PRESS RELEASE

- **Capital strength is confirmed:**
  On the basis of figures as at 30th September 2013:

<u>Capital</u>:	**Core Tier 1 ratio of 12.5% - Estimated fully loaded Basel 3 Common Equity Tier 1 ratio confirmed higher than 10% and further strengthened**
<u>Liquidity</u>:	**Liquidity coverage ratio >1 and Net stable funding ratio >1**
<u>Financial leverage</u>:	**Basel 3 leverage ratio[1]: 5.07%**

- **<u>Third quarter</u> profit of €49 million, compared €26.5 million for the second quarter of the year:**
  Operating income of €834.1 million, -2.2% compared to 2Q 2013
  Quarter-on-quarter improvement in net interest income continued to reach €446 million (+4.2% compared to 2Q 2013, which was higher in turn by 2.6% compared to 1Q 2013)
  Fee and commission income held at €285.9 million (vs €297.5 million in 2Q 2013, but in line with €285.5 million in 3Q 2012)
  Finance again made a positive contribution of €59.1 million (€67.4 million in 2Q 2013)
  Operating expenses down to €531.5 million (-0.4% compared to €533.6 million in 2Q 2013)
  Losses on loans in 3Q 2013 of €192.7 million (€226.2 million in 2Q 2013) show the usual seasonal trend

- **Profit in the first <u>9 months</u> of the year of €101.9 million (€222.8 million in the first 9 months of 2012)**
  Operating income of €2,486.3 million (-5.7% y/y)
  Net interest income of €1,291.4 million (-10.7% y/y following a decrease in loans and record low interest rates)
  Net fee and commission income of €888.1 million (+1.9% y/y)
  A finance result of €168.5 million (€148.3 million in the first 9 months of 2012)
  Operating expenses down to €1,603.4 million (-5.3% y/y, of which staff costs -6.1%, other administrative expenses -3.8% and impairment losses on property, plant and equipment and intangible assets -4.6%)
  Losses on loans of €576.6 million (86 basis points annualised) compared to €494.7 million in the first 9 months of 2012 (70 basis points annualised)

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Bergamo, 12th November 2013 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) has approved the consolidated results for the **first nine months of 2013**, which ended with a **profit of €101.9 million**, achieved as a result, amongst other things, of **good performance in the third quarter of the year, which reported a profit of €49 million**. The result for the period January-September 2013 compares with a profit of €222.8 million in the same period of 2012, which benefited above all from better performance by net interest income as a consequence of greater average volumes of lending and higher market interest rates.

From a balance sheet viewpoint, the Group **has already been Basel 3 compliant for some time** and it compares favourably with the figures published by major international players. The fully loaded Common Equity Tier 1 ratio estimated on the basis of Basel 3 rules is confirmed higher than 10% and further

[1] On the basis of Basel 3 requirements, the maximum financial leverage ratio is set at 3%, in order to contain total banking debt; the tier one capital must be equal to at least 3% of on- and off-balance-sheet assets.

strengthened. Both the short-term (liquidity coverage ratio) and the medium-term (net stable funding ratio) liquidity indicators are greater than 1 and financial leverage according to Basel 3 rules is 5.07% and well above the required minimum of 3%.

On the basis of the rules currently in force, the Core Tier One Ratio stands at 12.5%, the Tier One Ratio at 13.2% and the Total Capital Ratio at 19.3%.

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Income statement figures for the first nine months and 2013 quarterly results

The income statement in the first nine months of 2013 recorded total operating income of €2,486.3 million, down compared to €2,635.5 million in the same period in 2012, due mainly to a fall in net interest income - which, however, thanks to improving quarterly performance in 2013, is reducing the gap compared to 2012 - and in other operating income, while growth was recorded for net fee and commission income, for the result for financial activities[2] and for the profits of equity accounted investees.

More specifically **net interest income**[3], which came to €1,291.4 million in the first nine months compared to €1,446.1 million in 2012, was affected by falling interest rates (the average one-month Euribor fell from 0.41% to 0.12%) and by the difficult economic environment that affected the magnitude of average volumes of lending and prevented a recovery of lending which would have been otherwise allowed by the Group's capital strength.
Positive forecasts are confirmed for net interest income, which has grown progressively during 2013 compared to the low reached in 4Q 2012. Net interest income, which stood at €446 million in 3Q 2013, was up by 4.2% compared to 2Q 2013, having already risen by 2.6% in 2Q 2013 compared to 1Q 2013. It was above all a fall in the cost of funding which contributed to this result, a consequence of lower market pressures and active management of higher cost marginal funding, carried out starting from the second quarter, which determined a further improvement in the customer spread to 1.68% in the third quarter of the year (+7 basis points compared to 2Q 2013).

Dividends of €9.3 million were received in the first nine months, relating primarily to the AFS securities portfolio held by UBI Banca, €4 million of which from Intesa Sanpaolo shares[4], after the partial disposals carried out since the last months of 2012. In the same period of 2012 the item had recorded income of €13.7 million, of which €9.3 million from Intesa Sanpaolo.

The **profits of equity-accounted investees** rose from €33.7 million in the first nine months of 2012 to €43.7 million in the period ended 30th September 2013 as a result of greater contributions from Aviva Vita (+€2.4 million y/y), Lombarda Vita (+€3.5 million y/y) and Aviva Assicurazioni Vita (+€4.5 million y/y).

Net fee and commission income recorded year-on-year growth of 1.9% to €888.1 million compared to €871.6 million before. Results for the first nine months included commissions for management, trading and advisory services totalling €440.2 million (+9.7%) compared to €401.3 million in the same period of 2012, an increase in both results for customer portfolio management and advisory services, placement of securities and the distribution of third-party services. This positive performance more than compensated for the contraction in commissions from ordinary banking business – which came to €482.7 million compared to €501.3 million in the first nine months of 2012, primarily the result of lower volumes of business caused by

[2] The net result for financial activities: net income (loss) on trading, hedging and disposal and repurchase of financial assets and liabilities, and on assets and liabilities designated at fair value.
[3] Following the introduction of the fast credit processing fee (recognised within other operating income) from the fourth quarter of 2012, a reclassification was performed in the income statement. Sums relating (mainly) to the previous past due penalty were reclassified out of net interest income and recognised within other operating income in order to render the figures for the different periods comparable.
[4] The UBI Banca Group held a total of 17,123,853 shares as at 30th September 2013 accounting for 0.11% of the share capital with voting rights (114,129,014 shares, accounting for 0.74% of the share capital at the end of the year).

the economic situation - and for the greater fees and commissions paid for the issuance of government backed bonds (€34.8 million compared to €31 million in 2012).
As concerns the quarterly performance of fee and commission income, the decrease recorded in 3Q 2013 compared to 2Q 2013 (€285.9 million against €297.5 million) is attributable primarily to lower commissions from the placement of securities (€33.8 million compared to €43.8 million), which affected the total contribution from commissions for management, trading and advisory services (€140 million compared to €150 million in 2Q 2013), while the contribution from commissions on ordinary banking business (€158 million) and commission paid on government backed bonds (€11,7 million) remained more or less unchanged.

The **result for financial activities** in the first nine months of 2013 was **significant at €168.5 million** (€148.3 million in 2012), achieved as a result of a series of positive quarters (€59 million in 3Q 2013, €67.4 million in 2Q 2013 and €42 million in 1Q 2013).
This result over nine months was composed as follows: €79 million from trading activities (€69.5 million in the same period of 2012), €90 million from the disposal of available-for-sale securities and the repurchase of financial liabilities (€91.3 million in 2012) and €3.2 million from fair value changes in financial assets designated at fair value (-€1.7 million in 2012), while hedging activities resulted in a loss of €3.7 million (-€10.9 million in 2012).

Other net operating income amounted to €85.3 million compared to €122.1 million in the first nine months of 2012. This item was subject to a structural reduction year-on-year following the full discontinuation of Banca 24/7 operations and the performance of the fast credit processing fee, which replaced the previous overdraft penalty from 1st October 2012[5]. The contribution from the fast credit processing fee decreased (-€19.2 million compared to the first nine months of 2012), above all following a reduction in the number of overdrafts due to monitoring action put in place.
The performance of the item "other net operating income" was fully comparable in the comparison between 3Q 2013 (€29 million), 2Q 2013 (€29.4 million) and 1Q 2013 (€26.8 million).

Virtuous performance by **operating expenses** was again recorded in the first nine months of 2013, down by 5.3% year-on-year, <u>the result of a contraction in all expense items</u>:

- **staff costs** of €974.4 million, were down significantly (-6.1% y/y), as a result of a progressive reduction in average staff numbers (-889 y/y, calculated according to Bank of Italy criteria, of which -646 in the first quarter of 2013, due mainly to the implementation of the trade union agreements of November 2012 and February 2013).

  In terms of quarterly performance, staff costs for 3Q 2013 (€328 million) – which include increases for ordinary growth in wages mainly related to the national labour contract from July 2013 – were higher than costs for 2Q 2013 – which benefited from some releases of provisions –, but were again significantly lower than the quarterly average for 2012 (€343 million).

- containment of **other administrative expenses,** amounting to €494 million (-3.8% y/y), is continuing. This was recorded for most components of current expenditure, while the only significant increase was for the item advertising and promotion, which rose in relation to an institutional television and radio advertising campaign launched in the second quarter of the year.

  Administrative expenses recognised in 3Q 2013 amounted to €159 million. They recorded the usual seasonal trend compared to €174 million in 2Q 2013 and remained largely unchanged compared to €162 million in 1Q 2013.

- finally, **depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets** totalled €135 million, also down compared to €141.5 million in the first nine months of 2012, primarily due to the absence of some expense items connected with Group reorganisation (write-offs of abandoned IT systems, branch closures, etc.).

[5] See note 3.

Net impairment losses on loans rose to €576.6 million in the period January-September 2013, compared to €494.7 million in the same period of 2012, to give an annualised loan loss rate of 0.86% of total loans, compared to 0.70% in 2012.
In quarterly terms, net impairment losses on loans recognised in 3Q 2013 stood at €192.7 million, more contained than the €226.2 million recorded in 2Q 2013, but up on the figure of €157.7 million for 1Q 2013 and they recorded seasonal trends comparable to those seen in past years.

As a result of the performance described above, **profit on continuing operations before tax** amounted to €269.8 million, compared to €385.3 million in the first nine months of 2013.
On a quarterly basis, continuing operations gave rise to a profit before tax of €101.2 million, an increase compared to €76.1 million in 2Q 2013.

Taxes on income for the period from continuing operations amounted to €149.6 million, compared to €138.8 million in 2012 which, however, included substantial non-recurring items, to give a tax rate of 55.43%. Taxes for 3Q 2013 were €46.5 million in line with those levied in 2Q 2013, to give, however, a tax rate of 45.94%, compared to 61.11% before.

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The balance sheet

The **loans to customers** as at 30th September 2013 amounted to €89.8 billion, down by 1.6% compared to €91.3 billion in June 2013 and by 3.3% compared to €92.9 billion in December 2012, affected by weak demand for credit by both households and businesses.
Nevertheless, in the third quarter of 2013 the first timid signs of a slight improvement appeared in new mortgage loans to private individuals (+40.2% compared to the third quarter of 2012) and in new medium to long-term loans to small businesses (+3.3% compared to the third quarter of 2012).

As concerns credit quality, total deteriorated gross loans (non-performing loans, impaired loans, restructured and past due/in arrears) amounted to €12.4 billion in September 2013 compared to €11.8 billion in June 2013 and €11 billion in December 2012.
A slowdown in the growth of total gross deteriorated loans occurred in the first nine months of the year, which were down to €1.4 billion from €1.8 billion before: the average compound quarterly growth rate (CAGR) for the gross total in the first nine months of 2013 was in fact +4.1%, down compared to +6.4% in the first nine months of 2012.
In net terms, total deteriorated loans rose to €9.2 billion from €8.7 billion in June 2013 and from €8.1 billion in December 2012.

In detail, as regards the third quarter, net non-performing loans (*sofferenze*) increased to approximately €3.4 billion compared to €3.2 billion in June 2013, accounting for 3.73% of total net loans (4.03% for the sector nationally). Coverage for non-performing loans was 41.3% compared to 41.8% in June 2013. The amount for September was affected (approximately 100 bps) by the disposal of over €107 million of gross non-performing loans (€91 million in the third quarter alone) written down by 95%; net of that disposal coverage would therefore stand at 42.3%[6]. The percentage of positions backed by collateral (61.4% of the gross total) remains high. Coverage for positions not assisted by collateral was again also high (approximately 72%, including write-offs).

Net impaired loans stood at €4.3 billion, up from €4 billion at the end of June 2013. Total coverage for impaired loans was 14%, more or less stable compared to June 2013 and higher than the figure for the end of December 2012 (12.6%). The percentage of positions backed by collateral (approximately 66%) also remains significant for impaired loans, while the coverage for positions not assisted by collateral is 21%.

[6] Furthermore, (as already reported when the results to the 30th of June 2013 were published) a single position (previously classified as impaired) amounting to approximately €153 million was classified as non-performing in the second quarter of 2013: no impairment losses were recognised on that exposure in view of the expectation of full recovery of the loan. Net of that position, coverage would be 43.43%.

Finally, net restructured positions amounted to €580 million, slightly down on June 2013 (€591 million), while positions past due/in arrears amounted to €926 million (€891 million in June 2013) and were affected by greater inflows in 2013, mainly due to the insourcing of Banca 24/7 positions at UBI Banca after the merger.

Total direct funding as at 30th September 2013 amounted to €92.8 billion, down by 3.7% compared to €96.3 billion in June 2013 (€98.8 billion as at 31st December 2012), due principally to actions taken during the year to optimise the more costly forms of funding. These actions are made possible by the Group's strong liquidity position and support the positive performance of net interest income. The following changes occurred within the item:

- **direct funding from ordinary customers** (inclusive of bond issues and net of institutional funding and repurchase agreements with the *Cassa di Compensazione e Garanzia* – a central counterparty clearing house) amounted to €75.3 billion (€77.9 in June 2013). The performance of the item was affected by a contraction in "current accounts and deposits" and in "term deposits", which occurred starting from the second and continuing in the third quarter of the year, with a reduction in the more volatile and costly institutional and large corporate accounts and an optimisation of term deposits, which resulted in an improvement in the total cost of funding.
- bonds placed with ordinary Group customers amounting to €23.8 billion were largely unchanged compared to June 2013 (€24.4 billion) in consideration of the redemption of a convertible bond (approximately €640 million) carried out in July 2013, which confirms the Group's ability to fully cover maturities;
- **repurchase agreements with the *Cassa di Compensazione e Garanzia***, used to fund positions in securities, amounted to €5.5 billion (€5.4 billion in June 2013);
- the remaining **institutional funding** amounted to €12 billion (€13.1 billion at the end of June 2013). The reduction is due mainly to the maturity of bonds issued on international markets under the EMTN programme. However, as already reported, two important public institutional issuances were carried out in October: a three and a half year senior note issuance (EMTN) for €750 million and a seven-year covered bond issuance for €1,250 million.

Consequently, the **ratio of loans to direct funding** at the end of September 2013 was 96.9%. If the institutional issuances for €2 billion mentioned before were considered, the ratio would be 94.8%.

Group exposure to the ECB remained unchanged as at 30th of September 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 31st of October 2013 totalled approximately €29 billion[7] net of haircuts (€17 billion of assets eligible for refinancing available and €12 billion pledged as collateral for the LTRO).

Group **financial assets** as at 30th September 2013 amounted to €21.6 billion, of which €19.4 billion relating to Italian government securities: the latter were unchanged compared to the figure as at the 30th June 2013.

Finally, **indirect funding** from ordinary customers increased to €70.1 billion compared to €68.9 billion at the end of June 2013 (€70.2 billion in December 2012). Performance by assets under management in the strict sense was again positive rising to €27.8 billion (approximately €27.3 billion in June 2013) and benefiting from the success of the placement of UBI Pramerica Sicav's. Growth was also recorded by both insurance funding at €11.6 billion (€11.4 billion in June 2013) and assets under custody at €30.7 billion (€30.2 billion in June 2013).

[7] That amount does not include government bonds owned which, at that date, were financed at *Cassa di Compensazione e Garanzia*.

Consolidated **equity** of the UBI Banca Group as at 30th of September 2013, not including profit for the period, amounted to €9.907 billion (€9.809 billion in June 2013 and €9.655 billion at the end of December 2012).

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Human resources of the UBI Banca Group totalled 18,403 as at 30th September 2013, down compared to both June 2013 (18,485) and December 2012 (19,088). The branch network at the end of the period consisted of 1,726 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.

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Outlook for the last quarter of the year

The weak performance of the Italian economy is forecast to continue again in the last quarter of 2013.

As concerns the UBI Group, a further slight improvement is expected in net interest income under current market conditions. This is due, amongst other things, to a balanced financial structure which has allowed pursuit of an attentive policy to manage the more expensive and less stable components of funding.

Good performance is expected by fee and commission income, which will benefit, amongst other things, from the performance fees of the asset management company.

Containment of operating expenses is confirmed year on year.

Recent developments on financial markets allow a positive forecast to be made for the group finance result in the fourth quarter, which should substantially offset the higher loss loan provisions resulting from the delay in the economic recovery.

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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	30.9.2013 A	31.12.2012 B	Changes A-B	% changes A/B	30.9.2012 C	Changes A-C	% changes A/C
ASSETS							
Cash and cash equivalents	505,765	641,608	-135,843	-21.2%	516,764	-10,999	-2.1%
Financial assets held for trading	3,318,492	4,023,934	-705,442	-17.5%	3,177,832	140,660	4.4%
Financial assets designated at fair value	207,370	200,441	6,929	3.5%	121,026	86,344	71.3%
Available-for-sale financial assets	14,900,979	14,000,609	900,370	6.4%	13,483,510	1,417,469	10.5%
Held-to-maturity investments	3,149,620	3,158,013	-8,393	-0.3%	3,220,200	-70,580	-2.2%
Loans and advances to banks	4,118,005	6,072,346	-1,954,341	-32.2%	5,286,733	-1,168,728	-22.1%
Loans and advances to customers	89,846,392	92,887,969	-3,041,577	-3.3%	94,843,423	-4,997,031	-5.3%
Hedging derivatives	294,878	1,478,322	-1,183,444	-80.1%	1,541,973	-1,247,095	-80.9%
Fair value change in hedged financial assets (+/-)	45,164	885,997	-840,833	-94.9%	868,601	-823,437	-94.8%
Equity investments	421,918	442,491	-20,573	-4.6%	423,352	-1,434	-0.3%
Property, plant and equipment	1,908,712	1,967,197	-58,485	-3.0%	1,973,317	-64,605	-3.3%
Intangible assets	2,938,448	2,964,882	-26,434	-0.9%	2,962,430	-23,982	-0.8%
of which: goodwill	*2,536,574*	*2,536,574*	-	-	*2,538,668*	*-2,094*	*-0.1%*
Tax assets	2,385,593	2,628,121	-242,528	-9.2%	2,525,656	-140,063	-5.5%
Non-current assets and disposal groups held for sale	20,448	21,382	-934	-4.4%	19,231	1,217	6.3%
Other assets	939,797	1,060,390	-120,593	-11.4%	1,138,807	-199,010	-17.5%
Total assets	**125,001,581**	**132,433,702**	**-7,432,121**	**-5.6%**	**132,102,855**	**-7,101,274**	**-5.4%**
LIABILITIES AND EQUITY							
Due to banks	15,066,091	15,211,171	-145,080	-1.0%	14,765,300	300,791	2.0%
Due to customers	51,222,883	53,758,407	-2,535,524	-4.7%	56,356,021	-5,133,138	-9.1%
Debt securities issued	41,545,618	45,059,153	-3,513,535	-7.8%	43,907,855	-2,362,237	-5.4%
Financial liabilities held for trading	1,294,108	1,773,874	-479,766	-27.0%	1,479,098	-184,990	-12.5%
Hedging derivatives	936,894	2,234,988	-1,298,094	-58.1%	2,102,181	-1,165,287	-55.4%
Tax liabilities	619,552	666,364	-46,812	-7.0%	632,136	-12,584	-2.0%
Other liabilities	2,781,684	2,391,283	390,401	16.3%	1,608,626	1,173,058	72.9%
Post-employment benefits	373,165	420,704	-47,539	-11.3%	410,555	-37,390	-9.1%
Provisions for risks and charges:	314,808	340,589	-25,781	-7.6%	332,063	-17,255	-5.2%
a) pension and similar obligations	77,462	80,563	-3,101	-3.8%	76,601	861	1.1%
b) other provisions	237,346	260,026	-22,680	-8.7%	255,462	-18,116	-7.1%
Share capital, share premiums, reserves, valuation reserves and treasury shares	9,907,258	9,655,174	252,084	2.6%	9,401,308	505,950	5.4%
Non-controlling interests	837,576	839,287	-1,711	-0.2%	884,960	-47,384	-5.4%
Profit for the period/year	101,944	82,708	n.s.	n.s.	222,752	-120,808	-54.2%
Total liabilities and equity	**125,001,581**	**132,433,702**	**-7,432,121**	**-5.6%**	**132,102,855**	**-7,101,274**	**-5.4%**

UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	9M 2013 A	9M 2012 B	Changes A-B	% changes A/B	3rd Quarter 2013 C	3rd Quarter 2012 D	Changes C-D	% changes C/D	FY 2012 E
Net interest income	1,291,448	1,446,067	(154,619)	(10.7%)	446,006	466,438	(20,432)	(4.4%)	1,863,561
of which: effects of the purchase price allocation	*(26,455)*	*(28,014)*	*(1,559)*	*(5.6%)*	*(7,859)*	*(9,341)*	*(1,482)*	*(15.9%)*	*(36,980)*
Net interest income excluding the effects of the PPA	*1,317,903*	*1,474,081*	*(156,178)*	*(10.6%)*	*453,865*	*475,779*	*(21,914)*	*(4.6%)*	*1,900,541*
Dividends and similar income	9,337	13,662	(4,325)	(31.7%)	1,119	980	139	14.2%	15,591
Profits of equity-accounted investees	43,666	33,743	9,923	29.4%	12,947	7,984	4,963	62.2%	44,426
Net fee and commission income	888,108	871,599	16,509	1.9%	285,863	285,544	319	0.1%	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	168,455	148,262	20,193	13.6%	59,088	42,898	16,190	37.7%	257,278
Other net operating income/expense	85,257	122,132	(36,875)	(30.2%)	29,030	37,056	(8,026)	(21.7%)	163,179
Operating income	**2,486,271**	**2,635,465**	**(149,194)**	**(5.7%)**	**834,053**	**840,900**	**(6,847)**	**(0.8%)**	**3,526,311**
Operating income excluding the effects of the PPA	***2,512,726***	***2,663,479***	***(150,753)***	***(5.7%)***	***841,912***	***850,241***	***(8,329)***	***(1.0%)***	***3,563,291***
Staff costs	(974,378)	(1,037,371)	(62,993)	(6.1%)	(328,144)	(348,572)	(20,428)	(5.9%)	(1,373,719)
Other administrative expenses	(493,949)	(513,667)	(19,718)	(3.8%)	(158,699)	(161,445)	(2,746)	(1.7%)	(701,797)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(135,049)	(141,539)	(6,490)	(4.6%)	(44,660)	(45,770)	(1,110)	(2.4%)	(191,144)
of which: effects of the purchase price allocation	*(15,284)*	*(15,084)*	*200*	*1.3%*	*(5,088)*	*(5,020)*	*68*	*1.4%*	*(20,099)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(119,765)*	*(126,455)*	*(6,690)*	*(5.3%)*	*(39,572)*	*(40,750)*	*(1,178)*	*(2.9%)*	*(171,045)*
Operating expenses	**(1,603,376)**	**(1,692,577)**	**(89,201)**	**(5.3%)**	**(531,503)**	**(555,787)**	**(24,284)**	**(4.4%)**	**(2,266,660)**
Operating expenses excluding the effects of the PPA	***(1,588,092)***	***(1,677,493)***	***(89,401)***	***(5.3%)***	***(526,415)***	***(550,767)***	***(24,352)***	***(4.4%)***	***(2,246,561)***
Net operating income (loss)	**882,895**	**942,888**	**(59,993)**	**(6.4%)**	**302,550**	**285,113**	**17,437**	**6.1%**	**1,259,651**
Net operating income excluding the effects of the PPA	***924,634***	***985,986***	***(61,352)***	***(6.2%)***	***315,497***	***299,474***	***16,023***	***5.4%***	***1,316,730***
Net impairment losses on loans	(576,641)	(494,679)	81,962	16.6%	(192,749)	(160,328)	32,421	20.2%	(847,214)
Net impairment losses on other financial assets and liabilities	(22,278)	(50,732)	(28,454)	(56.1%)	(5,005)	(992)	4,013	404.5%	(54,810)
Net provisions for risks and charges	(14,333)	(20,845)	(6,512)	(31.2%)	(2,729)	34	(2,763)	n.s.	(49,212)
Profits (losses) from the disposal of equity investments	183	8,623	(8,440)	(97.9%)	(902)	8,593	(9,495)	n.s.	14,714
Pre-tax profit from continuing operations	**269,826**	**385,255**	**(115,429)**	**(30.0%)**	**101,165**	**132,420**	**(31,255)**	**(23.6%)**	**323,129**
Pre-tax profit from continuing operations excluding the effects of the PPA	***311,565***	***428,353***	***(116,788)***	***(27.3%)***	***114,112***	***146,781***	***(32,669)***	***(22.3%)***	***380,208***
Taxes on income for the period/year from continuing operations	(149,566)	(138,808)	10,758	7.8%	(46,480)	(62,554)	(16,074)	(25.7%)	(121,238)
of which: effects of the purchase price allocation	*13,790*	*14,242*	*(452)*	*(3.2%)*	*4,276*	*4,746*	*(470)*	*(9.9%)*	*18,862*
Post-tax loss from discontinued operations	-	-	-	-	-	(13)	13	(100.0%)	-
Profit for the period/year attributable to non-controlling interests	(18,316)	(15,763)	2,553	16.2%	(5,674)	(1,352)	4,322	319.7%	(17,310)
of which: effects of the purchase price allocation	*2,607*	*2,746*	*(139)*	*(5.1%)*	*811*	*1,002*	*(191)*	*(19.1%)*	*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	*127,286*	*256,794*	*(129,508)*	*(50.4%)*	*56,871*	*77,114*	*(20,243)*	*(26.3%)*	*219,218*
Profit for the year/period attributable to the shareholders of the Parent before expenses for leaving incentives	**101,944**	**230,684**	**(128,740)**	**(55.8%)**	**49,011**	**68,501**	**(19,490)**	**(28.5%)**	**184,581**
Expenses for the leaving incentives programme net of taxes and non-controlling interests	-	(7,932)	(7,932)	(100.0%)	-	(5,292)	(5,292)	(100.0%)	(101,873)
Profit (loss) for the year/period attributable to the shareholders of the Parent	**101,944**	**222,752**	**(120,808)**	**(54.2%)**	**49,011**	**63,209**	**(14,198)**	**(22.5%)**	**82,708**
Total impact of the purchase price allocation on the income statement	*(25,342)*	*(26,110)*	*(768)*	*(2.9%)*	*(7,860)*	*(8,613)*	*(753)*	*(8.7%)*	*(34,637)*

UBI Banca Group: Reclassified consolidated quarterly income statements

Figures in thousands of euro	2013			2012			
	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Net interest income	446,006	428,222	417,220	417,494	466,438	486,311	493,318
of which: effects of the purchase price allocation	*(7,859)*	*(9,033)*	*(9,563)*	*(8,966)*	*(9,341)*	*(9,051)*	*(9,622)*
Net interest income excluding the effects of the PPA	*453,865*	*437,255*	*426,783*	*426,460*	*475,779*	*495,362*	*502,940*
Dividends and similar income	1,119	7,763	455	1,929	980	12,384	298
Profits of equity-accounted investees	12,947	22,213	8,506	10,683	7,984	14,924	10,835
Net fee and commission income	285,863	297,459	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	59,088	67,351	42,016	109,016	42,898	11,397	93,967
Other net operating income/expense	29,030	29,428	26,799	41,047	37,056	49,045	36,031
Operating income	**834,053**	**852,436**	**799,782**	**890,846**	**840,900**	**860,733**	**933,832**
Operating income excluding the effects of the PPA	***841,912***	***861,469***	***809,345***	***899,812***	***850,241***	***869,784***	***943,454***
Staff costs	(328,144)	(314,881)	(331,353)	(336,348)	(348,572)	(327,564)	(361,235)
Other administrative expenses	(158,699)	(173,557)	(161,693)	(188,130)	(161,445)	(176,476)	(175,746)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(44,660)	(45,114)	(45,275)	(49,605)	(45,770)	(47,020)	(48,749)
of which: effects of the purchase price allocation	*(5,088)*	*(5,098)*	*(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	*(39,572)*	*(40,016)*	*(40,177)*	*(44,590)*	*(40,750)*	*(42,017)*	*(43,688)*
Operating expenses	**(531,503)**	**(533,552)**	**(538,321)**	**(574,083)**	**(555,787)**	**(551,060)**	**(585,730)**
Operating expenses excluding the effects of the PPA	***(526,415)***	***(528,454)***	***(533,223)***	***(569,068)***	***(550,767)***	***(546,057)***	***(580,669)***
Net operating income	**302,550**	**318,884**	**261,461**	**316,763**	**285,113**	**309,673**	**348,102**
Net operating income excluding the effects of the PPA	***315,497***	***333,015***	***276,122***	***330,744***	***299,474***	***323,727***	***362,785***
Net impairment losses on loans	(192,749)	(226,150)	(157,742)	(352,535)	(160,328)	(203,181)	(131,170)
Net impairment losses on other financial assets and liabilities	(5,005)	(8,960)	(8,313)	(4,078)	(992)	(47,663)	(2,077)
Net provisions for risks and charges	(2,729)	(9,275)	(2,329)	(28,367)	34	(16,764)	(4,115)
Profits (losses) from the disposal of equity investments	(902)	1,609	(524)	6,091	8,593	9	21
Pre-tax profit from continuing operations	**101,165**	**76,108**	**92,553**	**(62,126)**	**132,420**	**42,074**	**210,761**
Pre-tax profit (loss) from continuing operations excluding the effects of the PPA	***114,112***	***90,239***	***107,214***	***(48,145)***	***146,781***	***56,128***	***225,444***
Taxes on income for the period from continuing operations	(46,480)	(46,507)	(56,579)	17,570	(62,554)	19,727	(95,981)
of which: effects of the purchase price allocation	*4,276*	*4,669*	*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	(5,674)	(3,126)	(9,516)	(1,547)	(1,352)	(7,137)	(7,274)
of which: effects of the purchase price allocation	*811*	*856*	*940*	*834*	*1,002*	*862*	*882*
Profit for the year/period attributable to the shareholders of the Parent before expenses for leaving incentives excluding the effects of the PPA	*56,871*	*35,081*	*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	**49,011**	**26,475**	**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	**49,011**	**26,475**	**26,458**	**(140,044)**	**63,209**	**54,165**	**105,378**
Total impact of the purchase price allocation on the income statement	*(7,860)*	*(8,606)*	*(8,876)*	*(8,527)*	*(8,613)*	*(8,549)*	*(8,948)*

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

Figures in thousands of euro	9M 2013	non-recurring items: Disposal of AFS equity stakes	Cerved Group earn out	Net impairment losses on financial assets (AFS)	Replenishment of G.E.C. Spa loss and total write-off of the investment	Profit on the repurchase of financial liabilities (subordinated EMTN)	Full write-down of the investment in HRS - Help Rental Service Srl	9M 2013 *net of non-recurring items* ***A***	9M 2012	non-recurring items: Gain on public tender offer to purchase preference shares	Impairment losses on equity instruments and OICR (collective investment instruments) units (AFS)	Leaving incentives (purs. to Law No. 214 of 22nd December 2011)	Tax realignment pursuant to Law No. 111/2011 and Law No. 214/2011 of BPA goodwill recognised in the consolidated financial statements	Tax relief on non-accounting deductions on loan provisions and write-downs of UBI Banca purs. to Law No. 244/2007 (Section EC)	Prior year tax credit for deduction for corporate income tax purposes of regional production tax on the cost of labour purs. to Law No. 214/2011	Disposal of shares and investments	9M 2012 *net of non-recurring items* ***B***	Changes A-B	% changes A/B
Net interest income (including the effects of the PPA)	1,291,448							1,291,448	1,446,067								1,446,067	(154,619)	(10.7%)
Dividends and similar income	9,337							9,337	13,662								13,662	(4,325)	(31.7%)
Profits of equity-accounted investees	43,666							43,666	33,743								33,743	9,923	29.4%
Net fee and commission income	888,108							888,108	871,599								871,599	16,509	1.9%
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	168,455	(38,288)	(1,525)			(4,822)		123,820	148,262	(20,671)						(1,610)	125,981	(2,161)	(1.7%)
Other net operating income/expense	85,257							85,257	122,132								122,132	(36,875)	(30.2%)
Operating income (including the effects of PPA)	**2,486,271**	**(38,288)**	**(1,525)**	**-**	**-**	**(4,822)**	**-**	**2,441,636**	**2,635,465**	**(20,671)**	**-**	**-**	**-**	**-**	**-**	**(1,610)**	**2,613,184**	**(171,548)**	**(6.6%)**
Staff costs	(974,378)							(974,378)	(1,037,371)								(1,037,371)	(62,993)	(6.1%)
Other administrative expenses	(493,949)							(493,949)	(513,667)								(513,667)	(19,718)	(3.8%)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(135,049)							(135,049)	(141,539)								(141,539)	(6,490)	(4.6%)
Operating expenses (including the effects of PPA)	**(1,603,376)**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,603,376)**	**(1,692,577)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,692,577)**	**(89,201)**	**(5.3%)**
Net operating income (including the effects of PPA)	**882,895**	**(38,288)**	**(1,525)**	**-**	**-**	**(4,822)**	**-**	**838,260**	**942,888**	**(20,671)**	**-**	**-**	**-**	**-**	**-**	**(1,610)**	**920,607**	**(82,347)**	**(8.9%)**
Net impairment losses on loans	(576,641)							(576,641)	(494,679)								(494,679)	81,962	16.6%
Net impairment losses on other financial assets and liabilities	(22,278)			22,908	142			772	(50,732)		47,500						(3,232)	4,004	n.s.
Net provisions for risks and charges	(14,333)				1,618			(12,715)	(20,845)								(20,845)	(8,130)	(39.0%)
Profits from the disposal of equity investments	183						529	712	8,623							(8,091)	532	180	33.8%
Pre-tax profit from continuing operations (including the effects of PPA)	**269,826**	**(38,288)**	**(1,525)**	**22,908**	**1,760**	**(4,822)**	**529**	**250,388**	**385,255**	**(20,671)**	**47,500**	**-**	**-**	**-**	**-**	**(9,701)**	**402,383**	**(151,995)**	**(37.8%)**
Taxes on income for the period from continuing operations	(149,566)	(3,805)	102	(5,682)		1,594		(157,357)	(138,808)	5,684	(3,169)		(24,992)	(8,298)	(40,400)	350	(209,633)	(52,276)	(24.9%)
Post-tax loss from discontinued operations	-							-	-								-	-	-
Profit for the period attributable to non-controlling interests	(18,316)				(445)			(18,761)	(15,763)						3,178	182	(12,403)	6,358	51.3%
Profit for the period attributable to the shareholders of the Parent before expenses for leaving incentives	**101,944**	**(42,093)**	**(1,423)**	**17,226**	**1,315**	**(3,228)**	**529**	**74,270**	**230,684**	**(14,987)**	**44,331**	**-**	**(24,992)**	**(8,298)**	**(37,222)**	**(9,169)**	**180,347**	**(106,077)**	**(58.8%)**
Expenses for leaving incentives net of taxes and non-controlling interests	-							-	(7,932)			7,932					-	-	-
Profit for the period attributable to the shareholders of the Parent	**101,944**	**(42,093)**	**(1,423)**	**17,226**	**1,315**	**(3,228)**	**529**	**74,270**	**222,752**	**(14,987)**	**44,331**	**7,932**	**(24,992)**	**(8,298)**	**(37,222)**	**(9,169)**	**180,347**	**(106,077)**	**(58.8%)**