

PRESS RELEASE

Consolidated pro-forma net profit of 940,6 million euro, +10,4% compared to 851,9 million euro recorded to 31st December 2006. Sound growth in normalised profit on continued operations confirmed (+13,1% to 1.557,8 million euro before tax), fully in line with Industrial Plan forecasts

Significant increase in capital ratios (Core Tier 1 Ratio up to 6,86% from 6,28% at the end of 2006)

Proposed dividend of 0,95 euro per share (+ 19%)

Consolidated pro-forma results to 31st December 2007 compared with 31st December 2006 (inclusive of the effect of the allocation of the merger differences)

- **Operating income of 4.458,8 million euro (+4,2% and +6,9% net of non recurring items)**
 - Net interest income of 2.690,4 million euro (+10,9%)
 - Commissions of 1.335,4 million euro (+0,7% and +2,9% net of performance fees)

Operating costs of 2.557,5 million euro (+1,4% inclusive of the positive effect amounting to 49,4 million euro of the new method of determining the staff severance provision and +4,2% net of non recurring items)

Net operating income of 1.901,3 million euro (+8,3% and +10,9% net of non recurring items)

The excellent quality of credit is confirmed:

- Net impairment losses on loans at 0,37% of total lending or at 0,27% net of non recurring items (0,29% in 2006)
- Non performing loans + net impaired loans to total lending at 1,56% unchanged compared to 2006

Profit on continuing operations before tax of 1.511,9 million euro (-1,2% and +13,1% to 1.557,8 million euro net of non recurring items)

Net profit of 940,6 million euro - Net profit excluding Purchase Price Allocation impact to 1.021,3 million euro

Normalized net profit of 770,5 million euro compared to 717 in 2006 - Normalized net profit excluding Purchase Price Allocation impact of 851,2 million euro compared to 797,8 million in 2006

- **Sound capital ratios: Core Tier 1 Ratio of 6,86%, Tier 1 Ratio of 7,44% and Total Capital Ratio of 10,22%**
- **Sound commercial positioning (on a like-for-like basis)**
Net lending to customers of 92,7 billion euro (+12,4%)
Direct funding of 90 billion euro (+5,8%)
Indirect funding from ordinary customers of 91,7 billion euro (-1,9%)
- **The good positioning of the Bank in relation to the crisis that has hit markets confirmed**
No direct exposure to the USA sub-prime sector and to USA “monoline” insurance companies
Liquidity: net interbank position of the Group at -4,3 billion euro, an improvement of 9,6% compared to the end of 2006 and essentially stable in the first few months of 2008
Risks relating to derivatives transactions with customers are particularly contained
- **Good progress with the integration process, with 32% of activities completed at the end of 2007 compared to an Integration Plan forecast of 30%. Migration onto the target system by the first network bank successfully concluded in February 2008.**

* * *

Bergamo, 26th March 2008 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) approved the draft Annual Report for the year of UBI Banca and the Consolidated Annual Report for the Group for the year ended 31st December 2007, and has decided to propose to the shareholders’ meeting, that will be held on 10th May 2008 in second call, to distribute a unit dividend of 0,95 euro to the 639.145.902 ordinary shares outstanding.

Net profit for the year amounted to 940,6 million euro, an increase of 10,4% compared to 851,9 million in 2006.

The first year of the new Group’s activities was characterized by sustained growth in volumes of business and good performance on ordinary operations, as evidenced by normalized data, which show significant increases in profit margins. In a financial context disturbed by a number of negative events, the Group confirmed its contained exposure to risk and its capacity to manage critical market conditions by limiting their impact on operations and profitability.

The result was at the same time impacted by factors directly linked to the merger, including the effect on the balance sheet and the income statement of the allocation of merger differences, the standardisation of methods for calculating collective impairment losses on loans, the amendments to corporate by-laws proposed to harmonise the accounting treatment of staff costs, the sale of bank branches in compliance with Antitrust Authority instructions and integration costs.

The integration of the new UBI Banca Group commenced in July 2007 and is proceeding ahead of schedule with 32% of activities completed at the end of 2007 compared to 30% planned. Integration activities to be performed in 2008 include the migrations of the four network banks of the former BPU Banca Group onto the target system; the first migration (Banca Popolare Commercio e Industria) was completed at the end of February 2008 fully in line with forecasts. It is estimated that a total of 80% of integration activities will be completed by the end of 2008.

The allocation of merger differences

The allocation of merger differences arising from the merger between BPU Banca and Banca Lombarda (termed purchase price allocation – PPA) was performed in 2007 in accordance with IFRS 3 rules. On the basis of this standard, the merger differences, calculated as amounting to 4,2 billion euro as at the

merger date (1st April 2007) was allocated with approximately 1 billion euro recognised in the fair value of the assets and liabilities of the former Banca Lombarda Group¹ while the remaining 3,2 billion euro, was recognised without distinction under the item “goodwill”.

The following impacts were therefore calculated on the income statement for 2007: -149,4 million euro on operating income (of which -87,8 million euro on net interest income and -61,6 million euro on net impairment losses on property, plant and equipment and intangible assets), +57,2 million euro on taxes and profit attributable to minorities lower by 11,5 million euro.

The total impact on consolidated net profit therefore amounted to -80,8 million euro.

Moreover, adjustments to deferred taxation made necessary by the new tax rates set in the 2008 Finance Act resulted in a non recurring positive impact on 2007 net profit of approximately 89 million euro.

The income statement

The income statement figures commented on are based on the pro-forma reclassified consolidated financial statements (income statement and income statement net of non recurring items) contained in the attachments to this press release. For the sake of comparison the effect of the allocation of merger differences has been applied in equal amount to the relative figures for 2006. The profit margins are commented on including the effect of PPA.

Operating income (including the effect of PPA, negative by 87,8 million euro) earned in 2007 amounted to approximately 4.459 million euro, an improvement of 4,2% and 7% approx., net of non recurring items compared to 2006.

Net interest income, which includes the effect of PPA, negative by 87,8 million in both years compared, continued to perform positively with **an increase of 10,9%** to 2.690,4 million euro compared to 2.425,3 million euro achieved in 2006.

This result was determined by particularly lively general banking business with customers, which made a net contribution to net interest income which was up by 17,7% to 2.583 million euro from 2.194,9 in 2006, while although the remaining component relating to financial activities and business with banks was positive, it was nevertheless affected by the performance of financial markets and a lower net contribution from insurance capitalisation policies, down to 1,2 billion from 5,4 billion in 2006.

If the net contribution from capitalisation policies is excluded (9,8 million euro in 2007 and 51,3 million euro in 2006), then net interest income increased by 12,9%.

Dividends received on equities held in portfolio increased to 83,5 million euro from 50,7 million euro in 2006, as a result of a higher distribution of profits (the interest held in Intesa Sanpaolo contributed 55,1 million euro compared to 31,9 million in 2006).

Despite the unfavourable performance of markets, net commissions increased by 0,7% to 1.335,4 million euro from 1.325,9 million euro in 2006. If the performance fees of the Group’s asset management company, down to 12,6 million euro from 40,4 in 2006, are excluded, then commissions recorded an increase of 2,9%.

More specifically, net of performance fees, commissions generated by indirect funding increased as a result of the basic stability of commissions on assets under management and the growth in commissions on life insurance products and the sale of securities; there was a reduction in commissions on more traditional banking services, such as collections and payments and commissions on ordinary current accounts, which were, however, more than compensated for by commissions on innovative products (non life insurance products, CPI’s and investment banking).

The net profit **on trading, hedging and disposal and repurchase activity** amounted to approximately 102 million euro, compared to the previous 242,8 million euro. The item was affected in 2007 not only by the unfavourable performance of financial markets, but also by a lower contribution from non recurring items (20,2 million euro in 2007 relating to the gain on the exchange of Borsa Italiana/LSE

¹ The main balance sheet items affected by the allocation of merger differences (1 billion euro) are as follows: loans (29,5% of the total), real estate (7,6% of the total), participations (3,8% of the total) and intangible assets (59,1%).

shares compared to 100,7 million euro in 2006 consisting of 70,1 on the disposal of Italease shares and 30,6 of gains on the disposal doubtful loans).

Net income on insurance operations increased during the year to 84,7 million euro from 67,7 million euro in 2006.

Other operating income totalled 143,7 million euro in 2007 compared to 148,3 million euro in 2006. In detail, it included, a one-off cost of 13,3 million euro in 2007 relating to the present value of the amount to be paid to the Marches Foundation that is being formed on the basis of agreements signed to conclude the litigation with Banca Popolare di Ancona.

Operating costs, amounted to 2.557,5 million euro (inclusive of the effect of the PPA, negative by 61,6 million euro) and recorded growth of 1,4% compared to 2.522,5 million euro in 2006. These do not include integration costs, stated under a separate item.

In detail, *staff costs* totalled 1.539,3 million, benefiting from the recognition of a positive amount of 49,4 million euro resulting from a one-off effect of changes to the accounting rules for the staff severance provision. The increase was moderate at 0,5% compared to 1.531,9 million in 2006.

Staff costs, as will be recalled, included 22,2 million for 2007 and 18,2 million for 2006 relating to staff pension and social security expenses. These costs, incurred annually in all Group companies and charged against net profit only in UBI Banca and in Banca Popolare di Bergamo when the use of net profit was decided in accordance with corporate by-laws, will be included from this year within the item staff costs, following the proposal submitted to the next General Meeting of the Shareholders to amend those by-laws.

If the favourable effect of the recalculation of the staff severance provision is not considered (together with 5,5 million of non recurring items present in 2006 relating to IW Bank), staff costs increased by 4,1%, primarily due to wage trends and more specifically to contract renewals and general growth in remuneration as well as incentives and bonuses.

Other administrative expenses, amounting to 772,8 million euro, increased by 3,7% compared to 745,5 million euro in 2006 and had not yet benefited from the expected merger synergies.

Net impairment losses on property, plant and equipment and intangible assets, which included the negative impact of PPA amounting to 61,6 million euro, amounted to 245,4 million euro, basically unchanged compared to 2006.

Net of non recurring items and of the effect of the PPA, the cost/income ratio stood at 56,1%, a fall of 1,3 percentage points compared to 57,4% in the comparison period. Compared to the figure at the end of September, the cost/income ratio was affected by the increase in the item staff costs as a result of the proposed amendment to the corporate by-laws already mentioned. This increased accounted for 0,50 percentage points of the cost/income ratio.

As a result of the performance described above, **net operating income** improved by 8,3% to 1.901,3 million euro from 1.755,4 in 2006; if non recurring items are excluded, then it increased by **10,9%**.

Net impairment losses on loans amounted to 345,6 million euro in 2007; they included: a one-off negative impact of 85,1 million as a result of the standardisation of the method for calculating collective impairment losses on performing loans (which in accordance with Basle 2 conventions, considers a time horizon of 12 months to estimate default forecasts) and 11,9 million relating to the write down of HRS-Help Rental Service Srl loans, placed in liquidation on 16th July 2007.

Net of those non recurring items, net impairment losses on loans amounted to 248,6 million euro compared to 238,7 million euro in 2006.

The percentage of net impairment losses to net lending to customers therefore stood at 0,37%; net of the non recurring items already mentioned the cost of credit fell to 0,27%, slightly lower than the 0,29% recorded in 2006.

Net impairment losses on assets/liabilities rose to 28,6 million euro (in 2006 the item recorded net write-backs of 1,5 million) and included the write down by approximately 19 million euro of the Hopa investment (2% of the share capital, now recognised at 0,34 euro per share).

Both periods compared benefited from gains **on the disposal of equity investments**, which amounted to 22,8 million euro in 2007 (including 20,7 attributable to the gain realised at Group level following the listing of IW Bank) compared to 62,9 million euro in 2006 (62 million of which attributable to the earn-out from the Prudential USA investment in the Group's asset management company).

Normalized net profit on continuing operations before tax therefore amounted to 1.557,8 million euro, up by 13,1% compared to 1.376,7 million euro for 2006.

Taxes on income for the year for continuing operations rose to 606,3 million euro compared to 613 million euro recorded in 2006. The tax rate was 40,1% (in line with 40% for 2006). The normalised tax rate was 45,3% in 2007, an increase compared to 42,7% in 2006 mainly as a result of the adjustment of deferred tax on intra-group dividends introduced by the 2008 Finance Act (+34 million euro).

The income statement included a specific item containing the total for **integration costs for the period which totalled 166,7 million** net of tax (86,8 million euro) and before minority interests. These costs, amounting to 253,5 million gross, are composed of 193,5 million of staff costs mainly in relation to Group voluntary redundancy schemes, approximately 32,8 million of other administrative expenses in relation to consultancy services, communication and advertising plans and training programmes incurred mainly by UBI Banca and 27,2 million of net impairment losses on property, plant and equipment and intangible assets for hardware and software which was written-off.

Finally the profit of non current assets held for sale net of taxes (but before profit attributable to minorities), amounted to 308,6 million euro (11,5 million euro in 2006), including 291 million relating to the sale of 61 branches to Banca Popolare di Vicenza in compliance with Antitrust Authority instructions and 17,6 million euro relating to the sale of Banca Carime branches to Banca Popolare Pugliese.

* * *

The balance sheet

It will be recalled that 15 branches were sold in 2007 by Banca Carime to Banca Popolare Pugliese and 61 branches by Banca Popolare di Bergamo, Banco di Brescia and Banca Popolare Commercio e Industria to Banca Popolare di Vicenza in compliance with Antitrust Authority instructions. The balance sheet aggregates recognised in the accounts as at 31st December 2007 do not therefore include the figures for those branches, which are, on the other hand, included in the balance sheet aggregates as at 31st December 2006. Comparison figures are therefore given based purely on the accounts (book values) together with comparison figures on a like-for-like basis excluding, that is, branches disposed also from the 2006 aggregates.

As at 31st December 2007, **total Group funding** amounted to 181,7 billion euro, an increase of 1,8% on a uniform comparison basis compared to 178,5 billion euro in 2006 (+0,9% in terms of book values).

In detail, **direct funding, net of financial funding of UBI Assicurazioni Vita**, recorded year-on-year growth of 5,8% on a uniform comparison basis to approximately 90 billion euro from 85 billion euro recorded as at 31st December 2006 (+5% in terms of book values). The performance recorded is attributable to growth in amounts due to customers and securities issued to customers, up by 4,2% to 76,5 billion euro from 74 billion euro in 2006 (+3,4% in terms of book values) and in bonds issued under the EMTN programme, which rose to 13,5 billion euro from 11,6 billion euro in 2006.

Total indirect funding from private customers was down on a uniform comparison basis by 1,9% to 91,7 billion euro from 93,5 billion euro in 2006 (-2,9% in terms of book values). Despite the positive contribution from insurance products, up by 6,1% to 12,8 billion euro (+4,2% in terms of book values), assets under management as a whole were heavily affected by difficulties on financial markets,

especially in the second half of the year, falling by 4,3% to 52,2 billion euro from 54,6 in 2006 (-5,6% *in terms of book values*), and this was only partially offset by assets under custody, which also increased by 1,5% to 39,5 billion euro) (+0,8% *in terms of book values*).

Total Group **lending to customers** as at 31st December 2007 amounted to 92,7 billion euro, an increase on a uniform comparison basis of 12,4%, compared to 82,5 billion euro existing in December 2006 (+11% *in terms of book values*).

Lending to customers recorded general year-on-year growth both with regard to network banks (+8,2%), and to the product companies (+21%), which included strong growth rates in lending by Banca 24-7, +62,7% to 4,4 billion euro.

As concerns the **quality of the lending portfolio** as at 31st December 2007, the ratio of net non performing loans to net lending stood at 0,75% compared to 0,69% in December 2006, while the ratio of net impaired loans to net lending was 0,81%, a decrease compared to 0,87% recorded in December 2006. Overall, the ratio of net impaired loans + net non-performing loans over total loans remained substantially unvaried to 1,56%.

The **shareholders' equity of the Group**, excluding profit for the period, amounted to 10.849 million euro as at 31st December 2007 (10.651 million euro as at 31st December 2006).

Capital ratios

Capital ratios as at 31st December 2007, consisted of a Core Tier 1 Ratio of 6,86% (6,28% in 2006), a Tier 1 Ratio of 7,44% (6,91% in 2006) and a Total Capital Ratio of 10,22% (10,31% in 2006). The ratios included the effect of the renegotiation of the clauses in the contract governing the joint venture with Prudential USA, which allowed the entire historical investment of Prudential in UBI Pramerica (approximately 250 million euro) to be included in the capital calculations.

* * *

As at 31st December 2007, the Group had a total workforce of 21.029 (-335 compared to 31st December 2006). The branch network at the date of this press release consists of 1.921 branches in Italy (taking account of the 15 branches disposed of in 2007 by Banca Carime, of the 61 branches disposed of in compliance with Antitrust Authority instructions and also of the new branches opened under the Industrial plan) and eight abroad.

* * *

Exposure to the USA sub-prime sector and to USA “monoline” insurance companies

As concerns the exposure of the UBI Banca Group to the USA sub-prime mortgage sector and to USA “monoline” insurance companies, the Bank confirms what has already been reported in previous press releases:

- no direct exposure to American sub-prime mortgages, nor to related instruments, SPVS and conduits
- no direct exposure to USA “monoline” insurance companies
- marginal indirect exposure to both the USA sub-prime sector and to USA “monoline” insurance companies in the Group's investments in hedge funds.

* * *

The liquidity position of the Group

As a result of careful management of available resources, the Group brought its net interbank debtor position at the end of 2007 down to 4,3 billion euro compared to 4,8 billion euro recorded at the end of 2006 and to a peak of 7,7 billion reached in June 2007.

The management of Group assets and liabilities did in fact generate sufficient liquidity to meet the needs of the development of the Group in the short term, which made it possible to avoid resorting to new issues under the EMTN programme in the second half of 2007 and again in the first few months of 2008, as already announced to markets. Nevertheless in order to support lending and the growth forecast in the Industrial Plan, forms of medium term funding were identified with lower spreads than those currently existing on the EMTN market, which it will start to be implemented in the next months; these include the issue of Covered Bonds.

Transactions in derivatives

The positioning of the Group is conservative, with limited risk in derivatives transactions with customers.

* * *

Business outlook

Trends for 2008 confirm the sustainability of the economic performance contained in the 2007-2010 Industrial Plan and of the dividend planned for the year.

The target for net profit (which also takes account of the more favourable tax rate resulting from the new tax legislation) is fully consistent with the objective defined, to be achieved by means of a change in the composition of revenues, in line with market developments, with a greater concentration on net interest income.

It is predicted that the performance of net interest income in a context of stable market rates and slowdown but not recession of the economy, will result in lower growth rates compared to 2007, but still higher than forecast in the Industrial Plan.

As concerns net commissions, more contained growth is expected than in 2007 and in Industrial Plan indications.

Operating costs are expected to grow moderately compared to the 2007 figure, considered net of the one-off positive effect of the supplementary pension reform.

On the basis of the information currently available, the cost of lending in 2008 should be lower than the 35 basis points which were indicated in the Industrial Plan.

Finally it is expected that markedly lower integration costs, amounting to approximately 90 million euro, will be incurred during the year compared to those incurred in 2007 and that on the basis of current projections the year will benefit from lower extraordinary income compared to 2007 (which includes the gains resulting from the renegotiation of the joint venture agreement with Prudential USA and those from the sale of 50%+1 share of UBI Assicurazioni Vita to Aviva).

* * *

UBI BANCA Scpa

The Management Board has approved the individual annual report for UBI Banca Scpa, which ended the year with a profit of 820,4 million euro, an increase of 7,8% compared to 760,7 million euro achieved in 2006.

If approved by the General Meeting of the Shareholders, the dividend proposed of 0,95 euro per share, will be paid on 19th May 2008 with value date of 22nd May 2008. The total dividend payment will amount to maximum 607,2 million euro drawn on the profit of the Parent Bank after legal and by-law allocations.

* * *

Declaration of the senior executive officer responsible for preparing corporate accounting documents

The senior executive officer responsible for preparing the corporate accounting documents (Elisabetta Stegher), hereby declares, in compliance with paragraph 2 of article 154 *bis* of the “*Testo unico della Finanza*”, that the information contained in this press release corresponds to the records contained in corporate documents, books and accounting records.

* * *

The report on corporate governance will be made available when the 2007 draft Financial Statements are published.

For further information:

UBI Banca – Investor relations – Tel. +39 035 392217

Email: investor.relations@ubibanca.it

UBI Banca – Press relations

Tel. +39 030 2473591 – +39 035 29293511

Email: relesterne@ubibanca.it

Copy of this press release is available on the website www.ubibanca.it

Attachments

Financial statements

The UBI Banca Group:

- Reclassified consolidated balance sheet
- Reclassified consolidated income statement
- Reclassified consolidated income statement net of the main non recurring items
- Reclassified consolidated quarterly income statement

UBI Banca S.c.p.a.:

- Reclassified balance sheet
- Reclassified income statement

Notes to the statements

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 and also for the twelve months of 2006 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).

In compliance with IFRS 3, the cost of acquisition (amounting to 4,2 billion) was recognised in both the reclassified and the mandatory financial statements by allocating it at fair value to the assets and liabilities of the merged bank (1 billion), while the remaining components were maintained within the item goodwill (3,2 billion).

The effect of the purchase price allocation on the *income statement* was negative by approximately 81 million and was not included in the interim financial statements. It was allocated as follows: -87,8 million in net interest income, -61,6 million in net impairment losses on property, plant and equipment and intangible assets, +57,2 million in taxes and +11,5 million profit attributable to minorities.

To allow comparison, the amount and allocation of the merger differences has also been incorporated in the balance sheet and income statement figures for 2006 as have the effects of the PPA in the same terms and in the same amount as included in the financial statements for 2007.

The income statement also incorporates the proposal to amend Art. 52 of UBI Banca By-Laws and art. 31 of Banca Popolare di Bergamo By-laws concerning the destination of a share of net profit for staff social securities and allowances, to be charged directly to staff expenses (+18,2 million the effect on staff expenses for 2006 and +22,2 million for 2007).

In compliance with the indications of CONSOB communication No. DEM/6064293 of 28th July 2006, the impacts on the income statement of the principal non recurring items have been included in a special statement among the reclassified financial statements; they can be summarised as follows:

- reform of supplementary pensions;
- standardisation of the method of calculating collective impairment losses on performing loans;
- integration costs resulting from the merger transaction (including an estimate of the costs of writing-off software and hardware destined to be written off);
- the sale by Banca Carime of 15 branches to Banca Popolare Pugliese; the sale of 61 branches by Banca Popolare di Bergamo, Banco di Brescia and Banca Popolare Commercio e Industria to Banca Popolare di Vicenza in compliance with Antitrust Authority instructions; the capital gain on the Borsa Italiana share swap; the disposal, for the listing, of the shares in the subsidiary IW Bank;
- other negative items relating to the endowments for the Marches Foundation, to the effects of valuing minority interests and to tax effects.

UBI Banca Group: reclassified consolidated balance sheet

Figures in thousands of euro	31.12.2007 pro-forma A	31.12.2006 pro-forma B	Changes A/B	% changes A/B
ASSETS				
Cash and cash equivalents	643.128	586.799	56.329	9,6%
Financial assets held for trading	3.811.580	6.190.975	-2.379.395	(38,4%)
Financial assets at fair value	1.333.586	5.352.617	-4.019.031	(75,1%)
Available-for-sale financial assets	5.729.003	4.703.712	1.025.291	21,8%
Held-to-maturity financial assets	1.254.520	1.256.872	-2.352	(0,2%)
Loans to banks	3.907.562	4.260.488	-352.926	(8,3%)
Loans to customers	92.729.039	83.552.233	9.176.806	11,0%
Hedging derivatives	261.479	442.872	-181.393	(41,0%)
Fair value change of hedged financial assets (+/-)	-7.685	2.044	-9.729	n.s.
Equity investments	183.448	143.213	40.235	28,1%
Technical reserves of reinsurers	253.301	105.726	147.575	139,6%
Property, plant and equipment	2.178.566	2.223.373	-44.807	(2,0%)
Intangible assets	5.621.122	5.684.446	-63.324	(1,1%)
<i>of which: goodwill</i>	4.357.381	4.428.594	-71.213	(1,6%)
Tax assets	1.204.069	1.217.335	-13.266	(1,1%)
Non current assets and disposal groups held for sale	13.205	98.401	-85.196	n.s.
Other assets	2.353.426	2.342.858	10.568	0,5%
Total assets	121.469.349	118.163.964	3.305.385	2,8%
LIABILITIES				
Due to banks	8.204.758	9.016.297	-811.539	(9,0%)
Due to customers	49.695.651	48.480.775	1.214.876	2,5%
Securities in issue	40.817.869	37.772.530	3.045.339	8,1%
Financial liabilities held for trading	865.207	1.028.530	-163.323	(15,9%)
Financial liabilities at fair value				
Hedging derivatives	351.723	407.795	-56.072	(13,8%)
Tax liabilities	1.776.140	1.765.514	10.626	0,6%
Liabilities associated with disposal groups held for sale	-	119.648	-119.648	(100,0%)
Other liabilities	3.499.989	3.645.878	-145.889	(4,0%)
Staff severance payments	469.879	546.689	-76.810	(14,1%)
Provision for liabilities and charges:	321.730	337.466	-15.736	(4,7%)
a) pension and similar obligations	84.139	89.867	-5.728	(6,4%)
b) other provisions	237.591	247.599	-10.008	(4,0%)
Technical reserves	2.590.644	2.532.321	58.323	2,3%
Share capital, issue premiums and reserves	10.849.349	10.650.647	198.702	1,9%
Minority interests	1.085.839	1.007.982	77.857	7,7%
Profit for the period	940.571	851.892	88.679	10,4%
Total liabilities	121.469.349	118.163.964	3.305.385	2,8%
The pro-forma figures as at 31st December 2006 do not include amounts relating to the 61 branches sold to Banca Popolare di Vicenza and the 15 branches to Banca Popolare Pugliese.	31.12.2007 pro-forma A	31.12.2006 pro-forma B	Changes A/B	% changes A/B
Direct funding from customers	90.513.520	85.660.539	4.852.981	5,7%
Loans to customers	92.729.039	82.522.387	10.206.652	12,4%
Assets under custody	39.471.188	38.869.762	601.426	1,5%
Assets under management	52.231.634	54.588.242	-2.356.608	-4,3%
Indirect funding from ordinary customers	91.702.822	93.458.004	-1.755.182	-1,9%

UBI Banca Group: reclassified consolidated income statement

	31.12.2007 pro-forma	31.12.2006 pro-forma	Changes	% changes
Figures in thousands of euro				
Net interest income	2.690.433	2.425.328	265.105	10,9%
<i>of which: impact of Purchase Price Allocation</i>	<i>(87.808)</i>	<i>(87.808)</i>	-	-
Net interest income excluding impact of PPA	2.778.241	2.513.136	265.105	10,5%
Dividend and similar income	83.539	50.674	32.865	64,9%
Profit (loss) of equity investments valued using the equity method	19.165	17.332	1.833	10,6%
Net commission income	1.322.748	1.285.483	37.265	2,9%
Performance commissions	12.617	40.382	(27.765)	(68,8%)
Net profit (loss) from trading, hedging and disposal/repurchase activities valued at fair value	101.919	242.750	(140.831)	(58,0%)
Net income on insurance operations	84.657	67.680	16.977	25,1%
Other net operating income/(expense)	143.687	148.270	(4.583)	(3,1%)
Operating income	4.458.765	4.277.899	180.866	4,2%
Operating income excluding impact of PPA	4.546.573	4.365.707	180.866	4,1%
Staff costs	(1.539.315)	(1.531.923)	7.392	0,5%
Other administrative expenses	(772.781)	(745.456)	27.325	3,7%
Net impairment losses on property, plant and equipment and intangible assets	(245.386)	(245.170)	216	0,1%
<i>of which: impact of Purchase Price Allocation</i>	<i>(61.620)</i>	<i>(61.620)</i>	-	-
Net impairment losses on property, plant and equipment and intangible assets excluding impact of PPA	(183.766)	(183.550)	216	0,1%
Operating costs	(2.557.482)	(2.522.549)	34.933	1,4%
Operating costs excluding impact of PPA	(2.495.862)	(2.460.929)	34.933	1,4%
Net operating income	1.901.283	1.755.350	145.933	8,3%
Net operating income excluding impact of PPA	2.050.711	1.904.778	145.933	7,7%
Net impairment losses on loans	(345.635)	(238.710)	106.925	44,8%
Net impairment losses on other assets and liabilities	(28.571)	1.500	30.071	n.s.
Net provisions for liabilities and charges	(37.990)	(50.753)	(12.763)	(25,1%)
Profit (loss) from disposal of equity and other investments	22.796	62.889	(40.093)	(63,8%)
Profit (loss) on continuing operations before tax	1.511.883	1.530.276	(18.393)	(1,2%)
Profit (loss) on continuing operations before tax excluding impact of PPA	1.661.311	1.679.704	(18.393)	(1,1%)
Taxes on income for the period for continuing operations	(606.260)	(612.609)	(6.349)	(1,0%)
<i>of which: impact of Purchase Price Allocation</i>	<i>57.157</i>	<i>57.157</i>	-	-
Integration costs	(166.721)	-	-	-
<i>of which: staff costs</i>	<i>(193.517)</i>	-	-	-
<i>other administrative expenses</i>	<i>(32.817)</i>	-	-	-
<i>net impairment losses on tangible and intangible assets</i>	<i>(27.207)</i>	-	-	-
<i>taxes</i>	<i>86.820</i>	-	-	-
Profit (loss) of non current assets held for sale and discontinued operations net of taxes	308.547	11.531	297.016	n.s.
Net profit for the period attributable to minority interests	(106.878)	(77.306)	29.572	38,3%
<i>of which: impact of Purchase Price Allocation</i>	<i>11.505</i>	<i>11.505</i>	-	-
Profit for the period attributable to the Parent Bank excluding impact of PPA	1.021.337	932.658	88.679	9,5%
Profit for the period attributable to the Parent Bank	940.571	851.892	88.679	10,4%
<i>Total impact of PPA on Income Statement</i>	<i>(80.766)</i>	<i>(80.766)</i>	-	-

The item "Net impairment losses on loans" includes the impact of the change in the method of calculating collective impairment losses on performing loans, amounting to 85,1 million euro.

UBI Banca Group: reclassified consolidated income statement net of the main non recurring items

	non recurring items							non recurring items				Change 31.12.2007 pf /31.12.2006 pf net of non recurring items	% change 31.12.2007 pf /31.12.2006 pf net of non recurring items		
	31.12.2007 pro-forma	Integration costs			Disposal of equity investments and Banca Carime branches (1)	Adjustments due to new tax rates (2008 Finance Act)	Other items (2)	31.12.2007 pro-forma net of non recurring items	31.12.2006 pro-forma	Disposal of loans	Disposal of equity investments and UBI Pramerica SGR earn out (3)			Other items	31.12.2006 pro-forma net of non recurring items
Figures in thousands of euro															
Net interest income (including impact of PPA)	2.690.433						2.690.433	2.425.328					2.425.328	265.105	10,9%
Dividends and similar income	83.539						83.539	50.674					50.674	32.865	64,9%
Profit (loss) on equity investments valued using the equity method	19.165						19.165	17.332					17.332	1.833	10,6%
Net commission income	1.322.748						1.322.748	1.285.483					1.285.483	37.265	2,9%
Performance commissions	12.617						12.617	40.382					40.382	(27.765)	(68,8%)
Net profit (loss) from trading, hedging and disposal/repurchase activities valued at fair value	101.919				(20.239)		81.680	242.750	(30.582)	(70.117)			142.051	(60.371)	(42,5%)
Net income on insurance operations	84.657						84.657	67.680					67.680	16.977	25,1%
Other net operating income/(expense)	143.687						156.977	148.270			(11.600)		136.670	20.307	14,9%
Operating income (including impact of PPA)	4.458.765	-	-	-	(20.239)	-	4.451.816	4.277.899	(30.582)	(70.117)	(11.600)	4.165.600	286.216	6,9%	
Staff costs	(1.539.315)				(49.396)		(1.588.711)	(1.531.923)			5.461	(1.526.462)	62.249	4,1%	
Other administrative expenses	(772.781)						(772.781)	(745.456)			15.300	(730.156)	42.625	5,8%	
Net impairment losses on property, plant and equipment and intangible assets (including impact of PPA)	(245.386)						(245.386)	(245.170)				(245.170)	216	0,1%	
Operating costs (including impact of PPA)	(2.557.482)	-	-	-	(49.396)	-	(2.606.878)	(2.522.549)	-	-	20.761	(2.501.788)	105.090	4,2%	
Net operating income (including impact of PPA)	1.901.283	-	-	-	(49.396)	(20.239)	1.844.938	1.755.350	(30.582)	(70.117)	9.161	1.663.812	181.126	10,9%	
Net impairment losses on loans	(345.635)						96.990	(238.710)				(238.710)	9.935	4,2%	
Net impairment losses on other assets and liabilities	(28.571)						24.819	1.500				1.500	5.252	n.s.	
Provisions for liabilities and charges	(37.990)					1.163	(36.827)	(50.753)				(50.753)	(13.926)	(27,4%)	
Profit (loss) from disposal of equity and other investments	22.796					(20.747)	2.049	62.889		(62.000)		889	1.160	130,5%	
Profit (loss) on continuing operations before tax (including impact of PPA)	1.511.883	-	-	-	(49.396)	(39.823)	1.35.099	1.530.276	(30.582)	(132.117)	9.161	1.376.738	181.025	13,1%	
Taxes on income for the period for continuing operations	(606.260)				16.301	1.303	(90.805)	(26.874)	(706.335)			(587.379)	118.956	20,3%	
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 tangible and intangible assets	(27.207)		27.207				-	-				-	-	-	
taxes	86.820	(62.890)	(23.930)				-	-				-	-	-	
Profit (loss) of non current assets held for sale and discontinued operations net of taxes	308.547					(308.624)	(77)	11.531		(5.453)		6.078	(6.155)	n.s.	
Net profit for the period attributable to minority interests	(106.878)	(9.821)	(48)	1.725	21.699	16.501	(4.061)	(77.306)	427	246	(1.804)	(78.437)	2.446	3,1%	
Profit for the period attributable to Parent Bank	940.571	117.868	38.984	(31.370)	(325.445)	(74.304)	104.164	851.892	(20.063)	(123.462)	8.633	717.000	53.468	7,5%	
ROE	8,7%						7,1%	8,0%				6,7%			
Cost / Income ratio	57,4%						58,6%	59,0%				60,1%			

(1) 20,2 mln€ London Stock Exchange; 20,7 mln€ IW Bank; 308,6 mln€ branch disposals

(2) 85,1 mln€ standardization of calculation of collective impairment; 12 mln€ HRS-Help Rental Service; 19 mln€ HOPA

(3) 70 mln€ Italease shares disposal; 62 mln€ UBI Pramerica SGR earn-out

UBI Banca Group: reclassified consolidated quarterly income statements

Figures in thousands of euro	2007				2006 pro-forma			
	4Q	3Q	2Q	1Q pro-forma	4Q	3Q	2Q	1Q
Net interest income	718.842	672.990	652.611	645.990	635.084	611.127	581.199	597.918
<i>of which: impact of Purchase Price Allocation</i>	<i>(18.272)</i>	<i>(20.367)</i>	<i>(26.874)</i>	<i>(22.295)</i>	<i>(18.272)</i>	<i>(20.367)</i>	<i>(26.874)</i>	<i>(22.295)</i>
Net interest income excluding impact of PPA	737.114	693.357	679.485	668.285	653.356	631.494	608.073	620.213
Dividends and similar income	3.227	568	74.488	5.256	4.847	980	42.570	2.277
Profit (loss) of equity investments valued using the equity method	1.956	6.960	3.963	6.286	3.255	7.162	1.929	4.986
Net commission income	331.336	321.444	341.879	328.089	337.949	296.581	335.636	315.317
Performance commissions	8.012	88	2.296	2.221	10.146	3.692	7.728	18.816
Net profit (loss) from trading, hedging and disposal/repurchase activities valued at fair value	22.476	5.612	23.966	49.865	43.108	39.097	31.450	129.095
Net income on insurance operations	29.353	14.479	25.809	15.016	22.298	11.252	16.222	17.908
Other net operating income/(expense)	37.000	32.842	35.557	38.288	50.824	29.131	32.986	35.329
Operating income	1.152.202	1.054.983	1.160.569	1.091.011	1.107.511	999.022	1.049.720	1.121.646
Operating income excluding impact of PPA	1.170.474	1.075.350	1.187.443	1.113.306	1.125.783	1.019.389	1.076.594	1.143.941
Staff costs	(395.716)	(386.800)	(358.542)	(398.257)	(398.641)	(364.213)	(386.233)	(382.836)
Other administrative expenses	(226.456)	(174.009)	(191.906)	(180.410)	(234.189)	(167.018)	(177.762)	(166.487)
Net impairment losses on property, plant and equipment and intangible assets	(63.486)	(61.715)	(62.431)	(57.754)	(66.610)	(63.058)	(58.835)	(56.667)
<i>of which: impact of Purchase Price Allocation</i>	<i>(15.405)</i>							
Net impairment losses on property, plant and equipment and intangible assets excluding impact of PPA	(48.081)	(46.310)	(47.026)	(42.349)	(51.205)	(47.653)	(43.430)	(41.262)
Operating costs	(685.658)	(622.524)	(612.879)	(636.421)	(699.440)	(594.289)	(622.830)	(605.990)
Operating costs excluding impact of PPA	(670.253)	(607.119)	(597.474)	(621.016)	(684.035)	(578.884)	(607.425)	(590.585)
Net operating income	466.544	432.459	547.690	454.590	408.071	404.733	426.890	515.656
Net operating income excluding impact of PPA	500.221	468.231	589.969	492.290	441.748	440.505	469.169	553.356
Net impairment losses on loans	(163.861)	(66.716)	(51.827)	(63.231)	(63.538)	(67.346)	(62.925)	(44.901)
Net impairment losses on other assets and liabilities	(20.236)	(2.437)	(4.802)	(1.096)	3.389	(1.765)	338	(462)
Net provisions for liabilities and charges	(18.414)	(5.973)	(2.853)	(10.750)	(17.569)	(11.585)	(11.520)	(10.079)
Profit (loss) from disposal of equity and other investments	1.040	211	21.217	328	15.042	16.583	15.307	15.957
Profit (loss) on continuing operations before tax	265.073	357.544	509.425	379.841	345.395	340.620	368.090	476.171
Profit (loss) on continuing operations before tax excluding impact of PPA	298.750	393.316	551.704	417.541	379.072	376.392	410.369	513.871
Taxes on income for the period for continuing operations	(75.237)	(164.483)	(197.723)	(168.817)	(148.824)	(147.674)	(135.479)	(180.632)
<i>of which: impact of Purchase Price Allocation</i>	<i>12.883</i>	<i>13.683</i>	<i>16.171</i>	<i>14.420</i>	<i>12.883</i>	<i>13.683</i>	<i>16.171</i>	<i>14.420</i>
Integration costs	(14.244)	(6.176)	(146.301)	-	-	-	-	-
<i>of which: staff costs</i>	<i>(2.746)</i>	<i>(2.676)</i>	<i>(188.095)</i>	-	-	-	-	-
<i>other administrative expenses</i>	<i>(19.732)</i>	<i>(6.125)</i>	<i>(6.960)</i>	-	-	-	-	-
<i>net impairment losses on tangible and intangible assets</i>	<i>(357)</i>	<i>(973)</i>	<i>(25.877)</i>	-	-	-	-	-
<i>taxes</i>	<i>8.591</i>	<i>3.598</i>	<i>74.631</i>	-	-	-	-	-
Profit (loss) of non current assets held for sale and discontinued operations net of taxes	291.925	38	16.868	(284)	1.067	(78)	8.391	2.151
Net profit for the period attributable to minority interests	(51.329)	(22.654)	(15.468)	(17.427)	(16.473)	(20.052)	(18.934)	(21.847)
<i>of which: impact of Purchase Price Allocation</i>	<i>2.796</i>	<i>2.796</i>	<i>3.036</i>	<i>2.877</i>	<i>2.796</i>	<i>2.796</i>	<i>3.036</i>	<i>2.877</i>
Profit for the period attributable to the Parent Bank excluding impact of PPA	434.186	183.562	189.873	213.716	199.163	192.109	245.140	296.246
Profit for the period attributable to the Parent Bank	416.188	164.269	166.801	193.313	181.165	172.816	222.068	275.843
<i>Total impact of PPA on Income Statement</i>	<i>(17.998)</i>	<i>(19.293)</i>	<i>(23.072)</i>	<i>(20.403)</i>	<i>(17.998)</i>	<i>(19.293)</i>	<i>(23.072)</i>	<i>(20.403)</i>

UBI Banca Scpa: reclassified balance sheet

Figures in thousands of euro	31.12.2007 pro-forma A	31.12.2006 pro-forma B	Changes A/B	% changes A/B
ASSETS				
Cash and cash equivalents	66.812	63.203	3.609	5,7%
Financial assets held for trading	2.753.772	4.095.916	-1.342.144	-32,8%
Financial assets at fair value	981.148	3.307.107	-2.325.959	-70,3%
Available-for-sale financial assets	2.060.909	1.292.464	768.445	59,5%
Held-to-maturity financial assets	1.244.574	1.247.629	-3.055	-0,2%
Loans to banks	19.920.668	15.827.687	4.092.981	25,9%
Loans to customers	10.054.679	6.542.346	3.512.333	53,7%
Hedging derivatives	48.975	60.591	-11.616	-19,2%
Equity investments	11.606.918	11.367.387	239.531	2,1%
Property, plant and equipment	678.205	719.446	-41.241	-5,7%
Intangible assets	588.673	619.528	-30.855	-5,0%
<i>of which: goodwill</i>	569.694	569.694	-	-
Tax assets	528.085	365.880	162.205	44,3%
Non current assets and disposal groups held for sale	43.866	14.792	29.074	196,6%
Other assets	1.404.609	1.014.074	390.535	38,5%
Total assets	51.981.893	46.538.050	5.443.843	11,7%
LIABILITIES				
Due to banks	20.973.930	19.089.852	1.884.078	9,9%
Due to customers	2.404.113	1.379.837	1.024.276	74,2%
Securities in issue	14.657.253	12.701.536	1.955.717	15,4%
Financial liabilities held for trading	842.341	801.202	41.139	5,1%
Hedging derivatives	54.001	36.688	17.313	47,2%
Tax liabilities	606.326	539.364	66.962	12,4%
Other liabilities	1.421.759	1.219.831	201.928	16,6%
Staff severance payments	51.037	62.942	-11.905	-18,9%
Provision for liabilities and charges:	8.993	16.606	-7.613	-45,8%
a) pension and similar obligations	-	-	-	-
b) other provisions	8.993	16.606	-7.613	-45,8%
Share capital, issue premiums and reserves	10.141.731	9.929.469	212.262	2,1%
Profit for the period	820.409	760.723	59.686	7,8%
Total liabilities	51.981.893	46.538.050	5.443.843	11,7%

UBI Banca Scpa: reclassified income statement

Figures in thousands of euro	31.12.2007 pro-forma	31.12.2006 pro-forma	Changes	% changes
Net interest income	(195.803)	(126.394)	(69.409)	54,9%
Dividend and similar income	972.298	754.214	218.084	28,9%
Net commission income	19.181	(631)	19.812	n.s.
Net profit (loss) from trading, hedging and disposal/repurchase activities valued at fair value	64.015	137.930	(73.915)	(53,6%)
Other net operating income/(expense)	305.474	338.683	(33.209)	(9,8%)
Operating income	1.165.165	1.103.802	61.363	5,6%
Staff costs	(228.151)	(241.570)	13.419	(5,6%)
Other administrative expenses	(192.062)	(202.776)	10.714	(5,3%)
Net impairment losses on property, plant and equipment and intangible assets	(68.838)	(70.079)	1.241	(1,8%)
Operating costs	(489.051)	(514.425)	(25.374)	(4,9%)
Net operating income	676.114	589.377	86.737	14,7%
Net impairment losses on loans	(1.192)	(697)	(495)	71,0%
Net impairment losses on other assets and liabilities	(5.927)	(2.882)	(3.045)	105,7%
Net provisions for liabilities and charges	(3.742)	(8.945)	5.203	(58,2%)
Profit (loss) from disposal of equity and other investments	(44)	115.401	(115.445)	n.s.
Profit (loss) on continuing operations before tax	665.209	692.254	(27.045)	(3,9%)
Taxes on income for the period for continuing operations	222.014	68.559	153.455	223,8%
Integration costs	(66.736)	-	-	-
<i>of which: staff costs</i>	<i>(52.019)</i>	-	-	-
<i>other administrative expenses</i>	<i>(24.779)</i>	-	-	-
<i>net impairment losses on tangible and intangible assets</i>	<i>(26.854)</i>	-	-	-
<i>taxes</i>	<i>36.916</i>	-	-	-
Profit (loss) of non current assets held for sale and discontinued operations net of taxes	(78)	(90)	12	(13,3%)
Profit for the period	820.409	760.723	59.686	7,8%