PRESS RELEASE

Implementation of the Business Plan off to a good start

- **Increase in performing loans[1] to €74.6 billion (+1.1% on March 2016 and +1.3% on December 2015), notwithstanding the progressive reduction of the portfolio in run-off**
- **Strengthening of support to private customers and corporates on the territory:**
  - **new origination of medium-long term lending for €6.6 billion – of which €4.9 billion to corporates (+12.8% on 1H2015) and €1.6 billion to private customers (+14.2% on 1H2015)**
  - **the number of "value" customers grows by over 11,000 units since December 2015**
- **Growth in market share of loans to the private sector[2] to 5.73% (up from 5.67% in December 2015)**

- **Good signs of improvement in credit quality:**
  - **total non-performing exposures were down both in gross terms (-1.6% on March 2016 and -1.1% on December 2015) and net terms (down €1,159 million on March 2016 and €1,177 million on December 2015), partly due to the effect of increased provisions in accordance with the Business Plan;**
  - **flows of performing loans to non-performing status reduced further (-47.4% 1H 2016 vs 1H 2015);**
  - **a slowdown in the formation of bad loans: transfers to bad loan status from other categories of non-performing exposures fell by 19% in 1H2016 (compared to 1H2015);**
- **Coverage for total non-performing exposures, inclusive of write-offs[3], stood at 44.3% (up 667 basis points on March 2016 and up 711 basis points on December 2015); bad loan coverage of 58.25% (up 584 basis points on March 2016 and up 600 basis points on December 2015). Furthermore, UBI Banca's non-performing portfolio is one of the most heavily backed by collateral in the sector nationally**

- **Growth in assets under management (inclusive of insurance products) to €50.9 billion (up 3.7% on March 2016 and up 4.8% on December 2015). UBI Pramerica increases its market share to 6.1% among bank companies (up from 5.9% in December 2015) and to 2.7% in terms of the whole sector (up from 2.5% in December 2015)[4]**
- **Inflows into sight deposits remained high (stock of €49.1 billion compared with €48.6 billion in March 2016 and €47.7 billion in December 2015)**

[1] Net of CCG (€0,8 billion in June 2016; €0,6 billion in March 2016 and €1,2 billion in December 2015)
[2] Net of bad loans.
[3] Write-offs amounted to €2 billion.
[4] Processing of Assogestioni (national association of asset management companies) data.

In terms of the income statement

- **95% of the impacts forecast for the implementation of the Business Plan were charged to the income statement in the second quarter of the year, as announced to the market on 27th June 2016, with a net negative impact on results for the period of approximately -€835 million[5]**
- **Net of that impact, the first half of 2016 ended with a profit of €48.1 million (compared with €124.4 million in 1H 2015). The difference, amounting to €76.3 million, was due to the decrease in net interest income but also to "one-off" impairment losses on financial instruments (€43.4 million net) and to a lower result from finance (approx. -€20 million net)**
- **The stated result for the period: a loss of €787 million.**

<u>1H 2016 vs 1H 2015</u>

- **Net interest income down 9.6% to €765.6 million due to both a reduction and change in the mix of the securities portfolio and also to the compression of the spreads on loans**
- **Net fee and commission income of €667.5 million, largely unchanged compared with the same period in 2015 (€669 million)**
- **A result from finance of €82.6 million (€111.1 million in 1H 2015)**
- **Staff costs of €639.1 million (down 2.4% on 1H 2015)**
- **Total operating expenses of €1,038.2 million (inclusive of the ordinary contribution of approx. €32 million gross to the Single Resolution Fund not present in 2015[6]) down by a further 0.7% compared with 2015**
- **Loan losses, net of the impacts of the Business Plan[7], of €355.5 million compared with €389.1 million in 2015**
- **Net impairment losses on other financial assets/liabilities of €50.5 million (€3.3 million in 2015) of which €47.4 million "one-off", relating to the virtual elimination of residual credit risk connected with financial instruments resulting from non-performing loan positions**

<u>2Q 2016 vs 1Q 2016</u>

- **Net interest income of €378 million, down 2.5% (€9.6 million) compared with €387.6 million in 1Q 2016 (approximately €5 million of this reduction was attributable to interest on a Tier 2 bond issued in May 2016)**
- **Net fee and commission income of €330.3 million, a slight reduction compared with €337.1 million in 1Q 2016**
- **A result from finance of €66.9 million (€15.7 million in 1Q 2016)**
- **Staff costs of €319.3 million (€319.8 million in the 1Q 2016)**
- **Total operating expenses of €510.5 million (down 3.2% on €527.6 million in 1Q 2016)**
- **Loan losses, net of the impacts of the Business Plan[7], of €200.1 million (€155.3 million in 1Q 2016)**

[5] That amount includes only impairment losses on loans that determined the corresponding absorption of the "shortfall", redundancy expenses, impairment losses on brands and the first tranche of project expenses for the "Single Bank Project".

[6] In 2015, the estimated amount of the contribution to the Single Resolution Fund was recognized in the item "provisions for risks and charges" for an amount of €22.8 million gross and €13,2 million net of tax and non controlling interests

[7] One key goal of the Group's 2019-2020 Business Plan is to reduce the ratio of net non-performing exposures to tangible equity (the "Texas ratio"), bringing it down to below 100%, in line with European best practices which consider a value lower than that threshold to be an indicator of solidity. In consideration of the marginal impacts of recent regulatory provisions designed to speed up the recovery of non-performing exposures, in order to achieve that result the Group decided to adopt an even more prudential approach in its management of problem loans, by increasing coverage with greater provisions, which determined a partial absorption of the provision shortfall (€850.9 million), already deducted from the fully loaded CET1. This will generate an improvement in the CET1 ratio estimated at approximately an additional 40 basis points which will manifest progressively in coming years starting from 2017. The figure for loan losses is shown net of that component.

- **Net impairment losses on other financial assets/liabilities of €50.7 million (+€0.3 million in 1Q2016) of which €43.4 million "one-off", relating to the virtual elimination of residual credit risk connected with financial instruments resulting from non-performing loan positions**

No impact on profit and loss by the new decree on DTAs

Capital ratios

- **Following the recognition of Business Plan expenses, the "phased-in" Common Equity Tier 1 ratio as at 30th June 2016 stood at 11.43% and at 11.02% "fully loaded" (as already reported the announced repurchase of minority interests mainly through the issue of UBI shares and the impact of the tax deductibility of the increased provisions recognised, already deducted from the CET1 capital, will generate an estimated benefit of approximately +0.7 percentage points to the fully loaded CET1 ratio, not included in the end of June figure, which would bring the ratio back to 31 March 2016 levels).**
  CET1 includes on a pro-rata basis a dividend at least in line with 2015
- **A "phased-in" total capital ratio of 14.47% (13.87% as at 31st March 2016)**
- **A "phased-in" leverage ratio of 5.7% and of 5.5% fully loaded**
- **NSFR and LCR >1**

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Bergamo, 5th August 2016 – The Management Board of Unione di Banche Italiane Spa (UBI Banca) has approved the consolidated results for the first half of 2016, which, after the recognition of the impacts of the new Business Plan presented on 27th June 2016, **ended with a loss of €787 million. Net of those impacts, the first half closes with a profit of €48.1 million compared with €124.4 million in the first half of 2015. The difference, amounting to €76.3 million, was due to the decrease in net interest income but also to "one-off" impairment losses on financial instruments (€43.4 million net) and to a lower result from finance (approx. -€20 million net).**

As already mentioned, the impacts of the implementation of the Business Plan, recognised in the second quarter of the year, come to a total of approximately -€835 million net and they regard the following:

- an increase in loan provisions - of which approximately €851 million (€586 million net of taxes and non-controlling interests), attributable to provisions already deducted from the regulatory capital (the "shortfall") - with also the objective of reducing the ratio of net non-performing exposures to tangible equity (the "Texas ratio");
- redundancy expenses of €323 million (€207 million net of tax and non-controlling interests) designed to progressively reduce staff numbers in the Group;
- impairment losses on brands (€63 million, €38 million net of tax and non-controlling interests) and the first tranche of project expenses (€5 million, €3 million net of tax and non-controlling interests), in relation to the "Single Bank Project"[8].

Results for 1H 2016 compared with 1H 2015

The first half of 2016 ended with **net operating income** of €550.3 million compared with €663.4 million in the same period of 2015. Within this item, operating income declined by 7.1% to

[8] As announced when the Business Plan was presented, a further €40 million (gross) of expenses will be incurred in the second half of the year in relation to the Single Bank Project.

€1,588.4 million, affected by a lower contribution from net interest income and from the finance result, while net fee and commission income was largely unchanged; the virtuous trend for operating expenses continued, recording a 0.7% reduction to €1,038.2 million notwithstanding the inclusion in 2016 of a contribution of approximately €32 million made to the Single Resolution Fund, not present in 2015[9].

Net interest income amounted to €765.6 million and showed a decrease of 9.6% compared with 2015, due in almost equal measure to a reduction in the contribution from the securities portfolio – for which action is in progress to reduce it and change the mix, in accordance with the Business Plan – and to a contraction in the result for business with customers in a scenario of large reductions in market interest rates (the half-year average for the one-month Euribor fell to -31 basis points from -2 basis points before).
More specifically, the securities portfolio generated net interest income of approximately €118 million compared with €158.2 million before – in the presence of investments in debt securities which fell over twelve months by €2.2 billion (-€4.3 billion the Italian government securities portfolio). Net interest income generated by business with customers came to €653.1 million, down compared with €695.7 million before, mainly due to the effect of a reduction in interest rates on the short-term lending portfolio, which was only marginally offset by a downward trend for medium to long-term funding. In this context the customer spread reduced by approximately 15 basis points compared with the first half of 2015, affected by a greater reduction in interest rates on lending compared with those on funding.
In view of the new bail-in regulations, the placement of bank bonds will be progressively reduced in the second half of the year and they will be replaced by time deposit products. This type of product is protected by the Deposit Guarantee Scheme and has an advantage in terms of lower costs for the Bank.

Net fee and commission income totalled €667.5 million, largely unchanged compared with €669.1 million in the first half of 2015, notwithstanding the smaller presence of performance fees (€5.4 million compared with €11.8 million before). Commissions on management, trading and advisory services, which account for approximately 57% of total fees and commissions, came to €378 million, up 2.5% on 2015. Fees and commissions from ordinary banking business stood at €289.5 million and recorded a decline of 3.6% compared with the previous year, connected primarily with collection and payment services.

The **result for financial activities** came to €82.6 million (€111.1 million in the first half of 2015) and was comprised of the following:
- €5.6 million from trading (€45.4 million in 1H 2015);
- €86.5 million from the disposal of financial assets (€53.4 million in 1H 2015), mainly attributable, as in the previous period, to the disposal of Italian government securities. The item also includes proceeds from shares of Visa Europe Ltd, totalling €15.2 million;
- a loss of €8.2 million on fair value movements in financial assets designated at fair value (+€5.5 million in 1H 2015);
- a loss of €1.3 million on hedging activities (+€6.7 million in 1H 2015).

On the expenses front, notwithstanding the inclusion of an ordinary contribution of €32 million to the Single Resolution Fund, not present in 2015[10], **operating expenses** in the first half of the year stood at €1,038,2 million, down by a further 0.7% compared with €1,045,5 million in the same period of 2015.

[9] See note 6.
[10] See note 6

Operating expenses do not include extraordinary costs in relation to the new Business Plan, which have been reclassified under separate items, in order to allow a clear examination of ordinary operating trends.

In detail:
- **staff costs** recorded a further reduction of €15.7 million (-2.4%) compared with 1H 2015, to total €639.1 million. These savings came mainly from a reduction in average staff numbers (-319 over twelve months) and from lower labour costs in the various forms set out in the trade union agreements signed from time to time, from staff turnover in relation to voluntary exits, to extraordinary leave incentives and to the impact of new part-time positions;
- **other administrative expenses**, amounting to €327.3 million, included an ordinary contribution of €32 million to the Single Resolution Fund mentioned above, not present in 2015[11], and they compare with €313 million in 2015. Net of the contribution to the Single Resolution Fund, other administrative expenses fell by 5.6% compared with 2015, as a result of the containment of almost all expense items;
- finally, **depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets** totalled €71.7 million, also down by €6 million compared with 1H 2015, as a result of lower depreciation and amortisation on IT and real estate items.

Net impairment losses on loans recognised in the first half of the year amounted to €1,206.4 million, (€389.1 million in 1H 2015). Greater provisions announced on 27th June 2016 and constituting the baseline for Business Plan projections, resulted in the partial reabsorption of the so-called "shortfall", that is the difference between expected losses and provisions recognised, already deducted from regulatory capital, amounting to approximately €851 million. Net of that amount, provisions for the period came to approximately €355 million.
As a result of the provisions made, total coverage for non-performing exposures increased by 7.11 percentage points compared with December 2015, to stand at 44.31% inclusive of write-offs.

Finally, in the first half the income statement recorded **net impairment losses on other financial assets/liabilities** of €50.5 million (€3.3 million in 2015) of which €47.4 (€43.4 million net of taxes and non-controlling interests) attributable to the virtual elimination of residual credit risk connected with financial instruments resulting from non-performing loan positions.

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<u>Results for 2Q 2016 compared with 1Q 2016</u>

The second quarter of the year was affected by the recognition of the impacts resulting from the implementation of the Business Plan, described above, amounting to approximately €835 million, net of taxes and non controlling interest,[12] and to the "one-off" recognition of impairment losses on financial instruments resulting from non-performing loan positions amounting to €39.4 million net, which resulted in the recognition of a loss for the period of €829 million.

In terms of ordinary operations, the second quarter of 2016 recorded growth in **operating income** to €815.5 million from €772.9 million in the first quarter of the year.
The growth of €42.5 million was a result of the following:
- net interest income contracted by 2.5% (€9.6 million) 2Q 2016-on-1Q 2016. The reduction is primarily attributable to interest paid on the Tier 2 bond issued at the beginning of May

[11] See note 6
[12] See the information given on page 3 for details.

2016 (approx. €5 million) and to the lower contribution from the securities portfolio (-€1 million approx.). The further reduction in market interest rates (from an average for the one-month Euribor of -26 basis points in the first quarter of the year to -35 basis points in the second) also led to a narrowing of the customer spread by six basis points;
- net fee and commission income stood at €330.3 million, more or less unchanged compared with €337.1 million in 1Q 2016. The difference is attributable to the different distribution in the two periods of subscriptions of assets under management, fund and Sicav products;
- the result for financial activities grew to €66.9 million (€15.7 million in 1Q 2016), mainly due to the disposal of Italian government securities (which contributed €51.2 million) and to the inclusion of proceeds attributable to shares of Visa Europe Ltd, which totalled €15.2 million.

As a result of the recognition in the first quarter of a contribution of €32 million to the Single Resolution Fund for 2016, the quarter-on-quarter figures show a reduction of €17.1 million in **operating expenses**, which fell to €510.5 million compared with €527.6 million in the first three months of the year. Compared with the preceding quarter:
- **staff costs** were more or less unchanged at €319.3 million (-€0.5 million), the aggregate result on the one hand of savings resulting from changes in staff numbers and lower labour costs, and on the other hand of variable components of remuneration (inclusive of one-off incentives recognised in the second quarter);
- **other administrative expenses** fell to €155.5 million (-€16.3 million), primarily because an estimate of the above mentioned contributions to the Single Resolution Fund had been recognised within this item in the first quarter;
- **impairment losses on property, plant and equipment and intangible assets** amounted to €35.7 million (-€0.4 million), due to lower depreciation of real estate properties and of IT assets, partially offset by write-offs following the closure of mini-branches in April.

Net impairment losses on loans of €1,051 million were recognised in the second quarter of the year (€155.3 million in 1Q 2016). The greater provisions announced on 27th June 2016 and constituting the baseline for Business Plan projections, resulted in the partial reabsorption of the so-called "shortfall", that is the difference between expected losses and provisions recognised, already deducted from regulatory capital, amounting to approximately €851 million. Net of that amount, impairment losses for the period came to approximately €201 million.
As a result of the provisions made, total coverage for non-performing exposures increased by 6.67 percentage points compared with March 2016, to stand at 44.31% inclusive of write-offs.

Finally, in the second quarter the income statement recorded **net impairment losses on other financial assets/liabilities** of €50.7 million (+€0.3 million in 1Q 2016) of which €43.4 million attributable to the virtual elimination of residual credit risk connected with financial instruments resulting from non-performing loan positions.

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The balance sheet

Net loans to ordinary customers as at 30th June 2016 came to €83.9 billion, slightly down compared with March 2016 and December 2015 due to a <u>significant decrease in the non-performing component</u>.
More specifically, within the item:

- performing loans to customers[13] rose further to €74.6 billion (up 1.1% on March 2016 and 1.3% on December 2015), fully compensating for the decrease in the run-off portfolio. The growth was due primarily to the item "mortgages and other medium to long-term financing";
- exposure to the *Cassa Compensazione e Garanzia* (CCG – a central counterparty clearing house) stood at €0.8 billion (€0.6 billion in March 2016 and €1.2 billion in December 2015);
- net non-performing exposures fell to €8.5 billion (down 12% on March 2016 and 12.1% on December 2015), as a result of greater impairment losses recognised, one of the facilitating factors announced when the Business Plan was presented.

As concerns credit quality in particular, **total gross non-performing exposures** fell at the end of June 2016 to €13,280 million (€13,496 million in March 2016 and €13,434 million in December 2015). The decrease observed is due totally to the normal procedures for non-performing positions, since no disposals of loans were carried out in the period.

Flows of performing loans to non-performing status again contracted significantly by 47.4% compared with the first half of 2015. As already reported those flows were already decreasing by 7.5% in 2015 over 2014, by 36.2% in 2014 over 2013 and by 4.2% in 2013 over 2012.
Note should also be taken of the **reduced flows into bad loans from other categories of non-performing exposures**, down again by approx. 19% in 1H2016 compared with 1H 2015 (after a fall of 24% approx. in 1H 2015 over 1H 2014).

Following the greater impairment losses recognised at the end of June 2016 in accordance with the Business Plan, which involved both bad loans and unlikely-to pay-positions, **coverage for total non-performing exposures, inclusive of write-offs, stood at 44.31%, up by 6.67 percentage points compared with 37.64% in March 2016 and up by 7.11 percentage points compared with 37.2% in December 2015[14].**

Consequently, **total net non-performing loans** fell **for the third consecutive quarter** to €8,512 million (€9,671 million in March 2016 and €9,689 million in December 2015).

In detail, net bad loans fell to €3,849 million (€4,347 million in March 2016 and €4,288 million in December 2015), accounting for 4.59% of total net loans.
Coverage for bad loans, inclusive of loan write-offs, stood at 58.25% in June 2016 (compared with 52.41% in March 2016 and 52.25% in December 2015)[15].

Net unlikely-to-pay loans amounted to €4,470 million, down compared with €5,071 million in March 2016 and €5,147 million at the end of 2015 (coverage rose to 23.75% from 17.02% in March 2016 and from 16.71% in December 2015).

Net positions past due and/or in arrears amounted to €194 million, down on €254 million in March 2016 and in December 2015 and coverage for them was 4.63%.

Direct funding from ordinary customers, amounting to €69.8 billion (€71.1 billion in March 2016 and €72.5 billion last December), was affected by the reduction in total bonds that had been

[13] Net of CCG reported below
[14] Net of write-offs, amounting to approximately €2 billion, coverage for total non-performing exposures stood at 35.9% (28.34% in March 2016 and 27.88% in December 2015).
[15] Net of write-offs, amounting to approximately €2 billion, coverage for bad loans stood at 46.66% (38.97% in March 2016 and 38.64% in December 2015).

placed by the former Centrobanca on third party networks, which are progressively maturing (down by €1 billion compared with December 2015). Deposits on current accounts, on the other hand, continued to grow (€49.1 billion compared with €48.6 billion in March 2016 and €47.7 billion in December 2015), while, in accordance with the Business Plan and in consideration of the bail-in regulations, the placement of bonds with Group customers slowed further (stock of €17 billion compared with €18.6 billion in March 2016 and €20.2 billion in December 2015) and they will be replaced with an offer of time deposit products in the second half of the year.

Direct funding from institutional customers amounted to €17.7 billion in June 2016, down compared with €18.5 billion in March 2016 (€19 billion at the end of 2015), due to a reduction in total covered bonds and a decrease in repurchase agreements with the CCG (-€1.5 billion approx.), not offset by the issuance of a Tier 2 bond for €0.75 billion in May 2016.

S**trong progressive inflows were recorded for indirect funding** amounting to approximately €1.3 billion in the second quarter of the year, accelerating compared with €0.7 billion in the first quarter of the year.
The fair value of **total indirect funding** was affected by market volatility, which mainly regarded assets under custody. The performance was as follows:

- assets under management in the strict sense rose to €35.3 billion (up 3.5% approx. compared with €34.1 billion in March 2016 and December 2015);
- insurance products rose to €15.7 billion (up 4.3% on March 2016 and 8.4% on December 2015);
- assets under custody, which were affected more by the impact of negative performance by markets, estimated at approximately €3 billion, stood at €27.2 billion (€31 billion at the end of 2015).

The solidity of the Group's **liquidity position** is again confirmed with ratios (Net Stable Funding Ratio and Liquidity Coverage Ratio) now higher than one for some years and total **assets eligible for refinancing** as at 30th June 2016 of **€27 billion** (of which €12 billion unencumbered), already net of haircuts.

Group exposure to the ECB consisted of a total of €10 billion of TLTROs, recognised under "due to banks" and therefore not included in direct funding.

At the end of June 2016, **net financial assets** of the Group had a mark-to-market value of €19.1 billion, of which €16.2 billion relating to Italian government securities. The latter item had fallen further compared with March 2015 (€17.7 billion) and December 2015 (€18.3 billion). The nominal value of the Italian government securities amounted to €13.6 billion compared with €15 billion in March 2016 and €15.8 billion in December 2015.

The consolidated **equity** of the UBI Banca Group as at 30th June 2016, inclusive of the result for the period, stood at €8,842.3 million compared with €9,920 million at the end of March 2016.
Finally, the **leverage ratio** calculated on the basis of Commission Delegated Regulation EU 2015/62 indications was 5.70% "phased-in" and 5.53% "fully loaded".

In terms of **capital ratios**, the "phased-in" CET 1 ratio as at 30th June 2016 stood at 11.43% (12.07% as at 31.03.2016). The estimate for the fully loaded CET1 ratio, under the same conditions, was 11.02% and does not include the positive effects of the announced purchase of minority interests mainly through the issue of UBI shares and the impact of the tax deductibility of the increased provisions recognised, already deducted from the CET1 capital, estimated at a total of approximately +0.7 percentage points.

The “phased in” Total Capital Ratio stands at 14.47%, up compared with March (13.87%) following the issuance in the second quarter of 2016 of a Tier 2 institutional bond for €750 million.

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The human resources of the UBI Banca Group totalled 17,590 as at 30th June 2016 compared with 17,716 in December 2015. The branch network at the end of period consisted of 1,531 branches in Italy and six abroad (compared with 1,554 branches in Italy and six abroad as at December 2015).

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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 Spa, hereby declares, in compliance with the second paragraph of article 154 *bis* of the *Testo unico delle disposizioni in materia di intermediazione finanziaria* (Consolidated Finance Act), that the financial information contained in this press release is reliably based on the records contained in corporate documents and accounting records.

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Outlook for ordinary operations (net of non-recurring items)

In consideration of the level of current market interest rates, expected to remain stable in coming months, net interest income will benefit in the second half of 2016 from a progressive action to change the mix of retail direct funding towards the less costly short-term component, and it could improve if the recent recovery in volumes of lending continues.

Net fee and commission income is forecast to continue to benefit in 2016 from the process to change the mix of total funding in favour of assets under management and, to a lesser extent, also from the gradual recovery in lending to customers.

The context on financial markets will still be one of persistent volatility and could limit opportunities for profit-taking on positive fair value reserves relating to the securities portfolio, compared with that achieved in the first half.

The continuous optimisation of other administrative expenses and the trade union agreement signed at the end of last year should make it possible to contain operating expenses, net of non-recurring items, in line with 2015, notwithstanding the increase in costs relating to the contribution to the Single Resolution Fund and the Deposit Guarantee Scheme.

The particularly low risk attaching to the performing portfolio and the continuation of the reduction in inflows of new non-performing loans, should confirm an expected further reduction in loan losses in the second half of 2016 compared with the same period in 2015, in accordance with the 2019-2020 Business Plan.

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UBI Banca informs that the meeting of the Management Board for the approval of the financial results as at 30th September 2016 will be held on the **10th of November 2016 instead of the 11th of November as previously announced**. All relevant information will be communicated in due time.

For further information please contact:
UBI Banca – Investor relations – Tel. +39 035 3922217
Email: investor.relations@ubibanca.it
UBI Banca – Media relations – Tel. +39 027781 4213 - 4932 - 4936
Email: media.relations@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 with 2019-2020 Business Plan impact items shown separately

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

Notes to the financial statements

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

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

UBI Banca Group: Reclassified consolidated balance sheet

	Figures in thousands of euro	30.6.2016 A	31.12.2015 B	Changes A-B	% changes A/B	30.6.2015 C	Changes A-C	% changes A/C
	ASSETS							
10.	Cash and cash equivalents	476,840	530,098	-53,258	-10.0%	484,055	-7,215	-1.5%
20.	Financial assets held for trading	681,543	994,478	-312,935	-31.5%	1,338,170	-656,627	-49.1%
30.	Financial assets designated at fair value	188,641	196,034	-7,393	-3.8%	197,223	-8,582	-4.4%
40.	Available-for-sale financial assets	15,417,870	15,554,282	-136,412	-0.9%	16,799,280	-1,381,410	-8.2%
50.	Held-to-maturity investments	3,452,886	3,494,547	-41,661	-1.2%	3,535,692	-82,806	-2.3%
60.	Loans and advances to banks	3,930,021	3,429,937	500,084	14.6%	3,191,584	738,437	23.1%
70.	Loans and advances to customers	83,906,862	84,586,200	-679,338	-0.8%	85,340,026	-1,433,164	-1.7%
80.	Hedging derivatives	791,268	594,685	196,583	33.1%	545,576	245,692	45.0%
90.	Fair value change in hedged financial assets (+/-)	63,857	59,994	3,863	6.4%	59,108	4,749	8.0%
100.	Equity investments	253,719	260,812	-7,093	-2.7%	247,779	5,940	2.4%
120.	Property, plant and equipment	1,659,827	1,744,463	-84,636	-4.9%	1,755,974	-96,147	-5.5%
130.	Intangible assets	1,685,184	1,757,468	-72,284	-4.1%	1,760,006	-74,822	-4.3%
	of which: goodwill	*1,465,260*	*1,465,260*	-	-	*1,465,260*	-	-
140.	Tax assets	3,006,517	2,814,933	191,584	6.8%	2,753,059	253,458	9.2%
150.	Non-current assets and disposal groups held for sale	63,883	11,148	52,735	473.0%	11,286	52,597	466.0%
160.	Other assets	1,081,317	1,171,686	-90,369	-7.7%	1,434,917	-353,600	-24.6%
	Total assets	**116,660,235**	**117,200,765**	**-540,530**	**-0.5%**	**119,453,735**	**-2,793,500**	**-2.3%**
	LIABILITIES AND EQUITY							
10.	Due to banks	13,691,017	10,454,303	3,236,714	31.0%	9,049,928	4,641,089	51.3%
20.	Due to customers	55,460,078	55,264,471	195,607	0.4%	55,331,195	128,883	0.2%
30.	Debt securities issued	32,064,830	36,247,928	-4,183,098	-11.5%	38,996,157	-6,931,327	-17.8%
40.	Financial liabilities held for trading	612,314	531,812	80,502	15.1%	647,508	-35,194	-5.4%
60.	Hedging derivatives	1,110,942	749,725	361,217	48.2%	788,565	322,377	40.9%
80.	Tax liabilities	241,596	472,564	-230,968	-48.9%	440,745	-199,149	-45.2%
100.	Other liabilities	3,230,328	2,354,617	875,711	37.2%	3,132,513	97,815	3.1%
110.	Post-employment benefits	339,679	340,954	-1,275	-0.4%	339,894	-215	-0.1%
120.	Provisions for risks and charges:	591,468	266,628	324,840	121.8%	291,748	299,720	102.7%
	a) pension and similar obligations	73,527	70,237	3,290	4.7%	71,515	2,012	2.8%
	b) other provisions	517,941	196,391	321,550	163.7%	220,233	297,708	135.2%
140.+ 170.+180.+ 190.+ 200.	Share capital, share premiums, reserves, valuation reserves and treasury shares	9,629,328	9,865,097	-235,769	-2.4%	9,762,383	-133,055	-1.4%
210.	Non-controlling interests	475,640	535,901	-60,261	-11.2%	548,656	-73,016	-13.3%
220.	Profit (loss) for the period/year	-786,985	116,765	n.s.	n.s.	124,443	-911,428	-732.4%
	Total liabilities and equity	**116,660,235**	**117,200,765**	**-540,530**	**-0.5%**	**119,453,735**	**-2,793,500**	**-2.3%**

UBI Banca Group: Reclassified consolidated income statement

	Figures in thousands of euro	1H 2016 A	1H 2015 B	Changes A-B	% changes A/B	2nd Quarter 2016 C	2nd Quarter 2015 D	Changes C-D	% changes C/D	FY 2015 C
10.-20.	Net interest income	765,572	847,148	(81,576)	(9.6%)	377,972	416,543	(38,571)	(9.3%)	1,631,055
	of which: effects of the purchase price allocation	*(10,475)*	*(13,618)*	*(3,143)*	*(23.1%)*	*(4,859)*	*(7,115)*	*(2,256)*	*(31.7%)*	*(27,149)*
	Net interest income excluding the effects of the PPA	*776,047*	*860,766*	*(84,719)*	*(9.8%)*	*382,831*	*423,658*	*(40,827)*	*(9.6%)*	*1,658,204*
70.	Dividends and similar income	8,599	5,319	3,280	61.7%	8,076	4,786	3,290	68.7%	10,349
	Profits of equity-accounted investees	11,950	19,573	(7,623)	(38.9%)	6,698	13,405	(6,707)	(50.0%)	35,260
40.-50.	Net fee and commission income	667,453	669,078	(1,625)	(0.2%)	330,307	327,886	2,421	0.7%	1,300,119
	of which performance fees	*5,394*	*11,808*	*(6,414)*	*(54.3%)*	*3,083*	*4,934*	*(1,851)*	*(37.5%)*	*35,182*
80.+90.+ 100.+110.	Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	82,589	111,098	(28,509)	(25.7%)	66,875	53,074	13,801	26.0%	290,633
220.	Other net operating income/expense	52,243	56,675	(4,432)	(7.8%)	25,538	27,186	(1,648)	(6.1%)	103,448
	Operating income	**1,588,406**	**1,708,891**	**(120,485)**	**(7.1%)**	**815,466**	**842,880**	**(27,414)**	**(3.3%)**	**3,370,864**
	Operating income excluding the effects of the PPA	***1,598,881***	***1,722,509***	***(123,628)***	***(7.2%)***	***820,325***	***849,995***	***(29,670)***	***(3.5%)***	***3,398,013***
180.a	Staff costs	(639,098)	(654,773)	(15,675)	(2.4%)	(319,311)	(319,843)	(532)	(0.2%)	(1,295,090)
180.b	Other administrative expenses	(327,326)	(312,953)	14,373	4.6%	(155,526)	(165,021)	(9,495)	(5.8%)	(727,067)
200.+210.	Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(71,730)	(77,778)	(6,048)	(7.8%)	(35,688)	(39,280)	(3,592)	(9.1%)	(153,024)
	of which: effects of the purchase price allocation	*(6,672)*	*(6,590)*	*82*	*1.2%*	*(3,383)*	*(3,316)*	*67*	*2.0%*	*(13,158)*
	Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(65,058)*	*(71,188)*	*(6,130)*	*(8.6%)*	*(32,305)*	*(35,964)*	*(3,659)*	*(10.2%)*	*(139,866)*
	Operating expenses	**(1,038,154)**	**(1,045,504)**	**(7,350)**	**(0.7%)**	**(510,525)**	**(524,144)**	**(13,619)**	**(2.6%)**	**(2,175,181)**
	Operating expenses excluding the effects of the PPA	***(1,031,482)***	***(1,038,914)***	***(7,432)***	***(0.7%)***	***(507,142)***	***(520,828)***	***(13,686)***	***(2.6%)***	***(2,162,023)***
	Net operating income	**550,252**	**663,387**	**(113,135)**	**(17.1%)**	**304,941**	**318,736**	**(13,795)**	**(4.3%)**	**1,195,683**
	Net operating income excluding the effects of the PPA	***567,399***	***683,595***	***(116,196)***	***(17.0%)***	***313,183***	***329,167***	***(15,984)***	***(4.9%)***	***1,235,990***
130.a	Net impairment losses on loans	(1,206,373)	(389,099)	817,274	210.0%	(1,051,034)	(198,907)	852,127	428.4%	(802,646)
130. b+c+d	Net impairment losses on other financial assets and liabilities	(50,467)	(3,348)	(47,119)	n.s.	(50,719)	(2,382)	48,337	n.s.	(16,866)
190.	Net provisions for risks and charges	(26,657)	(29,135)	(2,478)	(8.5%)	(20,289)	(24,816)	(4,527)	(18.2%)	(2,975)
240.+270.	Profits from the disposal of equity investments	1,603	83	1,520	n.s.	1,201	392	809	206.4%	464
	Pre-tax profit (loss) from continuing operations	**(731,642)**	**241,888**	**(973,530)**	**n.s.**	**(815,900)**	**93,023**	**(908,923)**	**n.s.**	**373,660**
	Pre-tax profit (loss) from continuing operations excluding the effects of the PPA	***(714,495)***	***262,096***	***(976,591)***	***n.s.***	***(807,658)***	***103,454***	***(911,112)***	***n.s.***	***413,967***
290.	Taxes on income for the period/year from continuing operations	176,440	(99,147)	275,587	n.s.	210,792	(37,149)	247,941	n.s.	(161,121)
	of which: effects of the purchase price allocation	*5,684*	*6,699*	*(1,015)*	*(15.2%)*	*2,732*	*3,458*	*(726)*	*(21.0%)*	*13,362*
330.	(Profit) loss for the period/year attributable to non-controlling interests	17,272	(17,108)	34,380	n.s.	24,672	(7,359)	(32,031)	n.s.	(29,765)
	of which: effects of the purchase price allocation	*1,030*	*1,163*	*(133)*	*(11.4%)*	*509*	*604*	*(95)*	*(15.7%)*	*2,115*
	Profit (loss) for the period/year attributable to the shareholders of the Parent before the Business Plan impact excluding the effects of the PPA	*(527,497)*	*137,979*	*(665,476)*	*n.s.*	*(575,435)*	*54,884*	*(630,319)*	*n.s.*	*207,604*
	Profit (loss) for the period/year attributable to the shareholders of the Parent before the Business Plan impact	**(537,930)**	**125,633**	**(663,563)**	**n.s.**	**(580,436)**	**48,515**	**(628,951)**	**n.s.**	**182,774**
180.a	Redundancy expenses net of taxes and non-controlling interests	(207,679)	(1,190)	206,489	n.s.	(207,234)	-	(207,234)	-	(62,705)
210.	Impairment losses on brands net of taxes and non-controlling interests	(37,936)	-	(37,936)	-	(37,936)	-	(37,936)	-	-
180.b	Single bank project expenses net of taxes and non-controlling interests	(3,440)	-	(3,440)	-	(3,440)	-	(3,440)	-	-
200.	Impairment losses on property, plant and equipment net of taxes and non-controlling interests	-	-	-	-	-	-	-	-	(3,304)
340.	**Profit (loss) for the period/year attributable to the shareholders of the Parent**	**(786,985)**	**124,443**	**(911,428)**	**n.s.**	**(829,046)**	**48,515**	**(877,561)**	**n.s.**	**116,765**
	Total impact of the purchase price allocation on the income statement	*(10,433)*	*(12,346)*	*(1,913)*	*(15.5%)*	*(5,001)*	*(6,369)*	*(1,368)*	*(21.5%)*	*(24,830)*

UBI Banca Group: Reclassified consolidated quarterly income statements

Figures in thousands of euro		2016 2nd Quarter	2016 1st Quarter	2015 4th Quarter	2015 3rd Quarter	2015 2nd Quarter	2015 1st Quarter
10.-20.	Net interest income	377,972	387,600	385,240	398,667	416,543	430,605
	of which: effects of the purchase price allocation	*(4,859)*	*(5,616)*	*(6,901)*	*(6,630)*	*(7,115)*	*(6,503)*
	Net interest income excluding the effects of the PPA	*382,831*	*393,216*	*392,141*	*405,297*	*423,658*	*437,108*
70.	Dividends and similar income	8,076	523	1,578	3,452	4,786	533
	Profits of equity-accounted investees	6,698	5,252	12,104	3,583	13,405	6,168
40.-50.	Net fee and commission income	330,307	337,146	330,574	300,467	327,886	341,192
	of which performance fees	*3,083*	*2,311*	*22,496*	*878*	*4,934*	*6,874*
80.+90.+ 100.+110.	Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	66,875	15,714	151,705	27,830	53,074	58,024
220.	Other net operating income/expense	25,538	26,705	22,611	24,162	27,186	29,489
	Operating income	**815,466**	**772,940**	**903,812**	**758,161**	**842,880**	**866,011**
	Operating income excluding the effects of the PPA	***820,325***	***778,556***	***910,713***	***764,791***	***849,995***	***872,514***
180.a	Staff costs	(319,311)	(319,787)	(322,360)	(317,957)	(319,843)	(334,930)
180.b	Other administrative expenses	(155,526)	(171,800)	(272,472)	(141,642)	(165,021)	(147,932)
200.+210.	Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(35,688)	(36,042)	(38,294)	(36,952)	(39,280)	(38,498)
	of which: effects of the purchase price allocation	*(3,383)*	*(3,289)*	*(3,283)*	*(3,285)*	*(3,316)*	*(3,274)*
	Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(32,305)*	*(32,753)*	*(35,011)*	*(33,667)*	*(35,964)*	*(35,224)*
	Operating expenses	**(510,525)**	**(527,629)**	**(633,126)**	**(496,551)**	**(524,144)**	**(521,360)**
	Operating expenses excluding the effects of the PPA	***(507,142)***	***(524,340)***	***(629,843)***	***(493,266)***	***(520,828)***	***(518,086)***
	Net operating income	**304,941**	**245,311**	**270,686**	**261,610**	**318,736**	**344,651**
	Net operating income excluding the effects of the PPA	***313,183***	***254,216***	***280,870***	***271,525***	***329,167***	***354,428***
130.a	Net impairment losses on loans	(1,051,034)	(155,339)	(245,013)	(168,534)	(198,907)	(190,192)
130. b+c+d	Net impairment losses on other financial assets and liabilities	(50,719)	252	(10,464)	(3,054)	(2,382)	(966)
190.	Net provisions for risks and charges	(20,289)	(6,368)	44,794	(18,634)	(24,816)	(4,319)
240.+270.	Profits from the disposal of equity investments	1,201	402	81	300	392	(309)
	Pre-tax profit (loss) from continuing operations	**(815,900)**	**84,258**	**60,084**	**71,688**	**93,023**	**148,865**
	Pre-tax profit (loss) from continuing operations excluding the effects of the PPA	***(807,658)***	***93,163***	***70,268***	***81,603***	***103,454***	***158,642***
290.	Taxes on income for the period from continuing operations	210,792	(34,352)	(33,342)	(28,632)	(37,149)	(61,998)
	of which: effects of the purchase price allocation	*2,732*	*2,952*	*3,376*	*3,287*	*3,458*	*3,241*
330.	(Profit) loss for the period attributable to non-controlling interests	24,672	(7,400)	(7,151)	(5,506)	(7,359)	(9,749)
	of which: effects of the purchase price allocation	*509*	*521*	*529*	*423*	*604*	*559*
	Profit (loss) for the period attributable to the shareholders of the Parent before the Business Plan impact excluding the effects of the PPA	*(575,435)*	*47,938*	*25,870*	*43,755*	*54,884*	*83,095*
	Profit (loss) for the period attributable to the shareholders of the Parent before the Business Plan impact	**(580,436)**	**42,506**	**19,591**	**37,550**	**48,515**	**77,118**
180.a	Redundancy expenses net of taxes and non-controlling interests	(207,234)	(445)	(61,515)	-	-	(1,190)
210.	Impairment losses on brands net of taxes and non-controlling interests	(37,936)	-	-	-	-	-
180.b	Single bank project expenses net of taxes and non-controlling interests	(3,440)	-	-	-	-	-
200.	Impairment losses on property, plant and equipment net of taxes and non-controlling interests	-	-	(3,304)	-	-	-
340.	**Profit (loss) for the period attributable to the shareholders of the Parent**	**(829,046)**	**42,061**	**(45,228)**	**37,550**	**48,515**	**75,928**
	Total impact of the purchase price allocation on the income statement	*(5,001)*	*(5,432)*	*(6,279)*	*(6,205)*	*(6,369)*	*(5,977)*

UBI Banca Group: Reclassified consolidated income statement with 2019-2020 Business Plan impact items shown separately

Figures in thousands of euro	30.6.2016 A	30.6.2015 B	Changes A-B	% changes A/B
Net interest income	765,572	847,148	(81,576)	(9.6%)
Dividends and similar income	8,599	5,319	3,280	61.7%
Profits of equity-accounted investees	11,950	19,573	(7,623)	(38.9%)
Net fee and commission income	667,453	669,078	(1,625)	(0.2%)
of which performance fees	*5,394*	*11,808*	*(6,414)*	(54.3%)
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	82,589	111,098	(28,509)	(25.7%)
Other net operating income/expense	52,243	56,675	(4,432)	(7.8%)
Operating income	**1,588,406**	**1,708,891**	**(120,485)**	**(7.1%)**
Staff costs	(639,098)	(654,773)	(15,675)	(2.4%)
Other administrative expenses	(327,326)	(312,953)	14,373	4.6%
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(71,730)	(77,778)	(6,048)	(7.8%)
Operating expenses	**(1,038,154)**	**(1,045,504)**	**(7,350)**	**(0.7%)**
Net operating income	**550,252**	**663,387**	**(113,135)**	**(17.1%)**
Net impairment losses on loans	(355,454)	(389,099)	(33,645)	(8.6%)
Net impairment losses on other financial assets and liabilities	(50,467)	(3,348)	(47,119)	n.s.
Net provisions for risks and charges	(26,657)	(29,135)	(2,478)	(8.5%)
Profits from the disposal of equity investments	1,603	83	1,520	n.s.
Pre-tax profit from continuing operations	**119,277**	**241,888**	**(122,611)**	**(50.7%)**
Taxes on income for the period from continuing operations	(57,563)	(99,147)	41,584	n.s.
Profit for the period attributable to non-controlling interests	(13,652)	(17,108)	3,456	n.s.
Profit for the period attributable to the shareholders of the Parent before the Business Plan impact	**48,062**	**125,633**	**(77,571)**	**(61.7%)**
Portion of impairment losses on loans with consequent absorption of the provision shortfall net of taxes and non-controlling interests	(585,992)	-	(585,992)	n.s.
Redundancy expenses net of taxes and non-controlling interests	(207,679)	(1,190)	(206,489)	n.s.
Impairment losses on brands net of taxes and non-controlling interests	(37,936)	-	(37,936)	n.s.
Single bank project expenses net of taxes and non-controlling interests	(3,440)	-	(3,440)	n.s.
Profit (loss) for the period/year attributable to the shareholders of the Parent	**(786,985)**	**124,443**	**(911,428)**	**n.s.**

UBI Banca Group: Consolidated balance sheet
- mandatory statement -

Figures in thousands of euro		30.6.2016	31.12.2015	30.6.2015
ASSETS				
10.	Cash and cash equivalents	476,840	530,098	484,055
20.	Financial assets held for trading	681,543	994,478	1,338,170
30.	Financial assets designated at fair value	188,641	196,034	197,223
40.	Available-for-sale financial assets	15,417,870	15,554,282	16,799,280
50.	Held-to-maturity investments	3,452,886	3,494,547	3,535,692
60.	Loans and advances to banks	3,930,021	3,429,937	3,191,584
70.	Loans and advances to customers	83,906,862	84,586,200	85,340,026
80.	Hedging derivatives	791,268	594,685	545,576
90.	Fair value change in hedged financial assets (+/-)	63,857	59,994	59,108
100.	Equity investments	253,719	260,812	247,779
120.	Property, plant and equipment	1,659,827	1,744,463	1,755,974
130.	Intangible assets	1,685,184	1,757,468	1,760,006
	of which:			
	- goodwill	*1,465,260*	*1,465,260*	*1,465,260*
140.	Tax assets	3,006,517	2,814,933	2,753,059
	a) current	460,169	605,770	488,766
	b) deferred	2,546,348	2,209,163	2,264,293
	- of which pursuant to Law No. 214/2011	*1,948,851*	*1,966,054*	*1,931,943*
150.	Non-current assets and disposal groups held for sale	63,883	11,148	11,286
160.	Other assets	1,081,317	1,171,686	1,434,917
TOTAL ASSETS		**116,660,235**	**117,200,765**	**119,453,735**

Figures in thousands of euro		30.6.2016	31.12.2015	30.6.2015
LIABILITIES AND EQUITY				
10.	Due to banks	13,691,017	10,454,303	9,049,928
20.	Due to customers	55,460,078	55,264,471	55,331,195
30.	Debt securities issued	32,064,830	36,247,928	38,996,157
40.	Financial liabilities held for trading	612,314	531,812	647,508
60.	Hedging derivatives	1,110,942	749,725	788,565
80.	Tax liabilities	241,596	472,564	440,745
	a) current	35,579	171,620	147,510
	b) deferred	206,017	300,944	293,235
100.	Other liabilities	3,230,328	2,354,617	3,132,513
110.	Post-employment benefits	339,679	340,954	339,894
120.	Provisions for risks and charges:	591,468	266,628	291,748
	a) pension and similar obligations	73,527	70,237	71,515
	b) other provisions	517,941	196,391	220,233
140.	Valuation reserves	26,985	260,848	150,595
170.	Reserves	3,560,158	3,556,603	3,564,327
180.	Share premiums	3,798,430	3,798,430	3,798,430
190.	Share capital	2,254,371	2,254,371	2,254,371
200.	Treasury shares (-)	-10,616	-5,155	-5,340
210.	Non-controlling interests (+/-)	475,640	535,901	548,656
220.	Profit (loss) for the period/year (+/-)	-786,985	116,765	124,443
TOTAL LIABILITIES AND EQUITY		**116,660,235**	**117,200,765**	**119,453,735**

UBI Banca Group: Consolidated income statement
- mandatory statement -

	Figures in thousands of euro	1H 2016	1H 2015	FY 2015
10.	Interest and similar income	1,117,846	1,308,681	2,509,201
20.	Interest and similar expense	(352,274)	(461,533)	(878,146)
30.	**Net interest income**	**765,572**	**847,148**	**1,631,055**
40.	Fee and commission income	751,867	768,185	1,488,853
50.	Fee and commission expense	(84,414)	(99,107)	(188,734)
60.	**Net fee and commission income**	**667,453**	**669,078**	**1,300,119**
70.	Dividends and similar income	8,599	5,319	10,349
80.	Net trading income	5,575	45,383	63,919
90.	Net hedging income (loss)	(1,250)	6,730	10,968
100.	Income from disposal or repurchase of:	86,502	53,441	211,390
	a) loans and receivables	(1,593)	(4,311)	(34,527)
	b) available-for-sale financial assets	101,214	65,810	262,251
	d) financial liabilities	(13,119)	(8,058)	(16,334)
110.	Net profit (loss) on financial assets and liabilities designated at fair value	(8,238)	5,544	4,356
120.	**Gross income**	**1,524,213**	**1,632,643**	**3,232,156**
130.	Net impairment losses on:	(1,256,840)	(392,447)	(819,512)
	a) loans and receivables	(1,206,373)	(389,099)	(802,646)
	b) available-for-sale financial assets	(49,903)	(8,490)	(18,290)
	d) other financial transactions	(564)	5,142	1,424
140.	**Net financial income**	**267,373**	**1,240,196**	**2,412,644**
170.	**Net income from banking and insurance operations**	**267,373**	**1,240,196**	**2,412,644**
180.	Administrative expenses	(1,407,118)	(1,082,843)	(2,340,247)
	a) staff costs	(963,115)	(656,415)	(1,391,732)
	b) other administrative expenses	(444,003)	(426,428)	(948,515)
190.	Net provisions for risks and charges	(26,657)	(29,135)	(2,975)
200.	Depreciation and net impairment losses on property, plant and equipment	(38,007)	(42,942)	(88,096)
210.	Amortisation and net impairment losses on intangible assets	(94,470)	(33,106)	(66,523)
220.	Other net operating income/expense	161,568	168,420	321,441
230.	**Operating expenses**	**(1,404,684)**	**(1,019,606)**	**(2,176,400)**
240.	Profits of equity investments	11,950	19,573	35,516
270.	Profits on disposal of investments	1,603	83	208
280.	**Pre-tax profit (loss) from continuing operations**	**(1,123,758)**	**240,246**	**271,968**
290.	Taxes on income for the period/year from continuing operations	306,134	(98,695)	(127,502)
300.	**Post-tax profit (loss) from continuing operations**	**(817,624)**	**141,551**	**144,466**
320.	**Profit (loss) for the period/year**	**(817,624)**	**141,551**	**144,466**
330.	(Profit) loss for the period/year attributable to non-controlling interests	30,639	(17,108)	(27,701)
340.	**Profit (loss) for the period/year attributable to the shareholders of the Parent**	**(786,985)**	**124,443**	**116,765**