PRESS RELEASE

<u>The Group's strong capital structure is confirmed</u>
Common Equity Tier 1 ratio "phased in" as at 30th June 2015 of 12.94% compared with 12.45% as at 31.03.2015
Total capital ratio "phased in" of 15.62% (15.34% as at 31.03.2015)
Common Equity Tier 1 ratio "fully loaded" estimate of 12.33%[1] (12.2% as at 31.03.2015)
Leverage ratio phased in of 6.14% and fully loaded of 5.88%
NSFR and LCR >1

<u>Income statement result for 1H 2015 compared with 1H 2014</u>
Consolidated profit of €124.4 million (inclusive of the estimated annual contribution to the Resolution Fund[2]), +17.2% compared with €106.2 million in 1H 2014.
Profit net of non-recurring items of €136 million (+3.9% y/y), <u>the best half year result since 2008</u>

Operating income of €1,709 million (-1.6%):

- **Core revenues (net interest income + fees and commissions) stable, as a result of good performance by fee and commission income (+9.7% or +€59.4 million y/y) which offset the fall in net interest income (-6.8% or -€61.4 million y/y mainly due to the lower contribution from the securities portfolio)**
- **Finance result of €111.1 million compared with €136.6 million in 1H 2014**

Operating expenses unchanged y/y at €1,045.5 million, notwithstanding the inclusion in 2015 of €7.3 million of integration costs in relation to the merger of IW Bank and UBI Private Investment.
Net of that item operating costs recorded a further fall of 0.6% y/y

Loan losses of €389 million compared with €429.1 million in 2014 (91 bps annualised compared with 99 bps in 1H 2014)

<u>The balance sheet</u>
Loans at €85.3 billion up by +0.8% compared with €84.6 billion in March 2015 (-0.4% compared with December 2014)
Net of the discontinued "run-off" portfolio, which will not be replaced, lending grew compared with both March 2015 and December 2014

Significant rises recorded in volumes of assets under management (+18.7% y/y and +10.7% vs Dec 2014) and insurance products (respectively +13.7% and +9.1%), while assets under custody diminished (-4.9% and -3.8%), with an overall positive impact on securities related commissions (+15.5%)

[1] 12.62% if calculated including Govies AFS reserve as at 03.08.2015
[2] €22.8 million gross and €13.2 million net of tax and minorities

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Bergamo, 7th August 2015 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) has approved the consolidated results for the first half of 2015, which ended with a **profit of €124.4 million, up by 17.2%** compared with €106.2 million in the first half of 2014.
Net of non-recurring items, profit for the period was €136 million (+3.9% compared with €130.8 million for the first quarter of 2014), **the best half year result since 2008**.

<u>The income statement in 1H 2015 vs 1H 2014</u>

In the first half of the year Group operations generated **net operating income** of €663.4 million (€691.5 million in the first half of 2014), with **core revenues** (net interest income and fees and commissions) resilient at €1,516.2 million, a **finance result** of €111.1 million (€136.6 million in June 2014) and **operating expenses almost unchanged** notwithstanding the presence in 2015 of €7.3 million of non-recurring items, net of which of costs would have fallen again.

In detail, **net interest income** amounted to €847.1 million, down 6.8% year-on-year (approximately €61 million) mainly due to a smaller contribution from the finance component (down by 20.4 % or approximately €39 million following the maturity at the end of 2014 of around €5 billion of high yielding government securities), but also as a result of a fall in the business with customers component (-3.2% or approx. €23 million), hit by lower average volumes compared to 2014, in a strongly competitive scenario that was reflected in loan pricing, while the reduction in the cost of funding continues.
The customer spread increased in the first half to 184 basis points from 182 in the same period in 2014 attributable entirely to an improvement in the cost of funding (the mark-down decreased by 9 bps year-on-year).

Profits of equity-accounted investees totalled €19.6 million in the first half (€20.7 million in 1H 2014). Strong growth should be noted in the comparison with 2014 in the contribution from the Chinese asset management investee Zhong Ou (€8.5 million compared with €0.7 million in 2014) and from Lombarda Vita (€9.2 million compared with €4.2 million in 2014), while it must be considered that on 22nd December 2014 UBI Banca reduced its stakes held in Aviva Vita Spa and Aviva Assicurazioni Vita Spa from 50% to 20% and that the entire interest held in UBI Assicurazioni Spa was sold on 30th December 2014, with a consequent decrease in the relative contributions to profits.

Net fee and commission income came to €669.1 million, up 9.7% compared with €609.7 million in the same period of 2014, as a result of good performance by fees and commissions on investment services[3] (up 15.5% or around €50 million to €372.4 million), which benefited above all from commissions on customer portfolio management, which rose by €33.5 million and also from the placement of asset management products. In this respect it is underlined that substantial growth was recorded year on year in total assets under management and insurance products (respectively +18.7% and +13.7%), while assets under custody decreased (-4.9%).
Fee and commission income earned on general banking services grew slightly (€296.7 million compared with €287.2 million in 2014, which also included commissions paid on the issue of government backed bonds, no longer present in 2015).

[3] Management, trading and advisory services, inclusive of forex trading.

The **finance result** came to €111.1 million (€136.6 million in 1H 2014).
That result was composed as follows:
· €45.4 million from trading (€50.6 million in 1H 2014);
· €53.4 million from the disposal of financial assets (€93.7 million in 1H 2014), mainly attributable, as in the previous period, to the disposal of Italian government securities;
· €5.5 million from movements in the fair value of financial assets (-€0.3 million in 1H 2014);
· €6.7 million from hedging activity (-€7.4 million in 1H 2014).

Operating expenses stood at €1,045.5 million and, notwithstanding the inclusion of non-recurring items amounting to €7.3 million, were virtually unchanged compared with €1,044.4 million in 1H 2014. Net of those items, operating expenses fell by 0.6%.

In detail:
- **staff costs**, amounting to €654.8 million, recorded growth compared with €647.9 million in the same period of 2014, also due to the payment of staff bonuses and incentives which were put forward to the first half of 2015, while in 2014 those payments had been made in the second half. Savings on costs resulting from lower staff numbers succeeded in offsetting both salary increases resulting from the collective national labour contract, and increases from lower recourse to reductions and suspensions of working hours in 2015.
- **other administrative expenses**, amounting to €313 million, remained stable year on year (+€1.7 million) despite the recognition of integration costs (€7.3 million) in relation to the merger between IW Bank and UBI Private Investment at the end of May 2015. Net of those costs, other administrative expenses fell by 1.8% year-on-year which demonstrates the constant efforts made to contain them in the long term and which continue to involve many items of current spending.
- finally, **depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets** (inclusive of the PPA) totalled €77.8 million, down by over €7 million compared with 1H 2014, partly attributable to the reduction in the PPA (€3.2 million) as a consequence of impairment losses recognised at the end of 2014.

In the period January-June 2015 **net impairment losses on loans** fell to €389.1 million, compared with €429.1 million in the first half of 2014, to give an annualised loan loss rate of 0.91% of total net loans, compared with 0.99% before and 1.08% recorded for the full year 2014.
The impairment losses recognised resulted in total coverage for deteriorated loans of 27.80%, to give an increase compared with both March 2015 (27.68%) and the end of 2014 (27.13%).
Impairment losses recognised, together with the composition of the portfolio, allowed a reduction of €104.7 million in the shortfall included in the calculation of CET1.

Finally, **net provisions for risks and charges** in the period rose to €29.1 million (€2.7 million in 2014) mainly as a result of the recognition of the estimated annual contribution to the Resolution Fund in accordance with the Bank Recovery and Resolution Directive (No. 2014/59/EU – BRRD), which impacted the income statement by €22.8 million.

As a result of the performance described above, **profit on continuing operations before tax** amounted to €241.9 million compared with €257.3 million in the same period of 2014.

Taxes on income for the period from continuing operations amounted to €99.1 million, compared with €135.4 million in 1H 2014 to give a tax rate of 40.99% compared with 52.61% before.

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Group operating results in the second quarter of the year

Consolidated profit in the second quarter of 2015 came to €48.5 million inclusive of the estimated annual contribution to the Resolution Fund, which had an impact on profit of 13.2 million, and it compares with a profit of €75.9 million in the first quarter of 2015 and with €48.1 million in the second quarter of 2014.

Operating income totalled €842.9 million (€866 million in 1Q 2015 and €882.5 million in 2Q 2014) mainly following the fall in **net interest income**, which totalled €416.5 million (€430.6 million in 1Q 2015 and €454.1 million in 2Q 2014), due to both a smaller contribution from the securities portfolio (reduced size and different composition), but also in relation to lower average volumes of business with customers and competitive pressure on loan pricing, not fully offset by the lower cost of funding. **Net fee and commission income** contributed €327.9 million to profits, down on €341.2 million in 1Q 2015, primarily as a result of lower commissions from the placement of securities (-€11.6 million), but significantly up on €309.6 million in 2Q 2014 as a result of higher commissions from investment services, while commissions earned from general banking services remained virtually unchanged in the three periods at approximately €148 million.
The **finance result** contributed to income with €53.1 million (€58 million in 1Q 2015 and €74 million in 2Q 2014) largely in relation to the disposal of Italian Govies held in the AFS portfolio.

Control over **costs**, which totalled €524.1 million in the second quarter of 2015, continued. They remained - notwithstanding the inclusion of €6 million of integration costs for the merger of IW Bank and UBI Private Investment - broadly in line with €521.4 million in 1Q 2015 and €523.1 million in 2Q 2014. Net of those extraordinary expenses, operating costs would have been down on both 1Q 2015 and 2Q 2014.
In detail, **staff costs** stood at €319.8 million, the lowest of the three periods (€334.9 million in 1Q 2015 and €321.8 million in 2Q 2014), partly due to the recovery of post employment benefit increases recognised in the first quarter of the year and then reversed after approval of the national labour contract, and despite putting payments of staff bonuses and incentives forward. **Other administrative expenses**, net of the extraordinary costs reported above, amounted to €159 million, in line with the same period of 2014 (€158.6 million), but seasonally higher than €146.6 million in 1Q 2015.

Net impairment losses on loans amounted to €198.9 million in the second quarter of the year, down by €31.6 million or 13.7% compared with €230.5 million in the same period of 2014, but affected by the usual seasonality compared with €190.2 million in 1Q 2015.

Finally, the estimated annual contribution to the Resolution Fund in accordance with the Bank Recovery and Resolution Directive (No. 2014/59/EU – BRRD) was recognised in the second quarter of the year, accounting for €22.8 million of **net provisions for risks and charges**.

Taxes on income for the period from continuing operations amounted to €37.1 million, compared with €62 million in 1Q 2015 and €76.7 million in 2Q 2014 which, however, included non-recurring items.

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The balance sheet

Loans to customers as at 30th June 2015 amounted to €85.3 billion, up by 0.8% compared with €84.6 billion at the end of March 2015, as a result of good performance for core[4] lending by the network banks, which achieved growth in total interest-bearing loans of €0.8 billion, but down by 0.4% compared with €85.6 billion in December 2014, a reduction attributable entirely to a contraction of €0.4 billion recorded by the portfolio subject to run off.

As concerns credit quality, **total deteriorated gross loans** stood at €13,368 million at the end of June 2015 (€13,227 million in March 2015 and 13,049 in December 2014).

Again at the end of June 2015, **coverage for total deteriorated loans had increased to 27.80%** (27.68% in March 2015 and 27.13% in December 2014). If loan write-offs are included, coverage for deteriorated loans rises to 37.6% (37.4% in March 2015 and 37.1% in December 2014).

Total net deteriorated loans stood at €9,651 million at the end of June 2015, slightly up on €9,565 million in March 2015 and €9,508 million in December 2014.

In detail, net non-performing loans amounted to €4,187 million (€4,115 million in March 2015 and €4,025 million in December 2014), accounting for 4.91% of total net loans.
Following the disposal of €100.5 million of heavily written down loans, coverage for non-performing loans was 38.68% (slightly down compared with 38.84% in March 2015, but still up on 38.56% at the end of 2014).
The percentage of positions backed by collateral (approximately 68% of the gross total) remains significant and coverage for unsecured positions, considered gross of loan write-offs, was again high (68.3%)

The new category, "unlikely to pay", amounted to €5,096 million net (€5,014 million in March 2015 and €4,954 million in December 2014), with coverage of 17.1%. The rules for forborne loans were applied rigorously during the semester, involving the consequent reclassification to unlikely to pay of certain past due positions.

Net positions past due and/or in arrears amounted to €368.1 million compared with €436.6 million in March 2015 and €529.3 million in December 2014 (coverage of 5.39% compared with 4.65% in March 2015 and 4.39% in December 2014).

Direct funding from ordinary customers stood at €71.7 billion in June 2015 (€72.7 billion in March 2015 and €74 billion last December), mainly recording growth in current accounts and deposits which also include liquidity awaiting investment (up to €44.7 billion from €44.1 billion in March 2015 and from €44.3 billion in December 2014) and a slowdown in the placement of bonds to Group customers (stock of €21.7 billion, down from €22.9 billion in March 2015 and from €23.6 billion at the end of 2014), as they searched for more remunerative forms of investment.
As a consequence, **indirect funding from ordinary customers** performed well with very positive trends (notwithstanding the negative impact on markets from the Greek crisis in June) that recorded growth of 4.2% compared with December 2014 to €79.1 billion. More specifically, **assets under management in the strict sense** grew by 10.7% compared with December 2014 to €34 billion and **insurance products** increased by 9.1% to €13.8 billion, also benefiting from inflows, as reported above, from direct funding as well as from **assets under custody**, which decreased by 3.8% in the first half to €31.3 billion.

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[4] Inclusive of the retail (private individuals and small businesses), corporate (core and large) and private banking segments.

Direct funding from institutional customers stood at €22.6 billion (€18.4 billion in March and €19.3 billion in December 2014) due to greater recourse to repurchase agreements with the *Cassa di Compensazione e Garanzia*, in consideration of the particularly attractive conditions, while total funding from covered bonds (€9.7 billion) and from EMTN (€3.1 billion) remained unchanged in the first half.

Group exposure to the ECB consisted of a total of €6.1 billion of TLTROs, recognised under "due to banks" and therefore not included in direct funding.

Group liquidity ratios, calculated according to Basel 3 rules (NSFR and LCR), were constantly greater than one.
The Group's solid liquidity position is further assured by its **assets eligible for refinancing**, which as at 30th June 2015 totalled €26.8 billion net of haircuts (of which €12 billion available).

At the end of June 2015, Group **financial assets** had a mark-to-market value of €21.9 billion, of which €20.5 billion relating to Italian government securities. The latter item had fallen compared with March 2015 and December 2014 (€21.6 billion and €21.9 billion respectively). The nominal value of the Italian government securities was €18.1 billion compared with €18.4 billion in March and €19.2 billion as at 31st December 2014.

Consolidated **equity** of the UBI Banca Group as at 30th June 2015, including profit for the period, amounted to €9,887 million, down from €10,094 million in March 2015 due to the reduction in AFS reserves following the Greek crisis, but up compared to €9,804 million at the end of December 2014.

The capital ratios at the end of June 2015 confirmed the solidity of the UBI Banca Group.
The CET 1 ratio "phased in" as at 30th June 2015 stood at 12.94% compared with 12.45% in March 2015 and 12.33% as at 31.12.2014. The estimated fully loaded CET1 ratio was 12.33% compared with 12.20% in March 2015 and 11.5% in 31.12.2014.
The TCR "phased in" was 15.62% (15.34% in March 2015 and 15.29% as at 31.12.2014)
Finally, the leverage ratio calculated on the basis of Basel 3 rules, which state that the Tier 1 capital must be equal to at least 3% of on- and off-balance-sheet assets, was 6.14% "phased in" and 5.88% "fully loaded".

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Human resources of the UBI Banca Group totalled 17,789 as at 30th June 2015 compared with 17,717 in March 2015. The branch network at the end of the period consisted of 1,557 branches in Italy (1,560 in March 2015) and six 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

The actions undertaken in the first half and the expected progressive improvement in the macroeconomic environment should allow a further increase in new grants of loans in the second half of the year in order to counter the strong competitive pressure on pricing.
Net fee and commission income should benefit year-on-year from positive trends expected for assets under management and insurance and from possible growth in fees and commissions associated with the trend for lending.
The continuation of the favourable evolution of the general macroeconomic environment and, hopefully, the absence of further tensions in the more critical countries of the euro area could allow a result to be achieved for trading and hedging activity in line with that of the first half.
Actions planned for 2015 allow to confirm our objective of containing operating expenses in line with those for 2014, notwithstanding the additional costs in relation to the contribution to the European Resolution Fund and the Deposit Guarantee Scheme, estimated at over €30 million for the entire year and which will be recognised in the item "other administrative expenses" once final quantification, expected before year-end, is received.
The improvements in the macroeconomic environment and the exit from recession, recently confirmed by the principal economic research institutes, should allow loan losses to be contained at a level lower than in 2014.

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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

- Consolidated balance sheet - Mandatory statement
- Consolidated income statement - Mandatory statement

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	30.6.2015 A	31.12.2014 B	Changes A-B	% changes A/B	30.6.2014 C	Changes A-C	% changes A/C
ASSETS							
Cash and cash equivalents	484,055	598,062	-114,007	-19.1%	486,807	-2,752	-0.6%
Financial assets held for trading	1,338,170	1,420,506	-82,336	-5.8%	2,168,661	-830,491	-38.3%
Financial assets designated at fair value	197,223	193,167	4,056	2.1%	192,408	4,815	2.5%
Available-for-sale financial assets	16,799,280	18,554,956	-1,755,676	-9.5%	16,742,576	56,704	0.3%
Held-to-maturity investments	3,535,692	3,576,951	-41,259	-1.2%	3,049,841	485,851	15.9%
Loans and advances to banks	3,191,584	3,340,415	-148,831	-4.5%	4,078,892	-887,308	-21.8%
Loans and advances to customers	85,340,026	85,644,223	-304,197	-0.4%	87,119,396	-1,779,370	-2.0%
Hedging derivatives	545,576	649,250	-103,674	-16.0%	458,998	86,578	18.9%
Fair value change in hedged financial assets (+/-)	59,108	64,124	-5,016	-7.8%	47,680	11,428	24.0%
Equity investments	247,779	246,250	1,529	0.6%	295,970	-48,191	-16.3%
Property, plant and equipment	1,755,974	1,729,107	26,867	1.6%	1,764,564	-8,590	-0.5%
Intangible assets	1,760,006	1,776,925	-16,919	-1.0%	2,896,274	-1,136,268	-39.2%
of which: goodwill	*1,465,260*	*1,465,260*	-	-	*2,511,679*	*-1,046,419*	*-41.7%*
Tax assets	2,753,059	2,991,600	-238,541	-8.0%	2,566,975	186,084	7.2%
Non-current assets and disposal groups held for sale	11,286	69,893	-58,607	-83.9%	188,358	-177,072	-94.0%
Other assets	1,434,917	931,275	503,642	54.1%	1,168,828	266,089	22.8%
Total assets	**119,453,735**	**121,786,704**	**-2,332,969**	**-1.9%**	**123,226,228**	**-3,772,493**	**-3.1%**
LIABILITIES AND EQUITY							
Due to banks	9,049,928	13,292,723	-4,242,795	-31.9%	15,964,805	-6,914,877	-43.3%
Due to customers	55,331,195	51,616,920	3,714,275	7.2%	47,126,528	8,204,667	17.4%
Debt securities issued	38,996,157	41,590,349	-2,594,192	-6.2%	43,049,073	-4,052,916	-9.4%
Financial liabilities held for trading	647,508	617,762	29,746	4.8%	496,946	150,562	30.3%
Hedging derivatives	788,565	1,009,092	-220,527	-21.9%	623,610	164,955	26.5%
Tax liabilities	440,745	630,223	-189,478	-30.1%	620,062	-179,317	-28.9%
Other liabilities	3,132,513	1,994,340	1,138,173	57.1%	3,130,877	1,636	0.1%
Post-employment benefits	339,894	391,199	-51,305	-13.1%	378,320	-38,426	-10.2%
Provisions for risks and charges:	291,748	285,029	6,719	2.4%	303,897	-12,149	-4.0%
a) pension and similar obligations	71,515	80,529	-9,014	-11.2%	81,134	-9,619	-11.9%
b) other provisions	220,233	204,500	15,733	7.7%	222,763	-2,530	-1.1%
Share capital, share premiums, reserves, valuation reserves and treasury shares	9,762,383	10,529,815	-767,432	-7.3%	10,603,241	-840,858	-7.9%
Non-controlling interests	548,656	555,019	-6,363	-1.1%	822,677	-274,021	-33.3%
Profit (loss) for the period/year	124,443	-725,767	n.s.	n.s.	106,192	18,251	17.2%
Total liabilities and equity	**119,453,735**	**121,786,704**	**-2,332,969**	**-1.9%**	**123,226,228**	**-3,772,493**	**-3.1%**

UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	1H 2015 A	1H 2014 B	Changes A-B	% changes A/B	2nd Quarter 2015 C	2nd Quarter 2014 D	Changes C-D	% changes C/D	FY 2014 E
Net interest income	847,148	908,528	(61,380)	(6.8%)	416,543	454,056	(37,513)	(8.3%)	1,818,387
of which: effects of the purchase price allocation	*(13,618)*	*(14,238)*	*(620)*	*(4.4%)*	*(7,115)*	*(7,782)*	*(667)*	*(8.6%)*	*(28,540)*
Net interest income excluding the effects of the PPA	*860,766*	*922,766*	*(62,000)*	*(6.7%)*	*423,658*	*461,838*	*(38,180)*	*(8.3%)*	*1,846,927*
Dividends and similar income	5,319	8,868	(3,549)	(40.0%)	4,786	8,081	(3,295)	(40.8%)	10,044
Profits of equity-accounted investees	19,573	20,662	(1,089)	(5.3%)	13,405	9,763	3,642	37.3%	37,015
Net fee and commission income	669,078	609,693	59,385	9.7%	327,886	309,583	18,303	5.9%	1,226,587
of which performance fees	*11,808*	*3,475*	*8,333*	*n.s.*	*4,934*	*2,824*	*2,110*	*74.7%*	*16,951*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	111,098	136,642	(25,544)	(18.7%)	53,074	74,031	(20,957)	(28.3%)	199,658
Other net operating income/expense	56,675	51,496	5,179	10.1%	27,186	26,950	236	0.9%	117,939
Operating income	**1,708,891**	**1,735,889**	**(26,998)**	**(1.6%)**	**842,880**	**882,464**	**(39,584)**	**(4.5%)**	**3,409,630**
Operating income excluding the effects of the PPA	***1,722,509***	***1,750,127***	***(27,618)***	***(1.6%)***	***849,995***	***890,246***	***(40,251)***	***(4.5%)***	***3,438,170***
Staff costs	(654,773)	(647,943)	6,830	1.1%	(319,843)	(321,849)	(2,006)	(0.6%)	(1,301,779)
Other administrative expenses	(312,953)	(311,214)	1,739	0.6%	(165,021)	(158,598)	6,423	4.0%	(635,034)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(77,778)	(85,196)	(7,418)	(8.7%)	(39,280)	(42,663)	(3,383)	(7.9%)	(171,409)
of which: effects of the purchase price allocation	*(6,590)*	*(9,799)*	*(3,209)*	*(32.7%)*	*(3,316)*	*(4,888)*	*(1,572)*	*(32.2%)*	*(21,416)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(71,188)*	*(75,397)*	*(4,209)*	*(5.6%)*	*(35,964)*	*(37,775)*	*(1,811)*	*(4.8%)*	*(149,993)*
Operating expenses	**(1,045,504)**	**(1,044,353)**	**1,151**	**0.1%**	**(524,144)**	**(523,110)**	**1,034**	**0.2%**	**(2,108,222)**
Operating expenses excluding the effects of the PPA	***(1,038,914)***	***(1,034,554)***	***4,360***	***0.4%***	***(520,828)***	***(518,222)***	***2,606***	***0.5%***	***(2,086,806)***
Net operating income	**663,387**	**691,536**	**(28,149)**	**(4.1%)**	**318,736**	**359,354**	**(40,618)**	**(11.3%)**	**1,301,408**
Net operating income excluding the effects of the PPA	***683,595***	***715,573***	***(31,978)***	***(4.5%)***	***329,167***	***372,024***	***(42,857)***	***(11.5%)***	***1,351,364***
Net impairment losses on loans	(389,099)	(429,101)	(40,002)	(9.3%)	(198,907)	(230,475)	(31,568)	(13.7%)	(928,617)
Net impairment losses on other financial assets and liabilities	(3,348)	(2,001)	1,347	67.3%	(2,382)	(3,674)	(1,292)	(35.2%)	(8,650)
Net provisions for risks and charges	(29,135)	(2,702)	26,433	n.s.	(24,816)	7,361	(32,177)	n.s.	(9,074)
Profits (losses) from the disposal of equity investments	83	(430)	513	n.s.	392	230	162	70.4%	94,007
Pre-tax profit from continuing operations	**241,888**	**257,302**	**(15,414)**	**(6.0%)**	**93,023**	**132,796**	**(39,773)**	**(30.0%)**	**449,074**
Pre-tax profit from continuing operations excluding the effects of the PPA	***262,096***	***281,339***	***(19,243)***	***(6.8%)***	***103,454***	***145,466***	***(42,012)***	***(28.9%)***	***499,030***
Taxes on income for the period/year from continuing operations	(99,147)	(135,368)	(36,221)	(26.8%)	(37,149)	(76,666)	(39,517)	(51.5%)	(186,926)
of which: effects of the purchase price allocation	*6,699*	*9,683*	*(2,984)*	*(30.8%)*	*3,458*	*5,930*	*(2,472)*	*(41.7%)*	*16,523*
Profit for the period/year attributable to non-controlling interests	(17,108)	(15,742)	1,366	8.7%	(7,359)	(8,073)	(714)	(8.8%)	(28,918)
of which: effects of the purchase price allocation	*1,163*	*1,288*	*(125)*	*(9.7%)*	*604*	*565*	*39*	*6.9%*	*2,754*
Profit for the year/period attributable to the shareholders of the Parent before redundancies and impairment excluding the effects of the PPA	*137,979*	*119,258*	*18,721*	*15.7%*	*54,884*	*54,232*	*652*	*1.2%*	*263,909*
Profit for the year/period attributable to the shareholders of the Parent before redundancies and impairment	**125,633**	**106,192**	**19,441**	**18.3%**	**48,515**	**48,057**	**458**	**1.0%**	**233,230**
Redundancy expenses net of taxes and non-controlling interests	(1,190)	-	1,190	n.s.	-	-	-	-	(76,311)
Impairment losses on goodwill, finite useful life intangible assets and property, plant and equipment net of taxes and non-controlling interests	-	-	-	-	-	-	-	-	(882,686)
Profit (loss) for the year/period attributable to the shareholders of the Parent	**124,443**	**106,192**	**18,251**	**17.2%**	**48,515**	**48,057**	**458**	**1.0%**	**(725,767)**
Total impact of the purchase price allocation on the income statement	*(12,346)*	*(13,066)*	*(720)*	*(5.5%)*	*(6,369)*	*(6,175)*	*194*	*3.1%*	*(30,679)*

UBI Banca Group: Reclassified consolidated quarterly income statements

Figures in thousands of euro	2015		2014			
	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Net interest income	416,543	430,605	442,074	467,785	454,056	454,472
of which: effects of the purchase price allocation	*(7,115)*	*(6,503)*	*(7,312)*	*(6,990)*	*(7,782)*	*(6,456)*
Net interest income excluding the effects of the PPA	*423,658*	*437,108*	*449,386*	*474,775*	*461,838*	*460,928*
Dividends and similar income	4,786	533	800	376	8,081	787
Profits of equity-accounted investees	13,405	6,168	8,198	8,155	9,763	10,899
Net fee and commission income	327,886	341,192	318,392	298,502	309,583	300,110
of which performance fees	*4,934*	*6,874*	*10,710*	*2,766*	*2,824*	*651*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	53,074	58,024	49,156	13,860	74,031	62,611
Other net operating income/expense	27,186	29,489	33,418	33,025	26,950	24,546
Operating income	**842,880**	**866,011**	**852,038**	**821,703**	**882,464**	**853,425**
Operating income excluding the effects of the PPA	***849,995***	***872,514***	***859,350***	***828,693***	***890,246***	***859,881***
Staff costs	(319,843)	(334,930)	(325,142)	(328,694)	(321,849)	(326,094)
Other administrative expenses	(165,021)	(147,932)	(176,742)	(147,078)	(158,598)	(152,616)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(39,280)	(38,498)	(43,716)	(42,497)	(42,663)	(42,533)
of which: effects of the purchase price allocation	*(3,316)*	*(3,274)*	*(6,648)*	*(4,969)*	*(4,888)*	*(4,911)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(35,964)*	*(35,224)*	*(37,068)*	*(37,528)*	*(37,775)*	*(37,622)*
Operating expenses	**(524,144)**	**(521,360)**	**(545,600)**	**(518,269)**	**(523,110)**	**(521,243)**
Operating expenses excluding the effects of the PPA	***(520,828)***	***(518,086)***	***(538,952)***	***(513,300)***	***(518,222)***	***(516,332)***
Net operating income	**318,736**	**344,651**	**306,438**	**303,434**	**359,354**	**332,182**
Net operating income excluding the effects of the PPA	***329,167***	***354,428***	***320,398***	***315,393***	***372,024***	***343,549***
Net impairment losses on loans	(198,907)	(190,192)	(302,466)	(197,050)	(230,475)	(198,626)
Net impairment losses on other financial assets and liabilities	(2,382)	(966)	(6,382)	(267)	(3,674)	1,673
Net provisions for risks and charges	(24,816)	(4,319)	(5,123)	(1,249)	7,361	(10,063)
Profits (losses) from the disposal of equity investments	392	(309)	94,356	81	230	(660)
Pre-tax profit from continuing operations	**93,023**	**148,865**	**86,823**	**104,949**	**132,796**	**124,506**
Pre-tax profit from continuing operations excluding the effects of the PPA	***103,454***	***158,642***	***100,783***	***116,908***	***145,466***	***135,873***
Taxes on income for the period from continuing operations	(37,149)	(61,998)	557	(52,115)	(76,666)	(58,702)
of which: effects of the purchase price allocation	*3,458*	*3,241*	*4,781*	*2,059*	*5,930*	*3,753*
Profit for the period attributable to non-controlling interests	(7,359)	(9,749)	(3,982)	(9,194)	(8,073)	(7,669)
of which: effects of the purchase price allocation	*604*	*559*	*599*	*867*	*565*	*723*
Profit for the period attributable to the shareholders of the Parent before redundancies and impairment excluding the effects of the PPA	*54,884*	*83,095*	*91,978*	*52,673*	*54,232*	*65,026*
Profit for the period attributable to the shareholders of the Parent before redundancies and impairment	**48,515**	**77,118**	**83,398**	**43,640**	**48,057**	**58,135**
Redundancy expenses net of taxes and non-controlling interests	-	(1,190)	(76,311)	-	-	-
Impairment losses on goodwill, finite useful life intangible assets and property, plant and equipment net of taxes and non-controlling interests	-	-	(882,686)	-	-	-
Profit (loss) for the period attributable to the shareholders of the Parent	**48,515**	**75,928**	**(875,599)**	**43,640**	**48,057**	**58,135**
Total impact of the purchase price allocation on the income statement	*(6,369)*	*(5,977)*	*(8,580)*	*(9,033)*	*(6,175)*	*(6,891)*

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

Figures in thousands of euro	1H 2015	non-recurring items: Disposal of equity investments	non-recurring items: Impairment losses and recoveries in value on shares, bonds and units in UCITS (AFS)	non-recurring items: IW Bank and UBI Banca Private Investment integration costs	non-recurring items: Redundancy expenses (purs. to 4th February 2015 Agreement)	1H 2015 *net of non-recurring items* A	1H 2014	non-recurring items: Adjustment to the sales price of Banque de Dépôts et de Gestion Sa (Switzerland)	non-recurring items: Change in the substitute tax on the valuation of the profit sharing stakes held in the Bank of Italy	non-recurring items: Impact of the change in the IRAP tax rate on prior year deferred tax provisions	non-recurring items: Impairment of AFS securities	1H 2014 *net of non-recurring items* B	Changes A-B	% changes A/B
Net interest income (including the effects of the PPA)	847,148					847,148	908,528					908,528	(61,380)	(6.8%)
Dividends and similar income	5,319					5,319	8,868					8,868	(3,549)	(40.0%)
Profits of equity-accounted investees	19,573					19,573	20,662					20,662	(1,089)	(5.3%)
Net fee and commission income	669,078					669,078	609,693					609,693	59,385	9.7%
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	111,098					111,098	136,642					136,642	(25,544)	(18.7%)
Other net operating income/expense	56,675					56,675	51,496					51,496	5,179	10.1%
Operating income (including the effects of the PPA)	**1,708,891**	**-**	**-**	**-**	**-**	**1,708,891**	**1,735,889**	**-**	**-**	**-**	**-**	**1,735,889**	**(26,998)**	**(1.6%)**
Staff costs	(654,773)					(654,773)	(647,943)					(647,943)	6,830	1.1%
Other administrative expenses	(312,953)			7,304		(305,649)	(311,214)					(311,214)	(5,565)	(1.8%)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of the PPA)	(77,778)					(77,778)	(85,196)					(85,196)	(7,418)	(8.7%)
Operating expenses (including the effects of the PPA)	**(1,045,504)**	**-**	**-**	**7,304**	**-**	**(1,038,200)**	**(1,044,353)**	**-**	**-**	**-**	**-**	**(1,044,353)**	**(6,153)**	**(0.6%)**
Net operating income (including the effects of the PPA)	**663,387**	**-**	**-**	**7,304**	**-**	**670,691**	**691,536**	**-**	**-**	**-**	**-**	**691,536**	**(20,845)**	**(3.0%)**
Net impairment losses on loans	(389,099)					(389,099)	(429,101)					(429,101)	(40,002)	(9.3%)
Net impairment losses on other financial assets and liabilities	(3,348)		7,024			3,676	(2,001)				712	(1,289)	4,965	n.s.
Net provisions for risks and charges	(29,135)					(29,135)	(2,702)					(2,702)	26,433	n.s.
Profits (losses) from the disposal of equity investments	83	463				546	(430)	890				460	86	18.7%
Pre-tax profit from continuing operations (including the effects of the PPA)	**241,888**	**463**	**7,024**	**7,304**	**-**	**256,679**	**257,302**	**890**	**-**	**-**	**712**	**258,904**	**(2,225)**	**(0.9%)**
Taxes on income for the period from continuing operations	(99,147)	5	(1,875)	(2,416)		(103,433)	(135,368)		4,482	19,565		(111,321)	(7,888)	(7.1%)
Profit for the period attributable to non-controlling interests	(17,108)		(1)	(163)		(17,272)	(15,742)		(826)	(8)	(180)	(16,756)	516	3.1%
Profit for the period attributable to the shareholders of the Parent before redundancy expenses	**125,633**	**468**	**5,148**	**4,725**	**-**	**135,974**	**106,192**	**890**	**3,656**	**19,557**	**532**	**130,827**	**5,147**	**3.9%**
Redundancy expenses net of taxes and non-controlling interests	(1,190)				1,190	-	-					-	-	-
Profit for the period attributable to the shareholders of the Parent	**124,443**	**468**	**5,148**	**4,725**	**1,190**	**135,974**	**106,192**	**890**	**3,656**	**19,557**	**532**	**130,827**	**5,147**	**3.9%**

UBI Banca Group: Consolidated balance sheet
- mandatory statement -

Figures in thousands of euro	30.6.2015	31.12.2014	30.6.2014
ASSETS			
Cash and cash equivalents	484,055	598,062	486,807
Financial assets held for trading	1,338,170	1,420,506	2,168,661
Financial assets designated at fair value	197,223	193,167	192,408
Available-for-sale financial assets	16,799,280	18,554,956	16,742,576
Held-to-maturity investments	3,535,692	3,576,951	3,049,841
Loans and advances to banks	3,191,584	3,340,415	4,078,892
Loans and advances to customers	85,340,026	85,644,223	87,119,396
Hedging derivatives	545,576	649,250	458,998
Fair value change in hedged financial assets (+/-)	59,108	64,124	47,680
Equity investments	247,779	246,250	295,970
Property, plant and equipment	1,755,974	1,729,107	1,764,564
Intangible assets	1,760,006	1,776,925	2,896,274
of which:			
- goodwill	*1,465,260*	*1,465,260*	*2,511,679*
Tax assets	2,753,059	2,991,600	2,566,975
a) current	488,766	547,704	320,841
b) deferred	2,264,293	2,443,896	2,246,134
- of which pursuant to Law No. 214/2011	*1,931,943*	*2,078,403*	*1,888,404*
Non-current assets and disposal groups held for sale	11,286	69,893	188,358
Other assets	1,434,917	931,275	1,168,828
TOTAL ASSETS	**119,453,735**	**121,786,704**	**123,226,228**

Figures in thousands of euro	30.6.2015	31.12.2014	30.6.2014
LIABILITIES AND EQUITY			
Due to banks	9,049,928	13,292,723	15,964,805
Due to customers	55,331,195	51,616,920	47,126,528
Debt securities issued	38,996,157	41,590,349	43,049,073
Financial liabilities held for trading	647,508	617,762	496,946
Hedging derivatives	788,565	1,009,092	623,610
Tax liabilities	440,745	630,223	620,062
a) current	147,510	303,740	204,395
b) deferred	293,235	326,483	415,667
Other liabilities	3,132,513	1,994,340	3,130,877
Post-employment benefits	339,894	391,199	378,320
Provisions for risks and charges:	291,748	285,029	303,897
a) pension and similar obligations	71,515	80,529	81,134
b) other provisions	220,233	204,500	222,763
Valuation reserves	150,595	113,836	153,603
Reserves	3,564,327	3,450,082	3,484,522
Share premiums	3,798,430	4,716,866	4,716,866
Share capital	2,254,371	2,254,371	2,254,371
Treasury shares (-)	-5,340	-5,340	-6,121
Non-controlling interests (+/-)	548,656	555,019	822,677
Profit (loss) for the period/year (+/-)	124,443	-725,767	106,192
TOTAL LIABILITIES AND EQUITY	**119,453,735**	**121,786,704**	**123,226,228**

UBI Banca Group: Consolidated income statement
- mandatory statement -

Figures in thousands of euro	1H 2015	1H 2014	FY 2014
Interest and similar income	1,308,681	1,563,853	3,015,058
Interest and similar expense	(461,533)	(655,325)	(1,196,671)
Net interest income	**847,148**	**908,528**	**1,818,387**
Fee and commission income	768,185	701,019	1,403,306
Fee and commission expense	(99,107)	(91,326)	(176,719)
Net fee and commission income	**669,078**	**609,693**	**1,226,587**
Dividends and similar income	5,319	8,868	10,044
Net trading income	45,383	50,594	63,166
Net hedging income (loss)	6,730	(7,395)	(11,217)
Income from disposal or repurchase of:	53,441	93,715	144,636
a) loans and receivables	(4,311)	(888)	(15,348)
b) available-for-sale financial assets	65,810	97,867	168,304
d) financial liabilities	(8,058)	(3,264)	(8,320)
Net profit (loss) on financial assets and liabilities designated at fair value	5,544	(272)	3,073
Gross income	**1,632,643**	**1,663,731**	**3,254,676**
Net impairment losses on:	(392,447)	(431,102)	(937,267)
a) loans and receivables	(389,099)	(429,101)	(928,617)
b) available-for-sale financial assets	(8,490)	(742)	(4,821)
d) other financial transactions	5,142	(1,259)	(3,829)
Net financial income	**1,240,196**	**1,232,629**	**2,317,409**
Net income from banking and insurance operations	**1,240,196**	**1,232,629**	**2,317,409**
Administrative expenses	(1,082,843)	(1,053,625)	(2,273,143)
a) staff costs	(656,415)	(647,943)	(1,413,312)
b) other administrative expenses	(426,428)	(405,682)	(859,831)
Net provisions for risks and charges	(29,135)	(2,702)	(9,074)
Depreciation and net impairment losses on property, plant and equipment	(42,942)	(43,969)	(88,924)
Amortisation and net impairment losses on intangible assets	(33,106)	(38,464)	(143,141)
Other net operating income/expense	168,420	143,201	336,366
Operating expenses	**(1,019,606)**	**(995,559)**	**(2,177,916)**
Profits of equity investments	19,573	19,776	122,293
Net impairment losses on goodwill	-	-	(1,046,419)
Profits on disposal of investments	83	456	8,729
Pre-tax profit (loss) from continuing operations	**240,246**	**257,302**	**(775,904)**
Taxes on income for the period/year from continuing operations	(98,695)	(135,368)	72,314
Profit (loss) for the period/year	**141,551**	**121,934**	**(703,590)**
Profit for the period/year attributable to non-controlling interests	(17,108)	(15,742)	(22,177)
Profit (loss) for the year/period attributable to the shareholders of the Parent	**124,443**	**106,192**	**(725,767)**