UBI Banca: Consolidated results as at 31 December 2008

25 March 2009

UBI Banca
UNIONE DI BANCHE ITALIANE

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Methodology

Given that the mandatory financial statements prepared on the basis of Bank of Italy Circular No. 262 of 22nd December 2005 incorporate the balance sheet and income statement figures for the former Banca Lombarda e Piemontese Group from 1st April 2007, the date on which the merger took effect, pro-forma reclassified financial statements have been prepared which include figures for the former BLP Group for the whole of 2007 in order to allow an analysis of the Group's performance on a uniform basis and a vision that is more consistent with a management accounting approach.

A pro-forma balance sheet for 2007 has also been prepared to include the effects of the different time horizon for valuing the items for the former BLP Group (12 months instead of 9).

Executive summary - *FY 2008 Results vs FY 2007 Results**

- Normalised net profit of 425,3 mln€ vs 770,5 mln€ in 2007 (-44,8%)

- Net profit before AFS impairment of 549,7 mln€; net profit after AFS impairment of 69 million euro (940,6 mln€ in 2007)

- Proposed cash dividend of 0,45€ per share. Dividend yield on official price as at 31 December 2008 of 4,3% and on official price as at 24 March 2009 of 5,6%

- Core Tier 1 of 7,1% after dividend (288 mln€) and impairment on AFS (481 mln€ net including IntesaSanpaolo, LSE and A2A); Tier 1 of 7,7% ; Total capital ratio of 11,1%

- FY 2008 impacted by deterioration of economic scenario (finance, impairments and cost of credit); on the other hand, the integration process did not slow down – as was originally expected the performance of the Group:
  - Normalised profit on continuing operations before tax, net of finance and cost of credit, is fully in line with 2007 results (1,7 billion euro)

- Constant strong support to the economy : loans to customers (net of large corporate) :+8,1%
  Direct funding from customers : +8%

- Achieved 134% of synergies expected in 2008 (134,8 million euro vs 100,4 million euro)

***including Purchase Price Allocation impact**

Executive summary - *FY 2008 Results vs FY 2007 Results*

- Capital Management initiatives to enhance funding and capital in the medium term and allow shareholders to take advantage of market volatility:
  - a free attribution of 1 warrant (listed and freely transferable) each UBI Banca share held at ex-dividend date, giving the right to subscribe, 2 years from attribution, 1 UBI Banca share every 20 warrants.
  - launch of a convertible bond (4 year maturity) designed to better represent the interests of shareholders and to provide additional funding at a fixed interest rate and capital enhancement, if and when converted, in the medium term. The bond will be listed and trasferable

- Confirmed low risk profile:
  - Rebalancing of loan to deposit ratio (99% vs 103% in 2007) leading to significantly lower interbank exposure (0,9 bln€ vs 4 in 2007) flanked by approx. 9 bln€ of assets eligible for refinancing
  - Marginal exposure to specific risks affecting the economy in 2008 (no direct exposure and negligible indirect exposure to US subprimes, no exposure to conduits and SPV, no direct exposure to US monolines, conservative approach to derivatives activity with customers, contained exposure to Lehman and Madoff: overall impact on 2008 accounts of 71 million net)

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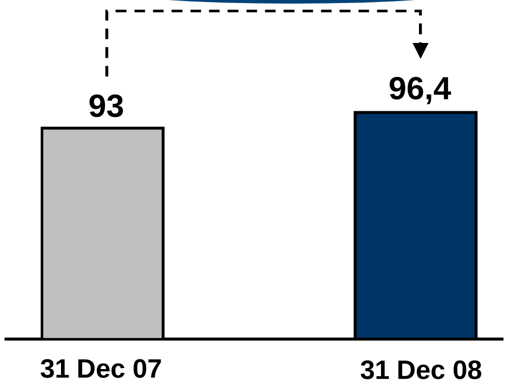
In 2008, recomposition of the loan book in favour of core customer segments. Loan to deposit ratio rebalanced (99% in 2008 vs 103% at YE 07)

bln€

+3,7% and + 8,1% net of Large Corporates



- ✓ Loan to deposit ratio: 98,7% (102,9% at YE 2007), as a result of the announced strategy to move towards a more balanced growth between lending and deposits started in 3Q2008
  - ↳ Significant reduction of interbank exposure: from 4 bln€ in 2007 to 0,9 bln€ in 2008.
- ✓ In 2008 recomposition of the loan book: lower exposure to Large Corporates (approx. -1,3bln€ in average terms and –3 bln€ in end of period terms) and higher commitment to local economy (retail and core corporates which represent the "core" activity of the Group: +1,9 bln€)

LOANS TO CUSTOMERS* - *BREAKDOWN BY SECTOR*

In bln €	December 08	December 07	*Change*
Average monthly volumes	66,2	65,8	0,7%
RETAIL (including UBPI advisors)	36,3	34,7	4,4%
Of which: *Individuals*	*18,3*	*17,9*	*2,5%*
Small Business	*16,9*	*16,1*	*5,6%*
CORPORATE	29,4	30,4	-3,5%
Of which: *Core*	*19,5*	*19,2*	*1,3%*
Large	*9,9*	*11,2*	*-11,8%*
PRIVATE	0,6	0,7	-4,0%

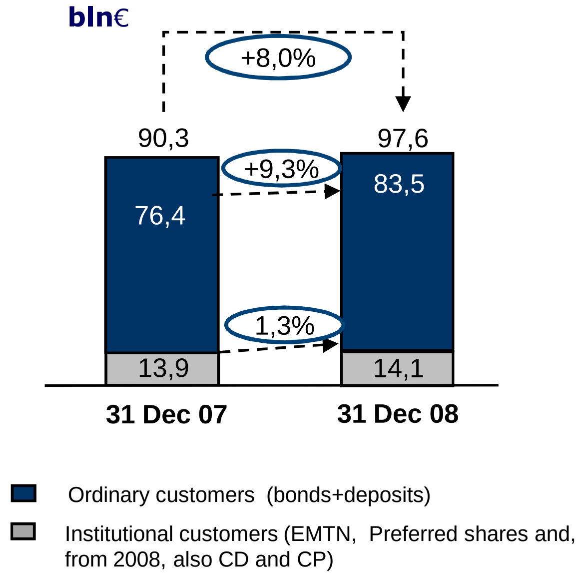
-25,1% , or approx. -3 bln€, in terms of end of period volumes

LOANS TO CUSTOMERS* - *DISTRIBUTION BY SECTOR*

	December 08	December 07	*Change pp*
Average monthly volumes	100%	100%	
RETAIL (including UBPI advisors)	54,7%	52,8%	+1,9
Of which: *Individuals*	*27,7%*	*27,2%*	*+0,5*
Small Business	*25,6%*	*24,4%*	*+1,2*
CORPORATE	44,3%	46,2%	-1,9
Of which: *Core*	*29,4%*	*29,2%*	*+0,2*
Large	*14,9%*	*17,0%*	*-2,1*
PRIVATE	1,0%	1,0%	-

* Reffered to network banks including UPBI

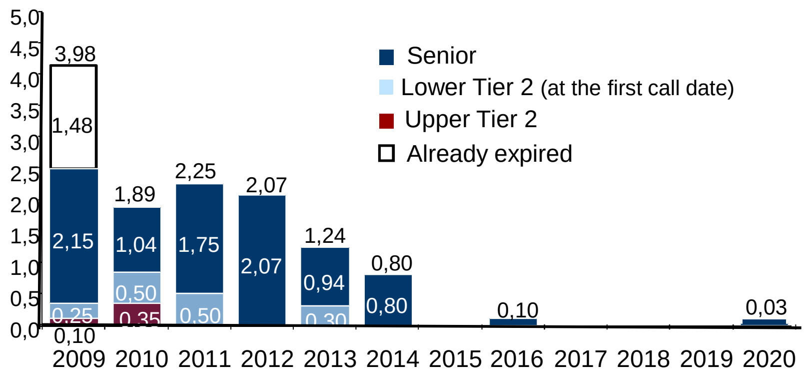
Direct funding from ordinary customers up by 9,3%



bln €	31.12.2007	%	31.12.2008	%	Changes
Due to customers	**49,5**	**54,8%**	**54,2**	**55,5%**	**9,4%**
of which: current accounts and deposits	*42,0*	*46,5%*	*42,8*	*43,9%*	*1.9%*
*repurchase agreements**	*6,1*	*6,8%*	*10,4*	*10,7%*	*70,5%*
Securities in issue	**40,9**	**45,2%**	**43,4**	**44,5%**	**6,3%**
of which: Network Banks	*18,6*	*20,6%*	*20,4*	*20,9%*	*9,7%*
*EMTN***	*13,4*	*14,9%*	*12,2*	*12,5%*	*-8,6%*
*CD and ECP***	*-*	*-*	*1,3*	*1,3%*	*ns*
*Preferred shares***	*0,6*	*0,7%*	*0,6*	*0,6%*	*-*
TOTAL DIRECT FUNDING	**90,3**	**100,0%**	**97,6**	**100,0%**	**8,0%**

- ✓ Own ordinary customer base confirmed as **main funding source** (86% of total funding)
- ✓ No public issue of EMTN institutional bonds since 2007: -8,6%
- ✓ Securities in issue to ordinary customer base: Strong placement power of the network banks thanks to good reputation and high customer loyalty (possibility to replace expiring international issues with domestic issues):
  - In 2008, bonds placed by the network banks grow by 1,8 billion vs 2007
  - In 2009, approx. 7,5 billion of bonds placed on customer base expiring to be replaced by 11,2 billion new placements. From Jan 09 to 19 March 09, placed 2,7 billion, including two issues of Lower Tier II to private banking and affluent customers for a total of approx. 582 mln€

EMTN Bonds Maturing by year***



* Including repurchase agreements with Cassa Compensazione e Garanzia
** Nominal value
*** Situation as of 25 March 2009

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Income statement: selected figures

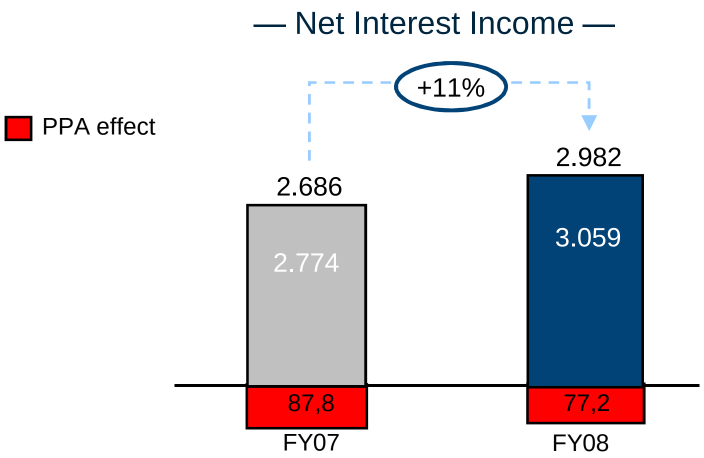
Figures in mln of Euro	31.12.08	31.12.07	YoY % Change	YoY % change net of non recurring items	YoY % change net of non recurring items and net of result from finance*
Net interest income	2.982	2.686	11,0%	11,0%	11,0%
Net commission income	1.188	1.358	-12,5%	-12,5%	-12,5%
Operating income	**4.090**	**4.439**	**-7,9%**	**-6,6%**	**-0,1%**
Operating costs	**(2.611)**	**(2.550)**	**2,4%**	**0,1%**	**0,1%**
Net operating income	**1.478**	**1.890**	**-21,8%**	**-16,1%**	**-0,5%**
Net impairment losses on loans	(566)	(343)	65,1%	126,4%	126,4%
Net impairment losses on other assets/liabilities	(511)	(29)	n.s.	-	-
Profit (loss) on continuing operations before tax	**452**	**1.503**	**-69,9%**	**-38,8%**	**-21,5%**
Integration costs net of taxes	(67)	(167)	-59,7%	-	-
Profit (loss) for the year attributable to the Parent Bank	**69**	**941**	**-92,7%**	**-44,8%**	**-21,8%****

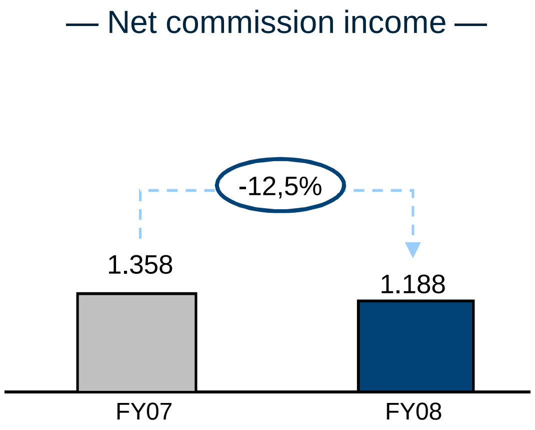
* Net Profit (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value

**Fiscal impact estimated

Net interest income: to 2.982 million euro, up by 11% yoy (+296 million euro)
Net commissions: downsized by adverse market conditions (-169 million euro)

mln€



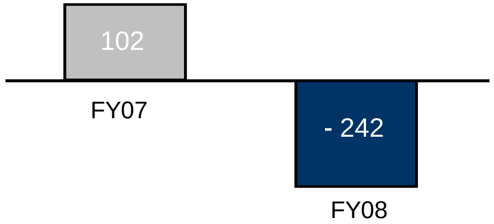


- ✓ Growth in lending and funding volumes together with widening of spreads by 6 bp yoy:
  - Ongoing recomposition of the loan book during the year in favour of more profitable segments and risk repricing action positively impacting Mark up (+34bp)
  - Mark down compression (-28 bps) following interest rates reductions and higher cost of funding
- ✓ Good performance of NII also in 4Q08 vs 3Q08 (+5%) thanks to increase in mark up still offsetting sharp decrease in mark down (strong drop in Euribor only in the second part of 4Q) which will fully impact 2009

- ✓ Commissions decrease due to a contraction in commission on indirect funding (-170 mln€)
- ✓ Up front fees only represent 6,2% of total commissions (5,5% in 2007)

Result from trading and hedging activity: yearly results impacted mainly by unfavourable market conditions and marginally by the Lehman and Madoff write offs

mln€



+31,2 mln from the valuation of hedge fund investments
-21 mln from valuation of equity investments and related instruments
+21,6 mln from the valuation of debt securities and related instruments
+14,8 mln from currencies and other

-87,3 mln from the valuation of hedge fund investments (including Madoff)
-16,2 mln from valuation of equity investments and related instruments
-52,7 mln from the valuation of debt securities and related instruments (including 10 mln€ write-off on Lehman Bonds)
+14,2 mln from currencies and other

	FY2007	FY2008
a) Net result from trading activities	47	(142)
b) Net result from hedging activities	5	(18)
c) Profit from disposal of financial assets/liabilities	49	37
d) Net result from fin. Assets/liabilities at fair value	2	(118)*
TOTAL	102	(242)

In 2008: +7,1 mln from the sale of the participation in Key Client and +23,2 mln from the sale of the "Centrale dei Bilanci"
In 2007 included 16,1 million euro from sale of equity investments and 20,2 mln from sale of the participation in Borsa Italiana

From the valuation at fair value option of hedge funds

Hedge funds: as at march 2009, hedge funds amounted to approx. 480 million euro (508,5 million as at end 2008). A progressive reduction of investments with redemption already forwarded is under way aimed at downsizing the portfolio to approx. 330 mln € in 2009.

* Hedge funds are posted in this item starting from 1 July 2007

UBI Banca's Securities portfolio: approx. 8 bln € managed with a prudent approach

Composition of the portfolio as at 30 September 2008

✓ By type of financial instrument:
- 45,6% of government bonds
- 30,1% of corporate bonds (mainly bank issues)
- 10,2% of hedge funds
- 6,1% of insurance policies
- remaining: funds, shares and other

✓ By financial profile:
- 6,1% of insurance policies
- 38,2% fixed rate
- 28% floating rate
- 12,6% structured securities (CMS)
- Other shares, funds and convertible bonds

✓ By currency:
- Over 95% of securities are in euro

✓ By geographical distribution:
- 91% are in securities of the euro area
- 6% in USA securities

✓ By rating (bonds):
- 96% of the portfolio is "investment grade" with an average rating of A2

Composition of the portfolio as at 31 December 2008

✓ By type of financial instrument:
- 60,2% of government bonds
- 26,2% of corporate bonds (mainly bank issues)
- 6,9% of hedge funds
- insurance policies: no more present
- remaining: funds, shares and other*

✓ By financial profile:
- 53,9% fixed rate
- 23,9% floating rate
- 11,4% structured securities (CMS)
- Other shares, funds and convertible bonds

✓ By currency:
- Over 96% of securities are in euro

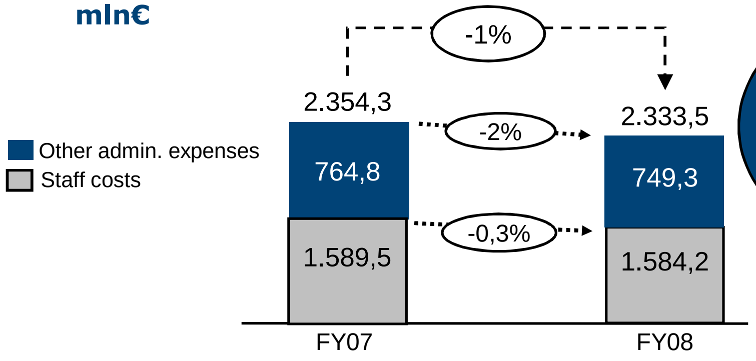
✓ By geographical distribution:
- 92% are in securities of the euro area
- 5% in USA securities

✓ By rating (bonds):
- 97% of the portfolio is "investment grade" with an average rating of A2

*ABS securities amount to approx. 216 mln€; they mainly refer to CBO Jersey (with European Government bonds as underlying securities) for approx. 44 mln€, to securitizations issued by INPS (Italian National Welfare Institute) for a consideration of approx. 123mln€ and to RMBS Cordusio (Originator Unicredit) for an amount of approx. 46 mln€ (Data as at 31 December 2008)

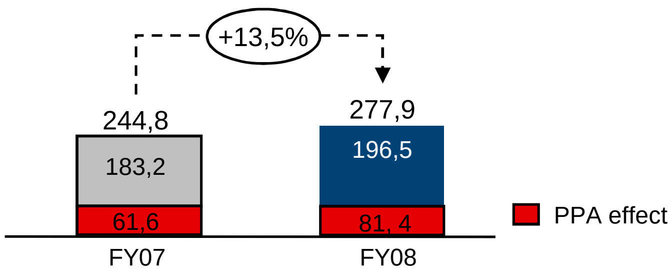
Notwithstanding the integration process, total normalised operating costs remain stable compared to 2007 at 2,6 billion euro
Normalised staff costs + other administrative expenses show a 1% decrease YoY (higher than +0,7% forecast)

— Normalised staff costs and other admin. expenses —



IP target: 75% of exits achieved as at YE 2008, a further 15% adhesions received for 2009

— Depreciation & Amortisation —



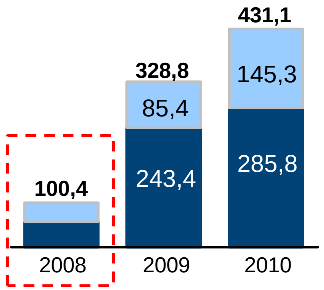
- ✓ Staff costs (-0,3%): YoY decrease of approx. 300 permanent resources (in average terms) and lower staff costs following the disposals of branches compensate inertial contractual increase in staff costs.
- ✓ Administrative expenses (-2%): the increase registered in 1H08 vs 1H07 (5 mln€) is more than offset by the trend registered in 2H08 vs 2H07 (-20 mln€)
- ✓ In 2009 expected further decrease in costs thanks to :

  - full impact of the integration process

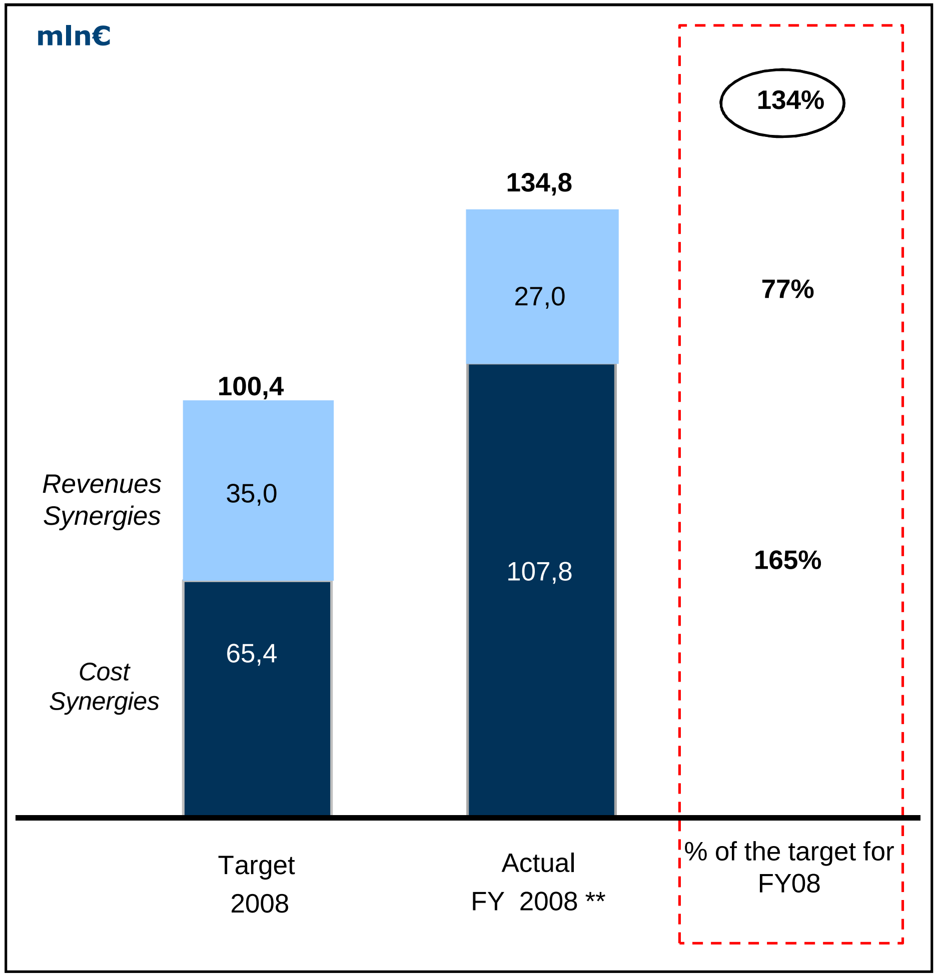
  - further action to contain costs : organisational simplification, cost management (eg. renegotiation of contracts, etc..) and rationalisation of branches with low marginal profitability

- ✓ Excluding PPA, depreciation and amortisation increased by 7,3% following capitalization of expenses incurred during the last two years for the progressive upgrading of IT infrastructure and tools
- ✓ Increase lower than budgeted
- ✓ In 2009, thanks to the completion of the Integration, D&A costs expected to decrease

134% of expected synergies achieved in FY2008 thanks to early generation of cost synergies



IP Synergies 2007-2010*



Synergies were above Business Plan forecasts (**+34%**) in 2008 as a the result of:

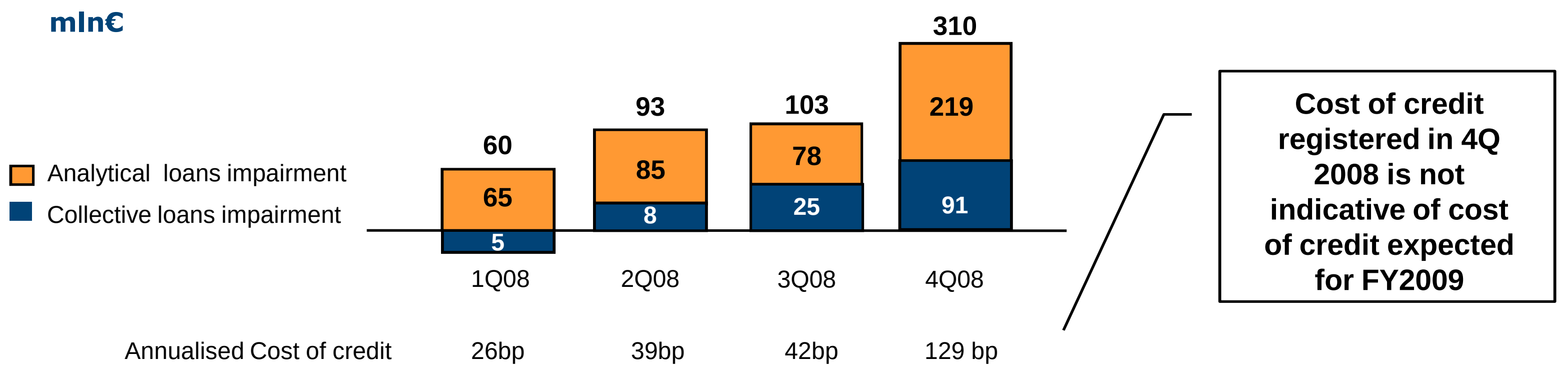
- ✓ Revenue synergies: €**27** mln of synergies achieved (€35 million forecast)
- ✓ Cost synergies: €**107,8** mln of synergies achieved (**165%** of the target), composed as follows:
  - €54 mln in personnel costs (+€30,3 mln compared to the Business Plan target, the result of anticipating redundancies)
  - €54,8 mln in other administrative expenses and depreciation and amortisation (-€7,9 mln compared to the Business Plan objective)
  - - €1 mln in depreciation and amortisation compared to a negative forecast of €21,1 mln

*Including the cost synergies on staff relating to the former BPU and BL stand alone plans: 19,7 mln € in 2008, 24,8 mln€ in 2009 and 29,3 mln€ in 2010

** Including the cost synergies on staff relating to hte fomer BPU and BL stand alone plans (19.7 mln€ in 2008)

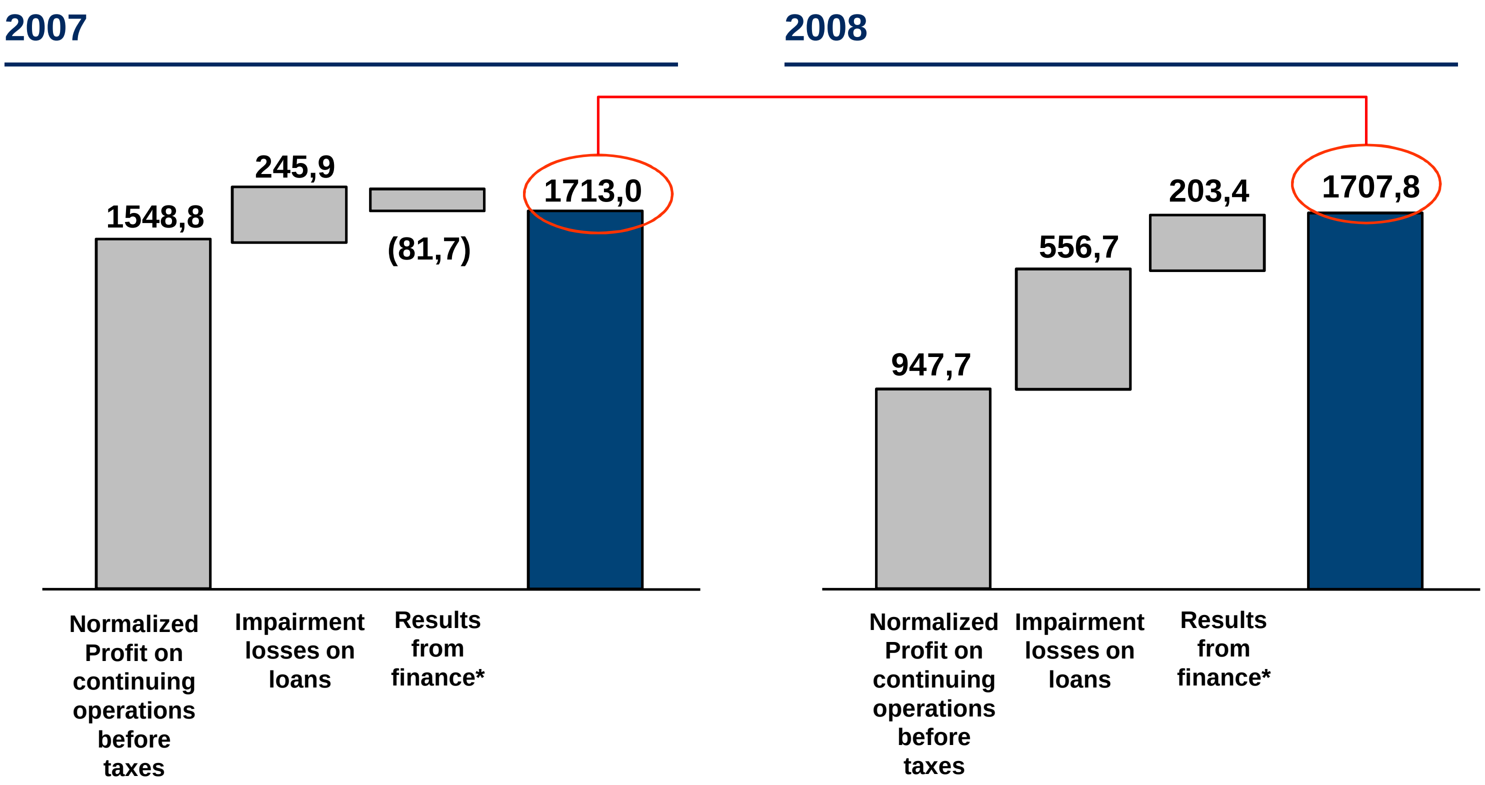
Impairment losses on loans to 59 bp of total loans due to deterioration of the economy and prudent approach by the Group

- Deterioration of economic scenario impacted on analytical loans impairment especially in 4Q2008. Highly fractioned analytical impairments, the only relevant position is represented by Bios, which accounts for 25 mln€
- Stricter internal regulations adopted by the Group in the course of the year:
  - automatic classification of past due loans(1) to impaired loans once 60 days have elapsed (resulting in additional 212 mln€ of impaired loans) in 2008 with impact on total adjustments
  - centralisation of Network Banks' NPLs and impaired loans management in Parent Company UBI Banca with consequent alignment of stricter classification criteria



(1) Loans are classified as past due loans once 180 days have elapsed.

Excluding Impairment losses on loans and Result from Finance, 2008 Normalized Profit on continuing operations before taxes is in line with 2007 result



* Result from finance: net result from trading, hedging and disposal/repurchase of financial assets/liabilities activitiy and of assets/liabilities valued at fair value

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2009 Outlook

The unfavourable economic context is expected to continue in 2009 and to have repercussions on both income generation and the valuation of risk for the banking sector as a whole in Italy.

As concerns the UBI Banca Group:

- ✓ net interest income is expected to contract as a result of the reduction in market interest rates and of pressure on the cost of funding, including institutional funding
- ✓ net commission income is still expected to decrease mainly as a result of the continuing unfavourable context in assets under management business
- ✓ the forecast for the Finance Area is consistent with a very conservative allocation of capital and with results expected to be positive in 2009.
- ✓ a favourable trend is expected for expenses, which should decrease compared to 2008, due to the completion of all the major integration projects and also to further measures decided to reduce costs, already at the implementation stage
- ✓ careful and prudent management of credit will continue in 2009 which should lead to a cost of credit below the level recorded in 2H2008.

The ordinary update of the Business Plan will be completed as soon as the economic scenario and the context of extreme volatility on markets have stabilised

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Strong capital ratios confirmed as at December 2008, after dividend and AFS impairment

✓ **As from June 2008, capital ratios are calculated according to Basel II standardised methodology**

For 2008, payment of a cash dividend of €0,45 per share (a yield of 4,3% on end of year official share price and of 5,6% on 24 March 2009 official share price)

Figures in thousands of euro	31.12.2008 Basel II standardised	30.06.2008 Basel II standardised
Tier 1 (before filters)	6.660.050	7.068.877
Preference shares	570.000	570.000
Tier 1 capital filters	-180.445	-20.993
Tier 1 (after filters)	**7.049.605**	**7.617.884**
Deductions from Tier 1	-104.882	-113.163
Tier 1 after filters and specific deductions	**6.944.723**	**7.504.721**
Supplementary capital after filters	**3.379.370**	**2.883.263**
Deductions from supplementary capital	-104.882	-113.163
Supplementary capital after filters and specific deductions	**3.274.488**	**2.770.100**
Deductions from Tier 1 + supplementary capital	-258.399	-246.510
Total supervisory capital	**9.960.812**	**10.028.311**
Credit risk	6.456.869	7.104.818
Market risk	205.842	256.220
Operational risk	528.635	545.543
Other prudential requirements	0	0
Total prudential requirements	**7.191.346**	**7.906.581**
Tier III subordinated liabilities (fully included)		
Nominal value	0	200.000
Computable value	0	182.940
Risk weighted assets	**89.891.825**	**98.832.260**
Core Tier I after deductions from Core capital	**7,09%**	**7,02%**
Tier I	**7,73%**	**7,59%**
Total capital ratio	**11,08%**	**10,33%**

Net of AFS impairment and dividend distribution

RWA optimization:

✓ Recomposition of loans;

✓ Introduction of ECAI (External Credit Assessment Institution) Lince, which by assigning a rating to a large number of medium sized Italian businesses, allows to take account, for the supervisory purposes, of the credit quality of significant portions of the Group's "core" customers;

✓ Increase in eligible mortgage loans, thanks to completion of documentation updating;

✓ RWA show strong focus on core business:

- 90% credit RWA
- 3% market RWA
- 7% operating RWA.

Low Leverage of balance sheet

Tier1 Capital / RWA: 7,7%

Tier1 Capital / Total Assets: 5,7%

Tangible equity* / Total assets: 6,3%

* Tangible equity = Share Capital + Share premiums + Resevers + Minority interests + Net profit for the year – Goodwill - Total dividend payment for the year

Capital management initiatives

UBI Banca announces two initiatives

1 - the free of charge assignment to shareholders of **warrants** which will be listed on the Borsa Italiana and freely negotiable, also aimed at rewarding shareholder loyalty and granting the possibility to take advantage of financial markets volatility.

These warrants will have the following characteristics:

- Issue criterion:	1 warrant for every UBI Banca share held at the ex dividend date
- Duration:	2 years
- Type of exercise:	European on expiration
- Strike price:	TBD and approved by the AGM
- Listing:	Borsa Italiana

2 – Issue of convertible bonds (*soft mandatory convertible bond*)

Within the analysis of the opportunities on the market, the UBI Banca group has decided, given its capital strength in terms of Core Tier 1, not to take presently advantage of instruments having immediate impact in capital (eg. Tremonti Bonds)
UBI Banca has however resolved to adopt a prudent approach especially in terms of outlook in the medium term and to issue an instrument which will generate funding at a fixed interest rate and, if and when converted, strengthen its capital base in the medium term.

Capital management initiatives

2 – Issue of convertible bonds

Advantages of the bond issue:
- it carries all the advantages of Tremonti Bonds' funding without, thanks to the Bank's strong capital position, the immediate need to consider it as capital with the relative costs

- It makes it possible to set in advance the amount of a potential medium term increase in the share capital with the advantage for the shareholder of having a very low price of the shares as the starting point

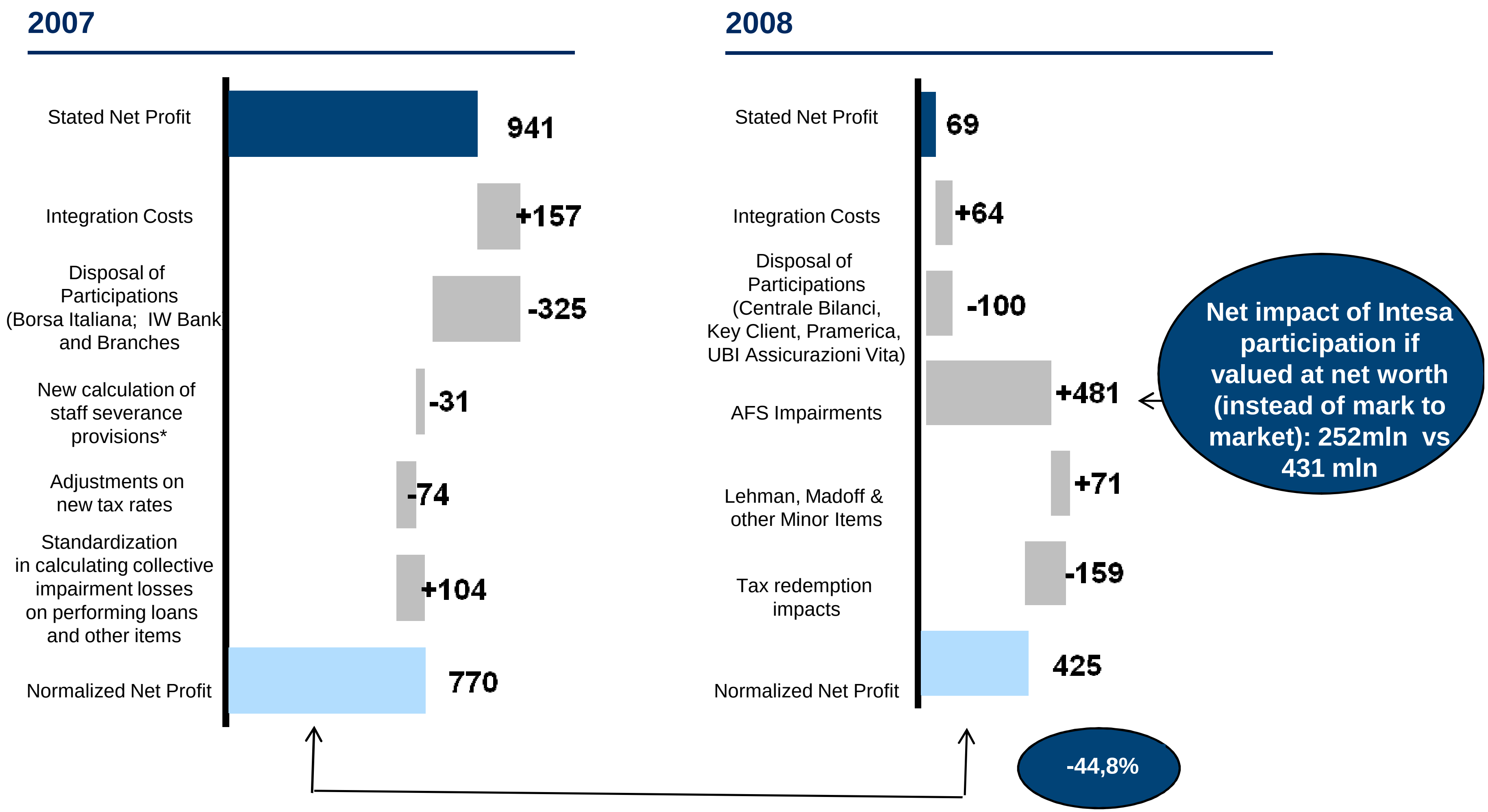
- In the meanwhile, the bondholder enjoys a fixed rate coupon and a *de facto* "capital guarantee"

The bond issue will have the following main characteristics:

- Type:	senior
- Issue:	reserved to shareholders
- Amount:	approx. 640 million
- Maturity:	4 years
- Listing:	Borsa Italiana
- Remuneration:	fixed coupon TBD
- Conversion:	before maturity (but anyway after the 18th month): at the discretion of the bondholder: at a predefined price TBD at the discretion of the issuer: at the lowest between the predefined price and the market price discounted by a premium on maturity: at the discretion of the issuer: cash reimbursement of bonds or conversion into UBI Banca shares on the basis of the market price of the share and anyway for a countervalue not lower that the nominal value of the bond
- Guarantee:	Mediobanca as Sole Global Coordinator and Sole Bookrunner has taken the commitment to guarantee positive outcome for the total amount Crédit Suisse will participate to the underwriting syndicate as Joint Lead Manager.

Contents

From Stated to Normalized full year profit: main <u>net</u> impacts of non recurring items



Reclassified consolidated income statement net of the main non recurring items and net of the result from finance*

Figures in thousands of euro	31.12.2008	non-recurring items: Integration costs	Disposal of equity investments	Impairment of equity investments	Madoff, Lehman Brothers and Icelandic banks effect	Tax Redemption EC section and recognition of goodwill	Adjustment of branches price, adjustment of guarantees, Capitalgest Alternative goodwill write-off	31.12.2008 net of non-recurring items A
Net interest income (including the effects of PPA)	2.982.127							2.982.127
Dividends and similar income	71.204							71.204
Profit (loss) of equity investments valued using the equity method	18				13.018			13.036
Net commission income	1.188.275							1.188.275
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	(242.261)		(30.262)		69.132			(203.391)
Net income from insurance operations	9.639							9.639
Other net operating income/(expense)	80.737							80.737
Operating income (including the effects of PPA)	**4.089.739**	**-**	**(30.262)**	**-**	**82.150**	**-**	**-**	**4.141.627**
Staff costs	(1.584.178)							(1.584.178)
Other administrative expenses	(749.260)							(749.260)
Net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(277.910)						8.425	(269.485)
Operating costs (including the effects of PPA)	**(2.611.348)**	**-**	**-**	**-**	**-**	**-**	**8.425**	**(2.602.923)**
Net operating income (including the effects of PPA)	**1.478.391**	**-**	**(30.262)**	**-**	**82.150**	**-**	**8.425**	**1.538.704**
Net impairment losses on loans	(566.223)				9.523			(556.700)
Net impairment losses on other assets and liabilities	(510.550)			510.351			(7.192)	(7.391)
Net provisions for liabilities and charges	(34.489)				1.500			(32.989)
Profit (loss) from disposal of equity investments	84.985		(78.808)					6.177
Profit (loss) on continuing operations before tax (incl. PPA)	**452.114**	**-**	**(109.070)**	**510.351**	**93.173**	**-**	**1.233**	**947.801**
Taxes on income for the period for continuing operations	(221.564)		8.616	(29.685)	(21.655)	(183.267)	(704)	(448.259)
Integration costs	(67.236)	67.236						-
of which: staff costs	*(47.796)*	*47.796*						-
other administrative expenses	*(41.920)*	*41.920*						-
net impairment losses on property, plant and equipment and intangible assets	*(6.223)*	*6.223*						-
taxes	*28.703*	*(28.703)*						-
After tax profit (loss) from discontinued operations	(15.727)						15.817	90
Profit (loss) for the period attributable to minority interests	(78.586)	(3.713)	709		(77)	11.137	(3.775)	(74.305)
Profit (loss) for the period attributable to the Parent Bank	**69.001**	**63.523**	**(99.745)**	**480.666**	**71.441**	**(172.130)**	**12.571**	**425.327**

Figures in thousands of euro	31.12.2007 pro-forma	non-recurring items: Integration costs: Leaving incentives	Other costs and IT system write-offs	Effect of supplementary pension reform	Disposal of equity investments and branches	Adjustments for new rates as per 2008 Finance Act	Other	31.12.2007 pro-forma net of non-recurring items B	Changes A-B	Changes % A/B	31.12.2008 net of non recurring items and net profit (loss) from trading, hedging and disposal/repurchase activities valued at fair value	31.12.2007 net of non recurring items and net profit (loss) from trading, hedging and disposal/repurchase activities valued at fair value	Changes net of non recurring items and net profit (loss) from trading, hedging and disposal/repurchase activities valued at fair value
Net interest income (including the effects of PPA)	2.685.791							2.685.791	296.336	11,0%	2.982.127	2.685.791	11,0%
Dividends and similar income	83.539							83.539	(12.335)	(14,8%)	71.204	83.539	(14,8%)
Profit (loss) of equity investments valued using the equity method	32.529							32.529	(19.493)	(59,9%)	13.036	32.529	(59,9%)
Net commission income	1.357.594							1.357.594	(169.319)	(12,5%)	1.188.275	1.357.594	(12,5%)
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	101.919				(20.239)			81.680	(285.071)	n.s.			
Net income from insurance operations	39.878							39.878	(30.239)	(75,8%)	9.639	39.878	(75,8%)
Other net operating income/(expense)	138.063						13.290	151.353	(70.616)	(46,7%)	80.737	151.353	(46,7%)
Operating income (including the effects of PPA)	**4.439.313**	**-**	**-**	**-**	**(20.239)**	**-**	**13.290**	**4.432.364**	**(290.737)**	**(6,6%)**	**4.345.018**	**4.350.684**	**(0,1%)**
Staff costs	(1.540.139)			(49.396)				(1.589.535)	(5.357)	(0,3%)	(1.584.178)	(1.589.535)	(0,3%)
Other administrative expenses	(764.830)							(764.830)	(15.570)	(2,0%)	(749.260)	(764.830)	(2,0%)
Net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(244.807)							(244.807)	24.678	10,1%	(269.485)	(244.807)	10,1%
Operating costs (including the effects of PPA)	**(2.549.776)**	**-**	**-**	**(49.396)**	**-**	**-**	**-**	**(2.599.172)**	**3.751**	**0,1%**	**(2.602.923)**	**(2.599.172)**	**0,1%**
Net operating income (including the effects of PPA)	**1.889.537**	**-**	**-**	**(49.396)**	**(20.239)**	**-**	**13.290**	**1.833.192**	**(294.488)**	**(16,1%)**	**1.742.095**	**1.751.512**	**(0,5%)**
Net impairment losses on loans	(342.921)						96.990	(245.931)	310.769	126,4%	(556.700)	(245.931)	126,4%
Net impairment losses on other assets and liabilities	(28.571)						24.819	(3.752)	3.639	97,0%	(7.391)	(3.752)	97,0%
Net provisions for liabilities and charges	(37.955)				1.163			(36.792)	(3.803)	(10,3%)	(32.989)	(36.792)	(10,3%)
Profit (loss) from disposal of equity investments	22.796				(20.747)			2.049	4.128	201,5%	6.177	2.049	201,5%
Profit (loss) on continuing operations before tax (incl. PPA)	**1.502.886**	**-**	**-**	**(49.396)**	**(39.823)**	**-**	**135.099**	**1.548.766**	**(600.965)**	**(38,8%)**	**1.151.192**	**1.467.086**	**(21,5%)**
Taxes on income for the period for continuing operations	(597.263)			16.301	1.303	(90.805)	(26.874)	(697.338)	(249.079)	(35,7%)	(514.000)	(666.000)	(22,8%)
Integration costs	(166.721)	127.689	39.032					-	-	-			
of which: staff costs	*(193.517)*	*190.579*	*2.938*					-	-	-			
other administrative expenses	*(32.817)*		*32.817*					-	-	-			
net impairment losses on property, plant and equipment and intangible assets	*(27.207)*		*27.207*					-	-	-			
taxes	*86.820*	*(62.890)*	*(23.930)*					-	-	-			
After tax profit (loss) from discontinued operations	308.547				(308.624)			(77)	167	216,9%			
Profit (loss) for the period attributable to minority interests	(106.878)	(9.821)	(48)	1.725	21.699	16.501	(4.061)	(80.883)	(6.578)	(8,1%)	(74.000)	(81.000)	(8,1%)
Profit (loss) for the period attributable to the Parent Bank	**940.571**	**117.868**	**38.984**	**(31.370)**	**(325.445)**	**(74.304)**	**104.164**	**770.468**	**(345.141)**	**(44,8%)**	**563.192**	**720.086**	**(21,8%)**

*Result from finance: Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value

Estimated data

Income statement: quarterly results 2008-2007

Figures in thousands of euro	2008 4th Quarter	2008 3rd Quarter	2008 2nd Quarter	2008 1st Quarter pro-forma	2007 4th Quarter pro-forma	2007 3rd Quarter pro-forma	2007 2nd Quarter pro-forma	2007 1st Quarter pro-forma
Net interest income	778.524	740.671	731.909	731.023	719.318	670.824	653.231	642.418
of which: effects of the purchase price allocation	*(18.768)*	*(15.172)*	*(24.079)*	*(19.219)*	*(18.272)*	*(20.367)*	*(26.874)*	*(22.295)*
Net interest income excluding the effects of the PPA	797.292	755.843	755.988	750.242	737.590	691.191	680.105	664.713
Dividends and similar income	1.210	1.519	66.839	1.636	3.227	568	74.488	5.256
Profit (loss) of equity investments valued using the equity method	(14.556)	374	5.470	8.730	8.491	8.484	7.289	8.265
Net commission income	280.957	280.195	305.747	321.376	345.341	327.026	350.703	334.524
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	(192.557)	(60.596)	37.980	(27.088)	22.476	5.612	23.966	49.865
Net income from insurance operations	(6.915)	2.743	9.700	4.111	11.945	7.539	11.637	8.757
Other net operating income/(expense)	13.848	17.815	20.793	28.281	35.413	31.286	34.469	36.895
Operating income	**860.511**	**982.721**	**1.178.438**	**1.068.069**	**1.146.211**	**1.051.339**	**1.155.783**	**1.085.980**
Operating income excluding the effects of the PPA	**879.279**	**997.893**	**1.202.517**	**1.087.288**	**1.164.483**	**1.071.706**	**1.182.657**	**1.108.275**
Staff costs	(393.405)	(380.090)	(415.289)	(395.394)	(395.938)	(386.764)	(358.814)	(398.623)
Other administrative expenses	(211.799)	(165.293)	(198.404)	(173.764)	(225.214)	(172.396)	(189.288)	(177.932)
Net impairment losses on property, plant and equipment and intangible assets	(77.467)	(66.949)	(66.942)	(66.552)	(63.340)	(61.570)	(62.286)	(57.611)
of which: effects of the purchase price allocation	*(26.663)*	*(18.237)*	*(18.237)*	*(18.227)*	*(15.405)*	*(15.405)*	*(15.405)*	*(15.405)*
Net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	(50.804)	(48.712)	(48.705)	(48.325)	(47.935)	(46.165)	(46.881)	(42.206)
Operating costs	**(682.671)**	**(612.332)**	**(680.635)**	**(635.710)**	**(684.492)**	**(620.730)**	**(610.388)**	**(634.166)**
Operating costs excluding the effects of the PPA	**(656.008)**	**(594.095)**	**(662.398)**	**(617.483)**	**(669.087)**	**(605.325)**	**(594.983)**	**(618.761)**
Net operating income	**177.840**	**370.389**	**497.803**	**432.359**	**461.719**	**430.609**	**545.395**	**451.814**
Net operating income excluding the effects of the PPA	**223.271**	**403.798**	**540.119**	**469.805**	**495.396**	**466.381**	**587.674**	**489.514**
Net impairment losses on loans	(310.399)	(102.868)	(93.299)	(59.657)	(163.782)	(65.703)	(51.602)	(61.834)
Net impairment losses on other assets and liabilities	(516.179)	2.122	3.517	(10)	(20.236)	(2.437)	(4.802)	(1.096)
Net provisions for liabilities and charges	4.531	(13.100)	(17.431)	(8.489)	(18.379)	(5.973)	(2.853)	(10.750)
Profits (loss) from disposal of equity investments	4.699	1.196	21.708	57.382	1.040	211	21.217	328
Profit (loss) on continuing operations before tax	**(639.508)**	**257.739**	**412.298**	**421.585**	**260.362**	**356.707**	**507.355**	**378.462**
Profit (loss) on continuing operations before tax excluding the effects of the PPA	**(594.077)**	**291.148**	**454.614**	**459.031**	**294.039**	**392.479**	**549.634**	**416.162**
Taxes on income for the period for continuing operations	125.544	(120.023)	(66.345)	(160.740)	(70.526)	(163.646)	(195.653)	(167.438)
of which: effects of the purchase price allocation	*14.320*	*11.123*	*13.782*	*12.033*	*12.883*	*13.683*	*16.171*	*14.420*
Integration costs	(21.825)	(16.954)	(14.037)	(14.420)	(14.244)	(6.176)	(146.301)	-
of which: staff costs	*(14.538)*	*(14.735)*	*(8.634)*	*(9.889)*	*(2.746)*	*(2.676)*	*(188.095)*	-
other administrative expenses	*(12.442)*	*(8.288)*	*(10.788)*	*(10.402)*	*(19.732)*	*(6.125)*	*(6.960)*	-
net impairment losses on property, plant and equipment and intangible assets	*(4.232)*	*(951)*	*(718)*	*(322)*	*(357)*	*(973)*	*(25.877)*	-
taxes	*9.387*	*7.020*	*6.103*	*6.193*	*8.591*	*3.598*	*74.631*	-
After tax profit (loss) from discontinued operations	(4.698)	-	(11.029)	-	291.925	38	16.868	(284)
Profit (loss) for the period attributable to minority interests	(10.552)	(19.908)	(20.971)	(27.155)	(51.329)	(22.654)	(15.468)	(17.427)
of which: effects of the purchase price allocation	*6.152*	*3.646*	*4.942*	*4.128*	*2.796*	*2.796*	*3.036*	*2.877*
Profit (loss) for the period attributable to the shareholders of the Parent Bank excluding the effects	*(526.080)*	*119.494*	*323.508*	*240.555*	*434.186*	*183.562*	*189.873*	*213.716*
Profit (loss) for the period attributable to the shareholders of the Parent Bank	**(551.039)**	**100.854**	**299.916**	**219.270**	**416.188**	**164.269**	**166.801**	**193.313**

Total impact of the purchase price allocation on the income statement	*(24.959)*	*(18.640)*	*(23.592)*	*(21.285)*	*(17.998)*	*(19.293)*	*(23.072)*	*(20.403)*

UBI Banca: Consolidated results as at 31 December 2008

25 March 2009

UBI Banca
UNIONE DI BANCHE ITALIANE