(31.825)	(24.959)	6.866	27,5%

For information purposes, the reclassified consolidated income statement, together with the quarterly income statements, are presented without the reclassification of Maximum Overdraft Charges, i.e. maintaining them within net interest income and recognising commitment fees within net commissions from 1st July 2009. Without that reclassification, in 2009 net interest income fell by 16,7%, while commissions fell by 4,9%.

UBI Banca Group: Reclassified consolidated quarterly income statement without reallocation of the Maximum overdraft fee into net commission

Figures in thousands of euro	2009				2008			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter pro-forma
Net interest income	560.114	577.084	654.067	693.791	778.524	740.671	731.909	731.023
<i>of which: effects of the purchase price allocation</i>	(13.963)	(15.198)	(18.027)	(15.060)	(18.768)	(15.172)	(24.079)	(19.219)
Net interest income excluding the effects of the PPA	574.077	592.282	672.094	708.851	797.292	755.843	755.988	750.242
Dividends and similar income	856	6.253	1.656	1.844	1.210	1.519	66.839	1.636
Profit (loss) of equity investments valued using the equity method	16.383	8.828	5.956	4.208	(14.556)	374	5.470	8.730
Net commission income	329.689	293.045	257.037	250.404	280.957	280.195	305.747	321.376
<i>of which performance fees</i>	22.930	-	-	-	6.274	-	-	-
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	33.737	26.363	48.429	18.254	(192.557)	(60.596)	37.980	(27.088)
Net income from insurance operations	(51)	8.967	16.088	5.941	(6.915)	2.743	9.700	4.111
Other operating income/(expense)	18.538	24.249	23.226	21.291	13.848	17.815	20.793	28.281
Operating income	959.266	944.789	1.006.459	995.733	860.511	982.721	1.178.438	1.068.069
Operating income excluding the effects of the PPA	973.229	959.987	1.024.486	1.010.793	879.279	997.893	1.202.517	1.087.288
Personnel expenses	(346.621)	(373.655)	(366.562)	(378.736)	(393.603)	(380.276)	(415.472)	(395.516)
Other administrative expenses	(219.492)	(174.589)	(200.525)	(182.610)	(211.601)	(165.107)	(198.221)	(173.642)
Net impairment losses on property, equipment and investment property and intangible assets	(97.914)	(58.143)	(57.546)	(57.954)	(77.467)	(66.949)	(66.942)	(66.552)
<i>of which: effects of the purchase price allocation</i>	(51.416)	(16.526)	(16.525)	(16.525)	(26.663)	(18.237)	(18.237)	(18.227)
Net impairment losses on property, equipment and investment property and intangible assets excluding the effects of the PPA	(46.498)	(41.617)	(41.021)	(41.429)	(50.804)	(48.712)	(48.705)	(48.325)
Operating costs	(664.027)	(606.387)	(624.633)	(619.300)	(682.671)	(612.332)	(680.635)	(635.710)
Operating costs excluding the effects of the PPA	(612.611)	(589.861)	(608.108)	(602.775)	(656.008)	(594.095)	(662.398)	(617.483)
Net operating income	295.239	338.402	381.826	376.433	177.840	370.389	497.803	432.359
Net operating income excluding the effects of the PPA	360.618	370.126	416.378	408.018	223.271	403.798	540.119	469.805
Net impairment losses on loans	(272.667)	(197.349)	(235.622)	(159.573)	(310.399)	(102.868)	(93.299)	(59.657)
Net impairment losses on other assets and liabilities	(13.606)	(580)	39.372	(74.346)	(516.179)	2.122	3.517	(10)
Net provisions for risks and charges	(7.440)	(2.621)	(17.081)	(9.790)	4.531	(13.100)	(17.431)	(8.489)
Profits (loss) from disposal of equity investments	96.684	(213)	(357)	4.188	4.699	1.196	21.708	57.382
Profit (loss) on continuing operations before tax	98.210	137.639	168.138	136.912	(639.508)	257.739	412.298	421.585
Profit (loss) on continuing operations before tax excluding the effects of the PPA	163.589	169.363	202.690	168.497	(594.077)	291.148	454.614	459.031
Taxes on income for the period for continuing operations	(22.524)	(67.883)	(50.367)	(102.668)	125.544	(120.023)	(66.345)	(160.740)
<i>of which: effects of the purchase price allocation</i>	21.093	10.189	11.106	10.144	14.320	11.123	13.782	12.033
Integration costs	(633)	(3.875)	(4.555)	(6.402)	(21.825)	(16.954)	(14.037)	(14.420)
<i>of which: personnel expenses</i>	(97)	(2.563)	(3.998)	(4.968)	(14.538)	(14.735)	(8.634)	(9.889)
<i>other administrative expenses</i>	(186)	(1.690)	(1.136)	(2.874)	(12.442)	(8.288)	(10.788)	(10.402)
net impairment losses on property, equipment and investment property and intangible assets	(646)	(1.289)	(1.312)	(1.263)	(4.232)	(951)	(718)	(322)
taxes	296	1.667	1.891	2.703	9.387	7.020	6.103	6.193
After tax profit (loss) from discontinued operations	0	(33)	(5)	5.193	(4.698)	-	(11.029)	-
Profit (loss) for the period attributable to minority interests	7.749	(4.488)	(11.619)	(8.690)	(10.552)	(19.908)	(20.971)	(27.155)
<i>of which: effects of the purchase price allocation</i>	12.461	4.219	4.117	3.483	6.152	3.646	4.942	4.128
Profit (loss) for the period attributable to the shareholders of the Parent excluding the effects of the PPA	114.627	78.676	120.921	42.303	(526.080)	119.494	323.508	240.555
Profit (loss) for the period attributable to the shareholders of the Parent	82.802	61.360	101.592	24.345	(551.039)	100.854	299.916	219.270
<i>Total impact of the purchase price allocation on the income statement</i>	<i>(31.825)</i>	<i>(17.316)</i>	<i>(19.329)</i>	<i>(17.958)</i>	<i>(24.959)</i>	<i>(18.640)</i>	<i>(23.592)</i>	<i>(21.285)</i>

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

	31.12.2009									non-recurring items					Changes A-B	% changes A/B			
	31.12.2009	P.E.O. gain on subordinat ed securities	Disinvestm ent in securities and disposals	Impairme nt of intangible assets	Write-down of DD Growth Fund	Tax realignment pursuant to Art. 15, paragraph 3, Decree Law 158/2009	Branch network streamlinin g consulting expenses	Other non recurring items	Integration costs	31.12.2009 net of non- recurring items A	31.12.2008	Disposal and impairment of equity investments	Tax Redemption EC section and recognition of goodwill	Madoff effect, Lehman Brothers and Icelandic			Adjustment of branch prices, adjustment of guarantee values, and Integratio n costs	31.12.2008 net of non- recurring items B	
Figures in thousands of euro																			
Net interest income (including the effects of PPA)	2.400.543								2.400.543	2.810.297						2.810.297	(409.754)	(14,6%)	
Dividends and similar income	10.609								10.609	71.204						71.204	(60.595)	(85,1%)	
Profit (loss) of equity investments valued using the equity method	35.375								35.375	18			13.018		13.036	22.339	171,4%		
Net commission income	1.214.688								1.214.688	1.360.105					1.360.105	(145.417)	(10,7%)		
of which performance fees	22.930								22.930	6.274					6.274	16.656	265,5%		
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	126.783	(60.543)	(37.441)		25.234				54.033	(242.261)	(30.262)		69.132		(203.391)	257.424	n.s.		
Net income from insurance operations	30.945								30.945	9.639					9.639	21.306	221,0%		
Other net operating income/(expense)	87.304						1.686		88.990	80.737					80.737	8.253	10,2%		
Operating income (including the effects of PPA)	3.906.247	(60.543)	(37.441)	-	25.234	-	-	1.686	-	3.835.183	4.089.739	(30.262)	-	82.150	-	-	4.141.627	(306.444)	(7,4%)
Personnel expenses	(1.465.574)								(1.465.574)	(1.584.867)					(1.584.867)	(119.293)	(7,5%)		
Other administrative expenses	(777.216)						7.511		(769.705)	(748.571)					(748.571)	21.134	2,8%		
Net impairment losses on property, equipment and investment property and intangible assets (including the effects of PPA)	(271.557)			34.891					(236.666)	(277.910)				8.425	(269.485)	(32.819)	(12,2%)		
Operating costs (including the effects of PPA)	(2.514.347)	-	-	34.891	-	-	7.511	-	-	(2.471.945)	(2.611.348)	-	-	8.425	-	(2.602.923)	(130.978)	(5,0%)	
Net operating income (including the effects of PPA)	1.391.900	(60.543)	(37.441)	34.891	25.234	-	7.511	1.686	-	1.363.238	1.478.391	(30.262)	-	82.150	8.425	-	1.538.704	(175.466)	(11,4%)
Net impairment losses on loans	(865.211)							3.479	(861.732)	(566.223)			9.523		(556.700)	305.032	54,8%		
Net impairment losses on other assets and liabilities	(49.160)		41.454						(7.706)	(510.550)	510.351			(7.192)	(7.391)	315	4,3%		
Net provisions for risks and charges	(36.932)							4.996	(31.936)	(34.489)			1.500		(32.989)	(1.053)	(3,2%)		
Profit (loss) from disposal of equity investments	100.302		(96.157)						4.145	84.985	(78.808)				6.177	(2.032)	(32,9%)		
Profit (loss) on continuing operations before tax (including the effects of PPA)	540.899	(60.543)	(92.144)	34.891	25.234	-	7.511	10.161	-	466.009	452.114	401.281	-	93.173	1.233	-	947.801	(481.792)	(50,8%)
Taxes on income for the year for continuing operations	(243.442)	19.586	11.285	(11.305)	(8.156)	(31.038)	(2.433)	(2.524)	(268.027)	(221.564)	(21.069)	(183.267)	(21.655)	(704)	(448.259)	(180.232)	(40,2%)		
Integration costs	(15.465)							15.465	-	(67.236)					67.236	-	-		
of which: personnel expenses	(11.626)								-	(47.796)					47.796	-	-		
other administrative expenses	(5.886)							5.886	-	(41.920)					41.920	-	-		
net impairment losses on property, equipment and investment property and intangible assets	(4.510)								-	(6.223)					6.223	-	-		
taxes	6.557							(6.557)	-	28.703					(28.703)	-	-		
After tax profit (loss) from discontinued operations	5.155								-	(15.727)			15.817		90	(90)	(100,0%)		
Profit/loss for the year attributable to minority interests	(17.048)		563	(8.761)		3.284	(633)	(700)	(1.307)	(24.602)	(78.586)	709	11.137	(77)	(3.775)	(3.713)	(74.305)	(49.703)	(66,9%)
Profit for the year attributable to the shareholders of the Parent	270.099	(40.957)	(80.296)	14.825	17.078	(27.754)	4.445	1.782	14.158	173.380	69.001	380.921	(172.130)	71.441	12.571	63.523	425.327	(251.947)	(59,2%)

UBI Banca Group: Mandatory financial statements - Consolidated balance sheet

ASSET ITEMS (Figures in thousands of euro)	31/12/2009	31/12/2008
Cash and cash equivalents	683.845	793.657
Financial assets held for trading	1.575.764	2.326.654
Financial assets at fair value	173.727	460.157
Available-for-sale financial assets	6.386.257	4.351.838
Held-to-maturity investments	-	1.630.844
Loans to banks	3.278.264	3.053.704
Loans to customers	98.007.252	96.368.452
Hedging derivatives	633.263	792.398
Fair value change in hedged financial assets	301.852	335.417
Equity investments	413.943	246.099
Technical reserves of reinsurers	-	88.362
Property, equipment and investment property	2.106.835	2.170.867
Intangible assets	5.523.401	5.531.633
of which:		
<i>goodwill</i>	4.401.911	4.338.486
Tax assets:	1.580.187	1.512.530
a) current	744.435	746.975
b) deferred	835.752	765.555
Non current assets and disposal groups held for sale	126.419	18.931
Other assets	1.522.214	2.274.142
Total assets	122.313.223	121.955.685

LIABILITIES AND EQUITY (Figures in thousands of euro)	31/12/2009	31/12/2008
Due to banks	5.324.434	3.980.922
Due to customers	52.864.961	54.150.681
Securities issued	44.349.444	43.440.556
Financial liabilities held for trading	855.387	799.254
Financial liabilities at fair value	-	-
Hedging derivatives	927.319	635.129
Fair value change of hedged financial liabilities	-	-
Tax liabilities:	1.210.867	1.514.050
a) current	558.997	744.869
b) deferred	651.870	769.181
Liabilities associated with disposal groups held for sale	646.320	4.412
Other liabilities	3.085.006	4.030.238
Staff severance provisions	414.272	433.094
Provisions for risks and charges:	285.623	295.429
a) pension and similar obligations	71.503	81.285
b) other provisions	214.120	214.144
Technical reserves	-	408.076
Fair value reserves	235.043	(70.296)
Reimbursable shares	-	-
Capital instruments	-	-
Reserves	2.207.863	2.443.259
Share premiums	7.100.378	7.100.378
Share capital	1.597.865	1.597.865
Treasury shares	-	-
Minority interests	938.342	1.123.637
Profit for the year	270.099	69.001
Total liabilities and equity	122.313.223	121.955.685

UBI Banca Group: Mandatory financial statements - Consolidated income statement

Figures in thousands of euro	31/12/2009	31/12/2008
Interest and similar income	4.213.948	6.190.249
Interest expense and similar	(1.718.320)	(3.193.905)
Net interest income	2.495.628	2.996.344
Commission income	1.329.184	1.387.721
Commission expense	(199.009)	(199.446)
Net commission income	1.130.175	1.188.275
Dividends and similar income	10.609	71.204
Net trading income (loss) □	13.864	(142.274)
Net hedging income (loss)	15.960	(18.459)
Income/expenses from disposal or repurchase of:	122.115	29.452
a) loans	(81)	(8.147)
b) available-for-sale financial assets	30.516	30.046
c) held-to-maturity investments	37.441	-
d) financial liabilities	54.239	7.553
Net income/expenses on financial assets and liabilities at fair value	(25.151)	(118.035)
Gross income	3.763.200	4.006.507
Net impairment losses on:	(914.371)	(1.069.718)
a) loans	(865.211)	(559.168)
b) available-for-sale financial assets	(43.883)	(516.917)
c) held-to-maturity investments	-	-
d) other financial transactions	(5.277)	6.367
Net financial operating income	2.848.829	2.936.789
Net insurance premiums	169.176	189.040
Other income net income/expenses of insurance operations	(149.127)	(191.426)
Net income from banking and insurance operations	2.868.878	2.934.403
Administrative expenses	(2.415.610)	(2.581.014)
a) personnel expenses	(1.477.200)	(1.632.663)
b) other administrative expenses	(938.410)	(948.351)
Net provisions for risks and charges	(36.932)	(34.489)
Net impairment losses on property, equipment and investment property	(117.408)	(123.567)
Net impairment losses on intangible assets	(150.770)	(151.045)
Other operating income/(expense)	235.042	226.884
Operating costs	(2.485.678)	(2.663.231)
Profits (losses) of equity investments	35.578	2.050
Profits (losses) on disposal of investments	100.099	82.953
Profit (loss) on continuing operations before tax	518.877	356.175
Taxes on profit for the period for continuing operations	(236.885)	(192.861)
After tax profit (loss) on continuing operations	281.992	163.314
Profit (loss) after tax of discontinued operations	5.155	(15.727)
Profit (loss) for the year	287.147	147.587
Profit attributable to minority interests	(17.048)	(78.586)
340. Profit (loss) for the year attributable to the shareholders of the Parent Bank	270.099	69.001

UBI Banca Scpa: Mandatory financial statements - Balance sheet

ASSETS Figures in euro	31.12.2009	31.12.2008
Cash and cash equivalents	215.834.809	246.459.531
Financial assets held for trading	1.857.483.753	2.424.110.857
Financial assets at fair value	173.726.637	460.156.962
Available-for-sale financial assets	4.919.281.521	2.767.513.109
Held-to-maturity investments	-	1.620.566.668
Loans to banks	28.278.016.388	29.298.337.507
Loans to customers	12.560.060.343	10.446.767.620
Hedging derivatives	122.894.441	72.786.755
Equity investments	12.183.513.925	11.909.207.092
Property, equipment and investment property	652.815.865	677.217.765
Intangible assets	545.892.836	596.755.992
of which:		
goodwill	521.244.521	569.057.699
Tax assets:	633.576.235	593.404.541
a) current	407.687.831	343.011.461
b) deferred	225.888.404	250.393.080
Non-current assets and disposal groups held for sale	658.462.654	13.931.432
Other assets	648.632.264	856.101.608
Total assets	63.450.191.671	61.983.317.439

LIABILITIES AND EQUITY Figures in euro	31.12.2009	31.12.2008
Due to banks	27.737.222.535	28.732.514.628
Due to customers	4.531.502.833	5.813.894.791
Securities issued	16.746.093.256	14.128.184.210
Financial liabilities held for trading	1.393.828.627	1.222.186.638
Hedging derivatives	379.598.430	74.820.300
Tax liabilities:	472.809.627	411.848.641
a) current	349.546.665	291.226.995
b) deferred	123.262.962	120.621.646
Liabilities associated with disposal groups held for sale	646.319.590	-
Other liabilities	832.235.040	1.186.374.516
Staff severance provisions	40.120.179	44.483.091
Provisions for risks and charges:	8.231.440	10.328.973
a) pension and similar obligations	-	-
b) other provisions	8.231.440	10.328.973
Fair value reserves	198.011.355	12.841.916
Reserves	1.359.658.807	1.623.711.218
Share premiums	7.100.378.060	7.100.378.060
Share capital	1.597.864.755	1.597.864.755
Profit for the year	406.317.137	23.885.702
Total liabilities and equity	63.450.191.671	61.983.317.439

UBI Banca Scpa: Mandatory financial statements - Consolidated income statement

Figures in euro	31.12.2009	31.12.2008
Interest and similar income	979.474.913	1.844.325.408
Interest expense and similar	(1.088.446.368)	(2.095.114.313)
Net interest income	(108.971.455)	(250.788.905)
Commission income	37.825.576	37.311.775
Commission expense	(21.477.035)	(24.138.264)
Net commission income	16.348.541	13.173.511
Dividends and similar income	552.266.144	904.354.865
Net trading income (loss)	46.138.713	(83.343.036)
Net hedging income (loss)	7.177.775	(7.235.399)
Income/expenses from disposal or repurchase of:	98.312.433	15.770.366
a) loans	(12)	900
b) available-for-sale financial assets	22.553.884	15.395.400
c) held-to-maturity investments	37.440.843	-
d) financial liabilities	38.317.718	374.066
Net income/expenses on financial assets and liabilities at fair value	(25.151.268)	(118.034.797)
Gross income	586.120.883	473.896.605
Net impairment losses on:	(45.379.278)	(500.476.932)
a) loans	180.854	(4.399.830)
b) available-for-sale financial assets	(41.601.291)	(494.461.502)
c) held-to-maturity investments	-	-
d) other financial transactions	(3.958.841)	(1.615.600)
Net financial operating income	540.741.605	(26.580.327)
Administrative expenses	(250.188.118)	(351.283.161)
a) personnel expenses	(127.379.441)	(174.376.435)
b) other administrative expenses	(122.808.677)	(176.906.726)
Net provisions for risks and charges	(2.787.832)	(1.733.291)
Net impairment losses on property, equipment and investment property	(29.217.298)	(39.439.932)
Net impairment losses on intangible assets	(3.632.148)	(22.055.573)
Other operating income/(expense)	122.828.022	166.081.924
Operating costs	(162.997.374)	(248.430.033)
Profits (losses) of equity investments	29.720.186	17.600.834
Net result of fair valuation of property, equipment and investment property and intangible assets	-	-
Net impairment losses on goodwill	(11.455.092)	-
Profits (losses) on disposal of investments	572.244	(58.621)
Profit (loss) on continuing operations before tax	396.581.569	(257.468.147)
Taxes on profit for the period for continuing operations	9.735.568	281.353.849
After tax profit (loss) on continuing operations	406.317.137	23.885.702
Profit (loss) after tax from discontinued operations	-	-
Profit for the year	406.317.137	23.885.702