PRESS RELEASE

Capital strength and good liquidity position confirmed:
Core tier 1 ratio of 10.50% (up from 10.29% at the end of 2012), a tier 1 ratio of 11.02% (10.79%) and a total capital ratio of 16.39% (16.01%)[1]
LCR>1 and NSFR>1

Profit of €26.5 million recorded in 1Q2013 after a loss of €140 million in 4Q2012 (profit of €105.4 million in 1Q2012)

- **Net interest income of €417.2 million (-15.4% y/y, but stable, with an improvement in the customer spread, compared to 4Q2012)**
- **Net fee and commission income of €304.8 million (+1.8% y/y, +4.8% compared to 4Q2012, net of performance fees)**
- **Finance result of €42 million (€94 million in 1Q2012 and €109 million in 4Q2012)**
- **Operating expenses down continuously to €538.3 million (-8.1% y/y and -6.2% compared to 4Q2012)**
- **Annualised loan loss rate of 68 basis points (54 bp in 1Q2012 and 152 bp in 4Q2012)**
- **Pre-tax profit from continuing operations of €92.6 million (€210.8 million in 1Q2012 and -€62 million in 4Q2012)**

Loans to customers of €92.3 billion, due to weak demand and following the rationalisation of marginal loans and the withdrawal from high risk sectors (€92.9 billion in December 2012 and €97.1 billion in March 2012)
Direct funding from ordinary customers was again unchanged at €80.4 billion, compared to both the end of 2012 and March 2012
Net of deposits by the *Cassa di Compensazione e Garanzia* (a central counterparty clearing house), direct funding from ordinary customers increased significantly to €80.4 billion (from €79.9 billion at the end of 2012 and from €79.1 billion as at March 2012)

* * *

Bergamo, 13th May 2013 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) approved the consolidated results for the first quarter of 2013, which ended with a **profit of €26.5 million** compared to a loss of €140 million in the fourth quarter of 2012 and a profit of €105.4 million in the first quarter of 2012.

Operating income was affected in the first quarter by market conditions mainly by falling reference interest rates and by weak demand for credit, even if **net interest income is starting to show signs of recovery**. **Operating expenses** contracted significantly compared to both the first and the fourth quarters of 2012 and are therefore **forecast in significant decrease also for the full year**. Although greater than in the first quarter of 2012, **net impairment losses on loans** for the 2013 full year are **expected to fall slightly compared to the full year 2012 figure**.

[1] Calculated in terms comparable with the end of 2012.

More specifically **operating income** amounted to €799.8 million, compared to €933.8 million in the first quarter of 2012 and to €890.8 million in the fourth quarter of 2012.

Net interest income (inclusive of the PPA) amounted to €417.2 million[2], largely unchanged compared to €417.5 million in the fourth quarter of 2012, despite the smaller number of days in the first quarter of the year, which represent approximately €9 million of lower net interest income. Despite the persistently very low market interest rates (the average one month Euribor remained unchanged in the first quarter of the year compared to the fourth quarter of 2012 at 0.12%), the first quarter of 2013 showed the first positive signs, as a result of an improvement in the customer spread, which rose to 1.58% from 1.49% in the fourth quarter of 2012, partly the result of progressive repricing of medium to long-term loans which reached maturity and of less pressure on the cost of funding, related to the progressive fall in the spread on sovereign debt.
Net interest income fell by 15.4% compared to the first quarter of 2012, in relation to the fall in the Euribor rate (the average one month rate dropped from 0.67% to 0.12%) and to the significant reduction in loans to customers (-5%), a consequence of the optimisation of less remunerative and high risk lending by the Group, achieved by reducing marginal loans, withdrawing from high risk sectors and discontinuing lending business through indirect agency networks.

Net fee and commission income amounted to €304.8 million, compared to €299.4 million in the same period of 2012 and to €291 million in the fourth quarter of 2012 (the latter figure is net of performance fees normally only recognised at the end of the year). With respect to the results achieved, net fees and commissions earned on ordinary banking business remained practically constant over the three periods at approximately €165 million in each quarter. Commissions paid against the issue of government backed bonds amounted to €11.5 million, an increase compared to €7.7 million in the first quarter of 2012[3], but largely unchanged compared to fourth quarter of 2012. Fees and commissions on management, trading and advisory services totalled €150.6 million compared to €143.1 million in the same period of 2012 and to €137.1 million in the last quarter of 2012, buoyed by the success of the placement of UBI Pramerica Sicavs and by the distribution of third party services, which included insurance products.

It will be very difficult to repeat again in 2013 the **results on financial activities[4]** achieved in 2012 under very extraordinary market conditions.
Despite this, the first quarter of 2013 saw the achievement of **a significant result of €42 million** (€94 million in the first quarter of 2012 and €109 million in the fourth quarter of 2012).
This result was composed as follows: €26.3 million from trading activities (€48.8 million in the first quarter 2012 and €22.3 million in the fourth quarter of 2012); €14.7 million from the disposal of available-for-sale securities and the repurchase of financial liabilities (€71.8 million in the first quarter of 2012 and €72.2 million in the fourth quarter of 2012); and €2.3 million from fair value changes in financial assets designated at fair value (-€1.6 million in the first quarter of 2012 and +€2.5 million in the fourth quarter of 2012); while hedging activities resulted in a loss of €1.3 million (-€25.1 million in the first quarter of 2012 and +€12 million in the fourth quarter of 2012).

Other net operating income amounted to €26.8 million (€36 million in the first quarter of 2012 and €41 million in the fourth quarter of 2012). The reduction is due above all to the performance of the item "Other income and extraordinary income", in which the new "fast credit processing fee" *(Commissione di Istruttoria Veloce-CIV)* is recognised, which, as from 1st October 2012, has replaced the previous overdraft penalty that has been

[2] Following the introduction of the "fast credit processing fee" *(Commissione di Istruttoria Veloce-CIV)* in 4Q2012, to be recognised in the item "other operating income", a reclassification was performed in the income statement of all credit related fees (mainly the previous "past due penalty" *(Penale di sconfino))* out of net interest income and into other operating income to allow comparison. The comparative figures shown in the attached income statement tables, relating to net interest income and to other operating income are therefore different from those already published.
[3] Government backed bond issuances were made on 2nd January and 27th February 2012 by UBI Banca for €6 billion nominal, designed to increase assets eligible for refinancing with the ECB.
[4] The net result for financial activities: net income (loss) on trading, hedging and disposal and repurchase activities and on assets and liabilities designated at fair value.

reclassified out of interest income into this item for a consistent comparison. The contribution from the "fast processing fee" decreased (-€6.6 million compared to the first quarter of 2012 and -€4.1 million compared to the fourth quarter) mainly following a reduction in the number of overdrafts due to action put in place to monitor them.

In the first quarter of the year **operating expenses** (€538.3 million) fell again, a decrease of 8.1% year-on-year and 5.9% compared to fourth quarter of 2012. In detail:

- **staff costs** of €331.4 million, were down significantly (-8.3% year-on-year and -1.5% compared to fourth quarter of 2012) as a result of a progressive reduction in average staff numbers (-897 year-on-year, of which -646 in the first quarter of 2013 following the implementation of the trade union agreements of November 2012/February 2013).
- **other administrative expenses** of €161.7 million recorded a reduction both year-on-year (-8%) and compared to fourth quarter of 2012 (-14.1% partly the consequence of seasonal factors), the result of efforts made to cut costs that involved **all components** of current expenditure;
- finally, **net impairment losses on property, plant and equipment and intangible assets** (inclusive of the PPA) totalled €45.3 million, which had also decreased compared to €48.7 million in the first quarter of 2012 and to €49.6 million in the fourth quarter of 2012, primarily due to the absence of some extraordinary items connected with Group reorganisation (write-off of abandoned IT systems, branch closures, etc.).

Net impairment losses on loans rose in the first quarter of 2013 to €157.7 million, compared to €131.2 million in the first quarter of 2012, to give an annualised loan loss rate of 0.68% of total loans, compared to 0.54% recorded in the first quarter of 2012.
The increase is due above all to specific impairment losses on deteriorated loans, which rose to €230 million compared to €215 million in the first quarter of 2012, although the level of write backs was again high at €75 million in the first quarter of 2013 (€93 million in the first quarter of 2012).
Net impairment losses on loans recognised in the first quarter of 2013 fell sharply compared to €352.5 million in the fourth quarter of 2012 (an annualised loan loss rate of 1.52%, which also incorporated action on coverage level taken at the end of 2012), a reflection also of seasonal factors typical of the two periods.

As a result of the performance described above, **pre-tax profit from continuing operations** stood at €92.6 million compared to a pre-tax loss of €62.1 million in the fourth quarter of 2012 and to a pre-tax profit of €210.8 million in the first quarter of 2012.

Taxes on income for the period from continuing operations stood at €56.6 million, compared to €96 million in the first quarter of 2012, to give a tax rate of 61.1%, compared to the previous 45.5%.

The balance sheet

Loans to customers as at 31st March 2013 amounted to €92.3 billion, down by 5% over twelve months and by 0.7% compared to December 2012. The performance of the item during the year was affected by weak demand for credit from both households and businesses and by de-risking action taken, consisting of withdrawal from high risk sectors and from indirect distribution networks.

As concerns credit quality, outstanding net deteriorated loans (non-performing, impaired, restructured and past due/in arrears) amounted to €8.5 billion compared to €8.1 billion as at 31st December 2012, mainly as a result of deterioration in the economic environment but due also to the internalisation of the activities following the exit from indirect agency networks working with the former Banca 24/7.

In detail, net non-performing loans (*sofferenze*) increased slightly to €3 billion from €2.95 billion as at 31st December 2012, accounting for 3.30% of total net loans.
Coverage for non-performing loans was 42.3% compared to 42.6% in December 2012. The reduction compared to the end of 2012 (0.3% or €15 million) is almost entirely the result of the sale during the quarter of unsecured

non-performing loans for €14 million, already covered by 97%. The percentage of positions backed by collateral increased further and accounted for 63.8% of gross non-performing positions (compared to 63.6% in December 2012). Coverage for positions not backed by collateral is 76.1%.

Net impaired loans (*incagli*) rose to €4 billion from €3.6 billion at the end of 2012: growth in the quarter was due to the difficult economic environment, which also led to the migration of restructured loans to impaired status (approximately €100 million).
The total coverage for impaired loans was 12.7% compared to 12.6% in December 2012 and to 10.7% in March 2012. The large presence of positions backed by collateral also has a strong impact on this category of loan, accounting for 62.7% of total gross impaired loans, which require less recognition of impairment. Coverage for positions not backed by collateral is 18.8%.

Net restructured positions amounted to €593 million, down compared to €659 million last December (partly the result of transfers to impaired status, as reported above).

Positions past due and/or in arrears stood at €875 million compared to €892 million as at 31st December 2012.

Total direct funding as at 31st March 2013 stood at €98.7 billion compared to €98.8 billion in December 2012 and to €99.4 billion in March 2012. The following changes occurred within the item:

- **direct funding from ordinary customers** (inclusive of bond issues and net of institutional funding and deposits with the *Cassa di Compensazione e Garanzia* – a central counterparty clearing house) was unchanged at €80.4 billion both quarter-on-quarter and year-on-year.
  The total for current accounts and deposits, amounting to €45.2 billion, was down slightly year-on-year (-0.7% from €45.6 billion) due to the absence of direct deposits by the *Cassa di Compensazione e Garanzia* (-1,2 billion euro year-on-year). Net of that deposit, the aggregate related to current accounts and deposits is up by 1.8% YoY and by 1% compared to December 2012.
  The stock of bond issues placed with ordinary customers of the Group amounted to €24.4 billion (an increase of 1.6% year-on-year and almost stable during the quarter).
- **repurchase agreements with the *Cassa di Compensazione e Garanzia***, used to fund positions in securities, amounted to €4.9 billion, (€3.9 billion in December 2012 and €2.4 billion in March 2012);
- the remaining **institutional funding** amounted to €13.4 billion (€14.5 billion in December 2012 and €16.7 billion in March 2012).
  The reduction is due mainly to the maturity of bonds issued on international markets under the EMTN programme: €1.4 billion of bonds matured in the first quarter against an issuance for €0.2 billion in the form of a "private placement".

Group exposure to the ECB remained unchanged as at 31st March 2013 and consisted of a total of €12 billion nominal, the result of Group participation in three-year **LTRO** auctions held by the ECB in December 2011 and February 2012, recognised within the item "due to banks" and therefore not included within direct funding.

The solid liquidity position of the Group is further assured by its **assets eligible for refinancing**, which as at 3rd May 2013 totalled €31.2 billion net of haircuts (€19 billion of assets eligible for refinancing available and €12 billion pledged as collateral for the LTRO).

The Group's **financial assets** as at 31st March 2013 amounted to €22.6 billion (approximately 17% of total assets), of which €19.5 billion relating to Italian government bonds.

Finally, **indirect funding** from ordinary customers fell by 1.8% compared to the end of December 2012 to stand at approximately €68.9 billion. Within the item, assets under management including insurance products grew by 0.6% compared to the end of last year rising to €38.3 billion, while the assets under custody fell by 4.7% compared to December 2012, down to €30.6 billion.

Consolidated **equity** of the UBI Banca Group as at 31st March 2013, excluding profit for the period, amounted to €9.692 billion (€9.655 billion at the end of December 2012).

* * *

Human resources of the UBI Group numbered 18,503 as at 31st March 2013, a decrease compared to December 2012 (19,087). The branch network at the end of period consisted of 1,732 Branches in Italy and 8 abroad.

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Statement of the Senior Officer Responsible for the preparation of corporate accounting documents

Elisabetta Stegher, as the Senior Officer Responsible for preparing the corporate accounting documents of Unione di Banche Italiane Scpa, hereby declares, in compliance with the second paragraph of article 154 *bis* of the *Testo unico delle disposizioni in materia di intermediazione finanziaria* (Consolidated Finance Act), that the financial information contained in this press release is reliably based on the records contained in corporate documents and accounting records.

Outlook

The low level of market interest rates, will continue to affect net interest income in 2013. Pressures could ease as a result of a reduction in country risk - with positive impacts on institutional and retail funding - as well as in relation to the repricing of the roll over of expired medium to long-term loans. Under current market conditions, a slight improvement is expected in net interest income over coming quarters. A possible further improvement could come from a growth in lending volumes which is fully sustainable given the capital solidity and the good liquidity position of the Group.
A continued decrease in sovereign debt risk could allow positive results in the finance area to be achieved also for the remainder of the year.
The target of operating expenses reduction resulting from action (the trade union agreement in particular) commenced at the end of 2012 is confirmed.
Given the current context, as a result, amongst other things, of the strengthening of problem loan management structures, loan losses should stand in absolute terms below the 2012 level.

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Attachments
Financial statements

UBI Banca Group:

- Reclassified consolidated balance sheet
- Reclassified consolidated income statement
- Quarterly evolution of reclassified consolidated income statement
- Reclassified consolidated income statement net of the most significant non-recurring items

Notes to the financial statements

To allow a vision that is more consistent with a management accounting style, reclassified financial statements have been prepared. The comments on the performance of the main statement of financial position and income statement items are made on the basis of the reclassified financial statements.

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

UBI Banca Group: Reclassified consolidated balance sheet

Figures in thousands of euro	31.3.2013 A	31.12.2012 B	Changes A-B	% changes A/B	31.3.2012 C	Changes A-C	% changes A/C
ASSETS							
Cash and cash equivalents	487,951	641,608	-153,657	-23.9%	538,617	-50,666	-9.4%
Financial assets held for trading	5,045,199	4,023,934	1,021,265	25.4%	3,679,925	1,365,274	37.1%
Financial assets designated at fair value	202,979	200,441	2,538	1.3%	123,066	79,913	64.9%
Available-for-sale financial assets	14,134,430	14,000,609	133,821	1.0%	10,794,700	3,339,730	30.9%
Held-to-maturity investments	3,185,071	3,158,013	27,058	0.9%	3,254,437	-69,366	-2.1%
Loans and advances to banks	5,505,388	6,072,346	-566,958	-9.3%	4,925,671	579,717	11.8%
Loans and advances to customers	92,264,578	92,887,969	-623,391	-0.7%	97,105,771	-4,841,193	-5.0%
Hedging derivatives	410,003	1,478,322	-1,068,319	-72.3%	1,087,609	-677,606	-62.3%
Fair value change in hedged financial assets (+/-)	78,088	885,997	-807,909	-91.2%	722,393	-644,305	-89.2%
Equity investments	447,352	442,491	4,861	1.1%	409,499	37,853	9.2%
Property, plant and equipment	1,940,484	1,967,197	-26,713	-1.4%	2,021,314	-80,830	-4.0%
Intangible assets	2,956,402	2,964,882	-8,480	-0.3%	2,979,781	-23,379	-0.8%
of which: goodwill	*2,536,574*	*2,536,574*	-	-	*2,538,668*	*-2,094*	*-0.1%*
Tax assets	2,625,658	2,628,121	-2,463	-0.1%	2,641,166	-15,508	-0.6%
Non-current assets and disposal groups held for sale	23,205	21,382	1,823	8.5%	37,217	-14,012	-37.6%
Other assets	1,089,100	1,060,390	28,710	2.7%	1,189,953	-100,853	-8.5%
Total assets	**130,395,888**	**132,433,702**	**-2,037,814**	**-1.5%**	**131,511,119**	**-1,115,231**	**-0.8%**
LIABILITIES AND EQUITY							
Due to banks	15,086,195	15,211,171	-124,976	-0.8%	15,143,195	-57,000	-0.4%
Due to customers	54,816,744	53,758,407	1,058,337	2.0%	52,358,466	2,458,278	4.7%
Debt securities issued	43,861,671	45,059,153	-1,197,482	-2.7%	47,084,745	-3,223,074	-6.8%
Financial liabilities held for trading	1,801,256	1,773,874	27,382	1.5%	934,366	866,890	92.8%
Hedging derivatives	1,167,314	2,234,988	-1,067,674	-47.8%	1,823,770	-656,456	-36.0%
Tax liabilities	748,223	666,364	81,859	12.3%	807,049	-58,826	-7.3%
Other liabilities	1,647,419	2,391,283	-743,864	-31.1%	2,094,393	-446,974	-21.3%
Post-employment benefits	389,246	420,704	-31,458	-7.5%	405,062	-15,816	-3.9%
Provisions for risks and charges:	329,075	340,589	-11,514	-3.4%	347,885	-18,810	-5.4%
a) pension and similar obligations	79,575	80,563	-988	-1.2%	75,453	4,122	5.5%
b) other provisions	249,500	260,026	-10,526	-4.0%	272,432	-22,932	-8.4%
Share capital, share premiums, reserves, valuation reserves and treasury shares	9,692,341	9,655,174	37,167	0.4%	9,497,332	195,009	2.1%
Non-controlling interests	829,946	839,287	-9,341	-1.1%	909,478	-79,532	-8.7%
Profit for the period/year	26,458	82,708	n.s.	n.s.	105,378	-78,920	-74.9%
Total liabilities and equity	**130,395,888**	**132,433,702**	**-2,037,814**	**-1.5%**	**131,511,119**	**-1,115,231**	**-0.8%**

UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	1Q 2013 A	1Q 2012 B	Changes A-B	% changes A/B	FY 2012 C
Net interest income	417,220	493,318	(76,098)	(15.4%)	1,863,561
of which: effects of the purchase price allocation	*(9,563)*	*(9,622)*	*(59)*	*(0.6%)*	*(36,980)*
Net interest income excluding the effects of the PPA	*426,783*	*502,940*	*(76,157)*	*(15.1%)*	*1,900,541*
Dividends and similar income	455	298	157	52.7%	15,591
Profits of equity-accounted investees	8,506	10,835	(2,329)	(21.5%)	44,426
Net fee and commission income	304,786	299,383	5,403	1.8%	1,182,276
of which performance fees	-	-	-	-	*19,741*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	42,016	93,967	(51,951)	(55.3%)	257,278
Other net operating income/expense	26,799	36,031	(9,232)	(25.6%)	163,179
Operating income	**799,782**	**933,832**	**(134,050)**	**(14.4%)**	**3,526,311**
Operating income excluding the effects of the PPA	***809,345***	***943,454***	***(134,109)***	***(14.2%)***	***3,563,291***
Staff costs	(331,353)	(361,235)	(29,882)	(8.3%)	(1,373,719)
Other administrative expenses	(161,693)	(175,746)	(14,053)	(8.0%)	(701,797)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(45,275)	(48,749)	(3,474)	(7.1%)	(191,144)
of which: effects of the purchase price allocation	*(5,098)*	*(5,061)*	*37*	*0.7%*	*(20,099)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(40,177)*	*(43,688)*	*(3,511)*	*(8.0%)*	*(171,045)*
Operating expenses	**(538,321)**	**(585,730)**	**(47,409)**	**(8.1%)**	**(2,266,660)**
Operating expenses excluding the effects of the PPA	***(533,223)***	***(580,669)***	***(47,446)***	***(8.2%)***	***(2,246,561)***
Net operating income	**261,461**	**348,102**	**(86,641)**	**(24.9%)**	**1,259,651**
Net operating income excluding the effects of the PPA	***276,122***	***362,785***	***(86,663)***	***(23.9%)***	***1,316,730***
Net impairment losses on loans	(157,742)	(131,170)	26,572	20.3%	(847,214)
Net impairment losses on other financial assets and liabilities	(8,313)	(2,077)	6,236	300.2%	(54,810)
Net provisions for risks and charges	(2,329)	(4,115)	(1,786)	(43.4%)	(49,212)
Profits (losses) from the disposal of equity investments	(524)	21	(545)	n.s.	14,714
Pre-tax profit from continuing operations	**92,553**	**210,761**	**(118,208)**	**(56.1%)**	**323,129**
Pre-tax profit from continuing operations excluding the effects of the PPA	***107,214***	***225,444***	***(118,230)***	***(52.4%)***	***380,208***
Taxes on income for the period/year from continuing operations	(56,579)	(95,981)	(39,402)	(41.1%)	(121,238)
of which: effects of the purchase price allocation	*4,845*	*4,853*	*(8)*	*(0.2%)*	*18,862*
Post-tax profit from discontinued operations	-	13	(13)	(100.0%)	-
Profit for the period/year attributable to non-controlling interests	(9,516)	(7,274)	2,242	30.8%	(17,310)
of which: effects of the purchase price allocation	*940*	*882*	*58*	*6.6%*	*3,580*
Profit for the year/period attributable to the shareholders of the Parent before expenses for leaving incentives excluding the effects of the PPA	*35,334*	*116,467*	*(81,133)*	*(69.7%)*	*219,218*
Profit for the year/period attributable to the shareholders of the Parent before expenses for leaving incentives	**26,458**	**107,519**	**(81,061)**	**(75.4%)**	**184,581**
Expenses for the leaving incentives programme net of taxes and non-controlling interests	-	(2,141)	(2,141)	(100.0%)	(101,873)
Profit for the year/period attributable to the shareholders of the Parent	**26,458**	**105,378**	**(78,920)**	**(74.9%)**	**82,708**
Total impact of the purchase price allocation on the income statement	*(8,876)*	*(8,948)*	*(72)*	*(0.8%)*	*(34,637)*

UBI Banca Group: Reclassified consolidated quarterly income statements

Figures in thousands of euro	2013	2012			
	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Net interest income	417,220	417,494	466,438	486,311	493,318
of which: effects of the purchase price allocation	*(9,563)*	*(8,966)*	*(9,341)*	*(9,051)*	*(9,622)*
Net interest income excluding the effects of the PPA	*426,783*	*426,460*	*475,779*	*495,362*	*502,940*
Dividends and similar income	455	1,929	980	12,384	298
Profits of equity-accounted investees	8,506	10,683	7,984	14,924	10,835
Net fee and commission income	304,786	310,677	285,544	286,672	299,383
of which performance fees	-	*19,741*	-	-	-
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	42,016	109,016	42,898	11,397	93,967
Other net operating income/expense	26,799	41,047	37,056	49,045	36,031
Operating income	**799,782**	**890,846**	**840,900**	**860,733**	**933,832**
Operating income excluding the effects of the PPA	***809,345***	***899,812***	***850,241***	***869,784***	***943,454***
Staff costs	(331,353)	(336,348)	(348,572)	(327,564)	(361,235)
Other administrative expenses	(161,693)	(188,130)	(161,445)	(176,476)	(175,746)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(45,275)	(49,605)	(45,770)	(47,020)	(48,749)
of which: effects of the purchase price allocation	*(5,098)*	*(5,015)*	*(5,020)*	*(5,003)*	*(5,061)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(40,177)*	*(44,590)*	*(40,750)*	*(42,017)*	*(43,688)*
Operating expenses	**(538,321)**	**(574,083)**	**(555,787)**	**(551,060)**	**(585,730)**
Operating expenses excluding the effects of the PPA	***(533,223)***	***(569,068)***	***(550,767)***	***(546,057)***	***(580,669)***
Net operating income	**261,461**	**316,763**	**285,113**	**309,673**	**348,102**
Net operating income excluding the effects of the PPA	***276,122***	***330,744***	***299,474***	***323,727***	***362,785***
Net impairment losses on loans	(157,742)	(352,535)	(160,328)	(203,181)	(131,170)
Net impairment losses on other financial assets and liabilities	(8,313)	(4,078)	(992)	(47,663)	(2,077)
Net provisions for risks and charges	(2,329)	(28,367)	34	(16,764)	(4,115)
Profits/losses from the disposal of equity investments	(524)	6,091	8,593	9	21
Pre-tax profit from continuing operations	**92,553**	**(62,126)**	**132,420**	**42,074**	**210,761**
Pre-tax profit (loss) from continuing operations excluding the effects of the PPA	***107,214***	***(48,145)***	***146,781***	***56,128***	***225,444***
Taxes on income for the period from continuing operations	(56,579)	17,570	(62,554)	19,727	(95,981)
of which: effects of the purchase price allocation	*4,845*	*4,620*	*4,746*	*4,643*	*4,853*
Post-tax profit (loss) from discontinued operations	-	-	(13)	-	13
Profit for the period attributable to non-controlling interests	(9,516)	(1,547)	(1,352)	(7,137)	(7,274)
of which: effects of the purchase price allocation	*940*	*834*	*1,002*	*862*	*882*
Profit (loss) for the period attributable to the shareholders of the Parent before expenses for leaving incentives excluding the effects of the PPA	*35,334*	*(37,576)*	*77,114*	*63,213*	*116,467*
Profit (loss) for the period attributable to the shareholders of the Parent before expenses for leaving incentives	**26,458**	**(46,103)**	**68,501**	**54,664**	**107,519**
Expenses for the leaving incentives programme net of taxes and non-controlling interests	-	(93,941)	(5,292)	(499)	(2,141)
Profit (loss) for the period attributable to the shareholders of the Parent	**26,458**	**(140,044)**	**63,209**	**54,165**	**105,378**

Total impact of the purchase price allocation on the income statement	*(8,876)*	*(8,527)*	*(8,613)*	*(8,549)*	*(8,948)*

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

Figures in thousands of euro	1Q 2013	non-recurring items: Disposal of Intesa Sanpaolo and A2A shares (AFS)	non-recurring items: Cerved Group earn out	non-recurring items: Net impairment losses on financial assets (AFS)	1Q 2013 *net of non-recurring items*	1Q 2012	non-recurring items: Gain on public tender offer to purchase preference shares	non-recurring items: Impairment losses on A2A share and on units in collective investment instruments (AFS)	non-recurring items: Leaving incentives (purs. to Law No. 214 of 22nd December 2011)	1Q 2012 *net of non-recurring items*	Changes A-B	% changes A/B
Net interest income (including the effects of the PPA)	417,220				417,220	493,318				493,318	(76,098)	(15.4%)
Dividends and similar income	455				455	298				298	157	52.7%
Profits of equity-accounted investees	8,506				8,506	10,835				10,835	(2,329)	(21.5%)
Net fee and commission income	304,786				304,786	299,383				299,383	5,403	1.8%
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	42,016	(11,974)	(1,525)		28,517	93,967	(20,671)			73,296	(44,779)	(61.1%)
Other net operating income/expense	26,799				26,799	36,031				36,031	(9,232)	(25.6%)
Operating income (including the effects of PPA)	**799,782**	**(11,974)**	**(1,525)**	**-**	**786,283**	**933,832**	**(20,671)**	**-**	**-**	**913,161**	**(126,878)**	**(13.9%)**
Staff costs	(331,353)				(331,353)	(361,235)				(361,235)	(29,882)	(8.3%)
Other administrative expenses	(161,693)				(161,693)	(175,746)				(175,746)	(14,053)	(8.0%)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(45,275)				(45,275)	(48,749)				(48,749)	(3,474)	(7.1%)
Operating expenses (including the effects of PPA)	**(538,321)**	**-**	**-**	**-**	**(538,321)**	**(585,730)**	**-**	**-**	**-**	**(585,730)**	**(47,409)**	**(8.1%)**
Net operating income (including the effects of PPA)	**261,461**	**(11,974)**	**(1,525)**	**-**	**247,962**	**348,102**	**(20,671)**	**-**	**-**	**327,431**	**(79,469)**	**(24.3%)**
Net impairment losses on loans	(157,742)				(157,742)	(131,170)				(131,170)	26,572	20.3%
Net impairment losses on other financial assets and liabilities	(8,313)			9,042	729	(2,077)		2,946		869	(140)	(16.1%)
Net provisions for risks and charges	(2,329)				(2,329)	(4,115)				(4,115)	(1,786)	(43.4%)
Profits (losses) from the disposal of equity investments	(524)				(524)	21				21	(545)	n.s.
Pre-tax profit (loss) from continuing operations (including the effects of PPA)	**92,553**	**(11,974)**	**(1,525)**	**9,042**	**88,096**	**210,761**	**(20,671)**	**2,946**	**-**	**193,036**	**(104,940)**	**(54.4%)**
Taxes on income for the period from continuing operations	(56,579)		102	(2,990)	(59,467)	(95,981)	5,684	(385)		(90,682)	(31,215)	(34.4%)
Post-tax profit from discontinued operations	-				-	13				13	(13)	(100.0%)
Profit for the period attributable to non-controlling interests	(9,516)			(37)	(9,553)	(7,274)				(7,274)	2,279	31.3%
Profit for the period attributable to the shareholders of the Parent before expenses for leaving incentives	**26,458**	**(11,974)**	**(1,423)**	**6,015**	**19,076**	**107,519**	**(14,987)**	**2,561**	**-**	**95,093**	**(76,017)**	**(79.9%)**
Expenses for leaving incentives net of taxes and non-controlling interests	-				-	(2,141)			2,141	-	-	-
Profit for the period attributable to the shareholders of the Parent	**26,458**	**(11,974)**	**(1,423)**	**6,015**	**19,076**	**105,378**	**(14,987)**	**2,561**	**2,141**	**95,093**	**(76,017)**	**(79.9%)**