The UBI Banca Group
Consolidated Results as at 31st March 2016

12th May 2016

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<u>Methodology</u>

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

Executive Summary

- **Capital soundness** confirmed by strong capital ratios and solid B3 leverage ratios:
  - ✓ CET1 ratio phased in of 12.07%, substantially unchanged compared with year-end 2015
  - ✓ CET1 Fully loaded up to 11.73% (11.62% at year-end 2015)
  - ✓ Leverage ratios at 5.99% phased in and 5.85% fully loaded

- Net of financing to the *Cassa Compensazione e Garanzia,* **loans to customers slightly up to 83.5 bln/€**, more than offsetting the natural reduction in the run-off portfolio

- **Total assets under management, amounting to 49.1 bln/€, up by 1.1% compared with December 2015**, more than offsetting negative market performance effect

- **Deposits and current accounts to 48.6 bln/€, up both compared to December 2015 (+2.0%) and to March 2015 (+10.2%)**

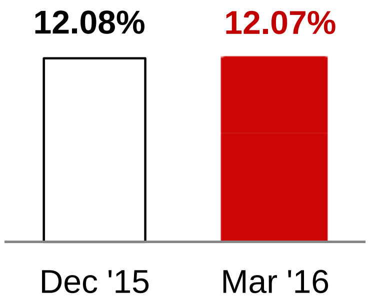
- **Continuing change in the mix of the securities portfolio:** total financial assets amount stable at 19.7 bln/€ vs December 2015 but with a further reduction in the Italian government securities component to 17.7 bln/€ from 18.3 bln/€

- **Credit quality further improving:**
  - new inflows from performing loans to non-performing exposures down by 40% vs 1Q 2015 and by 27% vs 4Q 2015 (this performance follows on from three consecutive years of reductions in new inflows from performing to non-performing status)
  - **total net non-performing exposures down for the second consecutive quarter** to 9,671 mln/€
  - **coverage of NPEs to 37.8%, inclusive of write-offs, up both compared with December 2015 and March 2015**
  - **cost of credit** to 155.3 mln/€, down 36.6% compared with 4Q 2015 and 18.3% compared with 1Q 2015, to give an annualised loan loss rate of 74 bps on total loans, vs 90 bps in 1Q 2015 and 95 bps for the FY 2015

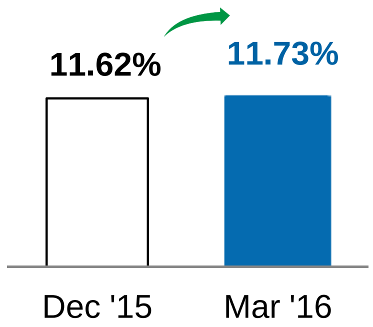
- **Net profit in 1Q2016 to 42.1 mln/€ inclusive of 21.1 mln/€ net (of taxes and minorities interests) contribution to Resolution fund vs 75.9 mln/€ in 1Q15 (which did not include any mandatory contribution)**

Strength of capital ratios confirmed, CET1 phased in at 12.07%, +2.82 percentage points vs SREP requirement

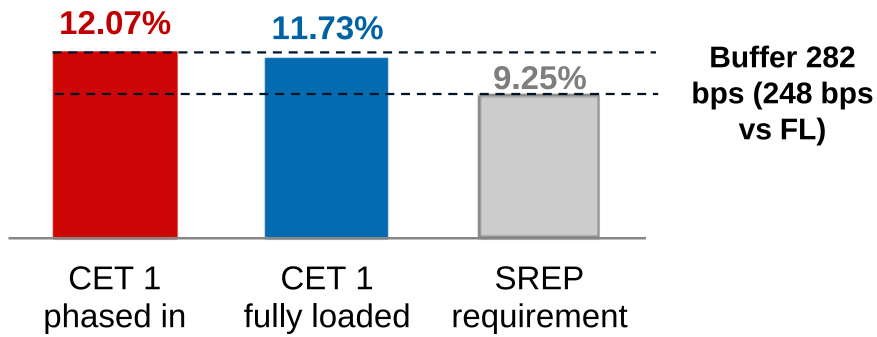
CET 1 phased in



CET 1 fully loaded

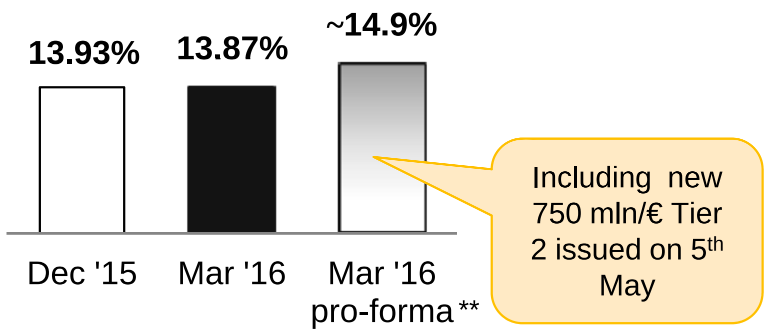


SREP REQUIREMENT AND BUFFER



- RWA Density: ~ 52% vs 44% average for Italian Peers*
- Impact of Atlante Fund: commitment of 200 mln/€ corresponding to ~ -13 bps on CET 1 *phased in* in 2Q2016
- First estimates on New Law Decree show **no economic impact** of new tax on DTA

Total capital ratio phased in



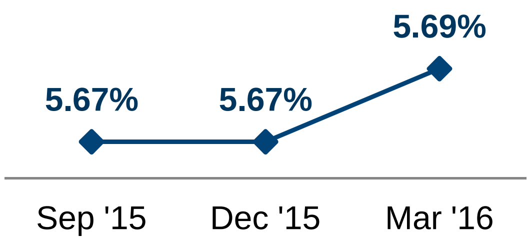
See annex 2

* Italian Peers under IRB models: UCG, ISP, MPS and BP; ISP ratio calculated excluding insurance assets. Data as at 31st Dec '15

** Including new 750 mln/€ issue and amortization of existing issues till June 2016

Lending Market Share* up to 5.69% compared with 5.67% as at Dec ’15
Net of CCG, lending grows compared to Dec’15 also compensating for portfolio “run off”

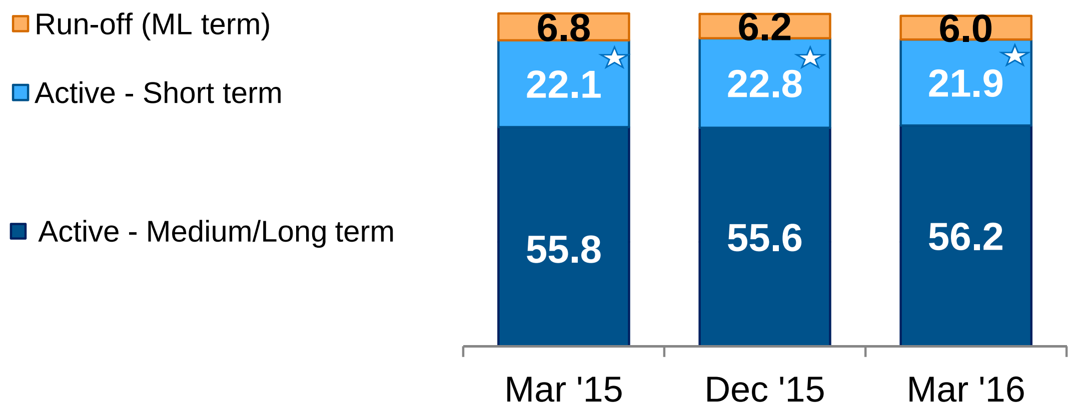
**TOTAL GROSS LOANS:
STABLE MARKET SHARE***



* Net of Bad Loans, referred to households, corporate and financial companies. It does not include loans to CCG
Source: Bank of Italy

LENDING COMPOSITION (bln/€)

	Mar '15	Dec '15	Mar '16
Total Net Lending	**84.6**	**84.6**	**84.1**
Total Net Lending excl. CCG	**83.8**	**83.4**	**83.5**



	Mar '15	Dec '15	Mar '16
Total Active Lending net of CCG	**77.0**	**77.2**	**77.5**

Net of CCG growth in lending vs Dec ‘15 also compensates for portfolio run off

☆ Of which CCG: 0.8 bln/€ in March ’15, 1.2 bln/€ in Dec ’15, 0.6 bln/€ in March ‘16

See annex 3

Confirmed improvement in new Medium to Long Term new lending origination in 2015 leads to replacement rate of: 126% in Network Banks and 135% in Product Companies, more than double the previous year

FOCUS ON MEDIUM / LONG TERM LENDING* (74% of total lending)

YoY new M/L term origination up by approx. 16% to €3.2 billion

TOTAL MLT STOCK**

58 bln/€

(57.5 *bln/€ in Dec '15*)

NETWORK BANKS**

41.6 bln/€

(41.1 *bln/€ in Dec '15*)

***New origination* / *Reimbursement* = 126%** — **vs. 114% in FY15; vs 130% in 1Q2015**

PRODUCT COMPANIES

10.8 bln/€

(10.6 *bln/€ in Dec '15*)

***New origination* / *Reimbursement* = 135%** — **vs. *92%* in FY15; vs 61% in 1Q2015**

RUN-OFF PORTFOLIO

5.6 bln/€

(5.8 *bln/€ in Dec '15*)

The portfolio in run off accounts for a decrease in lending of approx. **0.2 bln/€ in 1Q2016**

NOTE: Numerator includes new disbursements, denominator includes reimbursements and exits to non performing.
* Management accounts**, excluding Bad Loans and IAS effect**
** Excludes UBI Banca Private Investment (merged with IW Bank in May 2015) and UBI Banca

Decrease in Direct funding from ordinary customers due to natural progressive expiry of bonds placed on third party networks by former Centrobanca (-1 bln) Continuing inflows of current accounts and deposits (+€4.5bln vs Mar '15 and +€1bln vs Dec'15) more than compensate lower retail bond stocks redirected by customers to AUM.

IAS amounts in bln€	Mar '15	Dec '15	Mar '16
DIRECT FUNDING FROM ORDINARY CUSTOMERS	**72.7**	**72.5**	**71.1**
Current accounts and deposits	44.1	47.7	48.6
Term deposits, other payables and repos	1.7	1.5	1.7
Securities in issue:			
Bonds issued by Network banks + UBI	22.9	20.2	18.6
Bonds distributed on Extra-captive customers	3.2	2.8	1.8
Other (mainly customer CDs)	0.7	0.4	0.3
CORE DIRECT FUNDING FROM ORDINARY CUSTOMERS (NET OF BONDS DISTRIBUTED ON EXTRA CAPTIVE CUSTOMERS AND OTHER)	**68.7**	**69.4**	**69.0**
DIRECT FUNDING FROM INSTITUTIONAL CUSTOMERS	**18.4**	**19.0**	**18.5**
Covered Bonds	9.8	9.9	9.2
EMTN	3.1	2.5	2.5
CD and ECP	0.5	0.4	0.7
Repos with CCG	5.0	6.1	6.2
TOTAL DIRECT FUNDING	**91.1**	**91.5**	**89.7**

Strong inflows of deposits both year on year and vs Dec 2015

Replacement rate 50% - 60% of maturities

Bonds placed by the former Centrobanca on third party banks networks, expiring over time:
3Q16: 262 mln/€
4Q16: 1,018 mln/€

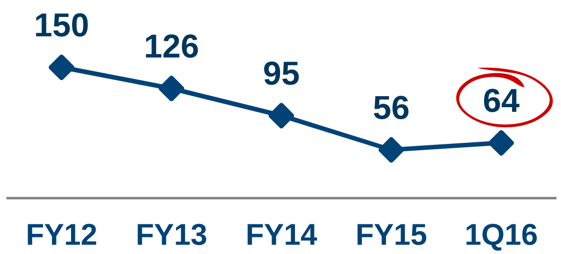
New 750 mln/€ Tier 2 issued on 5th May contributing to TCR

* Bonds placed by Centrobanca on third party banks networks, expiring over time
Subordinated bonds: ~2.7 bln/€ as at 31 Mar '16 corresponding to only 3% of total direct funding

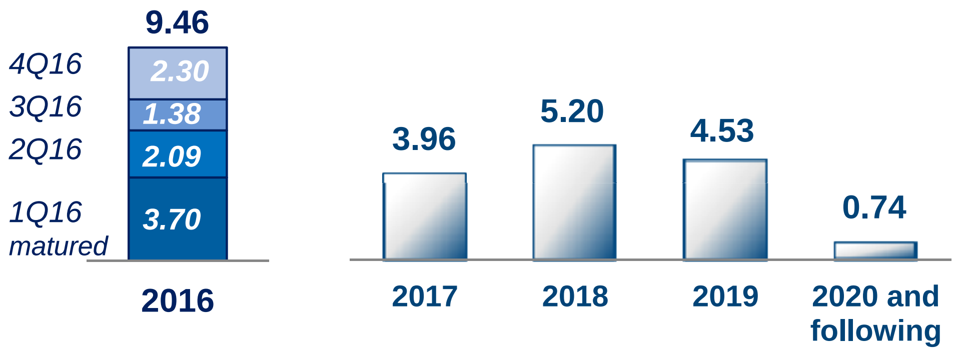
Bond maturities well planned and distributed over time

RETAIL BONDS

New issuances
Decreasing spreads vs. 6M Euribor (bps)



Maturities profile
(Nominal amounts in € bln, net of bond repurchases)

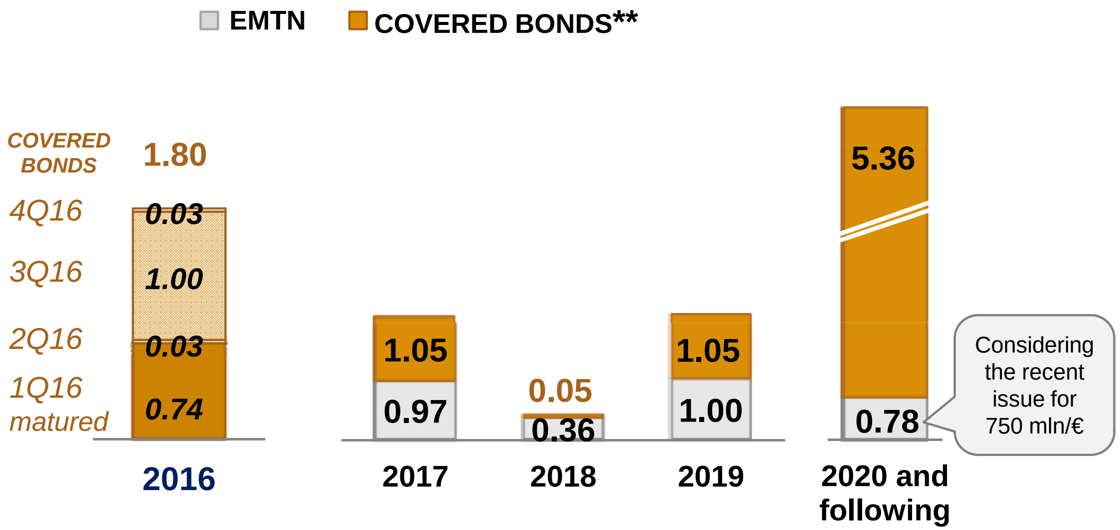


INSTITUTIONAL BONDS

In 1Q16, 0.1 bln/€ EMTN expired*, whilst at the end of April 2016, a subordinated Tier 2 issue was launched and highly successfully placed

- *amount:* ***750 mln/€***
- *maturity:* ***10 years*** *(callable after 5 years)*
- *coupon:* ***4.25%*** *(spread of 4.182% over the swap rate)*

Maturities profile
(Nominal amounts in € bln)



* In 2016, a further 0.07 bln/€ expected to mature in 4Q
** Inclusive of original 0.5 bln/€ of private placement with BEI expiring within 2022. Retained issues not included

UBI Banca

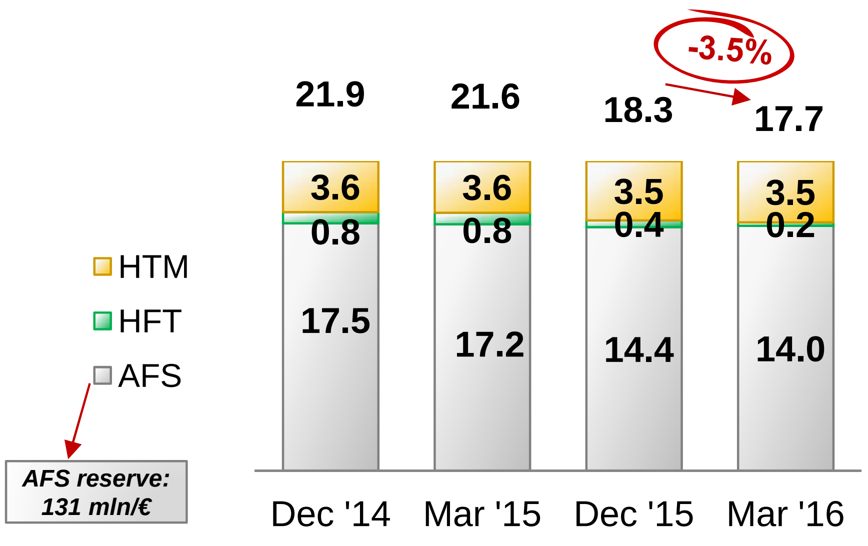
Further downsizing of Italian Govies Portfolio: -3.5% vs Dec ‘15 at 17.7 bln/€ within UBI’s diversification strategy

Amounts in bln/€, IAS value	Dec ‘14	Mar ‘15	Dec '15	Mar ‘16
Net Financial Assets	23.1	22.4	19.7	19.7
of which Italian govies*	21.9	21.6	18.3	17.7
Govies / Net Financial Assets	**92.2%**	**93.3%**	**90.6%**	**87.1%**

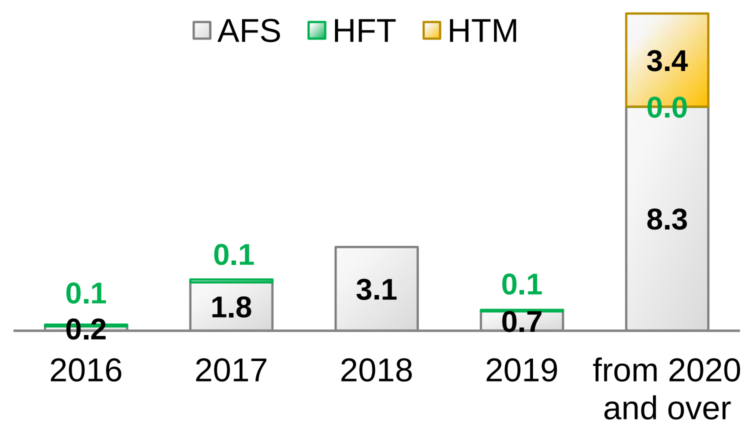
- A very high proportion of the portfolio consists of HQLA (High Quality Liquid Assets), with govies accounting for c.87% of net financial assets
- Average maturity of the Italian govies portfolio of 5.8 years, with modified duration of 1.1 years

Focus on the Italian Govies Portfolio

Composition (bln/€)



Maturity (bln/€)



* Nominal value: 19.2 bln/€ as at Dec ‘14, 18.4 bln/€ as at Mar ‘15 ,15.8 bln/€ as at Dec ’15, and ~15 bln/€ as at Mar ‘16

Confirmed sound liquidity position framework

✓ ***NSFR and LCR > 1***

✓ ***Loan to Deposit ratio = 93.8%***

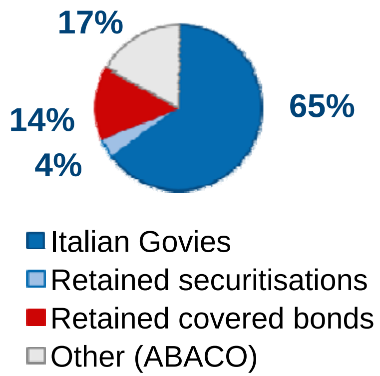
...Total eligible assets at 27.3 bln/€, ~56% of current accounts and deposits

Eligible Assets

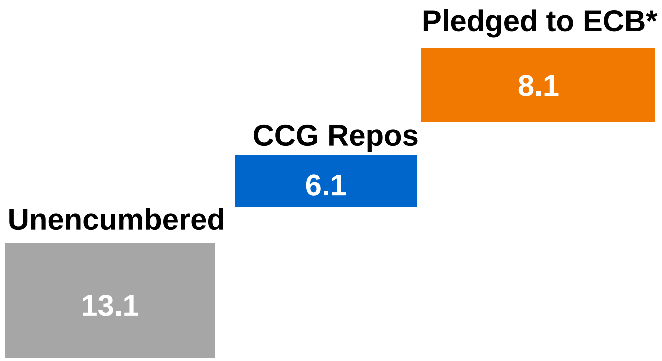
27.3 bln/€

(net of haircut, as at 5th May 2016)

Composition (%)



Usage (bln/€)

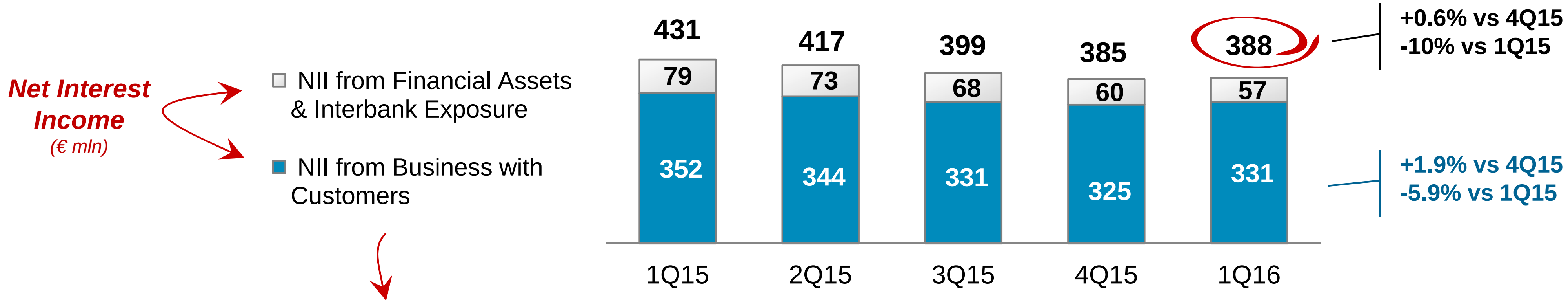


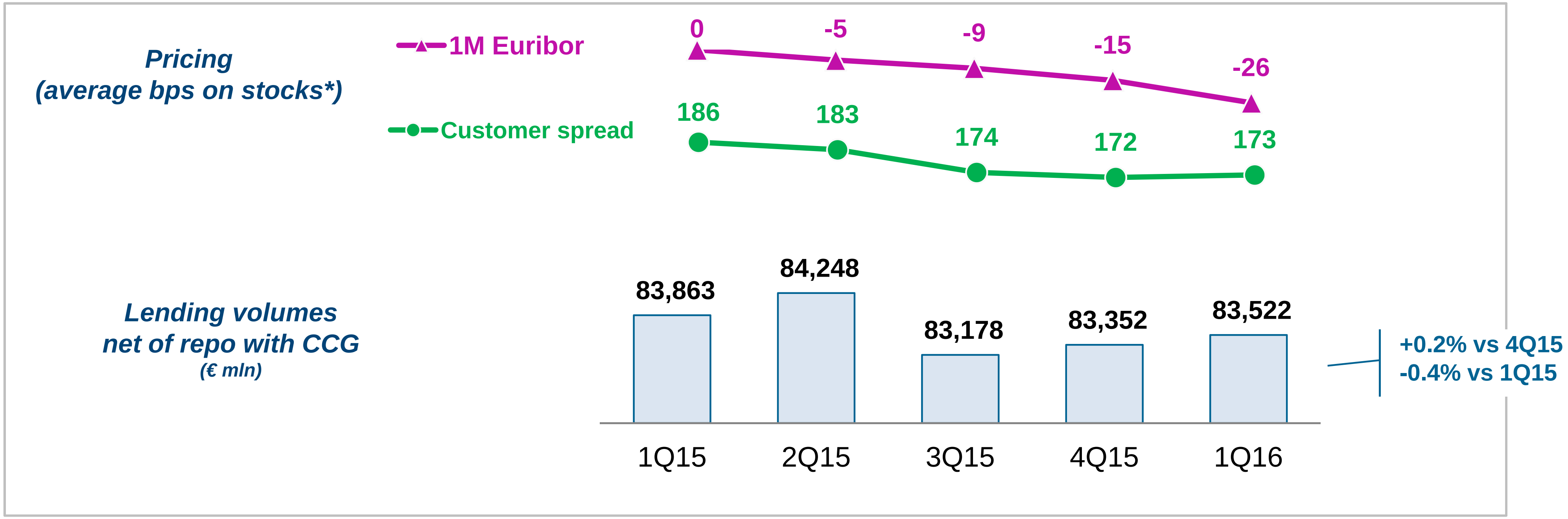
* TLTRO for 8.1 bln/€ expiring Sept 2018

In 1Q16, net profit at 42 mln/€ (including €21.1 mln net contribution to Resolution Fund)

MAIN INCOME STATEMENT ITEMS *Figures in € mln*	**1Q15**	**4Q15**	**1Q16**	**% change 1Q16 vs 1Q15**	**% change 1Q16 vs 4Q15**
Net interest income	431	385	388	*(10.0%)*	*0.6%*
Net commission income	341	331	337	*(1.2%)*	*2.0%*
Net result from finance	58	152	16	*(72.9%)*	*(89.6%)*
Profits of equity-accounted investees	6	12	5	*(14.9%)*	*(56.6%)*
Other income items	30	24	27	*(9.3%)*	*12.6%*
Operating income	**866**	**904**	**773**	**(10.7%)**	**(14.5%)**
Staff costs	(335)	(322)	(320)	*(4.5%)*	*(0.8%)*
Other administrative expenses	(148)	(272)	(172)	*16.1%*	*(36.9%)*
Net impairment losses on property, equipment and investment property and intangible assets	(38)	(38)	(36)	*(6.4%)*	*(5.9%)*
Operating expenses	**(521)**	**(633)**	**(528)**	**1.2%**	**(16.7%)**
Net operating income	**345**	**271**	**245**	**(28.8%)**	**(9.4%)**
Net impairment losses on loans	(190)	(245)	(155)	*(18.3%)*	*(36.6%)*
Net impairment losses on other financial assets and liabilities	(1)	(10)	0	*n.s.*	*n.s.*
Net provisions for risks and charges	(4)	45	(6)	*47.4%*	*n.s.*
Profits (losses) from disposal of equity investments	(0)	0	0	*n.s.*	*n.s.*
Pre-tax profit from continuing operations	**149**	**60**	**84**	**(43.4%)**	**40.2%**
Taxes on income for the period from continuing operations	(62)	(33)	(34)	*(44.6%)*	*3.0%*
Profits for the period attributable to non-controlling interests	(10)	(7)	(7)	*(24.1%)*	*3.5%*
Impairment on tangible and intangible assets *(net of tax and non-controlling interests)*		(3)		*n.s.*	*n.s.*
Charges for exit incentives *(net of tax and non-controlling interests)*	(1)	(62)	(0)	*(62.6%)*	*(99.3%)*
Profit (loss) for the period	**76**	**(45)**	**42**	**(44.6%)**	**(193.0%)**
Profit for the period NET OF NON-RECURRING ITEMS	**82**	**19**	**41**	**(49.2%)**	**117.1%**

Net Interest Income up by 0.6% vs 4Q15 upheld by business with customers (+1.9%), notwithstanding a further reduction in market rates



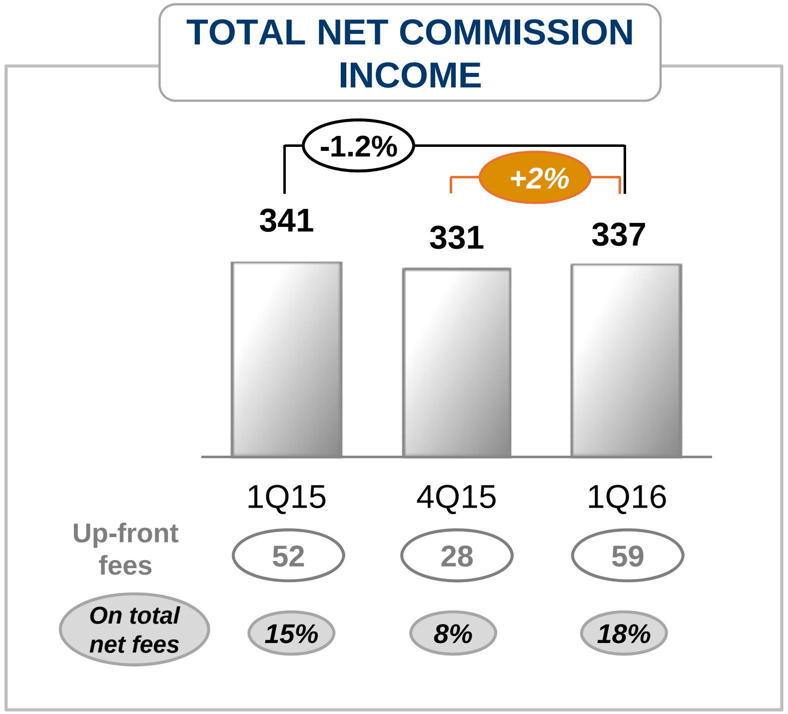


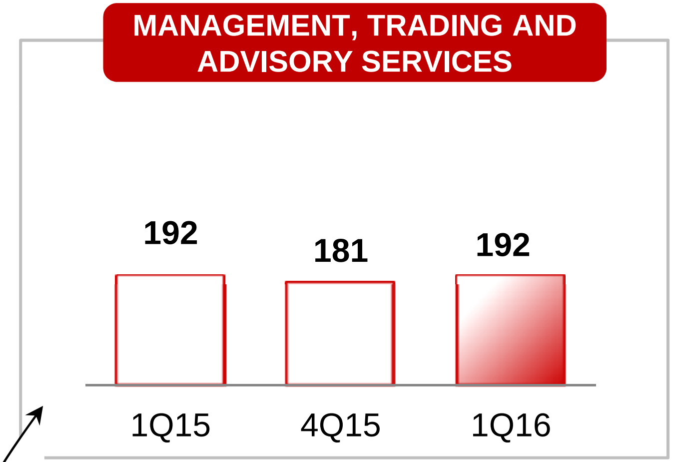
See annex 5

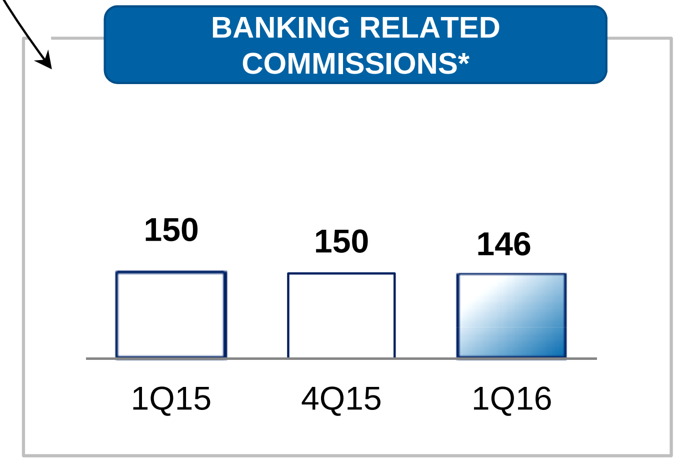
*Average period data referred to the whole consolidated Group (Network banks+ Product companies + UBI)

Net Commission Income at 337 mln/€: +2.0% vs 4Q15 and -1.2% vs 1Q15

(€ mln)







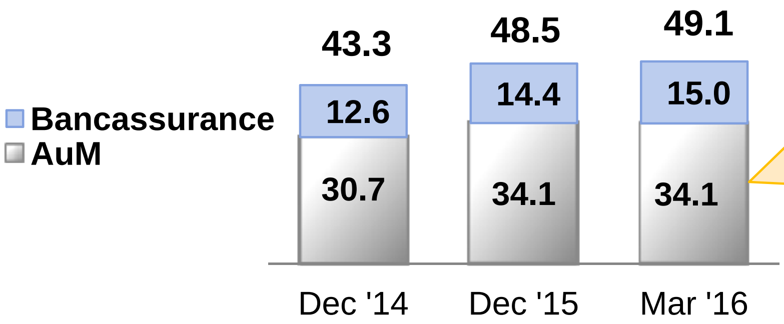
See annex 6

* Includes FX negotiations

Strong asset management inflows offset negative market performance

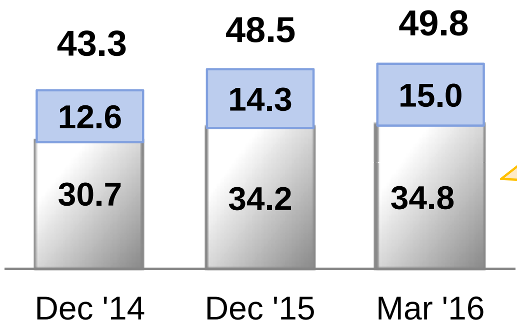
(€ bln)

ASSETS UNDER MANAGEMENT including Bancassurance



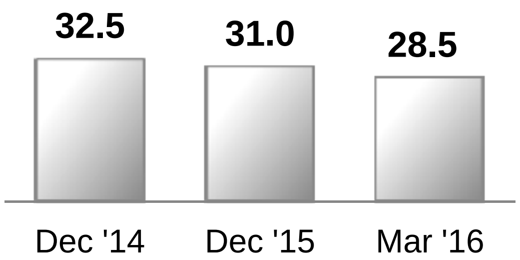
Flat volumes in AUM vs Dec 15 notwithstanding negative market performance …..

ASSETS UNDER MANAGEMENT including Bancassurance excluding market performance

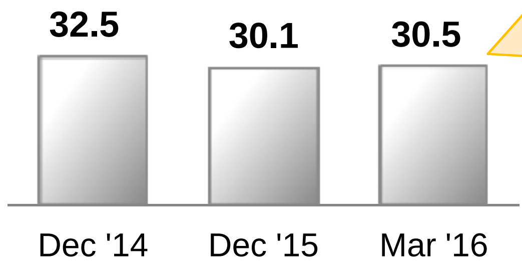


… thanks to significant offsetting inflows (+0.6 bln/€)

ASSETS UNDER CUSTODY



ASSETS UNDER CUSTODY excluding market performance



Net of market performance, AUC also show positive trend vs Dec'15 (+0.3 bln/€)

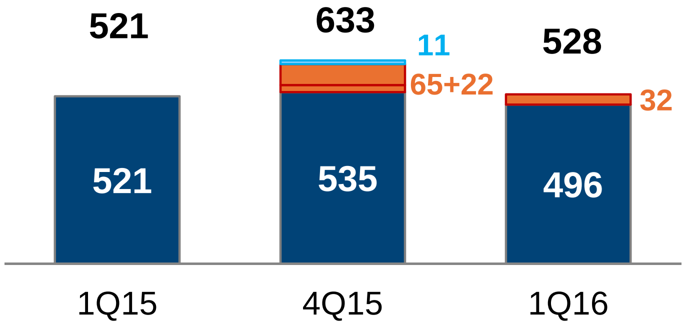
75.9	79.5	77.6	**TOTAL INDIRECT FUNDING**	75.9	78.6	80.3

See annex 4

Operating costs at 528 mln/€: -16.7% vs 4Q15 and +1.2% vs 1Q15

(€ mln)

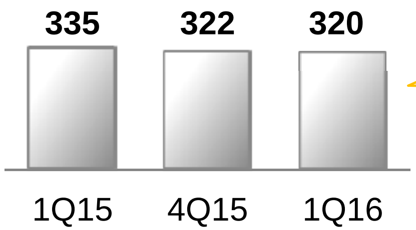
TOTAL OPERATING COSTS



- Annual contribution to RF:
  - 1Q16: ordinary contribution of 32 mln/€
  - 4Q15: ordinary (22 mln/€) + extraordinary (65 mln/€) contribution
- Contribution to DGS:
  - 4Q15: semi-annual contribution of 11 mln/€
  - 4Q16: annual contribution for 2016 (still to be defined)

OF WHICH:

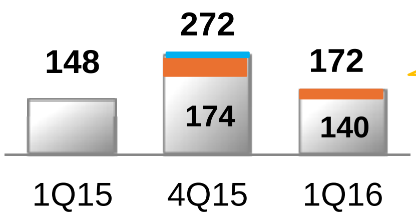
STAFF COSTS



-0.8% vs 4Q15
-4.5% vs 1Q15

- **Continuous drop in staff costs**
- **In average terms, -372 resources compared to 1Q15**
- **Trade Union agreement of Dec ’15 and Feb ‘16: 329 people out of 405 have already left the Group**
- **Given high number of requests, further agreement in Apr ‘16 to allow exit of further 14 resources on 31 May ‘16**

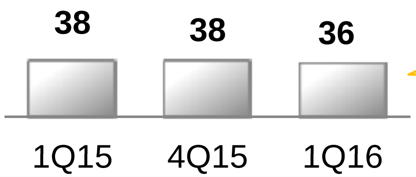
OTHER ADM. EXPENSES



-36.9% vs 4Q15
+16.1% vs 1Q15

- **Change in Administrative expenses influenced by new mandatory contributions to RF and DGS. Net of these contributions, Other Administrative expenses drop by 5.4% vs 1Q15 and 19.4% vs 4Q15**
- **Compared to 1Q15 and 4Q15, drop in almost all expense items, especially professional fees and fees linked to credit recovery procedures**

D&A



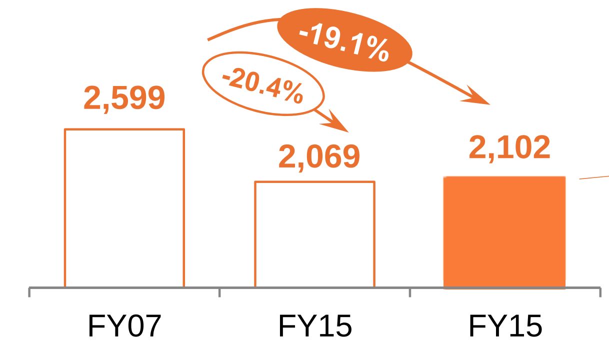
-5.9% vs 4Q15
-6.4% vs 1Q15

- **Decrease in D&A due to lower amortization of IT and Real Estate**

Confirmed strong track record in cost management

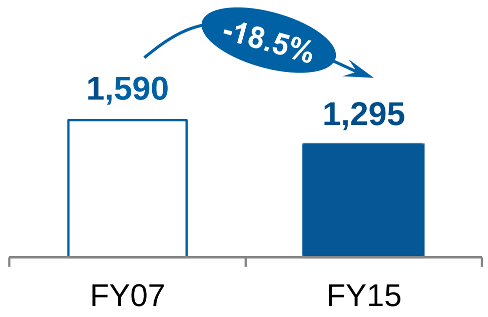
(Amounts net of non-recurring items)

TOTAL OPERATING COSTS *(€ mln, net of PPA)*

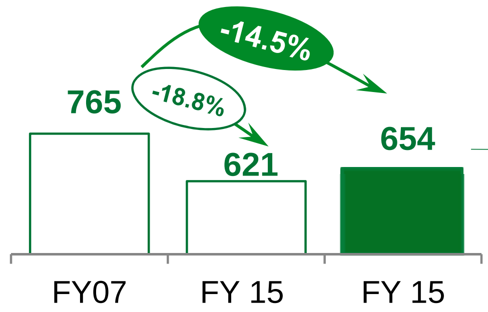


Inclusive of new ordinary contribution to Resolution Fund and Deposit Guarantee Scheme

STAFF COSTS *(€ mln)*



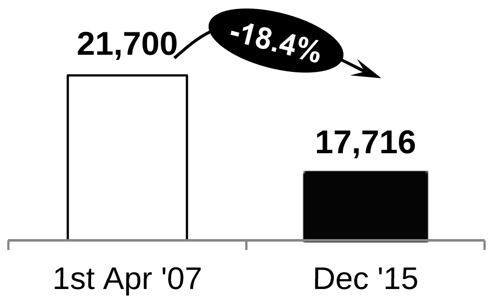
OTHER ADM. EXPENSES *(€ mln)*



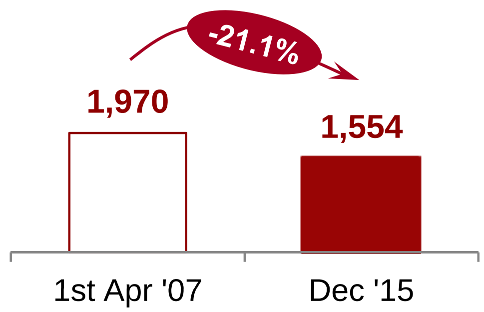
Inclusive of new ordinary contribution to Resolution Fund and Deposit Guarantee Scheme

New agreement with trade unions signed in Dec'15, Feb '16 and Apr '16 providing for a further reduction of ~ 420 staff: 329 staff already left the Group as at 31 Mar '16

STAFF HEADCOUNTS

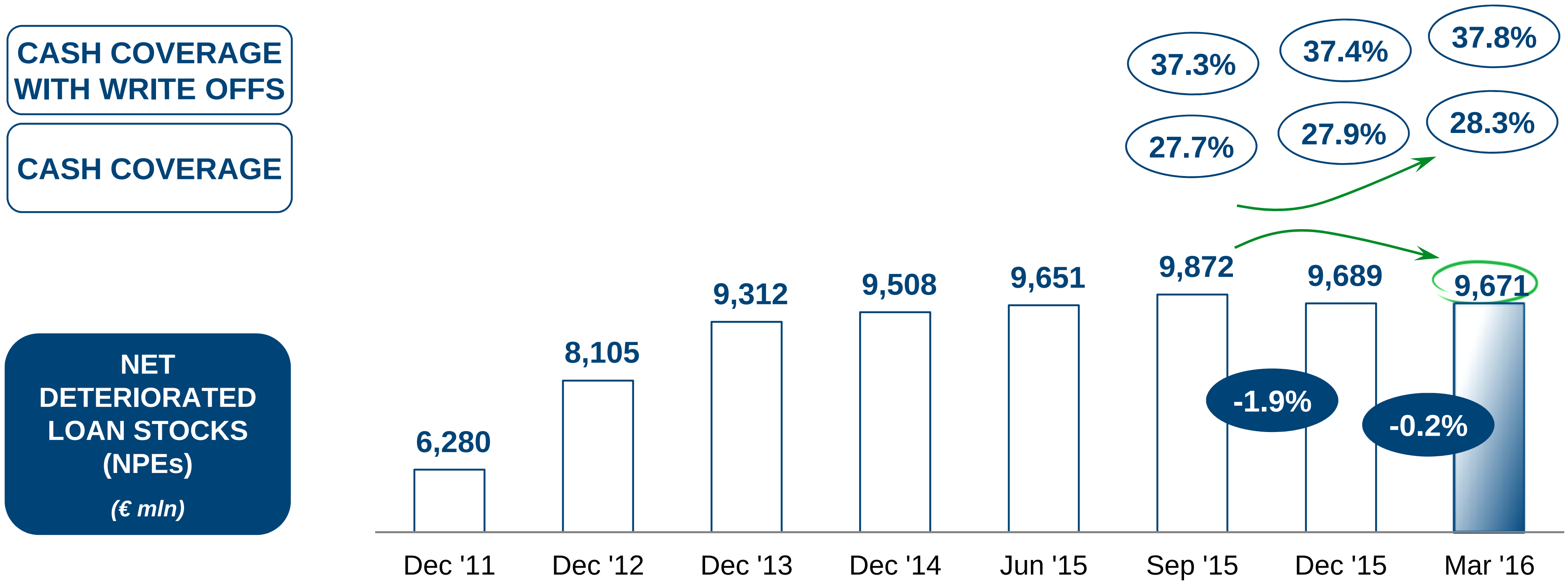


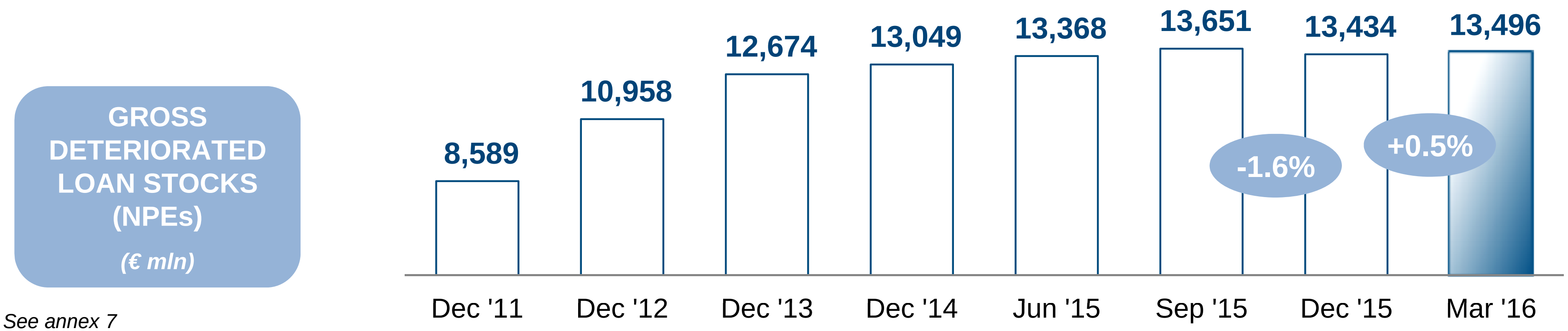
NUMBER OF DOMESTIC BRANCHES



Note: staff headcounts at the end of the period

Net Non Performing Exposures down for the second quarter in a row. Increased coverage.



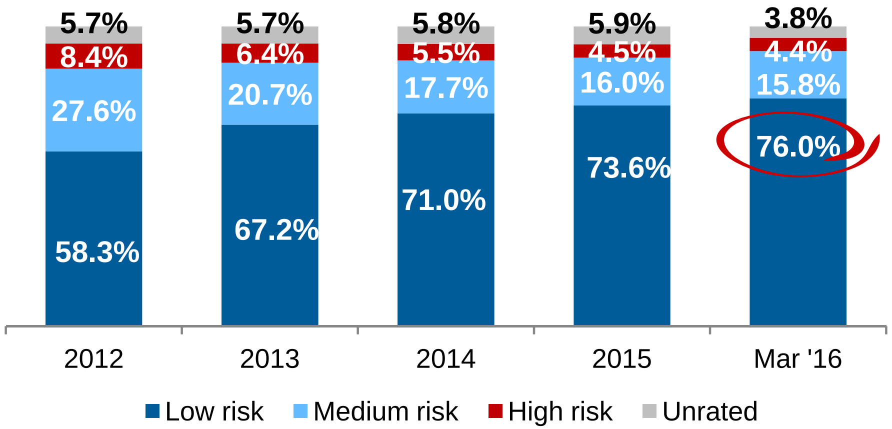


See annex 7

Note: the increase in 2012 vs 2011 deteriorated loans also reflects change in posting criteria for past due (from 180 to 90 days)

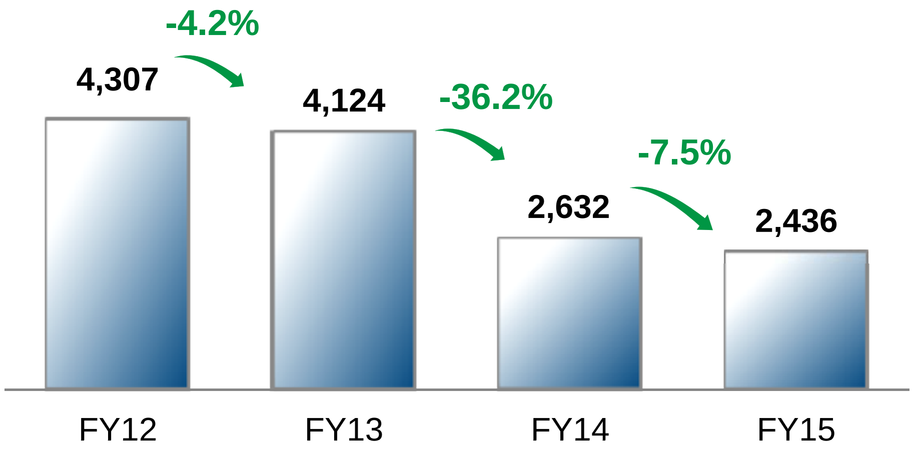
Very low risk performing loan portfolio drives significant drop in new inflows from performing to deteriorated loans (-40% vs 1Q15 and –27% vs 4Q15), starting off positively the 4th year of consecutive decrease in new inflows

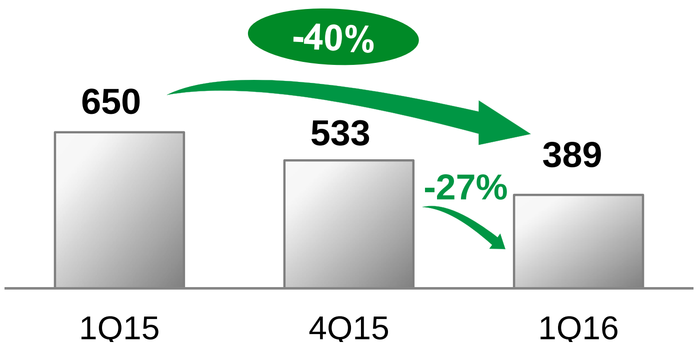
Performing loan portfolio risk profile evolution



Perimeter: Network Banks + UBI Banca (IRB perimeter)

Inflows from performing loans to deteriorated loans (NPE) in €mln

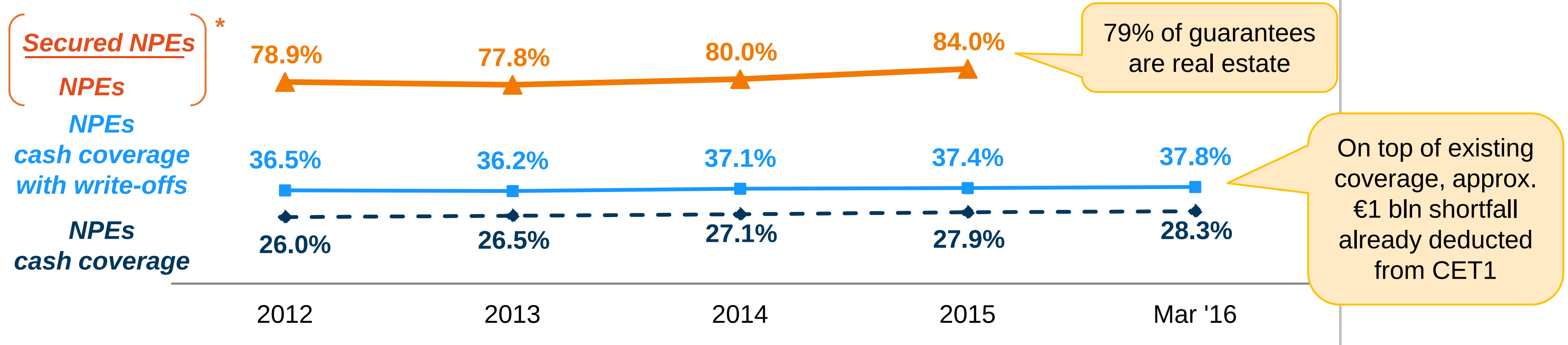




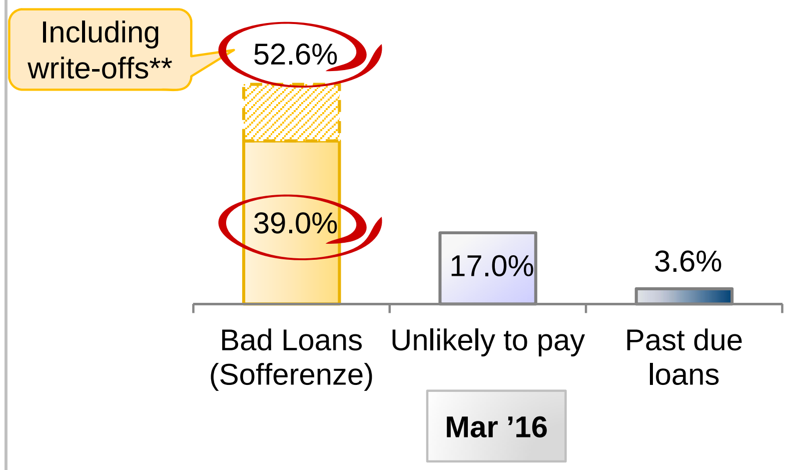
UBI Banca

Increase in coverage of total NPEs compared to Dec ’15 (+46 bps)

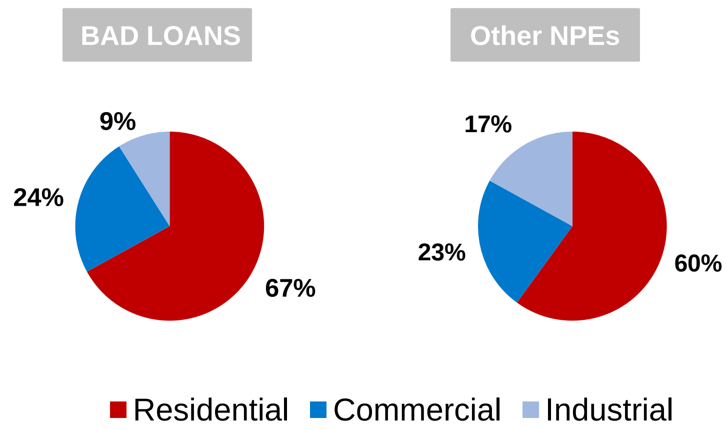
Evolution of Secured NPEs/NPEs* and cash coverage



Detail of Coverage ratios by NPE type



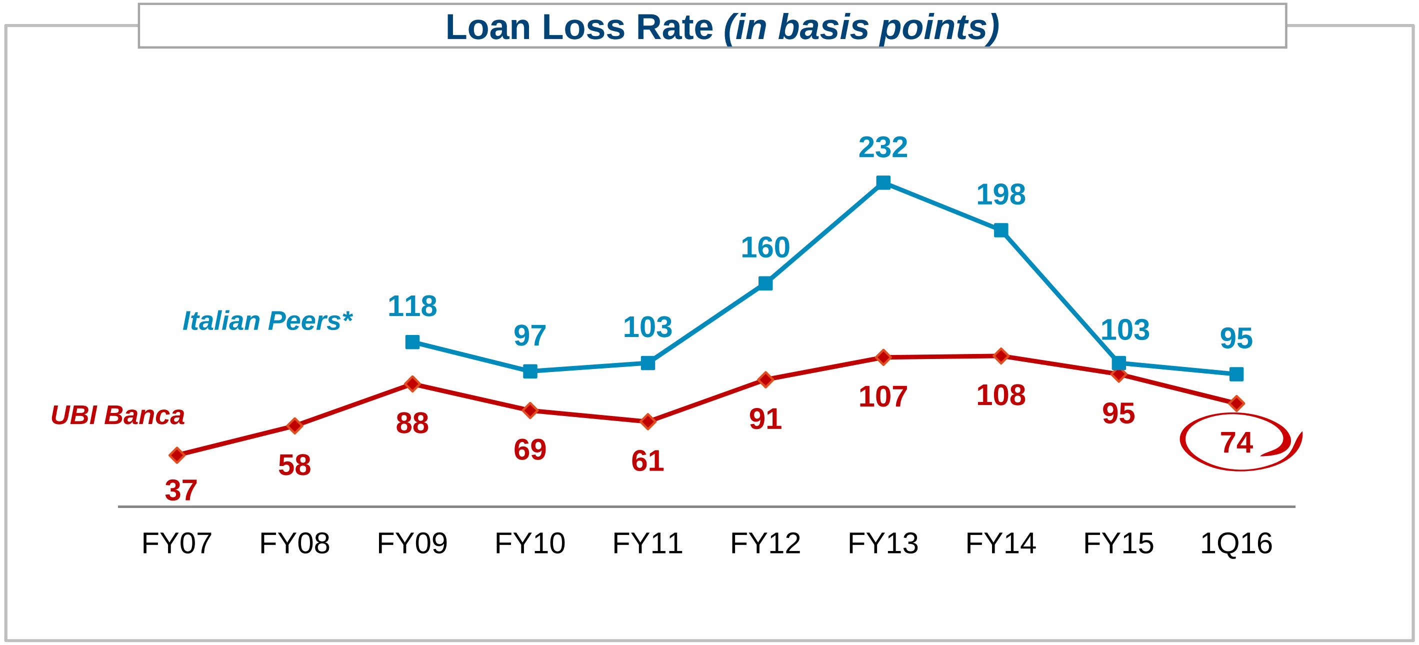
Focus on real estate collateral

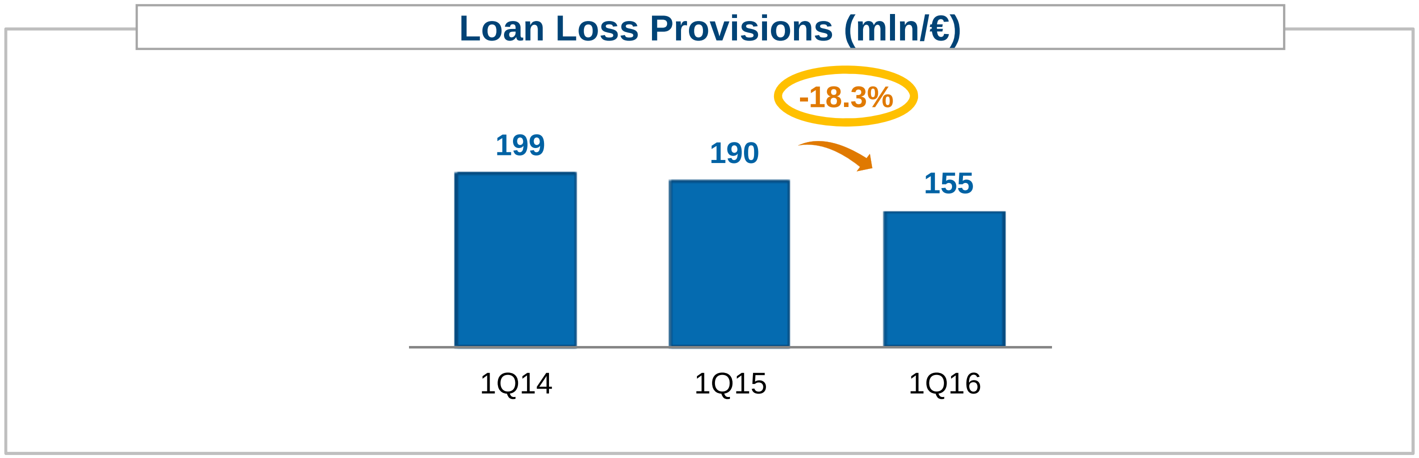


**Secured NPEs/NPEs* refers to the ratio of Net Non Performing Exposures - both wholly and partially guaranteed by collateral and personal guarantees - to Total Net Loans. (Table a.3.2 Notes to the annual accounts)

** write-offs are only made on bad loans and linked mainly to court proceedings. Write offs amount to €2.1 billion (they are done both on loan value and, for the same amount, on provisions)

Loan loss rate at 74 annualised bps. Provisions reduced by 18.3% vs 1Q15





* Italian Peers: UCG, ISP, MPS, BP and BPM
The comparison with Italian peers starts from 2009 seen that before that date some Italian peers have experienced a change in operating perimeter

Outlook for ordinary operations (net of non recurring items)

- ✓ The slight growth in **net interest income** recorded in the first quarter of the year will be affected going forward by the further progressive reduction in market interest rates that has occurred since the beginning year. Action to counter this phenomenon will continue with further efforts to develop business volumes.

- ✓ **Net fee and commission income** is forecast to continue to benefit in 2016 from the process to change the mix of total funding in favour of assets under management and to a lesser extent also from the gradual recovery in lending to customers.

- ✓ In a context of greater volatility on markets, profit-taking on positive fair value reserves relating to the **securities portfolio** should make it possible to achieve a result from finance in line with that of 2015.

- ✓ The continuous optimisation of other administrative expenses and the recent trade union agreements should make it possible to maintain **operating expenses** in line with those for 2015, notwithstanding the increase in costs relating to the contribution to the European Resolution Fund and the Deposit Guarantee Scheme.

- ✓ The particularly low risk attaching to the performing portfolio and the continuous reduction in inflows of new non-performing loans confirm the trend towards a structural reduction of **loan losses**.

Annexes

Main Reclassified Balance Sheet Items

MAIN ASSETS ITEMS *Figures in millions of euro*	31.03.2015	31.12.2015	31.03.2016	% annual change	% quarterly
Financial assets (AFS, HFT, FV, HTM)	23,158	20,239	20,306	-12.3%	0.3%
Loans to customers	84,634	84,586	84,073	-0.7%	-0.6%
Property, equipment and investment property	1,711	1,744	1,674	-2.2%	-4.0%
Intangible assets	1,768	1,757	1,747	-1.2%	-0.6%
*of which: goodwill**	*1,465*	*1,465*	*1,465*	0.0%	0.0%
Tax assets	2,928	2,815	2,790	-4.7%	-0.9%
Other assets	848	1,172	895	5.6%	-23.6%
Total assets	**119,924**	**117,201**	**116,689**	**-2.7%**	**-0.4%**

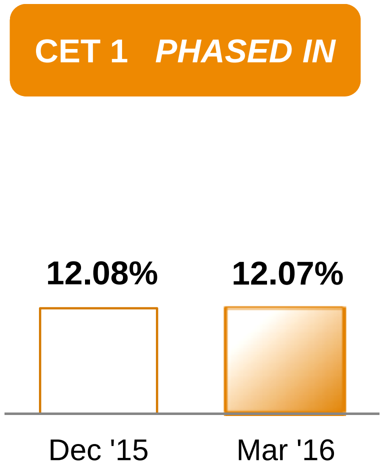
MAIN LIABILITIES AND EQUITY ITEMS *Figures in millions of euro*	31.03.2015	31.12.2015	31.03.2016	% annual change	% quarterly
Net interbank position**	9,029	7,024	7,904	-12.5%	12.5%
Due to customers	50,818	55,264	56,528	11.2%	2.3%
Securities issued	40,324	36,248	33,125	-17.9%	-8.6%
Tax liabilities	735	473	427	-41.9%	-9.5%
Net worth attributable to the Parent	10,018	9,865	9,878	-1.4%	0.1%
Non-controlling interests	540	536	514	-4.7%	-4.0%
Profit for the period	76	117	42	-44.6%	-64.0%
Total liabilities and equity	**119,924**	**117,201**	**116,689**	**-2.7%**	**-0.4%**

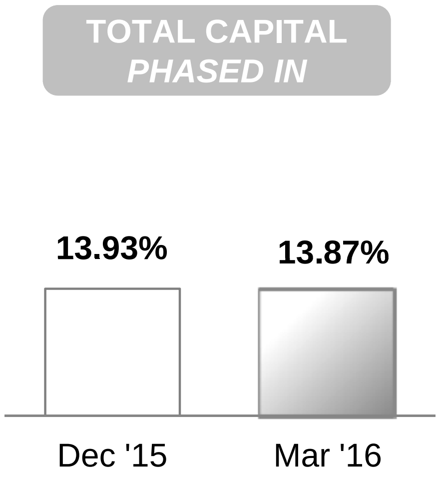
* Goodwill impairment in 2014
** Including € 8.1 bln TLTRO

Capital Ratios (Phased in, Basel 3) as at Mar '16: Common Equity Tier 1 Ratio at 12.07%, Total Capital Ratio at 13.87%

mln/€	**Dec '15**	**Mar '16**
Common Equity Tier 1 Capital (before filters and transitional provisions)	8,182.0	8,127.4
Transitional provisions (minority interest)	176.6	115.8
Transitional provisions (AFS Reserves)	-59.1	-42.5
Common Equity Tier 1 Capital filters	-3.1	-5.1
Italian Govies filters	-191.0	-105.4
Common Equity Tier 1 *(after filters)*	**8,105.4**	**8,090.1**
Common Equity Tier 1 regulatory adjustments: negative elements for deduction excess of expected losses over impairment losses	*-696.5*	*-754.4*
Common Equity Tier 1 Capital (CET1)	**7,408.9**	**7,335.8**
Additional Tier 1 before deductions	38.9	38.9
Additional Tier 1 regulatory adjustments: negative elements for deduction excess of expected losses over impairment losses	*-38.9*	*-38.9*
Additional Tier 1	**-**	**-**
Tier 1 Capital	**7,408.9**	**7,335.8**
Tier 2 Capital before transitional provisions	1,443.5	1,287.2
Tier 2 instruments grandfathering	-	-
Tier 2 Capital after transitional provisions	**1,443.5**	**1,287.2**
Tier 2 capital regulatory adjustments	-307.3	-191.9
of which: negative elements for deduction excess of expected losses over impairment losses	*-315.2*	*-198.3*
Tier 2 Capital	**1,136.1**	**1,095.3**
TOTAL OWN FUNDS	**8,545.0**	**8,431.0**

mln/€	**Dec '15**	**Mar '16**
Risk weighted assets	**61,344.9**	**60,780.6**
Total prudential requirements		
Credit risk	*4,536.7*	*4,523.1*
CVA (Credit Value Adjustment) risk	*15.5*	*18.2*
Market risk	*78.8*	*44.5*
Operational risk	*276.7*	*276.7*





Lending Portfolio: +0.7% vs Dec'15 in the core perimeter

€ bln, end date		Sept '15	Dec '15	Mar '16	% change vs Dec '15
RETAIL	Private Customers	21.1	21.1	21.0	-0.2%
	Small business	13.0	12.9	13.0	0.2%
	UBI Banca *(former Banca 24/7)**	4.8	4.7	4.5	-3.4%
	IW Bank PI	0.8	0.7	0.7	-5.3%
	Prestitalia	1.6	1.5	1.4	-4.9%
	Total Retail	**41.3**	**41.0**	**40.7**	***-0.7%***
CORPORATE	Core corporate	14.4	14.3	14.6	2.0%
	Large corporate	8.5	8.8	8.9	0.8%
	UBI Banca *(former Centrobanca)*	4.8	5.3	5.5	5.5%
	Total Corporate	**27.8**	**28.4**	**29.1**	***2.3%***
PRIVATE		**0.8**	**0.9**	**0.9**	***8.1%***
OTHER**		**13.9**	**14.4**	**13.4**	***-6.5%***
of which:	UBI Leasing	6.1	6.0	6.0	-1.3%
	UBI Factor	1.7	2.0	2.0	-3.5%
	UBI Banca including CCG	1.1	1.6	0.9	-41.7%
TOTAL NET LENDING BOOK		**83.8**	**84.6**	**84.1**	***-0.6%***

"Core" lending in Network banks at 58.4 bln/€ (+0.7% vs Dec '15)

Small business: turnover up to €15 mln
Core Corporate: turnover from €15 to €250 mln
Large Corporate: turnover > €250 mln

* Following the merger of Banca 24/7 in UBI Banca, effective July 2012, UBI Banca is managing the remaining stock of non captive mortgages and personal and special purpose loans. Prestitalia is managing all "salary backed loan" operations, both stocks and new lending

** Minor companies, UBI Banca financial transactions, IAS adjustments, loans not segmented to commercial portfolios and intercompany eliminations

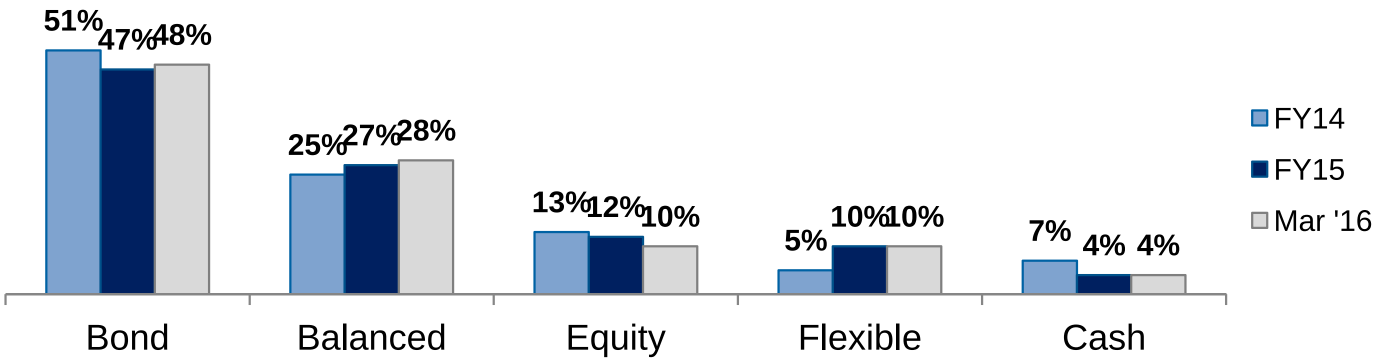
AuM and Bancassurance products up by 11% and 14.5% respectively in 2015, with an improved AUM mix

INDIRECT FUNDING EVOLUTION

bln/€	Mar '15	Dec '15	Mar '16	*% change vs Mar '15*	*% change vs Dec '15*
AuM	34.2	34.1	34.1	*-0.4%*	*-0.2%*
Bancassurance	13.3	14.4	15.0	*13.1%*	*4.0%*
AuC	33.9	31.0	28.5	*-16.0%*	*-8.0%*
Total Indirect Funding	**81.4**	**79.5**	**77.6**	*-4.7%*	*-2.5%*

Market effect Mar '16 vs Mar' 15 on Total indirect funding: -6.7 bln/€, mostly on AuC: -3.9 bln/€

UBI PRAMERICA SGR AuM composition



Net Interest Income – Consolidated Customer Spread Details

CUSTOMER SPREADS

in bps on avg. STOCK*	**1Q15**	**2Q15**	**3Q15**	**4Q15**	**1Q16**
1M Euribor	0	-5	-9	-15	-26
Mark up vs 1M Euribor	275	269	259	256	260
Short term	*323*	*308*	*293*	*283*	*280*
Medium-long term	*262*	*259*	*251*	*250*	*255*
Mark down vs 1M Euribor	-89	-86	-85	-84	-87
Sight deposits	*-16*	*-18*	*-19*	*-24*	*-35*
Term deposits	*-112*	*-89*	*-94*	*-81*	*-87*
Retail bonds	*-136*	*-129*	*-124*	*-125*	*-130*
Institutional bonds	*-186*	*-187*	*-187*	*-174*	*-165*
UBI Group - Customer spread	**186**	**183**	**174**	**172**	**173**
of which					
UBI Network Banks cust. spread	**201**	**196**	**190**	**185**	**181**

* Average period data referred to the whole consolidated Group (Network banks+ Product companies + UBI)

Detail of Net Commission Income at 337 mln/€

Net Commission Income *(€ mln)*	**1Q15**	**4Q15**	**1Q16**	**1Q16 vs 1Q15**	**1Q16 vs 4Q15**
MANAGEMENT, TRADING & ADVISORY SERVICES	**192**	**181**	**192**	**0.0%**	**6.1%**
of which:					
Portfolio management	*77*	*98*	*75*	*-2.7%*	*-23.7%*
Placement of securities	*68*	*33*	*67*	*-1.5%*	*104.6%*
Third party services distribution	*46*	*49*	*49*	*6.4%*	*-0.3%*
BANKING RELATED COMMISSIONS*	**150**	**150**	**146**	**-2.7%**	**-3.0%**
of which:					
Guarantees (banking activity)	*14*	*10*	*13*	*-9.4%*	*25.1%*
Collection and payment services	*27*	*29*	*24*	*-9.3%*	*-16.2%*
Services for factoring transactions	*4*	*4*	*4*	*-13.1%*	*0.7%*
Current accounts management	*46*	*51*	*44*	*-4.9%*	*-14.4%*
Other services	*57*	*54*	*59*	*4.7%*	*9.6%*
TOTAL NET COMMISSION INCOME	**341**	**331**	**337**	**-1.2%**	**2.0%**
of which					
*UP-FRONT FEES***	*52*	*28*	*59*		
as a % on total net commission income	*15%*	*8%*	*18%*		

* Includes FX negotiations.

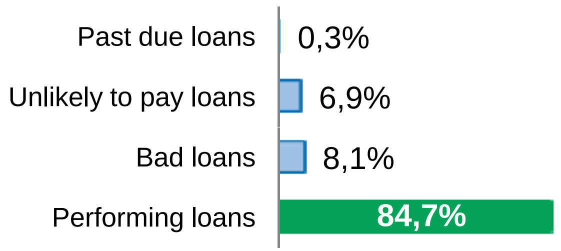
** Funds&sicav, insurance products, other third party products

Asset Quality details

Figures in mln/€	Gross exposure			Net exposure			Coverage		
	Sep '15	*Dec '15*	*Mar '16*	*Sep '15*	*Dec '15*	*Mar '16*	*Sep '15*	*Dec '15*	*Mar '16*
Performing loans	74.376	75.314	74.814	73.963	74.898	74.401	0,56%	0,55%	0,55%
of which forborne	*2.263*	*2.354*	*2.421*	*2.229*	*2.315*	*2.382*	1,50%	1,64%	*1,62%*
Non performing exposures	**13.651**	**13.434**	**13.496**	**9.872**	**9.689**	**9.671**	**27,69%**	**27,88%**	**28,34%**
of which forborne	***2.734***	***3.021***	***3.167***	***2.318***	***2.543***	***2.652***	***15,21%***	***15,83%***	***16,27%***
- Bad loans *("Sofferenze")*	6.920	6.988	7.122	4.244	4.288	4.347	38,67%	38,64%	38,97%
- "Unlikely to pay" loans	6.324	6.180	6.111	5.241	5.147	5.071	17,13%	16,71%	17,02%
- Past due loans	407	267	263	387	254	254	5,07%	4,88%	3,64%
Total loan book	**88.027**	**88.748**	**88.310**	**83.834**	**84.586**	**84.073**	**4,76%**	**4,69%**	**4,80%**
of which: forborne	***4.997***	***5.375***	***5.588***	***4.547***	***4.858***	***5.033***	***9,00%***	***9,61%***	***9,93%***

% Incidence on total loans...

...in gross terms, Mar '16



...in net terms, Mar '16