PRESS RELEASE

Profit for the year pre-impairment losses on goodwill and intangible assets of €349.4 million compared to 177.3 in 2010 (+97.1%)

Capital ratios as at 31st December 2011: core tier one ratio of 8.56%, tier one ratio of 9.09%, total capital ratio of 13.50%

A proposed dividend of 0.05 euro per share

<u>All income items rise in the fourth quarter of 2011</u>

Operating income +9.2% compared to 3Q2011
Net interest income +2% compared to 3Q2011
Net commission income +7.9% compared to 3Q2011
Finance result of +€24 million compared to -€24 million in 3Q2011

<u>Performance improves in 2011, compared to 2010:</u>

Net operating income +2.1% to €1,048.7 million
Operating income -1.7% to €3,438.3 million
Net interest income -1.1% to €2,119.9 million
Net commission income +0.7% to €1,193.7 million (despite lower up front commissions by €28.4 million and the absence of €7.8 million relating to depository banking operations disposed of in 2010)
Finance result of +€7.3 million (+€34 million in 2010)
Operating expenses -3.2% to €2,389.6 million

Impairment losses on loans -14.1% to €607.1 million (annualised loan loss rate of 0.61%, compared to 0.69% in 2010)

Impairment losses on goodwill and intangible assets[1]: - €2,190.9 million in 2011 and -€5.2 million in 2010
Profit for the year, inclusive of impairment losses on goodwill and intangible assets, of -€1,841.5 million, compared to +€172.1 million in 2010

Loans to customers of €99.7 billion, due to the rationalisation of lending to large corporate customers, primarily in Q4 2011, and to the gradual discontinuation of lending to non captive customers.
Net of those two items, lending to core customers on the Group's local markets grows by 2%.

Growth in direct funding from ordinary customers[2] continued at €75.3 billion: +2.3% y/y.

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[1] Net of tax and non controlling interests
[2] Net of institutional and Centrobanca funding and of repurchase agreements with the *Cassa di Compensazione e Garanzia* (a central counterparty clearing house)

Bergamo, 27th March 2012 – The Management Board of Unione di Banche Italiane Scpa (UBI Banca) approved the draft separate annual report of UBI Banca and the consolidated annual report for the Group as at and for the year ended 31st December 2011, which will be submitted for approval to the Supervisory Board on 11th April 2012.

The UBI Banca Group ended 2011 yet again with good capital levels, solid balance sheet structure, adequate liquidity, a low risk profile and a focus on service to core customers as follows:

- a core tier one ratio of 8.56%, a tier one ratio of 9.09%, a total capital ratio of 13.50% (calculated using the standardised approach)
- risk weighted assets/total assets: 70.1%
- leverage ratio: 18.5x[3]
- loans to customers /total direct funding: 97%
- loans to customers/total assets: 76.8%
- net stable funding ratio: Basel 3 requirements already fully complied with
- financial assets/total assets: 8.5%
- no exposures to government securities issued by countries at risk
- increased loans to core customers: +2%; increased funding from ordinary customers (deposits+bonds): +2.3%

The year ended with a **pre-impairment net profit of €349.4 million, up by 97.1%** compared to €177.3 million the year before.

In consideration of the unfavourable economic environment – affected also by sovereign risk developments – and probable future scenarios, with the adoption of prudential criteria, the UBI Banca Group has proceeded to recognise impairment on its goodwill and other intangible assets, which relate primarily to the merger between the former BPU Banca Group and the former Banca Lombarda e Piemontese Group, for a total €2,396.8 million gross, of which €1,873.8 relating to goodwill[4] and €523 to other intangible assets.
Since the majority of those amounts were generated by a "paper for paper" transaction, with no cash payments, the accounting treatment for the recognition of impairment according to IFRS – which requires recognition through profit and loss – generates effects of an accounting nature only, which have no impact on the Group's operations and no repercussions for liquidity, capital ratios (because these are calculated by deducting all intangible assets) and future profitability, which will in fact benefit from lower PPA amortisation as from 2012 (estimated at over net €20 million in 2012).
Following the action taken, total goodwill in the balance sheet fell from €4,416.7 million at the end of 2010 to €2,538.7 at the end of 2011 (-42.5%) and other intangible assets fell from €1,058.7 million at the end of 2010 to €449 at the end of 2011 (-57.6%)[5].

As concerns the income statement, on the other hand, in order to allow a consistent analysis of Group profits and operations, all impairment losses were stated in a single separate item net of tax and non-controlling interests, shown in the reclassified consolidated financial statements on the last line before net result for the year.
The total impairment losses, net of tax and non controlling interests, recognised through profit and loss for 2011 amounted to €2,190.9 million[6] while impairment losses recognised in 2010 amounted to just €5.2 million. Consequently, an accounting loss for the year of €1,841.5 million was recognised in 2011 compared to a profit for the year of €172.1 million in 2010.

[3] Tangible assets/(tangible equity + non controlling interests + result for the year)
[4] Inclusive of €126.3 million already recognised in June 2011
[5] For the purposes of a reconciliation with the figures reported for goodwill and other intangible assets at the end of 2011, other impairment losses recognised in the second quarter of 2011 must be added to that impairment, performed in relation to the reorganisation of the arrangements with ByYou (€4.1 million of goodwill impairment, not recognised through profit and loss, following the sale of a stake in the company and impairment losses of €19.5 million on other intangible assets, recognised through profit and loss). The amount of other intangible assets moreover decreased following PPA amortisation for 2011 (€ 67.5 million).
[6] Including the impairment of BY You other intangible assets (€ 19.5 million), described in the previous note.

Group operations resulted in the achievement of **net operating income** of €1,048.7 million, up by 2.1% compared to €1,027.5 million earned in 2010.
More specifically the good performance recorded in the fourth quarter by interest income (+2% compared to the third quarter), net commission income (+7.9% compared to the third quarter) and the finance result (of +€24 million compared to -€24 million in the third quarter) supported **operating income**, which amounted to €3,438.3 million in 2011, limiting the decrease compared to 2010 to 1.7%.
The year also benefited from favourable performance by **operating expenses** (-3.2% y/y), following a contraction in the more important items of expense compared to 2010 (personnel expense -2% y/y and other administrative expenses -6.7% y/y).

In detail, **net interest income** (inclusive of the PPA) for the year was €2,119.9 million, down by 1.1% compared to €2,142.5 million in 2010, reflecting the higher cost of the funding performed during the year, which was partially offset by the repricing action on loans implemented as a consequence.
The change in the scope of Banca 24/7 operations, as it gradually discontinued high risk business – special purpose and personal loans to non-captive customers – had a positive impact in terms of an improvement in loan losses (-€52.9 million) but reduced interest income from customers by €33.9 million[7]. On a like-for-like basis net interest income increased by 0.5%.
Net interest income was €544.6 million in the fourth quarter of the year, an increase of 2% compared to the third quarter of 2011 (+6% compared to the second quarter and +3.2% compared to the first), but down by 0.7% compared to the same quarter of 2010. This result is especially important because it was achieved in the presence of measures to optimise non core lending ((large corporate and non captive customers),which were implemented more incisively precisely in the last quarter and led to a reduction in loans by approximately €3 billion between September and December of 2011.

The good performance by **net commissions, up by 0.7% compared to 2010 to €1,193.7 million,** continued, despite lower up front commissions on the sale of third party bonds (-€28.4 million), lower performance fees (-€3.7 million) and a change in the scope of operations, because the 2011 figures no longer included depository banking commissions (€7.7 million), which, however, were present in 2010.
Net of those commissions, the increase in the item of 4.3% year-on-year was even more significant, the result of the good performance by **commissions on ordinary business with customers** (collection and payment services, current account administration, guarantees granted, factoring business and "other services"), which rose overall by €62 million year-on-year, and by net commissions on portfolio management (+€7.7 million). On the other hand, a decrease was recorded for commission income earned on the "distribution of third party services" (-€20 million).
Net commissions amounted to €315,1 million in the fourth quarter of 2011, up by 7.9% compared to the third quarter of the year and by 0.4%, despite lower performance fees, compared to the same quarter of 2010. Both comparisons reflect an increase in commissions on ordinary banking business.

The **net result for financial activities**[8] totalled €7.3 million in 2011 compared to €34 million in 2010. The positive end to 2011 was achieved thanks to results in the fourth quarter of the year, consisting of profits of €24 million, which more than compensated for the loss of €16.7 million recorded in the first nine months of 2011. The net result for the fourth quarter was attributable to good performance by trading activity (+€14.1 million) and disposal and repurchase activity (€16.2 million, of which €12.8 million in relation to the repurchase of senior securities, €2 million to profits on the disposal of unsecured loans by B@nca 24-7 and €1.4 million on the disposal of equity investments), while the remaining profits on assets at fair value and hedging activity showed a total loss of €6.3 million.

The year 2011 saw **operating expenses** fall by €78.9 million (-3.2% compared to 2010), to settle at €2,389.6 million. If non-recurring items are excluded, then expenses fell by 0.7% year-on-year.
In detail:

[7] -€9.4 million in the first quarter of 2011, -€8.5 million in the second quarter of 2011, –€8.2 million in the third quarter of 2011 and -€7.8 million in the fourth quarter of 2011 compared to the same periods of 2010.
[8] The net result for financial activities: net income/expense on trading, hedging and disposal and repurchase activity of financial assets/liabilities and on assets and liabilities at fair value.

- **personnel expense**, amounting to €1,423.2 million, decreased by 2% compared to €1,451.6 million in 2010;

  As already reported, the result for 2010 included €33.2 million of non-recurring expense relating to the trade union agreement concluded in May 2010, partially offset by the release of unused provisions set aside in relation to variable remuneration (over €20 million). In 2011, on the other hand, the result included provisions on the variable part of wages and benefited, in the third quarter, from the non recurring release of sums recognised in prior years due to the actuarial recalculations for post retirement benefits (€27.9 million).

- **other administrative expenses**, amounting to €718 million, fell by €51.8 million year-on-year (-6.7%), which confirmed the attention paid to cost management and optimisation, leading to significant cuts in all the main cost items.

- **net impairment losses on property, plant and equipment and intangible assets** (inclusive of the PPA) amounted to €248.4 million (€247.2 million in 2010) and included a non recurring item of €3.5 million resulting from the write-off of the discontinued IT system of B@nca 24-7.
  For consistency, net impairment losses on intangible assets of €19.5 million relating to BY YOU, recognised in the second quarter of 2011, were reclassified at the end of the year within the item "Impairment losses on goodwill and intangible assets".

Operating expenses totalled €613 million in the fourth quarter of the year, in line with the same period in 2010 (+0.5%), while the usual seasonal trends were seen compared to the third quarter of 2011 (+9.2%).

In 2011 **net impairment losses on loans** fell to €607.1 million from €706.9 million before, down by approximately €100 million (-14.1%), the result of an almost general reduction for both the network banks and the product companies. Loan losses in 2011 stood at 0.61% of total loans (€99.7 billion), compared to 0.69% of total loans (€101.8 billion) in 2010.
Decreases were seen for both collective net impairment losses, down to €62.2 million from €76 million in 2010 and for specific net impairment losses, down to €544.8 million from €631 million in 2010. The latter were partly the result of action undertaken, as already reported, over a period of time to bring the quality of the lending portfolios of some network banks and product companies into line with the Group average.
Annualised impairment losses on loans stood at 0.84% in the fourth quarter of the year, compared to 0.99% in the same period of 2010, while they were affected by normal seasonal effects compared to the third quarter of 2011 (0.53%).

Net impairment losses on other assets and liabilities amounted to €135.1 million, almost entirely non-recurring and attributable to impairment losses recognised on equity investments classified within available-for-sale financial assets, among which the investment held in Intesa SanPaolo which was subject to an impairment loss of €112.5 million (on the basis of the official price of the share as at 30th December 2011, €1.2891). This figure incorporates a recovery in the share price in the fourth quarter which resulted in a gain of €16.3 million compared to figure at the end of September.
Impairment losses of €49.7 million were recognised in 2010, including €36.8 million relating to Intesa SanPaolo.

The income statement recorded **profits from the disposal of equity investments** totalling €7.1 million (+€95.9 million in 2010, primarily in relation to a gain of €81.1 million on the partial disposal of Lombarda Vita). Impairment losses of €126.3 million which were recognised on the goodwill of some of the product companies (UBI Leasing, Centrobanca and Banca 24/7) in the second quarter of 2011, were reclassified at the end of the year, for consistency, within the item "Impairment losses on goodwill and intangible assets".

As a result of the performance described above, **pre-tax profit from continuing operations** was €282 million, compared to €339.5 million in the comparative period.
Net of non-recurring items, the pre-tax profit from continuing operations €388.7 million, an improvement of 19.4% compared to €325.6 million in 2010.

Taxes on income for the year from continuing operations showed income of €95.9 million (which included a non recurring item of tax income of €352.8 million, relating to the Parent, the result of the so-called "tax relief") compared to tax expense of €232 million in the previous year.

In normalised terms, taxes of €247.8 million were recognised in 2011 (€201.1 million in 2010), to give a tax rate of 63.74% (up from 61.76% in 2010).

As already reported, **non recurring post tax profit from discontinued operations** of €83.4 million was recognised in the income statement in 2010, relating primarily to the contribution of the depository banking operations by UBI Banca to RBC Dexia Investor Services performed in May 2010.

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The balance sheet

Group **loans to customers** amounted to €99.7 billion as at 31st December 2011, a decrease compared to €101.8 billion recorded at the end of 2010. This fall occurred mainly in the last part of the year, following action taken to optimise lending, during which exposure to large corporate and non captive customers was further reduced, in favour of developing business on core customers in the geographical markets on which the Group operates, where lending increased by approximately 2% year on year.

Net deteriorated loans (NPLs, impaired, restructured and past due) totalled €6.3 billion as at 31st December 2011 (€5.3 billion as at 31st December 2010), accounting for 6.3% of total net lending (5.2% at the end of December 2010). Total coverage fell from 29.5% in December 2010 to 26.9% in December 2011, reflecting both a greater presence of collateral on newly classified positions and the disposal, in the second half of the year, of unsecured non-performing loans amounting to approximately €200 million.

In detail, net non-performing loans increased to €2.5 billion as at 31st December 2011 (€1.9 billion as at 31st December 2010). The ratio of net non-performing loans to net loans was 2.49% (1.91% a year before) and continues to be qualitatively better than the average of 3.09%. for the banking sector.
The coverage for non performing loans was 43.3% (48.7% at the end of December 2010), a decrease due to the higher percentage of positions backed by collateral (which account for 60.6% of non-performing loan, compared to 54.2% in December 2010) and to the disposal of the loans mentioned above. Moreover, in December 2011, only 11% of NPLs were not backed by any collateral or personal guarantee.

Net impaired loans amounted to €2.5 billion as at 31st December 2011 (€2 billion in December 2010). The total coverage for impaired loans was 10.9% compared to 12.4% in December 2010.
Here again, coverage reflects the greater proportion of positions backed by collateral (65% of total impaired loans compared to 60.7% in December 2010) which required less recognition of impairment losses.

The significant slowdown in the growth of total net deteriorated loans in the fourth quarter should be noted (increase of approximately €22 million compared to +€456 million in the third quarter), the aggregate result of less growth in non-performing loans (+€139 million compared to +€147 million) and falls mainly in impaired, but also in past due and restructured loans (overall -€117 million compared to +€309 million in 3Q2011).

Total direct funding amounted to €102.8 billion as at 31st December 2011, a decrease of 3.7% compared to December 2010.

The following changes occurred within the item:

- **direct funding from ordinary customers** (inclusive of bond issues and net of institutional and Centrobanca funding and repurchase agreements with the *Cassa di Compensazione e Garanzia*) increased to €75.3 billion, **up by 2.3%** year-on-year (+1.3% compared to September 2011);
- Centrobanca funding, acquired through the placement of issues on third party distribution networks, fell by 18.1% to €4.3 billion;

- **repurchase agreements with the *Cassa di Compensazione e Garanzia***, used partially to fund positions in securities, amounted to €4.6 billion, a decrease of €4.6 billion compared to December 2010;
- the remaining **institutional funding** was almost unchanged at €18.7 billion (€18.8 billion in December 2010), the result of covered bonds and EMTNs issued in the first half of the year.

Net interbank exposure amounted to -€3.6 billion at the end of the period (-€2.3 billion in December 2010).
At the end of December the Group took part in the three year **LTRO** auction held by the ECB for a sum of €6 billion, of which €4 billion to replace outstanding financing with the ECB with shorter maturities.
In February 2012, the Group participated in the second LTRO auction for a further sum of €6 billion. As a result of this financing, the Group acquired the liquidity it needed to cover institutional debt maturing for the entire two year period 2012-2013 (a total of €7.5 billion).
At the date of this press release, funding from the ECB stands at €12 billion.
At present liquid assets (available eligible assets and eligible assets pledged as collateral) total €24.5 billion, net of haircuts.

As at 31st December 2011, the Group's **financial assets** account for **8.5% of the total Group assets** and they total €11 billion, of which €7.8 billion held in Italian government securities.
Again with regard to the Group portfolio, there is no exposure to government securities issued by countries at risk.

Finally, **indirect funding** from ordinary customers amounted to €72.1 billion, compared to €78.1 billion as at 31st December 2010. Net of the performance effect, estimated at -€5.5 billion, the fall is limited, down by -0.6%.

Consolidated net equity of the UBI Banca Group as at 31st December 2011, inclusive of the result for the year, amounted to €8,939 million (€10,979 million at the end of December 2010).

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The total personnel of the UBI Banca Group as at 31st December 2011, numbered 19,405 compared to 19,699 in December 2010. The branch network at the end of the period consisted of 1,875 branches in Italy and nine abroad.

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Capital ratios, EBA requirements and the dividend

The result as at 31st December 2011 in terms of capital ratios (core tier one ratio: 8.56%; tier one ratio: 9.09%; total capital ratio: 13.50%) is the clear demonstration of the success of a multi-year policy pursued to strengthen the balance sheet, based on the most rigorous weighting criteria, as is also shown by recently published independent studies. The Group therefore excludes any new capital increase operation on the market. Any capital shortfall of a material nature which may remain on the basis of assessments to be made as at 30th June 2012 to reach the core tier one ratio objective of 9% recommended by the EBA, will be met by the partial conversion of the outstanding convertible bond.

As a sign of appreciation for the support that our shareholders continue to show the Group, the Management Board will submit a proposal to the Shareholders' Meeting to be held in first call on 27th April and in second call on 28th April 2012, to approve a dividend of 0.05 euro on the 900,546,759 ordinary shares outstanding.
If approved by the General Meeting of the Shareholders, the dividend will be paid on 21st May 2012 with value date 24th May 2012. The total dividend payment will amount to a maximum of approx. 45 million euro drawn on extraordinary reserves.

The Management Board will submit a proposal to the Supervisory Board to cover the year's loss by using the share premium reserve, which was also increased as a counter-entry to goodwill recognised in relation to the BPU-BL merger.

Statement of the Senior Officer Responsible for preparing the 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

The background environment (economic recession, low short-term interest rates, constraints resulting from EBA recommendations/indications, competitive pressure on the cost of retail funding) will condition profitability in the financial year 2012. However, the year will benefit from commercial actions already undertaken in 2011 and also from the positive results expected from the active management of the financial structure of the Group.
Operating expenses are forecast to fall further compared to 2011, as a result of continuing action to contain them, which should make it possible to offset increases resulting from automatic contract clauses, inflation, the full application of the increases in indirect taxation and from the announced operations to streamline the Group.

Action undertaken to monitor credit quality should enable impairment losses on loans to be contained at levels close to those recorded in 2011.

Consequently, positive even if modest growth in profits on ordinary operations is forecast for 2012, under the same economic conditions.

The 2011-2013/2015 Industrial Plan is confirmed in its key strategic guidelines, and it will not be updated unless in presence of a more stable environment.

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Attachments
Financial statements

UBI Banca Group:

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

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

UBI Banca S.c.p.A.:

- Mandatory balance sheet
- Mandatory income statement

Notes to the financial statements

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

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

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

UBI Banca Group: Reclassified consolidated statement of financial position

ASSETS *(Figures in thousands of euro)*	31.12.2011	31.12.2010	Changes	% changes
Cash and cash equivalents	625,835	609,040	16,795	2.8%
Financial assets held for trading	2,872,417	2,732,751	139,666	5.1%
Financial assets at fair value	126,174	147,286	-21,112	-14.3%
Available-for-sale financial assets	8,039,709	10,252,619	-2,212,910	-21.6%
Loans to banks	6,184,000	3,120,352	3,063,648	98.2%
Loans to customers	99,689,770	101,814,829	-2,125,059	-2.1%
Hedging derivatives	1,090,498	591,127	499,371	84.5%
Fair value change in hedged financial assets (+/-)	704,869	429,073	275,796	64.3%
Equity investments	352,983	368,894	-15,911	-4.3%
Property, equipment and investment property	2,045,535	2,112,664	-67,129	-3.2%
Intangible assets	2,987,669	5,475,385	-2,487,716	-45.4%
of which: goodwill	*2,538,668*	*4,416,660*	*-1,877,992*	*-42.5%*
Tax assets	2,817,870	1,723,231	1,094,639	63.5%
Non-current assets and disposal groups held for sale	22,020	8,429	13,591	161.2%
Other assets	2,244,343	1,172,889	1,071,454	91.4%
Total assets	**129,803,692**	**130,558,569**	**-754,877**	**-0.6%**

LIABILITIES AND EQUITY *(Figures in thousands of euro)*	31.12.2011	31.12.2010	Changes	% changes
Due to banks	9,772,281	5,383,977	4,388,304	81.5%
Due to customers	54,431,291	58,666,157	-4,234,866	-7.2%
Securities issued	48,377,363	48,093,888	283,475	0.6%
Financial liabilities held for trading	1,063,673	954,423	109,250	11.4%
Hedging derivatives	1,739,685	1,228,056	511,629	41.7%
Tax liabilities	702,026	993,389	-291,363	-29.3%
Liabilities associated with activities under disposal	-	-	-	-
Other liabilities	3,139,616	2,600,165	539,451	20.7%
Post-employment benefits	394,025	393,163	862	0.2%
Provisions for risks and charges:	345,785	303,572	42,213	13.9%
a) pension and similar obligations	76,460	68,082	8,378	12.3%
b) other provisions	269,325	235,490	33,835	14.4%
Share capital, share premium, reserves, fair value reserves and treasury shares	10,780,511	10,806,898	-26,387	-0.2%
Non-controlling interests	898,924	962,760	-63,836	-6.6%
Profit (loss) for the period	-1,841,488	172,121	-2,013,609	n.s.
Total liabilities and equity	**129,803,692**	**130,558,569**	**-754,877**	**-0.6%**

UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	FY 2011 A	FY 2010 B	Changes A-B	% changes A/B	4th Quarter 2011 C	4th Quarter 2010 D	Changes C-D	% changes C/D
Net interest income	2,119,915	2,142,526	(22,611)	(1.1%)	544,614	548,555	(3,941)	(0.7%)
of which: effects of the purchase price allocation	*(49,931)*	*(61,141)*	*(11,210)*	*(18.3%)*	*(12,441)*	*(14,598)*	*(2,157)*	*(14.8%)*
Net interest income excluding the effects of the PPA	*2,169,846*	*2,203,667*	*(33,821)*	*(1.5%)*	*557,055*	*563,153*	*(6,098)*	*(1.1%)*
Dividends and similar income	19,997	24,099	(4,102)	(17.0%)	89	3,531	(3,442)	(97.5%)
Profits of equity-accounted investees	9,947	17,613	(7,666)	(43.5%)	(3,171)	(1,867)	1,304	69.8%
Net commission income	1,193,708	1,185,297	8,411	0.7%	315,142	313,767	1,375	0.4%
of which performance fees	*11,728*	*15,384*	*(3,656)*	*(23.8%)*	*11,728*	*15,384*	*(3,656)*	*(23.8%)*
Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	7,329	34,044	(26,715)	(78.5%)	23,999	20,573	3,426	16.7%
Other net operating income	87,443	92,482	(5,039)	(5.4%)	23,653	25,893	(2,240)	(8.7%)
Operating income	**3,438,339**	**3,496,061**	**(57,722)**	**(1.7%)**	**904,326**	**910,452**	**(6,126)**	**(0.7%)**
Operating income excluding the effects of the PPA	***3,488,270***	***3,557,202***	***(68,932)***	***(1.9%)***	***916,767***	***925,050***	***(8,283)***	***(0.9%)***
Personnel expense	(1,423,196)	(1,451,584)	(28,388)	(2.0%)	(350,339)	(344,469)	5,870	1.7%
Other administrative expenses	(717,988)	(769,744)	(51,756)	(6.7%)	(195,751)	(201,335)	(5,584)	(2.8%)
Net impairment losses on property, equipment and investment property and intangible assets	(248,442)	(247,236)	1,206	0.5%	(66,574)	(63,996)	2,578	4.0%
of which: effects of the purchase price allocation	*(69,823)*	*(74,889)*	*(5,066)*	*(6.8%)*	*(17,455)*	*(18,722)*	*(1,267)*	*(6.8%)*
Net impairment losses on property, equipment and investment property and intangible assets excluding the effects of the PPA	*(178,619)*	*(172,347)*	*6,272*	*3.6%*	*(49,119)*	*(45,274)*	*3,845*	*8.5%*
Operating expenses	**(2,389,626)**	**(2,468,564)**	**(78,938)**	**(3.2%)**	**(612,664)**	**(609,800)**	**2,864**	**0.5%**
Operating expenses excluding the effects of the PPA	***(2,319,803)***	***(2,393,675)***	***(73,872)***	***(3.1%)***	***(595,209)***	***(591,078)***	***4,131***	***0.7%***
Net operating income	**1,048,713**	**1,027,497**	**21,216**	**2.1%**	**291,662**	**300,652**	**(8,990)**	**(3.0%)**
Net operating income excluding the effects of the PPA	***1,168,467***	***1,163,527***	***4,940***	***0.4%***	***321,558***	***333,972***	***(12,414)***	***(3.7%)***
Net impairment losses on loans	(607,078)	(706,932)	(99,854)	(14.1%)	(208,413)	(251,217)	(42,804)	(17.0%)
Net impairment losses on other assets and liabilities	(135,143)	(49,721)	85,422	171.8%	3,694	(31,529)	35,223	n.s.
Net provisions for risks and charges	(31,595)	(27,209)	4,386	16.1%	(11,812)	(15,204)	(3,392)	(22.3%)
Profits from disposal of equity investments	7,119	95,872	(88,753)	(92.6%)	5,616	12,346	(6,730)	(54.5%)
Pre-tax profit from continuing operations	**282,016**	**339,507**	**(57,491)**	**(16.9%)**	**80,747**	**15,048**	**65,699**	**436.6%**
Pre-tax profit from continuing operations excluding the effects of the PPA	***401,770***	***475,537***	***(73,767)***	***(15.5%)***	***110,643***	***48,368***	***62,275***	***128.8%***
Taxes on income for the period/year from continuing operations	95,942	(231,980)	327,922	n.s.	(48,585)	(34,693)	13,892	40.0%
of which: effects of the purchase price allocation	*39,423*	*43,770*	*(4,347)*	*(9.9%)*	*9,842*	*10,720*	*(878)*	*(8.2%)*
Post-tax profit (loss) from discontinued operations	248	83,368	(83,120)	(99.7%)	226	(1)	227	*n.s.*
Profit for the year/period attributable to non-controlling interests	(28,833)	(13,602)	15,231	112.0%	(9,477)	(5,967)	3,510	*58.8%*
of which: effects of the purchase price allocation	*8,687*	*10,034*	*(1,347)*	*(13.4%)*	*2,132*	*2,503*	*(371)*	*(14.8%)*
Profit (loss) for the year/period attributable to the shareholders of the Parent before impairments on goodwill and finite life intangible assets excluding the effects of the PPA	*421,017*	*259,519*	*161,498*	*62.2%*	*40,833*	*(5,516)*	*46,349*	*n.s.*
Profit (loss) for the year/period attributable to the shareholders of the Parent before impairments on goodwill and finite life intangible assets	**349,373**	**177,293**	**172,080**	**97.1%**	**22,911**	**(25,613)**	**48,524**	**n.s.**
Impairments on goodwill and finite life intangible assets net of taxes and non-controlling interests	(2,190,861)	(5,172)	(2,185,689)	*n.s.*	(2,047,068)	-	(2,047,068)	n.s.
Profit (loss) for the year/period attributable to the shareholders of the Parent	**(1,841,488)**	**172,121**	**(2,013,609)**	*n.s.*	**(2,024,157)**	**(25,613)**	**1,998,544**	**n.s.**
Total impact of the purchase price allocation on the income statement	*(71,644)*	*(82,226)*	*(10,582)*	*(12.9%)*	*(17,922)*	*(20,097)*	*(2,175)*	*(10.8%)*

UBI Banca Group: Quarterly evolution of reclassified consolidated income statement

Figures in thousands of euro	2011				2010			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Net interest income	544,614	534,185	513,579	527,537	548,555	543,197	517,441	533,333
of which: effects of the purchase price allocation	*(12,441)*	*(11,636)*	*(12,018)*	*(13,836)*	*(14,598)*	*(14,060)*	*(15,934)*	*(16,549)*
Net interest income excluding the effects of the PPA	*557,055*	*545,821*	*525,597*	*541,373*	*563,153*	*557,257*	*533,375*	*549,882*
Dividends and similar income	89	1,243	16,555	2,110	3,531	2,331	16,862	1,375
Profits (losses) of equity-accounted investees	(3,171)	3,496	4,953	4,669	(1,867)	8,414	6,043	5,023
Net commission income	315,142	291,989	294,641	291,936	313,767	263,973	313,929	293,628
of which performance fees	*11,728*	-	-	-	*15,384*	-	-	-
Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	23,999	(23,891)	(7,391)	14,612	20,573	19,357	(964)	(4,922)
Other net operating income	23,653	20,874	21,263	21,653	25,893	25,327	17,170	24,092
Operating income	**904,326**	**827,896**	**843,600**	**862,517**	**910,452**	**862,599**	**870,481**	**852,529**
Operating income excluding the effects of the PPA	***916,767***	***839,532***	***855,618***	***876,353***	***925,050***	***876,659***	***886,415***	***869,078***
Personnel expense	(350,339)	(334,913)	(373,217)	(364,727)	(344,469)	(359,587)	(376,496)	(371,032)
Other administrative expenses	(195,751)	(165,947)	(185,209)	(171,081)	(201,335)	(183,844)	(199,730)	(184,835)
Net impairment losses on property, equipment and investment property and intangible assets	(66,574)	(60,365)	(61,779)	(59,724)	(63,996)	(60,425)	(61,729)	(61,086)
of which: effects of the purchase price allocation	*(17,455)*	*(17,456)*	*(17,456)*	*(17,456)*	*(18,722)*	*(18,723)*	*(18,722)*	*(18,722)*
Net impairment losses on property, equipment and investment property and intangible assets excluding the effects of the PPA	*(49,119)*	*(42,909)*	*(44,323)*	*(42,268)*	*(45,274)*	*(41,702)*	*(43,007)*	*(42,364)*
Operating expenses	**(612,664)**	**(561,225)**	**(620,205)**	**(595,532)**	**(609,800)**	**(603,856)**	**(637,955)**	**(616,953)**
Operating expenses excluding the effects of the PPA	***(595,209)***	***(543,769)***	***(602,749)***	***(578,076)***	***(591,078)***	***(585,133)***	***(619,233)***	***(598,231)***
Net operating income	**291,662**	**266,671**	**223,395**	**266,985**	**300,652**	**258,743**	**232,526**	**235,576**
Net operating income excluding the effects of the PPA	***321,558***	***295,763***	***252,869***	***298,277***	***333,972***	***291,526***	***267,182***	***270,847***
Net impairment losses on loans	(208,413)	(135,143)	(158,148)	(105,374)	(251,217)	(134,011)	(189,845)	(131,859)
Net impairment losses on other assets and liabilities	3,694	(119,245)	(17,959)	(1,633)	(31,529)	(147)	(18,660)	615
Net provisions for risks and charges	(11,812)	(5,228)	(4,136)	(10,419)	(15,204)	(5,383)	(4,407)	(2,215)
Profits from disposal of equity investments	5,616	170	1,152	181	12,346	80,498	2,936	92
Pre-tax profit from continuing operations	**80,747**	**7,225**	**44,304**	**149,740**	**15,048**	**199,700**	**22,550**	**102,209**
Pre-tax profit from continuing operations excluding the effects of the PPA	***110,643***	***36,317***	***73,778***	***181,032***	***48,368***	***232,483***	***57,206***	***137,480***
Taxes on income for the period/year from continuing operations	(48,585)	(70,191)	291,636	(76,918)	(34,693)	(103,144)	(34,285)	(59,858)
of which: effects of the purchase price allocation	*9,842*	*9,575*	*9,936*	*10,070*	*10,720*	*10,545*	*11,153*	*11,352*
Post-tax profit (loss) from discontinued operations	226	22	-	-	(1)	12	83,035	322
Profit for the year/period attributable to non-controlling interests	(9,477)	(6,097)	(5,046)	(8,213)	(5,967)	(908)	(2,179)	(4,548)
of which: effects of the purchase price allocation	*2,132*	*2,114*	*2,139*	*2,302*	*2,503*	*2,395*	*2,622*	*2,514*
Profit (loss) for the year/period attributable to the shareholders of the Parent before impairments on goodwill and finite life intangible assets excluding the effects of the PPA	*40,833*	*(51,638)*	*348,293*	*83,529*	*(5,516)*	*115,503*	*90,002*	*59,530*
Profit (loss) for the year/period attributable to the shareholders of the Parent before impairments on goodwill and finite life intangible assets	**22,911**	**(69,041)**	**330,894**	**64,609**	**(25,613)**	**95,660**	**69,121**	**38,125**
Impairments on goodwill and finite life intangible assets net of taxes and non-controlling interests	(2,047,068)	-	(143,793)	-	-	-	(5,172)	-
Profit (loss) for the year/period attributable to the shareholders of the Parent	**(2,024,157)**	**(69,041)**	**187,101**	**64,609**	**(25,613)**	**95,660**	**63,949**	**38,125**
Total impact of the purchase price allocation on the income statement	*(17,922)*	*(17,403)*	*(17,399)*	*(18,920)*	*(20,097)*	*(19,843)*	*(20,881)*	*(21,405)*

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

Figures in thousands of euro	FY 2011	non-recurring items							FY 2011 *net of non-recurring items* A	FY 2010	non-recurring items									FY 2010 *net of non-recurring items* B	Changes A-B	Changes % A/B
		Impairment losses on goodwill and on other finite life intangible assets	Impairment losses on AFS securities and on equity investments in Intesa Sanpaolo, A2A and Siteba	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	Dismissal of UBI Leasing agent network	Release of excess provisions	Write-off of discontinued IT systems of B@nca 24-7			Impairment losses on equity investments in Intesa Sanpaolo, A2A and Tlcom fund	Contribution of depository banking operations	Net impairment losses on goodwill of Gestioni Lombarda (Switzerland)	Leaving incentives	Tax effect of branch switching operations	Partial disposal of the interest held in Lombarda Vita	Disposal of BDG branches	Write-off of IT systems	Disposal of property in via Solferino, Milan			
Net interest income (including the effects of PPA)	2,119,915								2,119,915	2,142,526										2,142,526	(22,611)	(1.1%)
Dividends and similar income	19,997								19,997	24,099										24,099	(4,102)	(17.0%)
Profit of equity-accounted investees	9,947								9,947	17,613										17,613	(7,666)	(43.5%)
Net commission income	1,193,708								1,193,708	1,185,297										1,185,297	8,411	0.7%
of which performance fees	*11,728*								*11,728*	*15,384*										*15,384*	(3,656)	(23.8%)
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value	7,329								7,329	34,044							1,374			35,418	(28,089)	(79.3%)
Other net operating income	87,443					3,345			90,788	92,482		(957)								91,525	(737)	(0.8%)
Operating income (including the effects of PPA)	**3,438,339**	**-**	**-**	**-**	**-**	**3,345**	**-**	**-**	**3,441,684**	**3,496,061**	**-**	**(957)**	**-**	**-**	**-**	**-**	**1,374**	**-**	**-**	**3,496,478**	**(54,794)**	**(1.6%)**
Personnel expense	(1,423,196)						(27,932)		(1,451,128)	(1,451,584)				33,233						(1,418,351)	32,777	2.3%
Other administrative expenses	(717,988)								(717,988)	(769,744)										(769,744)	(51,756)	(6.7%)
Net impairment losses on property, equipment and investment property and intangible assets (including the effects of PPA)	(248,442)							3,473	(244,969)	(247,236)								4,455		(242,781)	2,188	0.9%
Operating expenses (including the effects of PPA)	**(2,389,626)**	**-**	**-**	**-**	**-**	**-**	**(27,932)**	**3,473**	**(2,414,085)**	**(2,468,564)**	**-**	**-**	**-**	**33,233**	**-**	**-**	**-**	**4,455**	**-**	**(2,430,876)**	**(16,791)**	**(0.7%)**
Net operating income (including the effects of PPA)	**1,048,713**	**-**	**-**	**-**	**-**	**3,345**	**(27,932)**	**3,473**	**1,027,599**	**1,027,497**	**-**	**(957)**	**-**	**33,233**	**-**	**-**	**1,374**	**4,455**	**-**	**1,065,602**	**(38,003)**	**(3.6%)**
Net impairment losses on loans	(607,078)								(607,078)	(706,932)										(706,932)	(99,854)	(14.1%)
Net impairment losses on other assets and liabilities	(135,143)		125,453						(9,690)	(49,721)	41,111									(8,610)	1,080	12.5%
Net provisions for risks and charges	(31,595)					2,363			(29,232)	(27,209)										(27,209)	2,023	7.4%
Profits from disposal of equity investments	7,119								7,119	95,872						(81,095)	(6,596)		(5,442)	2,739	4,380	159.9%
Pre-tax profit from continuing operations (including the effects of the PPA)	**282,016**	**-**	**125,453**	**-**	**-**	**5,708**	**(27,932)**	**3,473**	**388,718**	**339,507**	**41,111**	**(957)**	**-**	**33,233**	**-**	**(81,095)**	**(5,222)**	**4,455**	**(5,442)**	**325,590**	**63,128**	**19.4%**
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)	(231,980)	(609)	263		(9,139)	18,294	20,201	1,566	(1,444)	1,759	(201,089)	46,686	23.2%
Post-tax profit from discontinued operations	248								248	83,368		(83,356)								12	236	n.s.
Profit for the year attributable to non-controlling interests	(28,833)				(925)		129		(29,629)	(13,602)		173		(1,711)	(2,951)			(279)		(18,370)	11,259	61.3%
Profit for the year attributable to the shareholders of the Parent before impairments on goodwill and finite life intangible assets	**349,373**	**-**	**123,161**	**(352,841)**	**5,342**	**4,301**	**(20,122)**	**2,348**	**111,562**	**177,293**	**40,502**	**(83,877)**	**-**	**22,383**	**15,343**	**(60,894)**	**(3,656)**	**2,732**	**(3,683)**	**106,143**	**5,419**	**5.1%**
Impairments on goodwill and finite life intangible assets net of taxes and non-controlling interests	(2,190,861)	2,190,861							-	(5,172)			4,145							(1,027)	1,027	-
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**	**172,121**	**40,502**	**(83,877)**	**4,145**	**22,383**	**15,343**	**(60,894)**	**(3,656)**	**2,732**	**(3,683)**	**105,116**	**6,446**	**6.1%**

UBI Banca Group: Consolidated Balance Sheet
- Mandatory statement -

ASSETS *(Figures in thousands of euro)*	**31.12.2011**	**31.12.2010**
Cash and cash equivalents	625,835	609,040
Financial assets held for trading	2,872,417	2,732,751
Financial assets at fair value	126,174	147,286
Available-for-sale financial assets	8,039,709	10,252,619
Loans to banks	6,184,000	3,120,352
Loans to customers	99,689,770	101,814,829
Hedging derivatives	1,090,498	591,127
Fair value change in hedged financial assets (+/-)	704,869	429,073
Equity investments	352,983	368,894
Property, equipment and investment property	2,045,535	2,112,664
Intangible assets	2,987,669	5,475,385
of which:		
- goodwill	*2,538,668*	*4,416,660*
Tax assets	2,817,870	1,723,231
a) current	459,282	650,177
b) deferred	2,358,588	1,073,054
Non-current assets and disposal groups held for sale	22,020	8,429
Other assets	2,244,343	1,172,889
TOTAL ASSETS	**129,803,692**	**130,558,569**

LIABILITIES AND EQUITY *(Figures in thousands of euro)*	**31.12.2011**	**31.12.2010**
Due to banks	9,772,281	5,383,977
Due to customers	54,431,291	58,666,157
Securities issued	48,377,363	48,093,888
Financial liabilities held for trading	1,063,673	954,423
Hedging derivatives	1,739,685	1,228,056
Tax liabilities	702,026	993,389
a) current	383,364	441,433
b) deferred	318,662	551,956
Liabilities associated with activities under disposal	-	-
Other liabilities	3,139,616	2,600,165
Post-employment benefits	394,025	393,163
Provisions for risks and charges:	345,785	303,572
a) pension and similar obligations	76,460	68,082
b) other provisions	269,325	235,490
Fair value reserves	(1,315,865)	(253,727)
Reserves	2,416,471	2,362,382
Share premiums	7,429,913	7,100,378
Share capital	2,254,367	1,597,865
Treasury shares	(4,375)	-
Non-controlling interests (+/-)	898,924	962,760
Profit (Loss) for the year (+/-)	(1,841,488)	172,121
TOTAL LIABILITIES AND EQUITY	**129,803,692**	**130,558,569**

UBI Banca Group: Consolidated Income Statement

- Mandatory statement -

Figures in thousands of euro	FY 2011	FY 2010
Interest and similar income	4,047,546	3,525,312
Interest expense and similar	(1,925,857)	(1,378,714)
Net interest income	**2,121,689**	**2,146,598**
Commission income	1,351,827	1,378,117
Commission expense	(159,893)	(196,892)
Net commission income	**1,191,934**	**1,181,225**
Dividends and similar income	19,997	24,099
Net trading income (loss)	10,711	(56,891)
Net hedging income	8,938	67,209
Income (losses) from disposal or repurchase of:	26,529	17,057
a) loans	2,464	(3,850)
b) available-for-sale financial assets	11,929	31,245
d) financial liabilities	12,136	(10,338)
Net income (loss) on financial assets and liabilities at fair value	(38,849)	6,669
Gross income	**3,340,949**	**3,385,966**
Net impairment losses on:	(742,221)	(756,653)
a) loans	(607,078)	(706,932)
b) available-for-sale financial assets	(128,182)	(42,364)
d) other financial transactions	(6,961)	(7,357)
Net financial income	**2,598,728**	**2,629,313**
Net income from banking and insurance operations	**2,598,728**	**2,629,313**
Administrative expenses	(2,304,249)	(2,375,174)
a) personnel expense	(1,423,196)	(1,451,584)
b) other administrative expenses	(881,053)	(923,590)
Net provisions for risks and charges	(31,595)	(27,209)
Net impairment losses on property, equipment and investment property	(110,888)	(109,838)
Net impairment losses on intangible assets	(672,608)	(130,500)
Other net operating income	243,065	239,430
Operating expenses	**(2,876,275)**	**(2,403,291)**
Profits of equity investments	10,248	99,027
Net impairment losses on goodwill	(1,873,849)	(5,172)
Profits on disposal of investments	6,818	14,458
Pre-tax profit (loss) from continuing operations	**(2,134,330)**	**334,335**
Taxes on income for the year from continuing operations	271,991	(231,980)
Post-tax profit (loss) from continuing operations	**(1,862,339)**	**102,355**
Post-tax profit from discontinued operations	248	83,368
Profit (loss) for the year	**(1,862,091)**	**185,723**
Profit (loss) for the year attributable to non-controlling interests	20,603	(13,602)
Profit (loss) for the year attributable to the shareholders of the Parent	**(1,841,488)**	**172,121**

UBI Banca: Mandatory Balance Sheet

ASSETS *(Figures in thousands of euro)*	**31.12.2011**	**31.12.2010**
Cash and cash equivalents	184,014	195,060
Financial assets held for trading	3,515,897	3,143,191
Financial assets at fair value	126,174	147,286
Available-for-sale financial assets	6,705,814	8,698,209
Loans to banks	30,224,290	28,424,384
Loans to customers	15,692,663	14,536,121
Hedging derivatives	616,454	164,595
Equity investments	10,889,971	13,336,899
Property, equipment and investment property	606,656	624,907
Intangible assets	448	542,792
of which:		
- goodwill	-	*521,245*
Tax assets:	1,776,186	725,032
a) current	268,689	380,220
b) deferred	1,507,497	344,812
Non-current assets and disposal groups held for sale	115,302	6,023
Other assets	441,384	353,102
TOTAL ASSETS	**70,895,253**	**70,897,601**

LIABILITIES AND EQUITY *(Figures in thousands of euro)*	**31.12.2011**	**31.12.2010**
Due to banks	24,228,130	22,589,437
Due to customers	8,022,864	11,422,728
Securities issued	27,200,141	23,367,788
Financial liabilities held for trading	1,847,534	1,542,534
Hedging derivatives	898,024	599,874
Tax liabilities:	284,940	381,642
a) current	211,622	277,626
b) deferred	73,318	104,016
Liabilities associated with activities under disposal	-	-
Other liabilities	744,612	613,923
Post employment benefits	38,827	38,130
Provisions for risks and charges:	20,352	13,279
b) other provisions	20,352	13,279
Fair value reserves	(1,118,666)	(226,575)
Reserves	1,761,644	1,572,878
Share premiums	7,429,913	7,100,378
Share capital	2,254,367	1,597,865
Treasury shares	(4,375)	-
Profit (loss) for the year	(2,713,054)	283,720
TOTAL LIABILITIES AND EQUITY	**70,895,253**	**70,897,601**

UBI Banca: Mandatory Income Statement

Figures in thousands euro	FY 2011	FY 2010
Interest and similar income	1,135,911	805,571
Interest expense and similar	(1,331,132)	(893,006)
Net interest income	**(195,221)**	**(87,435)**
Commission income	27,929	30,055
Commission expense	(14,846)	(16,130)
Net commission income	**13,083**	**13,925**
Dividends and similar income	354,420	300,580
Net trading income (loss)	(8,061)	87,268
Net hedging income	18,823	17,666
Income (losses) from disposal or repurchase of:	22,650	17,730
a) loans	0	(6)
b) available-for-sale financial assets	8,563	17,962
d) financial liabilities	14,087	(226)
Net income/losses on financial assets and liabilities at fair value	(38,849)	6,669
Gross income	**166,845**	**356,403**
Net impairment losses on:	(127,952)	(49,365)
a) loans	(1,057)	(51)
b) available-for-sale financial assets	(120,059)	(39,971)
d) other financial transactions	(6,836)	(9,343)
Net financial income	**38,893**	**307,038**
Administrative expenses	(227,510)	(247,254)
a) personnel expense	(114,549)	(130,591)
b) other administrative expenses	(112,961)	(116,663)
Net provisions for risks and charges	(595)	(2,046)
Net impairment losses on property, equipment and investment property	(24,875)	(26,352)
Net impairment losses on intangible assets	(21,100)	(3,100)
Other net operating income	95,277	108,723
Operating expenses	**(178,803)**	**(170,029)**
Profits (losses) of equity investments	(2,507,432)	62,127
Net impairment losses on goodwill	(521,245)	-
Profits on disposal of investments	60	5,533
Pre-tax profit (loss) from continuing operations	**(3,168,527)**	**204,669**
Taxes on income for the year from continuing operations	455,451	(4,317)
Post-tax profit (loss) from continuing operations	**(2,713,076)**	**200,352**
Post-tax profit from discontinued operations	22	83,368
Profit (loss) for the year	**(2,713,054)**	**283,720**