

PRESS RELEASE

Net profit up by 13,4% to 219,3 million euro

Pro-forma consolidated results as at 31st March 2008 compared to 31st March 2007 (inclusive of the effect of the purchase price allocation)

- **Net profit** of 219,3 million euro (+13,4% compared to 193,3 million euro in 2007)
Net profit excluding the effect of the purchase price allocation of 240,6 million euro (213,7 in March 2007)
- Net interest income of 732 million euro (+13,3%)
Commissions of 315,5 million euro (-3,8% net of performance fees)
Net result from trading and hedging activities negative by 27,1 million (positive by 49,9 in 2007)
Operating income of 1.071,5 million euro (-1,8%).
Excluding the net result from trading and hedging activities, operating income increased by 5,5%
- **Favourable performance by operating costs stable** at 637 million euro
 - Staff costs down slightly to 395,1 million euro (-0,8%)
 - Other administrative expenses down to 175,2 million euro (-2,9%)
 - Depreciation and amortisation increase to 66,7 million euro (+15,5% against already planned increased investment in the Group IT platform)
- **Net operating income** of 434,5 million euro (-4,4% as a result of the performance of the net result from trading and hedging activities)
Excluding the net result from trading and hedging activities, net operating income grows by 14%
- The **quality of credit remains high**
 - Net impairment losses on loans of 0,26% annualised of total loans (0,29% in 2007)
 - A ratio of net non performing loans to total lending of 0,79% (0,70% in 2007)
- **Profit on continuing operations before tax** of 423,1 million euro (+11,4% including the Prudential capital gain)
Excluding the net result from trading and hedging activities, normalised profit on continuing operations before tax grows by 20%
- On a like-for-like basis (comparison with the figures as at 31st March 2007 net of branches disposed of):
Net lending to customers of 92,9 billion euro (+9,6%)
Direct funding of 88,1 billion euro (+2,2%)
Indirect funding from ordinary customers of 86,7 billion euro (-8,7%)
- **The net interbank position remains contained in a context of positive evolution of liquidity**
- **The integration process runs ahead of schedule:**

- **Approximately 50% of integration activities completed at the end of March 2008, ahead of Business Plan schedules**
- **Integration costs recognised during the period amounting to 20,6 million gross (total costs incurred to-date of 274,2 million euro compared to a total of approximately 370 million programmed in the Business Plan) and 14,4 net of tax.**
- **Synergies achieved of 29,3 million euro, compared to 20 million programmed in the Business Plan, primarily as a result of staff synergies achieved in advance and deferment of some administrative expenses. It is expected that synergies will realign in the course of the year with the Business Plan target for 2008**

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Bergamo, 13th May 2008 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) approved the consolidated results of the UBI Banca Group as at and for the period ended 31st March 2008.

The UBI Banca Group enjoyed good performance in its business volumes in the first quarter of 2008 with strong growth in volumes and a more than proportional increase in net interest income. Credit quality, which remained high, allowed impairment losses in the income statement to remain contained and lower than in the same period of 2007. On the other hand, the turbulence on financial markets had a negative impact on the performance of indirect funding and on commissions directly correlated with it, which were however more than offset by the growth in net interest income. The result for trading and hedging activities for the period was negative in relation to the mark to market on securities held in portfolio, although this too was offset to a large degree by the performance of net interest income.

As a result of the first synergies created by the integration of the two groups, operating costs remained basically stable compared to the first quarter of 2007, with staff costs and other administrative expenses falling moderately, while depreciation and amortisation increased as a result of greater budgeted investments in the Group IT platform.

The result for the period benefited in terms of non recurring items from the gain made on the investment by Prudential USA in UBI Pramerica, while integration costs were incurred amounting to a 14,4 million euro.

The first quarter of 2008 ended for the UBI Banca Group with **a profit of 219,3 million euro, an increase of 13,4% compared to 193,3 million achieved in the first quarter of 2007.**

The Group **integration process** continued ahead of Business Plan schedules with approximately **49% of activities completed** as at 31st March 2008. Among other, the migration onto the target IT platform of the first two banks of the former BPU Banca Group, Banca Popolare Commercio e Industria and Banca Popolare di Ancona, also took place in the first few months of the year, successfully completed and fully on schedule.

The progress made with the integration process allowed the first synergies to be achieved. The **synergies created** in the January-March period of 2008 **totalled 29,3 million euro, 46% greater than in Business Plan forecasts (20 million euro for the period)**, the result of staff synergies achieved in advance following lower average number of staff by approximately 300 resources compared to Business Plan forecasts, and the postponement of some administrative expenses. It is expected that synergies will realign in the course of the year with the Business Plan target for 2008.

In detail, **expense synergies** amounted to **25,4 million euro** (9,4 million on staff costs and 16 million on other administrative expenses) compared to 15,4 million euro expected, while **revenue synergies** amounted to **3,9 million euro** slightly behind with respect to the 4,6 million euro expected.

The income statement

The income statement figures commented on are based on the pro-forma reclassified consolidated financial statements (income statement and income statement net of non recurring items) contained in the attachments to this press release. The income statement figures to 31st March 2007 have not been restated to take account of the sale in 2007 of 61 branches to Banca Popolare di Vicenza and 15 branches to Banca Popolare Pugliese, no longer present in the first quarter of 2008 .

Net interest income, which includes the impact of the purchase price allocation, continued to perform well with **an increase of 13,3%** to 732 million euro compared to approximately 646 million euro achieved in 2007 (+86 million euro).

This result is attributable primarily to growth in volumes of business and to the improvement in the spread (+5 basis points), the consequence of the improved composition of the lending portfolio following activity to rationalise exposures with marginal profitability (very short term financial lending business) and to re-focus on “core” lending performed by the Group during the year.

Dividends received on equity investments amounting to 1,6 million euro compared to 5,3 million euro in March 2007 were also affected by the delay in the receipt of dividends on merchant banking equity investments by Centrobanca. These dividends were then received in April.

Net commissions, calculated excluding performance fees (2,2 million euro in 2007), amounted to 315,5 million, a decrease compared to 328,1 million in the comparison period, mainly as a result of the fall in commissions received on assets under management.

Net profit from trading, hedging, disposal and repurchase activities and on assets and liabilities at fair value amounted to -27,1 million euro, principally in relation to mark-to-market valuations of securities held in portfolio.

Net income on insurance operations of 13,9 million euro was virtually unchanged compared to 15 million euro earned in 2007. **Other operating income** fell on the other hand to approximately 30 million euro (38,3 in 2007) as a result of a different operating process in the management of CPI insurance contracts linked to mortgages and loans, which implies lower operating income and lower administrative expenses (approximately 5 million euro).

As a result of the performance described above, **operating income**, inclusive of the impact of the purchase price allocation, totalled 1.071,5 million euro, a decrease of 1,8% compared to 1.091 million euro achieved in the first quarter of 2007. Excluding “net profit on trading, hedging and disposal and repurchase activities and on assets and liabilities at fair value”, operating income would have increased by 5,5% compared to 2007.

Favourable performance was recorded by **operating costs** in the period, which totalled 637 million euro compared to 636,4 million euro in the first quarter of 2007 (again inclusive of the negative impact of the PPA).

In detail, *staff costs* decreased by 0,8% to approximately 395,1 million from 398,3 in 2007, as a result of the synergies achieved (9,4 million euro) in relation to staff exits under the Business Plan and to lower expenses as a result of the branch disposals (4,8 million euro) which offset increases in remuneration (13,5 million euro) following, amongst other things, the renewal of the national labour contract and of the supplementary Group labour contract.

Other administrative expenses, amounting to 175,2 million euro, recorded a more marked reduction of 2,9%, compared to 180,4 million euro in 2007, also benefiting from the first synergies (16 million euro) resulting from the merger, which offset inertial growth in costs.

Net impairment losses on property, plant and equipment and intangible assets, which included the negative effect of the purchase price allocation, amounted to 66,7 million euro, an increase of approximately 15,5% following the greater investments in the Group IT platform. This increase was already included in the budget for the current year.

Net of the impact of the purchase price allocation, the cost/income ratio stood at 56,7%, compared to 55,8% in 2007. In 2008, the negative result from trading and hedging activities weighted 1,3 percentage points on cost/income.

As a result of the performance reported above, **net operating income** amounted to 434,5 million euro compared to 454,6 in the first quarter of 2007 (-4,4%). Excluding “net profit on trading, hedging and disposal and repurchase activity and on assets and liabilities at fair value”, net operating income would have increased by 14%.

Net impairment losses on loans for the first quarter of 2008 fell again compared to the same period in 2007 and amounted to 60,2 million euro. Net impairment losses as a percentage of net lending to customers stood at 0,26% annualised, less than the figure of 0,29% annualised in March 2007 and than Business Plan forecasts.

We report that the item **net impairment losses on assets and liabilities** incorporates a further write down of 3,4 million euro on the 2% interest held in Hopa, which now has a prudent carrying value of 0,21 euro per share for a total of 5,8 million euro.

Profits on the disposal of equity investments – 57,4 million euro – consisted almost entirely of the gain at Group level on the sale to our American partner of an interest in the asset management company Pramerica, bringing the interest up to the agreed level of 35%, after the dilution of the shareholding following corporate transactions designed to rationalise asset management operations.

Profit on continuing operations before tax therefore exceeded 423 million, an improvement of 11,4% compared to first quarter of 2007. Excluding “net profit on trading, hedging and disposal and repurchase activities and on assets and liabilities at fair value”, normalised profit on continuing operations before tax grew by 20%.

Taxation on profit for the period amounted to 162,3 million euro (168,8 million euro at the end of March 2007) and **net integration costs** amounted to 14,4 million euro.

Finally, profit for the period attributable to minority interests amounted to 27,2 million euro, an increase of approximately 9,7 million euro compared to March 2007.

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The balance sheet

It will be recalled that in 2007, 15 branches were sold by Banca Carime to Banca Popolare Pugliese and 61 branches were sold to Banca Popolare di Vicenza in compliance with Antitrust Authority instructions. The assets and liabilities recognised in the accounts as at 31st March 2008 do not therefore include the balances relating to those branches which are, however, included in the balance sheet as at 31st March 2007. Comparison figures are therefore given based purely on the accounts together with comparison figures on a like-for-like basis also excluding, that is, the branches disposed of from the 2007 aggregates.

As at 31st March 2008, Group **lending to customers** totalled 92,9 billion euro, with an increase on a like-for-like basis of 9,6%, compared to 84,8 billion euro as at 31st March 2007 (+8,3% *in terms of book values*).

The policy announced to contain lending to the large corporate sector was implemented in 2008 with a reduction in exposure – largely very short term lending business – of approximately 2 billion euro compared to 2007, which will be channelled into a progressive increase in lending to small to medium sized enterprises which represent the “core” business of the Group. On a like-for-like basis and net of the large corporate component, lending to customers grew by approximately 14%, higher than Business Plan forecasts.

As concerns the **quality of the lending portfolio**, the ratio of net non performing loans to net lending as at 31st March 2008 was 0,79% compared to 0,70% in March 2007.

Direct funding, net of the financial funding of UBI Assicurazioni Vita, recorded growth on a like-for-like basis of 2,2% year-on-year to approximately 88 billion euro from 86,2 billion euro recorded as at 31st March 2007 (+1,5% *in terms of book values*). The suspension of institutional issues on international markets, decided in July 2007, resulted in a contraction of institutional funding from 14 to 13,1 billion euro. The issues will resume from the second quarter of 2008, but with differences in the forms of funding designed to contain the expense of borrowing.

Despite the strong growth in lending and the suspension of international issues, the Group reported a **net interbank debtor position** amounting to 5,4 billion euro, in line with the figure as at 31st March 2007.

Total **indirect funding from private customers** contracted on a like for like basis by 8,7% to 86,7 billion euro from 94,9 billion euro in 2007 (-9,6% *in terms of book values*). The contribution to indirect funding from insurance business remained stable at 12,5 billion euro (-1,6% *in terms of book values*), while both assets under management and assets under custody were affected by the difficulties experienced on financial markets which started in the second half of 2007 and are still in progress, falling by 15% to 36,3 billion euro (-16% *in terms of book values*) and by 4,7% to 37,9 billion euro (-5,3% *in terms of book values*) respectively.

The **shareholders' equity** of the Group, excluding profit for the period, amounted to 11.642 million euro as at 31st March 2008 (11.451 million euro as at 31st March 2007).

Capital ratios

Given the extension granted by the Bank of Italy until 25th May for sending in individual reports for positions as at 31st March 2008 in accordance with Basel 2 standards, estimates of capital ratios as at that date are not currently available. Nevertheless, on the basis of budget projections, it is considered that the objectives set out in the Business Plan for 2008 will be fully met.

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As at 31st March 2008, the Group had a total workforce of 21.176 (-306 compared to 31st March 2007). The branch network at the date of this press release consists of 1.923 branches in Italy and eight abroad.

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Business outlook

The current business outlook confirms the forecasts made at the end of the year in a scenario of steady interest rates and a slowdown in the economy. The target for net profit – which also takes account of the more favourable tax rate introduced by the new tax legislation – is fully consistent with the objective set, to be achieved by means of a change in the composition of revenues, in line with market developments, with a greater concentration on net interest income, a lower performance from net commission income and a lower result from trading and hedging activities.

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

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

Finally it is expected that integration costs of approximately 90 million euro will be incurred during the year and that on the basis of current projections, the year will benefit from lower extraordinary income than in 2007.

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

The undersigned Elisabetta Stegher, as senior officer responsible for preparing the corporate accounting documents of Unione di Banche Italiane Scpa, hereby declares, in compliance with paragraph 2 of article 154 *bis* of the “*Testo unico delle disposizioni in materia di intermediazione finanziaria*” (consolidated law on financial intermediation), that the accounting information contained in this press release corresponds to the records contained in corporate documents and accounting records.

For further information:

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

Email: investor.relations@ubibanca.it

UBI Banca – Press relations

Tel. +39 030 2473591 – +39 035 29293511

Email: relesterne@ubibanca.it

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

Attachments

Financial statements

UBI Banca Group:

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

Notes to the statements

The mandatory schemes for the financial statements prepared on the basis of Bank of Italy Circular No. 262 of 22nd December 2005 incorporate the balance sheet and income statement figures for the former Banca Lombarda e Piemontese Group from 1st April 2007, the date on which the merger took effect.

Pro-forma reclassified financial statements, as at 31st March 2007 have therefore been prepared which include the items relating to the former BLP Group for that period, in order to allow a uniform comparison of Group performance.

It will be recalled that the statements as at 31st December 2007 were also prepared in pro-forma form to take account of the balance sheet and income statement items of the former BLP Group for the first three months of the year.

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

The reclassified income statements include the impact of the purchase price allocation, which was negative by 21,3 million in the first quarter of 2008 and allocated to specific items as shown below. That effect amounted to -20,4 million in the first quarter of 2007.

The income statement to 31st March 2007 also incorporates, on an accruals basis, the amendments to Art. 52 of the Corporate By-Laws of UBI Banca and to Art. 31 of the Corporate By-Laws of BPB, concerning the allocation of a share of net profit to staff pensions and social security, to be charged directly to staff expenses (+5,6 million the impact on staff costs in the first quarter of 2007).

The comments on the performance of the main balance sheet and income statement items have been made on the basis of the reclassified financial statements and the pro-forma reclassified financial statements for the comparison periods.

In order to facilitate analysis of the Group's performance, and in compliance with CONSOB Communication No. DEM/6064293 of 28th July 2006, a special statement has been included in the reclassified financial statements which shows the impact on earnings of the principal non recurring items, (which do not have significant effects on capital and cash flow), which can be summarised as follows:

first quarter 2008

- integration costs resulting from the merger transaction;
- capital gain on disposal of interest in Pramerica;
- write down of the equity interest held in Hopa Spa.

There were no non recurring items in the first quarter of 2007.

UBI Banca Group: reclassified consolidated balance sheet

Figures in thousands of euro	31.03.2008 A	31.12.2007 pro-forma B	% changes A/B	31.03.2007 pro-forma C	% changes A/C
ASSETS					
Cash and cash equivalents	518.121	643.128	-19,4%	438.326	18,2%
Financial assets held for trading	2.915.918	3.811.580	-23,5%	6.657.045	-56,2%
Financial assets at fair value	1.472.379	1.333.586	10,4%	4.365.161	-66,3%
Available-for-sale financial assets	6.016.175	5.729.003	5,0%	4.768.423	26,2%
Held-to-maturity financial assets	1.261.503	1.254.520	0,6%	1.328.455	-5,0%
Loans to banks	3.439.515	3.907.562	-12,0%	3.985.375	-13,7%
Loans to customers	92.872.149	92.729.039	0,2%	85.781.022	8,3%
Hedging derivatives	174.286	261.479	-33,3%	400.368	-56,5%
Fair value change of hedged financial assets (+/-)	6.715	-7.685	n.s.	-1.344	n.s.
Equity investments	186.650	183.448	1,7%	151.155	23,5%
Technical reserves of reinsurers	255.607	253.301	0,9%	202.717	26,1%
Property, plant and equipment	2.161.521	2.178.566	-0,8%	2.206.665	-2,0%
Intangible assets	5.603.978	5.621.122	-0,3%	5.655.568	-0,9%
<i>of which: goodwill</i>	4.362.385	4.357.381	0,1%	4.430.260	-1,5%
Tax assets	1.241.750	1.204.069	3,1%	1.246.267	-0,4%
Non current assets and disposal groups held for sale	13.205	13.205	-	93.236	-85,8%
Other assets	2.870.182	2.353.426	22,0%	1.914.561	49,9%
Total assets	121.009.654	121.469.349	-0,4%	119.193.000	1,5%
LIABILITIES					
Due to banks	8.794.786	8.204.758	7,2%	9.324.823	-5,7%
Due to customers	48.274.474	49.695.651	-2,9%	46.698.384	3,4%
Securities in issue	40.341.576	40.817.869	-1,2%	40.654.758	-0,8%
Financial liabilities held for trading	722.880	865.207	-16,5%	1.055.432	-31,5%
Hedging derivatives	297.082	351.723	-15,5%	408.808	-27,3%
Fair value change of hedged financial liabilities (+/-)	10.939	-	-	-	-
Tax liabilities	1.940.714	1.776.140	9,3%	2.008.811	-3,4%
Liabilities associated with disposal groups held for sale	-	-	-	109.704	-100,0%
Other liabilities	4.225.035	3.499.989	20,7%	2.827.317	49,4%
Staff severance payments	449.646	469.879	-4,3%	528.429	-14,9%
Provision for liabilities and charges:	317.283	321.730	-1,4%	335.382	-5,4%
a) pension and similar obligations	83.517	84.139	-0,7%	88.726	-5,9%
b) other provisions	233.766	237.591	-1,6%	246.656	-5,2%
Technical reserves	2.609.730	2.590.644	0,7%	2.561.027	1,9%
Share capital, issue premiums and reserves	11.642.377	10.849.349	7,3%	11.451.335	1,7%
Minority interests	1.163.862	1.085.839	7,2%	1.035.477	12,4%
Profit for the period	219.270	940.571	n.s.	193.313	13,4%
Total liabilities	121.009.654	121.469.349	-0,4%	119.193.000	1,5%
The pro-forma figures as at 31st March 2007 do not include amounts relating to the 61 branches sold to Banca Popolare di Vicenza and the 15 branches to Banca Popolare Pugliese.					
	31.03.2008 A	31.12.2007 B	% changes A/B	31.03.2007 pro-forma C	% changes A/C
Direct funding from customers	88.616.050	90.513.520	-2,1%	86.814.428	2,1%
Loans to customers	92.872.149	92.729.039	0,2%	84.755.044	9,6%
Assets under custody	37.883.757	39.471.188	-4,0%	39.736.729	-4,7%
Assets under management	48.782.825	52.231.634	-6,6%	55.206.479	-11,0%
Indirect funding from ordinary customers	86.666.582	91.702.822	-5,5%	94.943.208	-8,7%

UBI Banca Group: reclassified consolidated income statement

		31.03.2008	31.03.2007 pro-forma	% changes	31.12.2007 pro-forma
Figures in thousands of euro					
10.-20.	Net interest income <i>of which: impact of Purchase Price Allocation</i>	732.045 (19.219)	645.990 (22.295)	13,3% (13,8%)	2.690.433 (87.808)
	Net interest income excluding impact of PPA	751.264	668.285	12,4%	2.778.241
70.	Dividend and similar income	1.636	5.256	(68,9%)	83.539
	Profit (loss) of equity investments valued using the equity method	5.614	6.286	(10,7%)	19.165
40.-50.	Net commission income	315.526	328.089	(3,8%)	1.322.748
	Performance commissions	-	2.221	(100,0%)	12.617
80.+90.+ 100.+110.	Net profit (loss) from trading, hedging and disposal/repurchase activities valued at fair value	(27.088)	49.865	n.s.	101.919
150.+160.	Net income on insurance operations	13.879	15.016	(7,6%)	84.657
220.	Other net operating income/(expense)	29.917	38.288	(21,9%)	143.687
	Operating income	1.071.529	1.091.011	(1,8%)	4.458.765
	Operating income excluding impact of PPA	1.090.748	1.113.306	(2,0%)	4.546.573
180.a	Staff costs	(395.140)	(398.257)	(0,8%)	(1.539.315)
180.b	Other administrative expenses	(175.212)	(180.410)	(2,9%)	(772.781)
200.+210.	Net impairment losses on property, plant and equipment and intangible assets <i>of which: impact of Purchase Price Allocation</i>	(66.696) (18.227)	(57.754) (15.405)	15,5% 18,3%	(245.386) (61.620)
	impact of PPA	(48.469)	(42.349)	14,5%	(183.766)
	Operating costs	(637.048)	(636.421)	0,1%	(2.557.482)
	Operating costs excluding impact of PPA	(618.821)	(621.016)	(0,4%)	(2.495.862)
	Net operating income	434.481	454.590	(4,4%)	1.901.283
	Net operating income excluding impact of PPA	471.927	492.290	(4,1%)	2.050.711
130.a	Net impairment losses on loans	(60.222)	(63.231)	(4,8%)	(345.635)
130.b+ c+d	Net impairment losses on other assets and liabilities	(10)	(1.096)	(99,1%)	(28.571)
190.	Net provisions for liabilities and charges	(8.489)	(10.750)	(21,0%)	(37.990)
240.+270.	Profit (loss) from disposal of equity and other investments	57.382	328	n.s.	22.796
	Profit (loss) on continuing operations before tax	423.142	379.841	11,4%	1.511.883
	Profit (loss) on continuing operations before tax excluding impact of PPA	460.588	417.541	10,3%	1.661.311
290.	Taxes on income for the period for continuing operations <i>of which: impact of Purchase Price Allocation</i>	(162.297) 12.033	(168.817) 14.420	(3,9%) (16,6%)	(606.260) 57.157
	Integration costs	(14.420)	-	-	(166.721)
	<i>of which: staff costs</i>	(9.889)	-	-	(193.517)
	<i>other administrative expenses</i>	(10.402)	-	-	(32.817)
	<i>net impairment losses on tangible and intangible assets</i>	(322)	-	-	(27.207)
	<i>taxes</i>	6.193	-	-	86.820
310.	Profit (loss) of non current assets held for sale and discontinued operations net of taxes	-	(284)	(100,0%)	308.547
330.	Net profit for the period attributable to minority interests <i>of which: impact of Purchase Price Allocation</i>	(27.155) 4.128	(17.427) 2.877	55,8% 43,5%	(106.878) 11.505
	Profit for the period attributable to the Parent Bank excluding impact of PPA	240.555	213.716	12,6%	1.021.337
	Profit for the period attributable to the Parent Bank	219.270	193.313	13,4%	940.571
<i>Total impact of PPA on Income Statement</i>		<i>(21.285)</i>	<i>(20.403)</i>	<i>4,3%</i>	<i>(80.766)</i>

As at 31 December 2007, the item "Net impairment losses on loans" includes the impact of the change in the method of calculating collective impairment losses on performing loans, amounting to 85,1 million euro.

UBI Banca Group: reclassified consolidated quarterly income statements

Figures in thousands of euro	2008	2007			
	IQ	IVQ	IIIQ	IIQ	IQ pro-forma
Net interest income	732.045	718.842	672.990	652.611	645.990
<i>of which: impact of Purchase Price Allocation</i>	(19.219)	(18.272)	(20.367)	(26.874)	(22.295)
Net interest income excluding impact of PPA	751.264	737.114	693.357	679.485	668.285
Dividends and similar income	1.636	3.227	568	74.488	5.256
Profit (loss) of equity investments valued using the equity method	5.614	1.956	6.960	3.963	6.286
Net commission income	315.526	331.336	321.444	341.879	328.089
Performance commissions	-	8.012	88	2.296	2.221
Net profit (loss) from trading, hedging and disposal/repurchase activities valued at fair value	(27.088)	22.476	5.612	23.966	49.865
Net income on insurance operations	13.879	29.353	14.479	25.809	15.016
Other net operating income/(expense)	29.917	37.000	32.842	35.557	38.288
Operating income	1.071.529	1.152.202	1.054.983	1.160.569	1.091.011
Operating income excluding impact of PPA	1.090.748	1.170.474	1.075.350	1.187.443	1.113.306
Staff costs	(395.140)	(395.716)	(386.800)	(358.542)	(398.257)
Other administrative expenses	(175.212)	(226.456)	(174.009)	(191.906)	(180.410)
Net impairment losses on property, plant and equipment and intangible assets	(66.696)	(63.486)	(61.715)	(62.431)	(57.754)
<i>of which: impact of Purchase Price Allocation</i>	(18.227)	(15.405)	(15.405)	(15.405)	(15.405)
Net impairment losses on property, plant and equipment and intangible assets excluding impact of PPA	(48.469)	(48.081)	(46.310)	(47.026)	(42.349)
Operating costs	(637.048)	(685.658)	(622.524)	(612.879)	(636.421)
Operating costs excluding impact of PPA	(618.821)	(670.253)	(607.119)	(597.474)	(621.016)
Net operating income	434.481	466.544	432.459	547.690	454.590
Net operating income excluding impact of PPA	471.927	500.221	468.231	589.969	492.290
Net impairment losses on loans	(60.222)	(163.861)	(66.716)	(51.827)	(63.231)
Net impairment losses on other assets and liabilities	(10)	(20.236)	(2.437)	(4.802)	(1.096)
Net provisions for liabilities and charges	(8.489)	(18.414)	(5.973)	(2.853)	(10.750)
Profit (loss) from disposal of equity and other investments	57.382	1.040	211	21.217	328
Profit (loss) on continuing operations before tax	423.142	265.073	357.544	509.425	379.841
Profit (loss) on continuing operations before tax excluding impact of PPA	460.588	298.750	393.316	551.704	417.541
Taxes on income for the period for continuing operations	(162.297)	(75.237)	(164.483)	(197.723)	(168.817)
<i>of which: impact of Purchase Price Allocation</i>	12.033	12.883	13.683	16.171	14.420
Integration costs	(14.420)	(14.244)	(6.176)	(146.301)	-
<i>of which: staff costs</i>	(9.889)	(2.746)	(2.676)	(188.095)	-
<i>other administrative expenses</i>	(10.402)	(19.732)	(6.125)	(6.960)	-
<i>net impairment losses on tangible and intangible assets</i>	(322)	(357)	(973)	(25.877)	-
<i>taxes</i>	6.193	8.591	3.598	74.631	-
Profit (loss) of non current assets held for sale and discontinued operations net of taxes	-	291.925	38	16.868	(284)
Net profit for the period attributable to minority interests	(27.155)	(51.329)	(22.654)	(15.468)	(17.427)
<i>of which: impact of Purchase Price Allocation</i>	4.128	2.796	2.796	3.036	2.877
Profit for the period attributable to the Parent Bank excluding impact of PPA	240.555	434.186	183.562	189.873	213.716
Profit for the period attributable to the Parent Bank	219.270	416.188	164.269	166.801	193.313
<i>Total impact of PPA on Income Statement</i>	<i>(21.285)</i>	<i>(17.998)</i>	<i>(19.293)</i>	<i>(23.072)</i>	<i>(20.403)</i>

For the fourth quarter 2007 the item "Net impairment losses on loans" includes the impact of the change in the method of calculating collective impairment losses on performing loans, amounting to 85,1 million euro.

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

	non recurring items					31.3.2008 net of non recurring items A	31.3.2007 pro-forma B	Changes A-B	% Changes A/B
	Integration costs			Disposal of equity investments	Impairment of equity investments				
	31.3.2008	Leaving costs	Other costs						
Figures in thousands of euro									
Net interest income (including impact of PPA)	732.045					732.045	645.990	86.055	13,3%
Dividends and similar income	1.636					1.636	5.256	(3.620)	(68,9%)
Profit (loss) on equity investments valued using the equity method	5.614					5.614	6.286	(672)	(10,7%)
Net commission income	315.526					315.526	328.089	(12.563)	(3,8%)
Performance commissions	-					-	2.221	(2.221)	(100,0%)
Net profit (loss) from trading, hedging and disposal/repurchase activities valued at fair value	(27.088)					(27.088)	49.865	(76.953)	n.s.
Net income on insurance operations	13.879					13.879	15.016	(1.137)	(7,6%)
Other net operating income/(expense)	29.917					29.917	38.288	(8.371)	(21,9%)
Operating income (including impact of PPA)	1.071.529	-	-	-	-	1.071.529	1.091.011	(19.482)	(1,8%)
Staff costs	(395.140)					(395.140)	(398.257)	(3.117)	(0,8%)
Other administrative expenses	(175.212)					(175.212)	(180.410)	(5.198)	(2,9%)
assets (including impact of PPA)	(66.696)					(66.696)	(57.754)	8.942	15,5%
Operating costs (including impact of PPA)	(637.048)	-	-	-	-	(637.048)	(636.421)	627	0,1%
Net operating income (including impact of PPA)	434.481	-	-	-	-	434.481	454.590	(20.109)	(4,4%)
Net impairment losses on loans	(60.222)					(60.222)	(63.231)	(3.009)	(4,8%)
Net impairment losses on other assets and liabilities	(10)				3.377	3.367	(1.096)	4.463	n.s.
Provisions for liabilities and charges	(8.489)					(8.489)	(10.750)	(2.261)	(21,0%)
Profit (loss) from disposal of equity and other investments	57.382			(57.329)		53	328	(275)	(83,8%)
Profit (loss) on continuing operations before tax (including impact of PPA)	423.142	-	-	(57.329)	3.377	369.190	379.841	(10.651)	(2,8%)
Taxes on income for the period for continuing operations	(162.297)			7.599		(154.698)	(168.817)	(14.119)	(8,4%)
Integration costs	(14.420)	2.381	12.039			-	-	-	-
<i>of which: staff costs</i>	<i>(9.889)</i>	<i>3.284</i>	<i>6.605</i>			-	-	-	-
<i>other administrative expenses</i>	<i>(10.402)</i>		<i>10.402</i>			-	-	-	-
<i>net impairment losses on tangible and intangible assets</i>	<i>(322)</i>		<i>322</i>			-	-	-	-
<i>taxes</i>	<i>6.193</i>	<i>(903)</i>	<i>(5.290)</i>			-	-	-	-
<i>operations net of taxes</i>	<i>-</i>		<i>-</i>			-	(284)	284	(100,0%)
Net profit for the period attributable to minority interests	(27.155)	(106)	(324)	563		(27.022)	(17.427)	9.595	55,1%
Profit for the period attributable to Parent Bank	219.270	2.275	11.715	(49.167)	3.377	187.470	193.313	(5.843)	(3,0%)
ROE	7,5%					6,4%	6,8%		
Cost / Income ratio (including impact of PPA)	59,5%					59,5%	58,3%		
Cost / Income ratio (excluding impact of PPA)	56,7%					56,7%	55,8%		