PRESS RELEASE

- **Net profit for the year of €82.7 million, after recognition of €101.9 million of net expenses for leaving incentives, mainly in relation to the November 2012 trade union agreement (a loss of €1.8 billion was incurred in 2011, after recognition of impairment losses on goodwill and other intangible assets)**

- **Capital ratios as at 31st December 2012:**
  Core tier 1 ratio of 10.29%, EBA core tier 1 ratio[1] of 9.16%
  Total capital ratio of 16.01%

- **Proposed dividend of €0.05 per share.**

- **Good trend in all operating margins:**
  Operating income of €3,526.3 million (+2.6% year-on-year)
  Operating expenses of €2,266.7 million (-5.1% or -6.2% net of non-recurring items)
  Net operating income of €1,259.7 million (+20.1%)
  A loan loss rate of 91 basis points (61 basis points in 2011)
  Pre-tax profit from continuing operations of €323.1 million (+14.6%)

- **The balance sheet:**
  Loans and advances to customers of €92.9 billion (-6.8% year-on-year) mainly as a result of weak demand, the decrease in "large corporate" lending, the withdrawal from higher risk sectors and non-captive business
  The percentage of loans to core customers grew to 75% in 2012 from 74% in 2011 (and 70.5% in 2010)
  Direct funding from ordinary customers of €80.3 billion (+1% year-on-year)

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Bergamo, 12th March 2013 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) approved the proposed separate annual report of UBI Banca and the consolidated annual report for the Group as at and for the year ended 31st December 2012, which will be submitted for approval to the Supervisory Board on 27th March 2013.
The Management Board will submit a proposal to the Shareholders' Meeting to be held in first call on 19th April and in second call on 20th April 2013, to distribute a dividend of €0.05 per share on the 900,047,021 ordinary shares outstanding (equal to the total number of shares outstanding net of treasury shares held).
If approved by the shareholders in the amount proposed, the dividend will be paid with ex dividend date, record date and payment date on 20th, 22nd and 23rd May 2013 respectively. The total dividend payout will be approximately €45 million, drawn from the profit of the Parent.

The year 2012 was one of initiatives of great importance, mainly related to the reorganisation of the Group. The November 2012 trade union agreement[2], which also provides for the exit of 736 staff (of which 600 had

[1] The EBA core tier one ratio requirement includes the fair valuation of sovereign debt risk as at 30/09/2011 and, in accordance with the EBA exercise, it considers a minimum capital requirement of 80% of capital requirements calculated on the basis of Basel 1 rules.
[2] As integrated in February 2013.

already left in January of this year and the remainder are expected to leave by April 2013), was made possible by the implementation of an impressive series of initiatives:

- the customer service model was simplified by taking action on the number and size of branches and on specialist service centres, using an approach that was at times innovative for Italy, for example by combining the private and the corporate customer segments – the 50 "Pri-Co Unity" units, which involve around 1,000 persons, became operational in January 2013;
- changes were made to the organisation chart and consequently to the organisation of the Parent and the network banks, by shortening reporting lines to make the chain of command more immediate;
- some Group entities were combined with a view to further rationalising and focusing business.

The agreement also involves the appointment of 283 young people which will ensure generation turnover.

As a result of this agreement, for which one-off expenses of €143,5 million gross were recognised in the fourth quarter of the year,[3] savings on staff costs will be made, most of which will be recognised in 2013, and they will reach approximately €107 million annually when fully phased in 2014, thereby further improving the cost structure.

Between **2007 and 2012** operating expenses net of non-recurring items[4], and therefore giving a real picture of operating performance, were progressively reduced by a total of 12.9%, and that is by **€335 million**, enabled by stringent controls and also by structural rationalisation, which saw branches cut by over 12% and staff reduced, on a voluntary basis when applicable, by 12%.
Within those synergies, made possible by the merger in April 2007, all cost items have decreased:
- staff costs: -13.6%
- other administrative expenses: -8%
- depreciation and amortisation on plant, property and equipment and intangible assets: -22.8%.

The 2012 financial year

UBI Banca faces 2013 confident of the high quality of the work it has carried out during the years of the crisis, which gave priority to strengthening its balance sheet as the basis for the stability and future growth of the Group:

- Its capital ratios are again appropriate to the structure of a traditional bank and they are among the highest in Italy: at the end of 2012 the core tier one ratio was 10.29% compared to 8.56% in 2011, and the total capital ratio was 16.01% compared to 13.50% at the end of 2011 (the latter primarily the result of the issue of €1.2 billion of lower tier two capital in October 2012). On the basis of the EBA exercise, the core tier one ratio was 9.16% (compared to 9% required).

- With regard to capital ratios, in May 2012 the Bank of Italy authorised the use of advanced models for the calculation Corporate credit risk and operational risks, with advantages in terms of lower regulatory capital absorption. A further advantage is expected from the authorisation to use advanced models for the calculation of Retail credit risk, which will be applied for within the first half of 2013.

- Group liquidity already allows compliance with Basel 3 in terms of the net stable funding ratio[5] and the liquidity coverage ratio[6], which are both greater than 100%.

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[3] In order to allow a proper analysis of staff cost trends, the leaving incentives relating to the November 2012/February 2013 agreement (€143,5 million gross), together with the incentives progressively booked in the previous quarters (€8.5 million gross), were recognised in a separate item, net of taxes and non-controlling interests, inserted before net profit for the year. This item totalled €101.9 million.

[4] In stated terms, with account also taken of integration costs and leaving incentives costs recognised in separate item lines, operating expenses fell between 2007 and 2012, by a total of 13.7% i.e. by approximately €385 million.

[5] The net stable funding ratio, is designed to address the issue of any structural imbalances in the composition of assets and liabilities over a time horizon of one year. On the basis of that indicator, the total sources of funding with remaining maturities of longer than one year and the portion of on demand deposits considered "stable", must be equal to or greater than the less liquid components of assets.

- The Group also has a significant portfolio of assets eligible for refinancing with the ECB: as at 1st March 2013 total eligible assets, net of haircuts, amounted to €31.4 billion, of which 19.4 unencumbered (equal to 43% of short-term deposits).

- Total exposure to the ECB amounts to the €12 billion in LTROs, unchanged from February 2012.

- Group structural indicators:
  - the financial leverage ratio[7] was low at 17x (18.5x in December 2011);
  - the ratio of lending to funding was 94% (97% in December 2011)
  - the ratio of lending to funding from ordinary customers was 116% (125% in December 2011)
  - 81.3% of funding was from ordinary customers and only the remainder was dependent on international markets
  - loans account for over 70% of total assets and within this item the proportion of loans to core customers grew from 74% to 75%.

- The Group's capitalisation, liquidity and credit quality have enabled it to gain access to international markets even at difficult times. However, this access was used with caution in order not to weigh too heavily on the income statement, with a single public issuance for €0.75 billion in October, with more than satisfactory results in terms of take up. This was followed by three private banking placements requested by institutional investors (two in 2012 for €0.5 billion).

Despite the complexity of the background context, the year 2012 ended with a net profit of €82.7 million compared to a net loss of €1.8 billion in 2011, as a consequence of the recognition of impairment losses on goodwill and other intangible assets.

In normalised terms, which is to say net of non-recurring items[8], profit for the year was €97.3 million, compared to €111.6 million in 2011.

This result was achieved in an economic and financial environment of recession and volatility, thanks to **control of expenses,** down to €2,266.7 million (-5.1% year-on-year net of leaving incentive plan costs, stated under a separate item) and also to **defence of income** up to €3,526.3 million (**+2.6%** year-on-year), principally thanks to the contribution from the finance area. Good performance by operating income and expense resulted in an improvement in all intermediate profit margins: **net operating income** stood at €1,259.7 million (+20.1% year-on-year) and **pre-tax profit from continuing operations** was €323.1 million (+14.6% year-on-year), notwithstanding greater impairment losses on loans.

As regards operating income, **net interest income** (inclusive of the purchase price allocation) stood at €1,863.6 million, down by 7.7% compared to €2,019 million in 2011, mainly the consequence of a collapse in market interest rates (the average annual one month Euribor fell from 1.19% in 2011 to 0.34% in 2012), which had a negative impact on funding margins, but also following a reduction in loans – which continued due to the weak demand even after the deleveraging and derisking actions taken between September 2011 and June 2012 –, and notwithstanding the successful repricing of assets and the increased contribution to income from the securities portfolio.

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[6] The liquidity coverage ratio is designed to cover possible short-term liquidity shortfalls. The buffer of liquid assets available to the bank must be equal to or greater than expected cash flows over a 30-day time horizon, calculated taking account of predetermined stress scenarios. The ratio is a measure of the capacity of individual banks to "survive" under conditions of acute stress over a short period of time.

[7] Tangible assets/(tangible equity + non-controlling interests + profit for the period).

[8] Net non-recurring items in 2012, net of taxation and non-controlling interests, amounted to +€14.6 million (-€101.9 million for leaving incentives, +€15 million for the finance result following the public tender offer to purchase on innovative equity instruments made in February and March 2012, -€50.5 million for impairment losses on AFS securities, a tax realignment pursuant to Law No. 111/2011 of +€25 million, tax relief on UBI Banca loan loss provisions of +€8.3 million, prior year tax credits for the deductibility of IRAP from IRES on the cost of labour of +€60.9 million, +€30.1 million on the disposal of equity investments). Non-recurring items in 2011, net of taxation and non-controlling interests, amounted to -€1,953 million (mainly +€352.8 million for tax realignments pursuant to Law No. 111/2011, impairment losses on goodwill and intangible assets of -€2,190.9 million and impairment losses on shares and equity investments of -€123.2 million and the release of provisions relating to staff costs of +€20.1 million) .

Furthermore, in compliance with supervisory recommendations concerning the proper classification of the "*Commissione di Istruttoria Veloce*" ("Fast credit processing fee") within "other operating income", also all other revenues relating to lending activities, previously included within net interest income, were reclassified to "other operating income" for all quarters in 2012 and 2011, in order to allow a consistent comparison. Consequently credit-related revenues overall included in "other operating income" amounted to approximately €89 million for 2012 compared to approximately €101 million in 2011.
In the comparison between the fourth and the third quarter of the year, net interest income fell by approximately €49 million, due above all to a further reduction in loans (down by 2% over the third quarter of 2012) and to the higher cost (approximately €7 million) of issuances made in the quarter (€0.75 billion of EMTNs against maturities of €1 billion and €1.2 billion of lower tier two debt).

Dividends received during the year fell to €15.6 million from €20 million before, due to lower distributions of profits by all companies, including Intesa Sanpaolo (-€2.3 million).
Profits of equity-accounted investees recovered during the year, up to €44.4 million in 2012 compared to €9.9 million in 2011, mainly as a result of a revaluation of the technical reserves of the insurance companies, but also due to good performance by core operations.

Net fee and commission income remained almost unchanged at €1,182.3 million (-0.96% year-on-year), despite the inclusion of €42.8 million of commissions paid in relation to the issuance of government backed bonds, not present in 2011. On a like-for-like basis (i.e. net of the last item), net fee and commission income in 2012 would have increased by 2.6% year-on-year.
The contribution from *management, trading and advisory services* increased to €558.1 million (up by 3.4% compared to €539.9 million in 2011), driven by the increase in commissions on the placement of securities (+€58.6 million), in relation to the success of UBI Pramerica's new range of Sicav products, and by the transmission of orders and advisory services (+€10.2 million), while the effects of the instability on financial markets and the economic situation persisted (customer portfolio managements and custody and administration of securities were down by €30.2 million and the distribution of third party services were down by €11.9 million).
Net of commissions paid in relation to the issuance of government backed bonds, *ordinary banking business* contributed €673 million in fee and commission income, an increase of 2.9% compared to 2011.
Fee and commission income earned in the fourth quarter of 2012 (€310.7 million) was up on the third quarter (+€25.1 million), mainly as a result of the inclusion in the figure of performance fees recognised at the end of the year (€19.7 million).

The **net result for financial activities**[9] was particularly encouraging in 2012 at €257.3 million - *of which a full €109 million generated in the fourth quarter of the year* - in relation primarily to accurate management of the opportunities offered by market volatility.
This result includes the following:
- profits from trading of €91.8 million *(of which €22.3 million in the fourth quarter of the year),* attributable almost entirely to *trading* in listed government securities;
- profit of €163.5 million on the disposal/repurchase of financial assets and liabilities *(€72.2 million in the fourth quarter)* of which:
    - €124.6 million *(€65 million in the fourth quarter)* in relation to the disposal of €6.4 billion of Italian government securities classified as available-for-sale;
    - €20.7 million relating to the partial repurchase in February and March 2012 of outstanding innovative equity instruments;
    - and €13.5 million from the sale of a part (€72.3 million of shares *of which €65.3 million in the fourth quarter*) of the interest held in IntesaSanPaolo, carried out from the third quarter of the year;
- the result for hedging and fair value changes in funds designated at fair value which was positive on aggregate by approx. €2 million.

[9] 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.

As a result of the reclassification of credit-related revenues previously included within net interest income as mentioned above, which affected its performance, the item "other operating income" is now greater at €163.2 million compared to €188.4 million in 2011.

Following a trend seen in all of the last four years, the reduction in operating expenses continued, down to €2,266.7 million in 2012 compared to €2,389.6 million in 2011 **(-5.1% year-on-year or -6.2% net of non-recurring items)**. In detail:

- **staff costs**[3] of €1,373.7 million fell by €49.5 million or 3.5%, primarily due to the progressive reduction in average staff numbers (down 338 in terms of the average work force) and to a lower impact of the variable component of salaries.
  In normalised terms, and therefore net of the release in 2011 of a provision of €27.9 million recognised in prior years, staff costs fell by €77.4 million, a contraction of 5.3% year-on-year.
  Following the trade union agreement of November 2012, staff costs are expected to fall further again in 2013.
  Compared to staff costs in the third quarter of the year (€348.6 million), staff costs in the fourth quarter of the year (€336.3 million) benefitted also from redundancy processes in progress.

- action taken to contain costs was also effective for **other administrative expenses**, which amounted to €701.8 million, a decrease of €16.2 million or 2.3% compared to 2011, despite the impact of higher taxation (mainly VAT and municipal property tax) and of higher charges related to the rationalisation of the branch network and of the Group structure.
  In the fourth quarter of the year other administrative expenses (€188.1 million) recorded the usual seasonal trend compared to the third quarter of 2012 (€161.4 million), but were lower than in the fourth quarter of 2011 (€195.8 million).

- **depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets** (inclusive of the purchase price allocation) amounted to €191.1 million, a decrease of €57.3 million year-on-year, almost entirely the result (-€49.7 million) of the reduction in the amortisation of goodwill arising from the merger (the "purchase price allocation"), as a consequence of impairment losses recognised on intangible assets at the end of 2011.

Net impairment losses on loans were affected by the deterioration in the economic environment, rising to €847.2 million, compared to €607.1 million in 2011, to give a loan loss rate of 0.91% on total loans (also because of the reduction in total loans), compared to 0.61% in 2011.

Net impairment losses on other financial assets (€54.8 million in 2012 compared to €135.1 million in 2011) related to impairment losses on securities held in the available-for-sale portfolio and consisted mainly of the impairment loss on the interest held in Intesa Sanpaolo.
In the second half of 2012 this investment recorded a recovery in value (€21.6 million) which, on the basis of the regulations currently in force, was added to the reserve in equity without modifying the impairment recognised in the preceding first half.

Net provisions for risks and charges totalled €49.2 million compared to €31.6 million in 2011, an increase primarily the result of the inclusion in 2012 of €12 million recognised as part of the process to restructure third party distribution networks and €10 million relating to Prestitalia with regard to the process to internalise management of business, previously outsourced.

The **disposal of equity investments** generated a profit of €14.7 million (€7.1 million in 2011), consisting of €8.1 million from the gain arising from the liquidation of the interest held in ARCA SGR and of €5.8 million (net of consolidation adjustments and excluding dividends received) from the sale of the interest held in UBI Insurance Broker.

As a result of the performance described above, **pre-tax profit from continuing operations** increased by 14.6% to €323.1 million from €282 million in 2011.

Taxes on income for the period from continuing operations amounted to €121.2 million, compared to tax income of €95.9 million in 2011. Both periods included non-recurring items of tax income of €99.4 million in 2012 and €346.6 million in 2011.

In normalised terms taxes fell in 2012 to €224 million from €247.8 million before, to give a normalised tax rate of 67%, compared to 64% before.

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The balance sheet

At the end of December 2012 **loans and advances to customers** stood at €92.9 billion, a decrease of 6.8% over twelve months and of 2.1% compared to September 2012. The performance of the item during the year was affected by de-risking (withdrawal from higher risk sectors and from third party distribution networks) and deleveraging (reduction in lending to large corporate customers) action that was taken in the first half of 2012 in particular and by the continuing weakness of demand for credit due to the economic recession.
With regard to market segmentation, the percentage of loans to "core customers" rose to 75% at the end of 2012 from 74% at the end of 2011 (it was 70.5% at the end of 2010), which confirmed the effectiveness of the action taken to withdraw from and reduce non-core customers, and the closeness of the Bank to its markets in local economies. Loans and advances to customers account for 70% of total Group assets, one of the highest percentages for major European banking groups.

Total outstanding net deteriorated loans (non-performing loans, impaired loans, restructured and past due/in arrears) amounted to €8.1 billion as at 31st December 2012 - an increase compared to €6.3 billion as at 31st December 2011, accounting for 8.73% of total net loans, a result of the deterioration of the economic context and also of the reorganisation of consumer credit[10] and leasing businesses.
In detail, net non-performing loans increased to €2.95 billion from €2.48 billion as at 31st December 2011, accounting for 3.18% of total net loans compared to 3.35% for loans to the private sector nationally.
Coverage for non-performing loans was 42.6% compared to 43.3% in December 2011 and it was up compared to 41.5% in September 2012. The reduction compared to the end of 2011 must be interpreted in relation to the increase in the percentage of positions backed by collateral (63.6% of gross non-performing positions compared to 60.6% in December 2011), which require less recognition of impairment and to the increase in losses on positions charged to the income statement ("write-offs") up by approximately €140 million during the year. Coverage for positions not backed by collateral is 77.2%.
Net impaired loans as at 31st December 2012, accounted for 3.88% of total net loans and amounted to €3.6 billion (€2.53 billion at the end of 2011): growth is primarily attributable to the impact of the reorganisation of consumer credit business[10], to UBI Leasing and to the inclusion of two large positions totalling approximately €270 million recognised in the fourth quarter of the year, previously classified within restructured loans.
Total coverage for impaired loans was 12.6%, up by 172 basis points compared to 10.9% in September 2012 (also 10.9% in December 2011). The large presence of positions backed by collateral also has a strong impact on this category of loan (63.3% of total gross impaired loans – net of the effect of the reorganisation of consumer lending, it would have been 67.3% – compared to 65% in December 2011), which required less recognition of impairment. Coverage for positions not backed by collateral is 20.2%, a large increase compared to 17.9% in September 2012 and 19% at the end of December 2011.
Net restructured positions amounted to €659 million (0.7% of total net loans), down compared to €841 million in December 2011 following the reclassification of two large positions as impaired, as mentioned above.

[10] The merger of Banca 24/7 into UBI Banca, concluded on 23rd July 2012. Following that merger, the outstanding loans of Banca 24/7 are now managed by UBI Banca, except for outstanding salary backed loans (€3 billion approx.), which were contributed to Prestitalia. The management of portfolios previously managed in outsourcing by finance companies was transferred to Prestitalia, with the disappearance of the effect of the "deducted for non-payment" clause, which until then had ensured prompt payment of quotas to Banca 24/7. Loans were therefore reclassified out of the "performing" category to which they belonged because of that guarantee, into categories determined by the real position of the debtor. This led to approximately an extra €211 million of net impaired loans and approximately €67 million of extra past due positions .

Positions past due and/or in arrears rose to €892 billion from €424 billion as at 31st December 2011 (€952 million in September 2012) accounting for 1% of total net loans. The increase was due primarily to regulatory changes in the classification criteria (over 90 days compared to the criterion of over 180 days in force until 31st December 2011) and the reorganisation of consumer credit business mentioned above.

As at 31st December 2012, **total direct funding** amounted to €98.8 billion compared to €102.8 billion in December 2011. 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) increased to €80.3 billion: +1% year-on-year. Particular growth was recorded for bond issuances placed with ordinary Group customers, which benefited from issuances made by both UBI Banca (€1.2 billion of lower tier two debt and €600 million of senior bonds) and the network banks (€5.5 billion).
  Finally, the item also includes direct deposits by the *Cassa di Compensazione e Garanzia* of approximately €0.4 billion (€1.3 billion in December 2011 and €1.5 billion in September 2012).
- **repurchase agreements with the *Cassa di Compensazione e Garanzia***, used to fund positions in securities, amounted to €3.9 billion, a decrease compared both to €4.6 billion in December 2011 and to €4.4 billion in September 2012;
- the remaining **institutional funding** amounted to €14.5 billion (unvaried compared to September 2012 and down compared to €18.7 billion in December 2011).
  The reduction is due mainly to the maturity of bonds issued on international markets under the EMTN programme (-€4.1 billion year-on-year) only partially offset by issuances in the second half of the year (an institutional issuance for €0.75 billion of senior bonds senior and €0.5 billion for private placements under the EMTN programme) when market conditions in terms of pricing improved.

Group exposure to the ECB remains the same as at the end of February 2012, and totals €12 billion nominal, the result of participation by the Group 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 1st March 2013 totalled €31.5 billion net of haircuts (€19.4 billion of available assets eligible for refinancing and €12 billion pledged as collateral for the LTRO) compared to €11.6 billion as at 31st December 2011.

As at 31st December 2012, the Group's **financial assets** accounted for approx. 16% of the total Group assets and they totalled €21.4 billion, compared to €11 billion as at 31st December 2011. The growth is attributable to the purchase of Italian government securities, up to €18 billion from €7.8 billion in 2011. The management of the portfolio in 2012 furnished a positive contribution to net interest income and resulted in substantial gains in the finance area.

Finally, **indirect funding** from ordinary customers amounted to €70.2 billion, down by 2.6% compared to €72.1 billion in December 2011, with divergent performance for different items: assets under management in the strict sense grew by 6.7% (+3.3% inclusive of insurance funding) to €26.8 billion (€38.1 billion inclusive of insurance funding), which includes subscriptions of the new range of UBI Pramerica products, while assets under custody fell by 8.9% to €32.1 billion.

Consolidated **equity** of the UBI Banca Group as at 31st December 2012, inclusive of profit for the period, amounted to €9.7 million (€8.9 million at the end of December 2011), mainly thanks to the revaluation of the AFS reserve.

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Total human resources of the UBI Group numbered 19,086 as at 31st December 2012, down on December 2011 (19,407). The branch network at the end of period consisted of 1,727 Branches in Italy and eight 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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Business outlook

Yet again no growth is forecast for the Italian economy, with a consequent negative impact on economic reference parameters as a whole. The management policies adopted to-date by the Group, which enable it to weather the crisis with reasonable prudence, will be continued.

The low level of market interest rates, which penalised net interest income in the fourth quarter of 2012 to an even greater extent than in previous quarters, will continue to affect 2013 especially in the first half, while the pressure is expected to ease in the second half of the year partly in relation to re-pricing of medium to long-term loans rolled-over.
The good performance by net fees and commissions in 2012 is forecast to continue again in 2013.
The persisting uncertainty over the future of sovereign debt risk makes it difficult to assume that the excellent performance of the finance area seen in the past year will continue again in 2013.
The "Group rationalisation" plan will enable pursuit of the policy for the structural reduction of operating expenses to continue further.
Given the current context, loan losses are under control, as a result, amongst other things, of stronger management of problem loans and it is expected that in 2013 the loss on loans in absolute terms will be contained below the 2012 level.

For further information:
UBI Banca – Investor relations – Tel. 035 3922217
Email: investor.relations@ubibanca.it
UBI Banca – Press relations – Tel. +39 030 2473591 – +39 335 8268310
Email: relesterne@ubibanca.it
Copy of this press release is available on the website www.ubibanca.it

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
- Reclassified consolidated income statement net of the most significant non-recurring items: details

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

UBI Banca S.c.p.A.:

- Mandatory balance sheet
- Mandatory income 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.

The regulatory provisions published by the CICR (interministerial committee for credit and saving) on 4th July 2012 (pursuant to article 117-*bis* of the consolidated banking act) required a revision of the commission regime applied to customers who are past due, with the application of a commission, proportionate to the actual cost incurred by the Bank to manage past due positions, with a fixed price, entitled a *"commissione di istruttoria veloce"* (fast credit processing fee - FPF), which is different for consumer and non-consumer customers. The new regime came into force with effect from 1st July for new customers and from 1st October 2012 for customers already existing as at 30th June 2012. In consideration of the nature of the FPF (related to neither the amount past due, nor the time past due and basically the same as a recovery of expenses), the relative income from the fee is recognised within item 220 "other net operating income/expense". In order to ensure consistent reporting, a reclassification was performed in the income statement with the transfer of amounts relating (mainly) to the previous past due penalty out of net interest income and into other operating income. It follows that the comparative figures presented (in the reclassified income statement, in the normalised reclassified income statement and in the quarterly income statements) are different from those previously published.

The mandatory financial statements, prepared on the basis of Bank of Italy Circular No. 262 of 22nd December 2005 and subsequent amendments and additions.

Reclassified consolidated balance sheet

Figures in thousands of euro	31.12.2012	31.12.2011	Changes	% changes
ASSETS				
Cash and cash equivalents	641,608	625,835	15,773	2.5%
Financial assets held for trading	4,023,934	2,872,417	1,151,517	40.1%
Financial assets designated at fair value	200,441	126,174	74,267	58.9%
Available-for-sale financial assets	14,000,609	8,039,709	5,960,900	74.1%
Held-to-maturity investments	3,158,013	-	3,158,013	-
Loans and advances to banks	6,072,346	6,184,000	-111,654	-1.8%
Loans and advances to customers	92,887,969	99,689,770	-6,801,801	-6.8%
Hedging derivatives	1,478,322	1,090,498	387,824	35.6%
Fair value change in hedged financial assets (+/-)	885,997	704,869	181,128	25.7%
Equity investments	442,491	352,983	89,508	25.4%
Property, plant and equipment	1,967,197	2,045,535	-78,338	-3.8%
Intangible assets	2,964,882	2,987,669	-22,787	-0.8%
of which: goodwill	*2,536,574*	*2,538,668*	*-2,094*	*-0.1%*
Tax assets	2,628,121	2,817,870	-189,749	-6.7%
Non-current assets and disposal groups held for sale	21,382	22,020	-638	-2.9%
Other assets	1,060,390	2,244,343	-1,183,953	-52.8%
Total assets	**132,433,702**	**129,803,692**	**2,630,010**	**2.0%**
LIABILITIES AND EQUITY				
Due to banks	15,211,171	9,772,281	5,438,890	55.7%
Due to customers	53,758,407	54,431,291	-672,884	-1.2%
Debt securities issued	45,059,153	48,377,363	-3,318,210	-6.9%
Financial liabilities held for trading	1,773,874	1,063,673	710,201	66.8%
Hedging derivatives	2,234,988	1,739,685	495,303	28.5%
Tax liabilities	666,364	702,026	-35,662	-5.1%
Liabilities associated with assets held for sale	-	-	-	-
Other liabilities	2,391,283	3,139,616	-748,333	-23.8%
Post-employment benefits	420,704	394,025	26,679	6.8%
Provisions for risks and charges:	340,589	345,785	-5,196	-1.5%
a) pension and similar obligations	80,563	76,460	4,103	5.4%
b) other provisions	260,026	269,325	-9,299	-3.5%
Share capital, share premiums, reserves, valuation reserves and treasury shares	9,655,174	10,780,511	-1,125,337	-10.4%
Non-controlling interests	839,287	898,924	-59,637	-6.6%
Profit (loss) for the year	82,708	-1,841,488	1,924,196	n.s.
Total liabilities and equity	**132,433,702**	**129,803,692**	**2,630,010**	**2.0%**

Reclassified consolidated income statement

Figures in thousands of euro	2012	2011	Changes	% changes	4th Quarter 2012	4th Quarter 2011	Changes	% changes
	A	B	A-B	A/B	C	D	C-D	C/D
Net interest income	1,863,561	2,018,978	(155,417)	(7.7%)	417,494	520,280	(102,786)	(19.8%)
of which: effects of the purchase price allocation	*(36,980)*	*(49,931)*	*(12,951)*	*(25.9%)*	*(8,966)*	*(12,441)*	*(3,475)*	*(27.9%)*
Net interest income excluding the effects of the PPA	*1,900,541*	*2,068,909*	*(168,368)*	*(8.1%)*	*426,460*	*532,721*	*(106,261)*	*(19.9%)*
Dividends and similar income	15,591	19,997	(4,406)	(22.0%)	1,929	89	1,840	-
Profits (losses) of equity-accounted investees	44,426	9,947	34,479	346.6%	10,683	(3,171)	13,854	n.s.
Net fee and commission income	1,182,276	1,193,708	(11,432)	(1.0%)	310,677	315,142	(4,465)	(1.4%)
of which performance fees	*19,741*	*11,728*	*8,013*	*68.3%*	*19,741*	*11,728*	*8,013*	*68.3%*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	257,278	7,329	249,949	-	109,016	23,999	85,017	354.3%
Other net operating income/expense	163,179	188,380	(25,201)	(13.4%)	41,047	47,987	(6,940)	(14.5%)
Operating income	**3,526,311**	**3,438,339**	**87,972**	**2.6%**	**890,846**	**904,326**	**(13,480)**	**(1.5%)**
Operating income excluding the effects of the PPA	***3,563,291***	***3,488,270***	***75,021***	***2.2%***	***899,812***	***916,767***	***(16,955)***	***(1.8%)***
Staff costs	(1,373,719)	(1,423,196)	(49,477)	(3.5%)	(336,348)	(350,339)	(13,991)	(4.0%)
Other administrative expenses	(701,797)	(717,988)	(16,191)	(2.3%)	(188,130)	(195,751)	(7,621)	(3.9%)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(191,144)	(248,442)	(57,298)	(23.1%)	(49,605)	(66,574)	(16,969)	(25.5%)
of which: effects of the purchase price allocation	*(20,099)*	*(69,823)*	*(49,724)*	*(71.2%)*	*(5,015)*	*(17,455)*	*(12,440)*	*(71.3%)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(171,045)*	*(178,619)*	*(7,574)*	*(4.2%)*	*(44,590)*	*(49,119)*	*(4,529)*	*(9.2%)*
Operating expenses	**(2,266,660)**	**(2,389,626)**	**(122,966)**	**(5.1%)**	**(574,083)**	**(612,664)**	**(38,581)**	**(6.3%)**
Operating expenses excluding the effects of the PPA	***(2,246,561)***	***(2,319,803)***	***(73,242)***	***(3.2%)***	***(569,068)***	***(595,209)***	***(26,141)***	***(4.4%)***
Net operating income	**1,259,651**	**1,048,713**	**210,938**	**20.1%**	**316,763**	**291,662**	**25,101**	**8.6%**
Net operating income excluding the effects of the PPA	***1,316,730***	***1,168,467***	***148,263***	***12.7%***	***330,744***	***321,558***	***9,186***	***2.9%***
Net impairment losses on loans	(847,214)	(607,078)	240,136	39.6%	(352,535)	(208,413)	144,122	69.2%
Net impairment losses on other financial assets and liabilities	(54,810)	(135,143)	(80,333)	(59.4%)	(4,078)	3,694	(7,772)	n.s.
Net provisions for risks and charges	(49,212)	(31,595)	17,617	55.8%	(28,367)	(11,812)	16,555	140.2%
Profits from the disposal of equity investments	14,714	7,119	7,595	106.7%	6,091	5,616	475	8.5%
Pre-tax profit (loss) from continuing operations	**323,129**	**282,016**	**41,113**	**14.6%**	**(62,126)**	**80,747**	**(142,873)**	**n.s.**
Pre-tax profit (loss) from continuing operations excluding the effects of the PPA	***380,208***	***401,770***	***(21,562)***	***(5.4%)***	***(48,145)***	***110,643***	***(158,788)***	***n.s.***
Taxes on income for the period/year from continuing operations	(121,238)	95,942	(217,180)	n.s.	17,570	(48,585)	66,155	n.s.
of which: effects of the purchase price allocation	*18,862*	*39,423*	*(20,561)*	*(52.2%)*	*4,620*	*9,842*	*(5,222)*	*(53.1%)*
Post-tax profit from discontinued operations	-	248	(248)	(100.0%)	-	226	(226)	(100.0%)
Profit for the period/year attributable to non-controlling interests	(17,310)	(28,833)	(11,523)	(40.0%)	(1,547)	(9,477)	7,930	n.s.
of which: effects of the purchase price allocation	*3,580*	*8,687*	*(5,107)*	*(58.8%)*	*834*	*2,132*	*(1,298)*	*(60.9%)*
Profit (loss) for the year/period attributable to the shareholders of the Parent before expenses for leaving incentives and net impairment losses on goodwill and finite useful life intangible assets excluding the effects of the PPA	*219,218*	*421,017*	*(201,799)*	*(47.9%)*	*(37,576)*	*40,833*	*(78,409)*	*n.s.*
Profit (loss) for the year/period attributable to the shareholders of the Parent before expenses for leaving incentives and net impairment losses on goodwill and finite useful life intangible assets	**184,581**	**349,373**	**(164,792)**	**(47.2%)**	**(46,103)**	**22,911**	**(69,014)**	**n.s.**
Impairment losses on goodwill and finite useful life intangible assets net of taxes and non-controlling interests	-	(2,190,861)	(2,190,861)	(100.0%)	-	(2,047,068)	2,047,068	(100.0%)
Expenses for leaving incentives net of taxes and non-controlling interests	(101,873)	-	101,873	-	(93,941)	-	93,941	-
Profit (loss) for the year/period attributable to the shareholders of the Parent	**82,708**	**(1,841,488)**	**1,924,196**	**n.s.**	**(140,044)**	**(2,024,157)**	**(1,884,113)**	**(93.1%)**
Total impact of the purchase price allocation on the income statement	*(34,637)*	*(71,644)*	*(37,007)*	*(51.7%)*	*(8,527)*	*(17,922)*	*(9,395)*	*(52.4%)*

Reclassified consolidated quarterly income statements

Figures in thousands of euro	2012 4th Quarter	2012 3rd Quarter	2012 2nd Quarter	2012 1st Quarter	2011 4th Quarter	2011 3rd Quarter	2011 2nd Quarter	2011 1st Quarter
Net interest income	417,494	466,438	486,311	493,318	520,280	509,868	488,646	500,184
of which: effects of the purchase price allocation	*(8,966)*	*(9,341)*	*(9,051)*	*(9,622)*	*(12,441)*	*(11,636)*	*(12,018)*	*(13,836)*
Net interest income excluding the effects of the PPA	*426,460*	*475,779*	*495,362*	*502,940*	*532,721*	*521,504*	*500,664*	*514,020*
Dividends and similar income	1,929	980	12,384	298	89	1,243	16,555	2,110
Profits (losses) of equity-accounted investees	10,683	7,984	14,924	10,835	(3,171)	3,496	4,953	4,669
Net fee and commission income	310,677	285,544	286,672	299,383	315,142	291,989	294,641	291,936
of which performance fees	*19,741*	-	-	-	*11,728*	-	-	-
Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	109,016	42,898	11,397	93,967	23,999	(23,891)	(7,391)	14,612
Other net operating income/expense	41,047	37,056	49,045	36,031	47,987	45,191	46,196	49,006
Operating income	**890,846**	**840,900**	**860,733**	**933,832**	**904,326**	**827,896**	**843,600**	**862,517**
Operating income excluding the effects of the PPA	***899,812***	***850,241***	***869,784***	***943,454***	***916,767***	***839,532***	***855,618***	***876,353***
Staff costs	(336,348)	(348,572)	(327,564)	(361,235)	(350,339)	(334,913)	(373,217)	(364,727)
Other administrative expenses	(188,130)	(161,445)	(176,476)	(175,746)	(195,751)	(165,947)	(185,209)	(171,081)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(49,605)	(45,770)	(47,020)	(48,749)	(66,574)	(60,365)	(61,779)	(59,724)
of which: effects of the purchase price allocation	*(5,015)*	*(5,020)*	*(5,003)*	*(5,061)*	*(17,455)*	*(17,456)*	*(17,456)*	*(17,456)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(44,590)*	*(40,750)*	*(42,017)*	*(43,688)*	*(49,119)*	*(42,909)*	*(44,323)*	*(42,268)*
Operating expenses	**(574,083)**	**(555,787)**	**(551,060)**	**(585,730)**	**(612,664)**	**(561,225)**	**(620,205)**	**(595,532)**
Operating expenses excluding the effects of the PPA	***(569,068)***	***(550,767)***	***(546,057)***	***(580,669)***	***(595,209)***	***(543,769)***	***(602,749)***	***(578,076)***
Net operating income	**316,763**	**285,113**	**309,673**	**348,102**	**291,662**	**266,671**	**223,395**	**266,985**
Net operating income excluding the effects of the PPA	***330,744***	***299,474***	***323,727***	***362,785***	***321,558***	***295,763***	***252,869***	***298,277***
Net impairment losses on loans	(352,535)	(160,328)	(203,181)	(131,170)	(208,413)	(135,143)	(158,148)	(105,374)
Net impairment losses on other financial assets and liabilities	(4,078)	(992)	(47,663)	(2,077)	3,694	(119,245)	(17,959)	(1,633)
Net provisions for risks and charges	(28,367)	34	(16,764)	(4,115)	(11,812)	(5,228)	(4,136)	(10,419)
Profits from the disposal of equity investments	6,091	8,593	9	21	5,616	170	1,152	181
Pre-tax profit (loss) from continuing operations	**(62,126)**	**132,420**	**42,074**	**210,761**	**80,747**	**7,225**	**44,304**	**149,740**
Pre-tax profit (loss) from continuing operations excluding the effects of the PPA	***(48,145)***	***146,781***	***56,128***	***225,444***	***110,643***	***36,317***	***73,778***	***181,032***
Taxes on income for the period/year from continuing operations	17,570	(62,554)	19,727	(95,981)	(48,585)	(70,191)	291,636	(76,918)
of which: effects of the purchase price allocation	*4,620*	*4,746*	*4,643*	*4,853*	*9,842*	*9,575*	*9,936*	*10,070*
Post-tax profit (loss) from discontinued operations	-	(13)	-	13	226	22	-	-
Profit for the period attributable to non-controlling interests	(1,547)	(1,352)	(7,137)	(7,274)	(9,477)	(6,097)	(5,046)	(8,213)
of which: effects of the purchase price allocation	*834*	*1,002*	*862*	*882*	*2,132*	*2,114*	*2,139*	*2,302*
Profit (loss) for the period attributable to the shareholders of the Parent before expenses for leaving incentives and net impairment losses on goodwill and finite useful life intangible assets excluding the effects of the PPA	*(37,576)*	*77,114*	*63,213*	*116,467*	*40,833*	*(51,638)*	*348,293*	*83,529*
Profit for the period attributable to the shareholders of the Parent before expenses for leaving incentives and net impairment losses on goodwill and finite useful life intangible assets	**(46,103)**	**68,501**	**54,664**	**107,519**	**22,911**	**(69,041)**	**330,894**	**64,609**
Impairment losses on goodwill and finite useful life intangible assets net of taxes and non-controlling interests	-	-	-	-	(2,047,068)	-	(143,793)	-
Expenses for leaving incentives 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	**(140,044)**	**63,209**	**54,165**	**105,378**	**(2,024,157)**	**(69,041)**	**187,101**	**64,609**
Total impact of the purchase price allocation on the income statement	*(8,527)*	*(8,613)*	*(8,549)*	*(8,948)*	*(17,922)*	*(17,403)*	*(17,399)*	*(18,920)*

Reclassified consolidated income statement net of the most significant non-recurring items

Figures in thousands of euro	**2012** *net of non-recurring items*	**2011** *net of non-recurring items*	Changes	% changes
Net interest income (including the effects of the PPA)	1,863,561	2,018,978	(155,417)	(7.7%)
Dividends and similar income	15,591	19,997	(4,406)	(22.0%)
Profits of equity-accounted investees	44,426	9,947	34,479	346.6%
Net fee and commission income	1,182,276	1,193,708	(11,432)	(1.0%)
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	223,079	7,329	215,750	-
Other net operating income/expense	163,179	191,725	(28,546)	(14.9%)
Operating income (including the effects of PPA)	**3,492,112**	**3,441,684**	**50,428**	**1.5%**
Staff costs	(1,373,719)	(1,451,128)	(77,409)	(5.3%)
Other administrative expenses	(701,797)	(717,988)	(16,191)	(2.3%)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(188,921)	(244,969)	(56,048)	(22.9%)
Operating expenses (including the effects of PPA)	**(2,264,437)**	**(2,414,085)**	**(149,648)**	**(6.2%)**
Net operating income (including the effects of PPA)	**1,227,675**	**1,027,599**	**200,076**	**19.5%**
Net impairment losses on loans	(847,214)	(607,078)	240,136	39.6%
Net impairment losses on other financial assets and liabilities	1,334	(9,690)	11,024	n.s.
Net provisions for risks and charges	(49,212)	(29,232)	19,980	68.3%
Profits from the disposal of equity investments	779	7,119	(6,340)	(89.1%)
Pre-tax profit (loss) from continuing operations (including the effects of PPA)	**333,362**	**388,718**	**(55,356)**	**(14.2%)**
Taxes on income for the year from continuing operations	(224,046)	(247,775)	(23,729)	(9.6%)
Post-tax profit from discontinued operations	-	248	(248)	(100.0%)
Profit for the year attributable to non-controlling interests	(11,992)	(29,629)	(17,637)	(59.5%)
Profit for the year attributable to the shareholders of the Parent	**97,324**	**111,562**	**(14,238)**	**(12.8%)**

Reclassified consolidated income statement net of the most significant non-recurring: details

Figures in thousands of euro

	2012	non-recurring items: Gain on public tender offer to purchase preference shares	Impairment losses on shares and AFS OICRs (collective investment instruments)	Leaving incentives	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 of UBI Banca pursuant 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 pursuant to Law No. 214/2011	Disposal of shareholdings and equity investments	Impairment losses on tangible and intangible assets	**2012** *net of non-recurring items*
Net interest income (including the effects of the PPA)	1,863,561									1,863,561
Dividends and similar income	15,591									15,591
Profits of equity-accounted investees	44,426									44,426
Net fee and commission income	1,182,276									1,182,276
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	257,278	(20,671)						(13,528)		223,079
Other net operating income/expense	163,179									163,179
Operating income (including the effects of PPA)	**3,526,311**	**(20,671)**	**-**	**-**	**-**	**-**	**-**	**(13,528)**	**-**	**3,492,112**
Staff costs	(1,373,719)									(1,373,719)
Other administrative expenses	(701,797)									(701,797)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(191,144)								2,223	(188,921)
Operating expenses (including the effects of PPA)	**(2,266,660)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,223**	**(2,264,437)**
Net operating income (including the effects of PPA)	**1,259,651**	**(20,671)**	**-**	**-**	**-**	**-**	**-**	**(13,528)**	**2,223**	**1,227,675**
Net impairment losses on loans	(847,214)									(847,214)
Net impairment losses on other financial assets and liabilities	(54,810)		56,144							1,334
Net provisions for risks and charges	(49,212)									(49,212)
Profits from the disposal of equity investments	14,714							(13,935)		779
Pre-tax profit from continuing operations (including the effects of PPA)	**323,129**	**(20,671)**	**56,144**	**-**	**-**	**-**	**-**	**(27,463)**	**2,223**	**333,362**
Taxes on income for the year from continuing operations	(121,238)	5,684	(5,596)		(24,992)	(8,298)	(66,086)	(2,835)	(685)	(224,046)
Post-tax profit from discontinued operations	-									-
Profit for the year attributable to non-controlling interests	(17,310)		(21)				5,191	181	(33)	(11,992)
Profit for the year attributable to the shareholders of the Parent before expenses for leaving incentives and impairment losses on goodwill and on finite useful life intangible assets	**184,581**	**(14,987)**	**50,527**	**-**	**(24,992)**	**(8,298)**	**(60,895)**	**(30,117)**	**1,505**	**97,324**
Impairment losses on goodwill and finite useful life intangible assets net of taxes and non-controlling interests	-									-
Expenses for leaving incentives net of taxes and non-controlling interests	(101,873)			101,873						-
Profit (loss) for the year attributable to the shareholders of the Parent	**82,708**	**(14,987)**	**50,527**	**101,873**	**(24,992)**	**(8,298)**	**(60,895)**	**(30,117)**	**1,505**	**97,324**

	2011	non-recurring items: Impairment losses on goodwill and on finite useful life intangible assets	Impairment losses on shares and AFS OICRs (collective investment instruments)	UBI Banca tax realignment in accordance with Law No. 111/2011 and write-off of deferred income tax assets/deferred IRAP tax assets	Impact of IRAP adjustment for deferred tax provisions recognised as at 31st December 2010	Discontinuation of the UBI Leasing agent network	Release of excess provisions	Write-off of B@nca 24-7 IT platform	**2011** *net of non-recurring items*
Net interest income (including the effects of the PPA)	2,018,978								2,018,978
Dividends and similar income	19,997								19,997
Profits of equity-accounted investees	9,947								9,947
Net fee and commission income	1,193,708								1,193,708
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	7,329								7,329
Other net operating income/expense	188,380					3,345			191,725
Operating income (including the effects of PPA)	**3,438,339**	**-**	**-**	**-**	**-**	**3,345**	**-**	**-**	**3,441,684**
Staff costs	(1,423,196)						(27,932)		(1,451,128)
Other administrative expenses	(717,988)								(717,988)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(248,442)							3,473	(244,969)
Operating expenses (including the effects of PPA)	**(2,389,626)**	**-**	**-**	**-**	**-**	**-**	**(27,932)**	**3,473**	**(2,414,085)**
Net operating income (including the effects of PPA)	**1,048,713**	**-**	**-**	**-**	**-**	**3,345**	**(27,932)**	**3,473**	**1,027,599**
Net impairment losses on loans	(607,078)								(607,078)
Net impairment losses on other financial assets and liabilities	(135,143)		125,453						(9,690)
Net provisions for risks and charges	(31,595)					2,363			(29,232)
Profits from the disposal of equity investments	7,119								7,119
Pre-tax profit from continuing operations (including the effects of PPA)	**282,016**	**-**	**125,453**	**-**	**-**	**5,708**	**(27,932)**	**3,473**	**388,718**
Taxes on income for the year from continuing operations	95,942		(2,292)	(352,841)	6,267	(1,407)	7,681	(1,125)	(247,775)
Post-tax profit from discontinued operations	248								248
Profit for the year attributable to non-controlling interests	(28,833)				(925)		129		(29,629)
Profit for the year attributable to the shareholders of the Parent before expenses for leaving incentives and impairment losses on goodwill and on finite useful life intangible assets	**349,373**	**-**	**123,161**	**(352,841)**	**5,342**	**4,301**	**(20,122)**	**2,348**	**111,562**
Impairment losses on goodwill and finite useful life intangible assets net of taxes and non-controlling interests	(2,190,861)	2,190,861							-
Expenses for leaving incentives net of taxes and non-controlling interests	-								-
Profit (loss) for the year attributable to the shareholders of the Parent	**(1,841,488)**	**2,190,861**	**123,161**	**(352,841)**	**5,342**	**4,301**	**(20,122)**	**2,348**	**111,562**

UBI Banca Group: Consolidated Balance Sheet
- Mandatory statement -

ASSET ITEMS *(figures in thousand euro)*	**31.12.2012**	**31.12.2011**
Cash and cash equivalents	641,608	625,835
Financial assets held for trading	4,023,934	2,872,417
Financial assets designated at fair value	200,441	126,174
Available-for-sale financial assets	14,000,609	8,039,709
Held-to-maturity investments	3,158,013	-
Loans and advances to banks	6,072,346	6,184,000
Loans and advances to customers	92,887,969	99,689,770
Hedging derivatives	1,478,322	1,090,498
Fair value change in hedged financial assets	885,997	704,869
Equity investments	442,491	352,983
Property, plant and equipment	1,967,197	2,045,535
Intangible assets	2,964,882	2,987,669
of which:		
goodwill	*2,536,574*	*2,538,668*
Tax assets:	2,628,121	2,817,870
a) current	616,684	459,282
b) deferred	2,011,437	2,358,588
Tax assets - prepaid - of which pursuant to L. 214/2011	1,451,279	1,428,849
Non current assets and disposal groups held for sale	21,382	22,020
Other assets	1,060,390	2,244,343
Total assets	**132,433,702**	**129,803,692**

LIABILITIES AND EQUITY *(figures in thousand euro)*	**31.12.2012**	**31.12.2011**
Due to banks	15,211,171	9,772,281
Due to customers	53,758,407	54,431,291
Securities issued	45,059,153	48,377,363
Financial liabilities held for trading	1,773,874	1,063,673
Hedging derivatives	2,234,988	1,739,685
Tax liabilities:	666,364	702,026
a) current	317,506	383,364
b) deferred	348,858	318,662
Other liabilities	2,391,283	3,139,616
Post employment benefits	420,704	394,025
Provisions for risks and charges:	340,589	345,785
a) pension and similar obligations	80,563	76,460
b) other provisions	260,026	269,325
Valuation reserves	(571,045)	(1,315,865)
Reserves	3,259,365	2,416,471
Share premiums	4,716,861	7,429,913
Share capital	2,254,368	2,254,367
Treasury shares	(4,375)	(4,375)
Non-controlling interests	839,287	898,924
Profit for the year	82,708	(1,841,488)
Total liabilities and equity	**132,433,702**	**129,803,692**

UBI Banca Group: Consolidated Income Statement

- Mandatory statement -

figures in thousands of euro	**2012**	**2011**
Interest and similar income	3,924,400	4,047,546
Interest expense and similar	(1,992,716)	(1,925,857)
Net interest income	**1,931,684**	**2,121,689**
Fee and commission income	1,369,422	1,351,827
Fee and commission expense	(187,616)	(159,893)
Net fee and commission income	**1,181,806**	**1,191,934**
Dividends and similar income	15,591	19,997
Net trading income	91,803	10,711
Net hedging income	1,072	8,938
Income from disposal or repurchase of:	163,551	26,529
a) loans and receivables	(2,131)	2,464
b) available-for-sale financial assets	141,556	11,929
d) financial liabilities	24,126	12,136
Net income (loss) on financial assets and liabilities designated at fair value	852	(38,849)
Gross income	**3,386,359**	**3,340,949**
Net impairment losses on:	(902,024)	(742,221)
a) loans and receivables	(847,214)	(607,078)
b) available-for-sale financial assets	(56,145)	(128,182)
d) other financial transactions	1,335	(6,961)
Net financial income	**2,484,335**	**2,598,728**
Net income from banking and insurance operations	**2,484,335**	**2,598,728**
Administrative expenses	(2,384,023)	(2,304,249)
a) staff costs	(1,525,753)	(1,423,196)
b) other administrative expenses	(858,270)	(881,053)
Net provisions for risks and charges	(49,212)	(31,595)
Net impairment losses on property, plant and equipment	(102,543)	(110,888)
Net impairment losses on intangible assets	(81,117)	(672,608)
Other net operating income/(expense)	244,515	243,065
Operating expenses	**(2,372,380)**	**(2,876,275)**
Profits of equity investments	52,650	10,248
Net impairment losses on goodwill	-	(1,873,849)
Profits on disposal of investments	6,490	6,818
Pre-tax profit from continuing operations	**171,095**	**(2,134,330)**
Taxes on income for the year from continuing operations	(79,429)	271,991
Post-tax profit (loss) from continuing operations	**91,666**	**(1,862,339)**
Post-tax profit from discontinued operations	-	248
Profit (loss) for the year	**91,666**	**(1,862,091)**
(Profit) loss attributable to non-controlling interests	(8,958)	20,603
Profit (loss) for the year attributable to the Parent	**82,708**	**(1,841,488)**

UBI Banca: Mandatory Balance Sheet

ASSETS *(Figures in thousands of euro)*	**31.12.2012**	**31.12.2011**
Cash and cash equivalents	203,442	184,014
Financial assets held for trading	4,766,163	3,515,897
Financial assets at fair value	123,381	126,174
Available-for-sale financial assets	11,955,356	6,705,814
Held-to-maturity investments	3,158,013	-
Loans to banks	15,830,498	30,224,290
Loans to customers	22,584,747	15,692,663
Hedging derivatives	925,693	616,454
Fair value change in hedged financial assets (+/-)	196,828	-
Equity investments	10,911,721	10,889,971
Property, equipment and investment property	586,806	606,656
Intangible assets	410	448
of which:		
- goodwill	-	-
Tax assets:	1,605,830	1,776,186
a) current	412,800	268,689
b) deferred	1,193,030	1,507,497
b1) of which referred to Law 214/2011	268,551	-
Non-current assets and disposal groups held for sale	2,329	115,302
Other assets	485,037	441,384
TOTAL ASSETS	**73,336,254**	**70,895,253**

LIABILITIES AND EQUITY *(Figures in thousands of euro)*	**31.12.2012**	**31.12.2011**
Due to banks	28,081,434	24,228,130
Due to customers	7,897,195	8,022,864
Securities issued	23,405,765	27,200,141
Financial liabilities held for trading	2,553,159	1,847,534
Hedging derivatives	1,307,735	898,024
Tax liabilities:	230,964	284,940
a) current	165,766	211,622
b) deferred	65,198	73,318
Liabilities associated with activities under disposal	-	-
Other liabilities	1,168,383	744,612
Post employment benefits	43,612	38,827
Provisions for risks and charges:	40,286	20,352
b) other provisions	40,286	20,352
Fair value reserves	(502,574)	(1,118,666)
Reserves	1,919,945	1,761,644
Share premiums	4,716,861	7,429,913
Share capital	2,254,368	2,254,367
Treasury shares	(4,375)	(4,375)
Profit (loss) for the year	223,496	(2,713,054)
TOTAL LIABILITIES AND EQUITY	**73,336,254**	**70,895,253**

The balance sheet figures as at 31st December 2012 show the effects of the merger of B@nca 24-7 into UBI Banca (effective from 23rd July 2012 and from 1st January 2012 for accounting and tax purposes), an operation which was preceded by the contribution of salary-backed lending operations from B@nca 24-7 to Prestitalia (effective from 1st July 2012).
The comparative figure as at 31st December 2011 is therefore not consistent.

UBI Banca: Mandatory Income Statement

Figures in thousands of euro	2012	2011
Interest and similar income	1,315,833	1,135,911
Interest expense and similar	(1,342,604)	(1,331,132)
Net interest income	**(26,771)**	**(195,221)**
Commission income	75,983	27,929
Commission expense	(88,194)	(14,846)
Net commission income	**(12,211)**	**13,083**
Dividends and similar income	339,096	354,420
Net trading income (loss)	77,474	(8,061)
Net hedging income	12,942	18,823
Income (losses) from disposal or repurchase of:	156,086	22,650
a) loans	1,741	0
b) available-for-sale financial assets	140,036	8,563
d) financial liabilities	14,309	14,087
Net income/losses on financial assets and liabilities at fair value	1,203	(38,849)
Gross income	**547,819**	**166,845**
Net impairment losses on:	(110,348)	(127,952)
a) loans	(67,600)	(1,057)
b) available-for-sale financial assets	(53,290)	(120,059)
d) other financial transactions	10,542	(6,836)
Net financial income	**437,471**	**38,893**
Administrative expenses	(331,772)	(227,510)
a) personnel expense	(157,103)	(114,549)
b) other administrative expenses	(174,669)	(112,961)
Net provisions for risks and charges	(11,106)	(595)
Net impairment losses on property, equipment and investment property	(24,138)	(24,875)
Net impairment losses on intangible assets	(38)	(21,100)
Other net operating income	125,404	95,277
Operating expenses	**(241,650)**	**(178,803)**
Profits (losses) of equity investments	(23,508)	(2,507,432)
Net impairment losses on goodwill	-	(521,245)
Profits on disposal of investments	40	60
Pre-tax profit (loss) from continuing operations	**172,353**	**(3,168,527)**
Taxes on income for the year from continuing operations	51,143	455,451
Post-tax profit (loss) from continuing operations	**223,496**	**(2,713,076)**
Post-tax profit from discontinued operations	-	22
Profit (loss) for the year	**223,496**	**(2,713,054)**

The income statement figures as at 31st December 2012 show the effects of the merger of B@nca 24-7 into UBI Banca (effective from 23rd July 2012 and from 1st January 2012 for accounting and tax purposes), an operation which was preceded by the contribution of salary-backed lending operations from B@nca 24-7 to Prestitalia (effective from 1st July 2012).
The comparative figures as at 31st December 2011 are therefore not consistent.