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Also, it is noted that in connection with the merger between BPVN and BPI, the information document was sent to Commissione Nazionale per le Società e la Borsa ("CONSOB"). Investors are strongly advised to read the documents that were sent to CONSOB, the registration statement and prospectus, and any other relevant documents sent to CONSOB, as well as any amendments or supplements to those documents, because they may contain important information.



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Section 1

Key Highlights

Lessons learned in the past nine months

Wholesale markets can be thin and volatile for long periods.

Strong risk-aversion may be of persistent rather than of temporary nature.



In this competitive scenario, banks with the following characteristics have a competitive edge:



Balanced ALM structure;



Capability to generate liquidity;



Equilibrium between capital and risk.

U turn in 2008: back to focus on recurrent core business

In 2007:

Significant losses and one-off costs, offset by one-off gains, but low capital base

- ▪ Italease
- ▪ Ex-BPI clean-up
- ▪ Integration costs
- + ▪ One-off gains
- ▪ Weak capital base

As from 2008:

Solid strategy based on key strengths in core retail banking, with capital strengthening initiatives

- + ▪ First significant capital strengthening initiatives
- + ▪ First results in turnaround of ex-BPI
- + ▪ Focus on core retail segments
- + ▪ Delivery of merger synergies
- + ▪ Sustainable earnings growth

Banco Popolare today: Leverage on strengths & opport.

STRENGTHS

- Strong recurrent profitability
- Fragmented credit risks
- No directional financial market risks
- Low operating risks and FOREX risks
- Strong retail franchise in northern Italy
- Adequate capital base today

OPPORTUNITIES

- Strong retail funding base
- Turnaround of ex-BPI
- Underpenetration in consumer credit and protection businesses
- Underpenetration in small businesses and mid-corporate segments



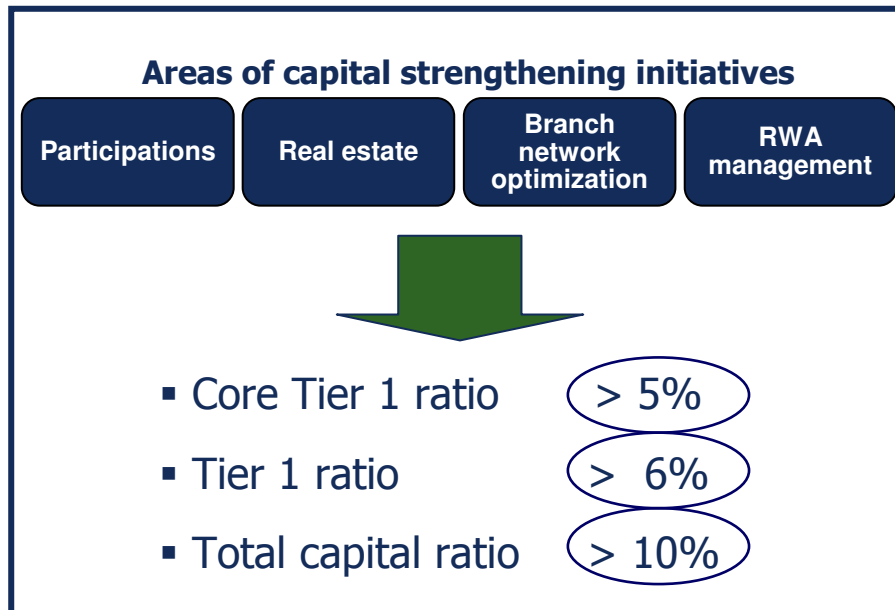
Section 2

Capital Position

- Update on capital adequacy ratios
- Analysis of capital strengthening initiatives

U turn in 2008: from weak towards an adequate capital position (1)

Targets announced on 14/11/07 *



Evolution of capital ratios

	Accounting Ratio	Current pro-forma Ratio (i)	Target ratio	Current pro-forma amount
"Core Tier 1"	4.0%	5.1%	6.0-6.5%	€4,508m
"Tier 1"	5.2%	6.5%	7.5%	€5,681m
"Total capital"	8.7%	10.0%	11.0%	€8,583m
RWA	-	-	-	€87.9bn

DPS of €0.60 to be proposed to the AGM
(scheduled on 3rd May in second call)

- 54% **dividend payout** on Group recurring net income (53% on Group stated net income)
- dividend yield** of 3.0% on average price in FY 2007 (@€20.1); yield of 5.2% on price quoted on 27 March 2008 (@€11.5)

(i) Indicated ratios include the capital strengthening initiatives implemented until 28 March 2008. Going forward, a positive effect of about 130bps on the Tier-1 ratio is expected from the Basle 2 Foundation Model.

U turn in 2008: from weak towards an adequate capital position (2)

Capital strengthening initiatives and impact on capital ratios

Participations:

Disposal of a 48% stake in Linea (in Dec. 2007)

- Generation of a pre-tax capital gain: ~€95.0m
- Generation of a post-tax capital gain: ~ €93.0m
- Reduction of proportional RWA: ~ -€1.6bn

Impact on

Core Tier I ratio

~ +26 bps

Tier I ratio

~ +31 bps

Disposal of a 50% stake in Aletti Alternative (in March 2008)

- Generation of a pre-tax capital gain: ~€78m
- Generation of a post-tax capital gain: ~ €77m

Impact on

Core Tier I ratio

~ +9 bps

Tier I ratio

~ +10 bps

Branch network optimization:

Disposal of a 33 Tuscany-based Branches of BPV (binding agreement signed in March 2008)

- Generation of a pre-tax capital gain of ~ €155m
- Generation of a post-tax capital gain of ~ €112m
- Reduction in RWA: -€759m

Impact on

Core Tier I ratio

~ +15 bps

Tier I ratio

~ +20 bps

Real estate:

1. Real estate fund for €1bn of operating real estate assets (binding agreement signed in March 2008)

- Generation of a minimum pre-tax capital gain: ~€500m
- Generation of a minimum post-tax capital gain: ~€400m, with taxes to be paid in installments over five years
- Reduction in RWA: - €335m

Impact on

Core Tier I ratio

~+45 bps (min.)

Tier I ratio

~+55 bps (min.)

Impact on Tier-1 is set to improve by an additional ~ +10bps in case of full market placement

2. Non instrumental real estate disposal

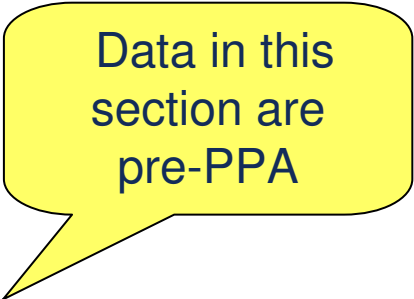


Impact on Core T1: ~+5 bps, Tier 1: ~+6 bps

U turn in 2008: from weak towards an adequate capital position (3)

Capital strengthening initiatives: limited impact on core earnings

Initiative	Impact on P&L (in €m)		
	2008	2009	2010
Disposal of a 48% stake in Linea (December 2007) <i>o/w:</i> - One-off capital gain - Profit and loss from equity inv.	95 (14)	- (18)	- (18)
Disposal of non instrumental real estate <i>o/w:</i> - One-off capital gain - Income before taxes	+59 -	- +4	- +4
Creation of an operating real estate fund for €1bn (March 2008) <i>o/w:</i> - One-off capital gain (min.) - Reduction in depreciation - Return on cash liquidity - Additional rent	+500 - - -	- +20 +40 (60)	- +20 +40 (60)
Disposal of 33 Tuscany-based branches (March 2008) <i>o/w:</i> - One-off capital gain - Income before taxes	155 (8)	- (21)	- (24)
Disposal of a 50% stake in Aletti Alternative <i>o/w:</i> - One-off capital gain - Income before taxes	+78 (2)	- (4)	- (6)
Total pre-tax impact of capital strengthening initiatives	~ +863	~ (39)	~ (44)
Total post-tax impact of capital strengthening initiatives	~ +703	~ (34)	~ (38)



Data in this
section are
pre-PPA

Group FY2007 results

Key FY 2007 non-recurrent items at a glance

€/m

FY 2007	TOTAL PRE-TAX
Banca Italease	(331.0)
Hopa impairment	(78.8)
Provision on risk and liabilities ex-BPI	(66.4)
Integrations Costs	(226.5)
Clean up of ex-BPI loan book	(135.3)
General provisions on performing loans	(59.5)
Higher taxes due to change in legislation	(112.1)
Other negative items	(27.3)
TOTAL NON RECURRENT NEGATIVE ITEMS	(1.036,9)
Bancassurance JV	718.4
Asset disposals	34.6
Borsa Italiana stake	127.1
FVO on own liabilities	155.7
Accounting of severance fund	35.5
TOTAL NON RECURRENT POSITIVE ITEMS	1,071.3
Taxes on non recurrent items	(20.6)
TOTAL 2007 NON RECURRENT ITEMS	+13.8

Tightening in provisioning policy

€m

Main provisions/write-downs in Q4 2007

			<i>of which:</i>	
	Q4 2007	Comments	<i>Further amounts decided in response to negative events in Q1 2008</i>	Comments
▪ HOPA stake (7.4%)	78.8	Total Write down from €1.00 to €0.22 per share	40.0	Write down from €0.60 (Dec. '07) to €0.22 per share (now)
▪ ITALEASE stake (30.7%)	135.2	Total Write down from €10.79 to €7.66 per share	70.0	Write down from €9.30 (Dec.'07) to €7.66 per share (now)
▪ ex-BPI:				
- Loan book clean up:	95.5		56.0	
- Provisions for risks and charges:	58.4		34.0	
Total gross provisions/write downs	367.9		200.0 (54%)	

Focus on Group Q4 2007 results

€m

	Q407 Recurrent	Q407 Stated	Non-recurrent	Comments
Total operating revenues	992.4	1,253.6	261.2	
• <i>Net interest income</i>	619.7	619.7	0	
• <i>Divid. + profit (losses) from equity inv.</i>	4.9	(10.3)	(15.2)	€15.2m Italease negative contribution
• <i>Net non-interest income</i>	367.8	644.3	276.5	€127.1m Borsa italiana merger with LSE €155.7m Fair Value Option on own liabilities
Operating costs	(610.4)	(615.4)	(5.0)	
Operating margin	382.0	638.2	256.2	€95.5 Clean-up of ex-BPI loan book €59.5 General provisions on performing loans(alignment to BPVN policy)
Net value adjust. for loans	(101.2)	(255.7)	(154.5)	
Net value adjust. for other financial activ.	(12.8)	(106.5)	(93.7)	€78.8 Impairment on the stake in Hopa, written down to €0.22 per share. €14.9 Other impairments
Net provisions for risks and liabilities	(30.2)	(88.6)	(58.4)	€30.5 Provisions on ex-BPI big risk positions €14.0 Provisions on guarantees for loans sold by BPL SGC
Impairment of goodwill and equity inv.	0	(135.2)	(135.2)	Impairment on the stake in Banca Italease, written down to €7.66 per share (Italease equity value net of goodwill)
Inc. from the disp. of eq. part. + invest.	0	268.7	268.7	€242.2m capital gain from the sale of a 50% stake in (JV with Aviva), corresponding to €162.3m post- tax; €26.5m other revenues from the sale of real estate assets and investments
Inc. before tax from continuing oper.	237.9	320.9	83.0	
Integration costs (after tax)	0	(6.3)	(6.3)	
Net income of the period	92.6	18.9	(73.7)	

Group full-year pro-forma profitability highlights ⁽ⁱ⁾

	Recurrent			Stated	
€m	<u>FY 2007</u>	<u>FY 2006PF</u>	<u>% change</u>	<u>FY 2007</u>	<u>FY 2006PF</u>
Total operating revenues	4,169.0	4,084.7	+2.1%	4,280.8	4,224.1
• <i>Net interest income</i>	2,322.4	2,117.9	+9.7%	2,322.5	2,144.9
• <i>Divid. + profit (losses) from eq. inv.</i>	34.4	82.3	-58.2%	(126.2)	130.3
• <i>Net non-interest income</i>	1,812.2	1,884.3	-3.8%	2,084.6	1,948.9
Operating costs	(2,434.4)	(2,335.9)	+4.2%	(2,425.4)	(2,343.6)
Operating margin	1,734.6	1,748.8	-0.8%	1,855.3	1,880.5
Net value adjust. for loans and similar	(354.0)	(354.5)	-0.1%	(545.8)	(334.1)
Other net value adjustments (ii)	(12.9)	(11.1)	+15.4%	(111.2)	(101.6)
Net provisions for risks and liabilities	(72.9)	(102.3)	-28.7%	(139.2)	(111.1)
Impairment of goodwill and equity inv.	-	-	-	(171.5)	(47.0)
Inc. from the disp. of eq. part. + invest.	14.3	27.2	-47.5%	781.9	365.5
Inc. before tax from contin. op.	1,309.2	1,308.1	+10.1%	1,669.5	1,652.2
Integration costs (after tax)	-	-	-	(148.3)	0
Net income of the period	718.0	717.0	+0.1%	731.9	975.2

(i) Includes the contribution of ex-BPI also in the first two quarters of 2007

(ii) Net value adjustments on financial operations, goodwill and participations

Group quarterly pro-forma recurrent profitability⁽ⁱ⁾

€ m	Q4 07	Q3 07	Q2 07	Q1 07	Q4 06	Q3 06	Q2 06	Q1 06
Total operating revenues:	992.4	986.7	1,075.8	1,114.1	1,082.6	1,019.5	978.8	1,003.7
• <i>Net interest income</i>	619.7	565.4	571.5	565.9	566.8	549.0	510.9	491.3
<i>of which: core customer banking business</i>	565.9	527.5	514.3	508.1	510.0	482.7	462.8	451.1
• <i>Profits (losses) from companies carried at eq.</i>	4.9	24.6	5.5	(0.6)	67.7	7.4	4.0	3.3
• <i>Net non-interest income</i>	367.8	396.7	498.8	548.8	448.2	463.2	463.9	509.1
Operating costs	(610.4)	(624.9)	(597.1)	(602.0)	(610.5)	(582.5)	(586.6)	(556.2)
Operating margin	382.0	361.8	478.7	512.1	472.1	437.1	392.1	447.4
Net value adjustments for loans	(101.2)	(68.6)	(117.1)	(67.1)	(143.4)	(63.0)	(95.5)	(52.5)
Net provisions for risks and liabilities	(30.2)	(5.9)	(27.7)	(9.1)	(49.5)	(5.9)	(31.1)	(15.8)
Income before tax from continuing operat.	237.9	286.8	332.6	452.0	269.4	369.8	289.6	379.3
Net recurrent income of the period	92.6	160.5	181.4	283.5	174.1	195.4	175.1	172.4

(i) All quarterly 2006 figures are restated on a homogeneous basis to account for changes in the area of consolidation.



Section 4

Merger integration & turnaround of ex-BPI

- Merger integration
- Turnaround of ex-BPI
- Reorganisation of the territorial franchise



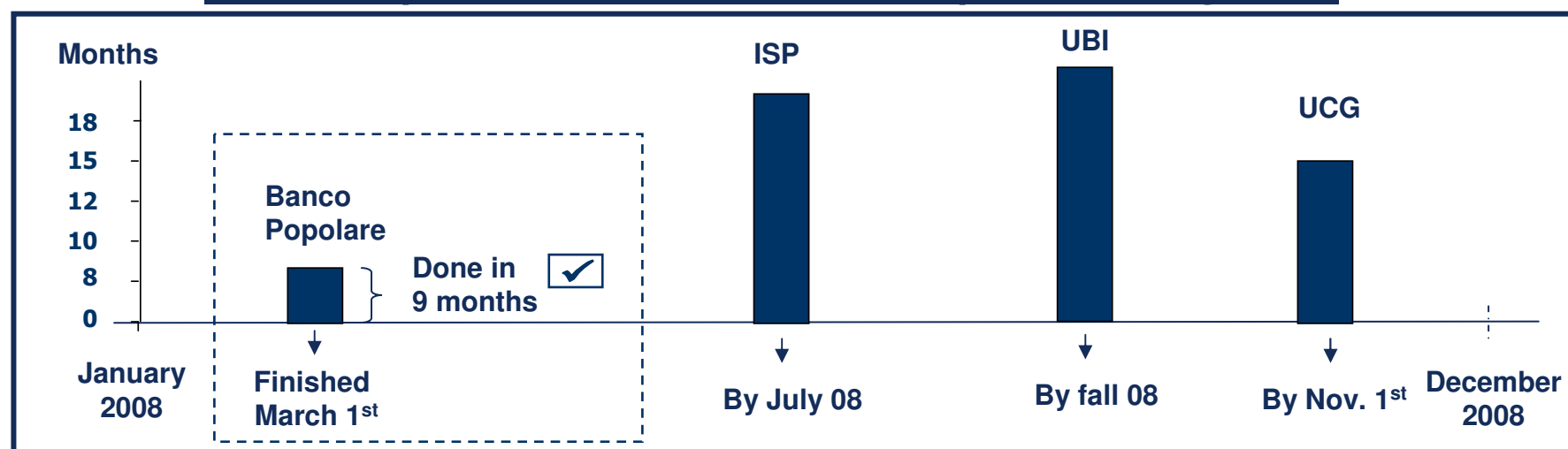
Completion of IT integration: a key milestone

Groundwork for synergies & turnaround

IT migration of ex- BPI network completed successfully

<u>Ex-BPI network</u>	<u># Branches</u>	<u>Cumulative # branches migrated</u>		<u>Time</u>	
BP Crema	44	44	5%	10 Sept. 2007	✓
BP Lodi	541	585	60%	05 Nov. 2007	✓
CR LuPiLi + BP Mantova	253	838	87%	04 Feb. 2008	✓
Bp Cremona + Caripe	127	965	100%	01 March 2008	✓

Banco Popolare in the Italian landscape of IT integration

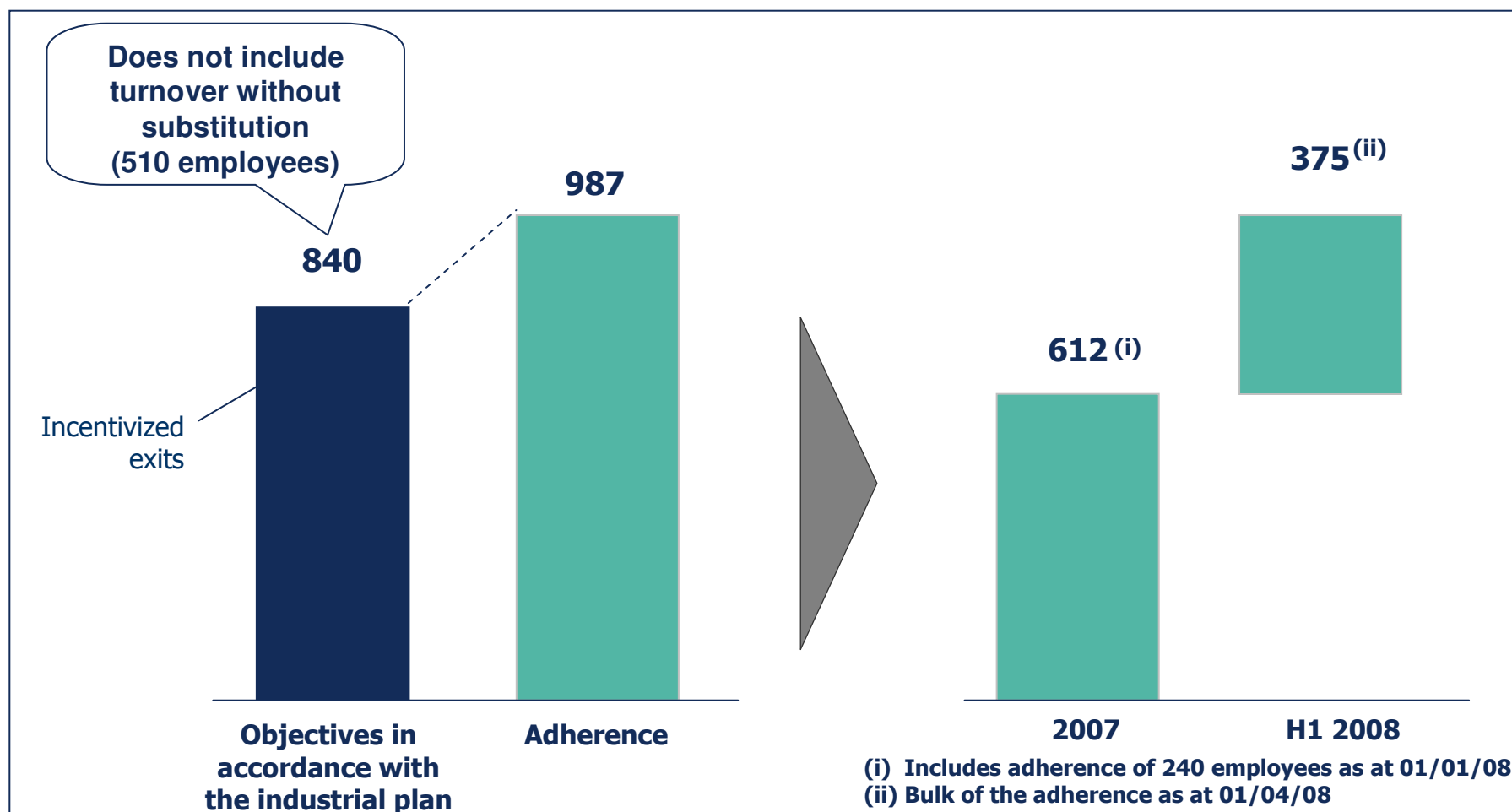


Personnel: adherence to incentivised exit scheme

Adherence to the scheme higher than expected

Adherence to the
incentivised exit scheme 2007

Phasing of incentivised exit scheme



Integration Projects: main results achieved

**Integration
success**

11 Mar '08 ✓ ■ Branch re-organization project approved

Cost and productivity alignment synergies

02 Mar. '08 ✓ ■ BP Cremona and CARIFE are fully operational on the Group's IT system

Cost and productivity alignment synergies

04 Feb '08 ✓ ■ CR LuPiLi and BP Mantova are fully operational on the Group's IT system

Cost and productivity alignment synergies

Jan '08 ✓ ■ Startup of Bancassurance products commercialization (life and protection) of holding's new JV

Revenues synergies

Dec '07 ✓ ■ Centralisation of Asset Management (integration of SGR and SGR Alternative management arms)

Cost and productivity alignment synergies

05 Dec '07 ✓ ■ Merger of Bipielle ICT into SGS Group operating machine

Cost synergies

03 Dec '07 ✓ ■ Unification of the depositary banking activities of Gestielle mutual funds of BPL and BPV under Banco Popolare

Cost synergies

Dec '07 ✓ ■ Centralisation of the Back Office functions into specialized poles

Cost synergies

05 Nov '07 ✓ ■ Banca Popolare di Lodi is fully operational on the Group's IT system

Cost and productivity alignment synergies

01 Oct '07 ✓ ■ Merger of Aletti Merchant into Efibanca

Cost synergies

10 Sep '07 ✓ ■ Banca Popolare di Crema is fully operational on the Group's IT system

Cost and productivity alignment synergies

03 Sep '07 ✓ ■ Management of discretionary accounts of former BPI conferred into Banca Aletti

Organisational razionalisation and creation of one single catalogue; cost synergies

01 Jul '07 ✓ ■ Centralisation of the debt collection and legal issues of the new Group under a dedicated unit (SGC)

Cost synergies and alignment of best practice

01 Jul '07 ✓ ■ Merger of BPVN and BPI, with spin-off of BPV and BPL

Turnaround of ex-BPI: Drivers (1)

2007 closed with full restructuring

*2007:
"Restructuring and integration"*

- New Distribution Model ☒
- New Headquarter Governance ☒
- New Management Team ☒
- New Commercial Methods ☒
- New IT Infrastructure ☒

2008 to focus on exploitation of potential

*2008:
"Gaining momentum and unleashing potential"*

- Client focus ☐
- Exploitation of the franchise potential ☐
- Commercial engine gearing up ☐
- Credit discipline ☐
- Branch swap ☐

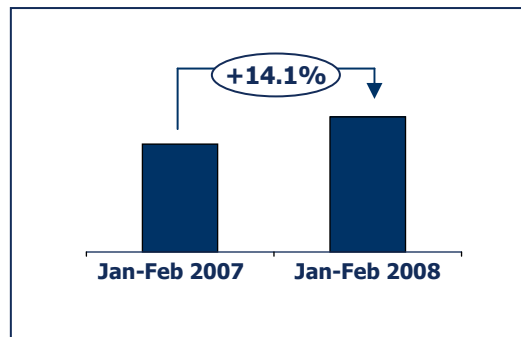
☒ = done

☐ = ongoing

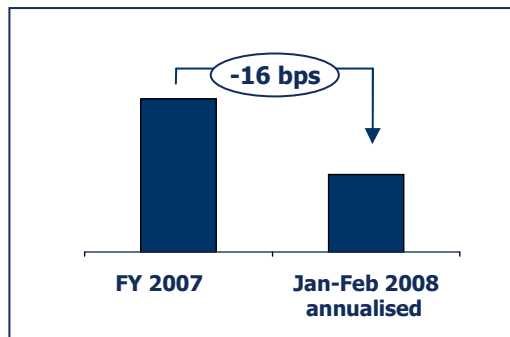


BPL turnaround: first signs in core banking business

Loan growth

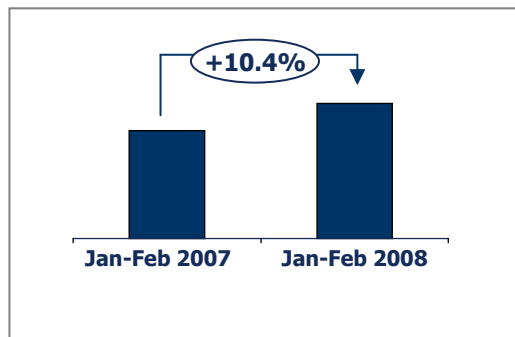


Recurrent cost of credit

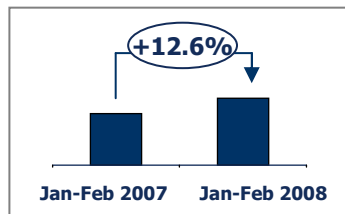


Strong increase in lending volumes with a strict control in credit risk

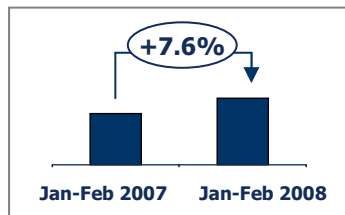
Gross operating income



Net interest income



Net commission income



First data on February 2008 confirm the good trend

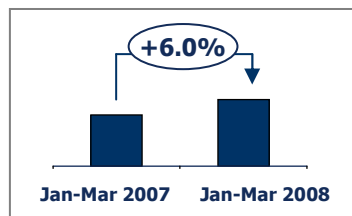
BPL turnaround: first signs in commercial performance

Number of clients acquired: +14% since IT migration

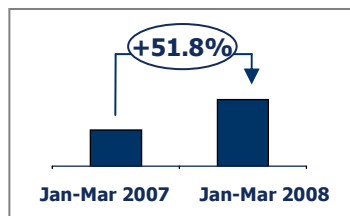


Improved client acquisition

Contracts sold

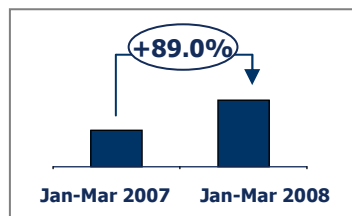


Investment products sold

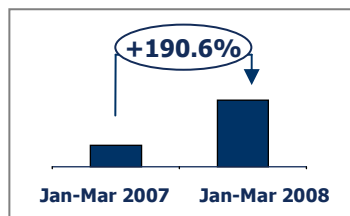


Boost in the number of contracts sold and inflows from investment products

Third party structured bonds

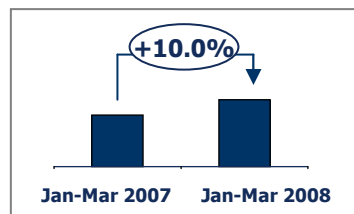


Certificates inflows

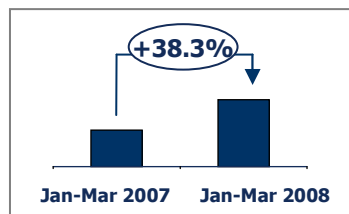


Constant focus on Bond and Certificate inflows and margins

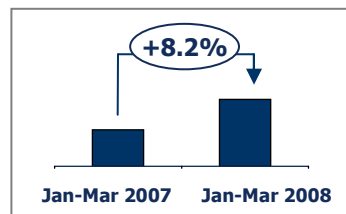
New consumer lending



Bancassurance margin



Stock of active credit cards



Healthy growth in 2008
key commercial figures



Branch reorganisation: fostering turnaround and synergies

Region	BPV-SGSP		BPL		BPN	
	Branches	Total Mkt share	Branches	Total Mkt share	Branches	Total Mkt share
VENETO	+20	8.1% → 8.6%	-20		-	
FRIULI VENEZIA GIULIA	+1		-1		-	
LOMBARDY	-6		+21	3.8% → 4.2%	-15	
PIEDMONT	-		-13		+13	8.2% → 8.7%
EMILIA ROMAGNA	+21; -25		+25; -21	2.3% → 2.4%	-	
MARCHE	-1		+1		-	
MOLISE	-		-8		+8	
CAMPANIA	-		-11		+11	2.7% → 3.3%
CALABRIA	-		-3		+3	
BASILICATA	-		-3		+3	
SICILY	-		+18	7% → 8%	-18	
TOTAL NET SWAP OF BRANCHES	+10		-15		+5	

THE SWAP OF THE BRANCHES AIMS AT STRENGTHENING THE LOCAL BANK'S FRANCHISE
IN ORDER TO FOSTER THE PRODUCTIVITY REALIGNMENT AND COST SYNERGIES





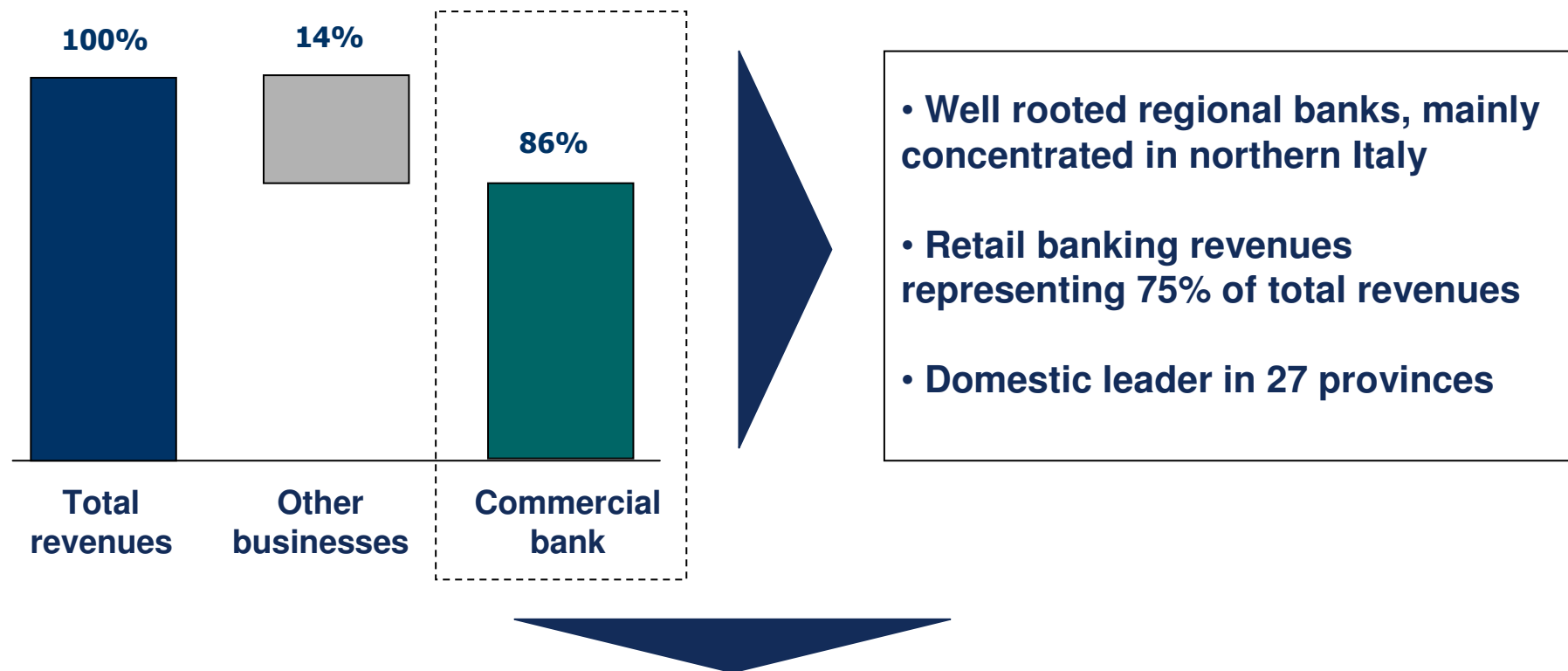
Section 5

Update on Strategy & Business Plan

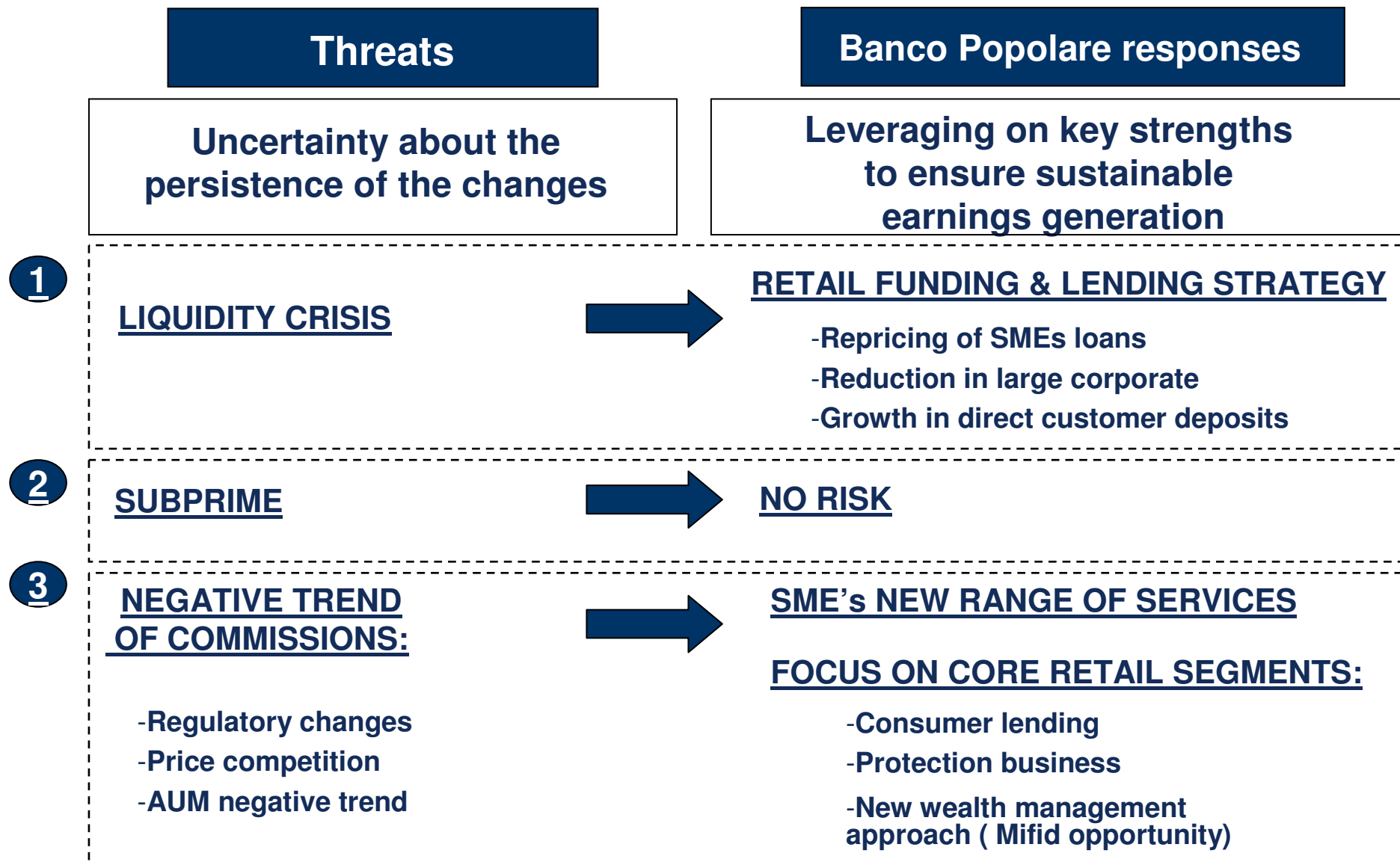
- New Strategic guidelines: U turn in commercial strategy
- Business Plan 2008-2010

Strategic focus: Leveraging on Key Group Strengths

Breakdown of Group total revenues



Leveraging on Banco Popolare Strengths



ALM strategy in 2008

2008 net flows

Lending

- | | | | |
|----------------------------|---------|---|-----------------|
| ▪ Retail & SME lending: | +€7.6bn | ↑ | Euribor +240bps |
| ▪ Large Corporate lending: | -€3.0bn | ↓ | Euribor +60bps |

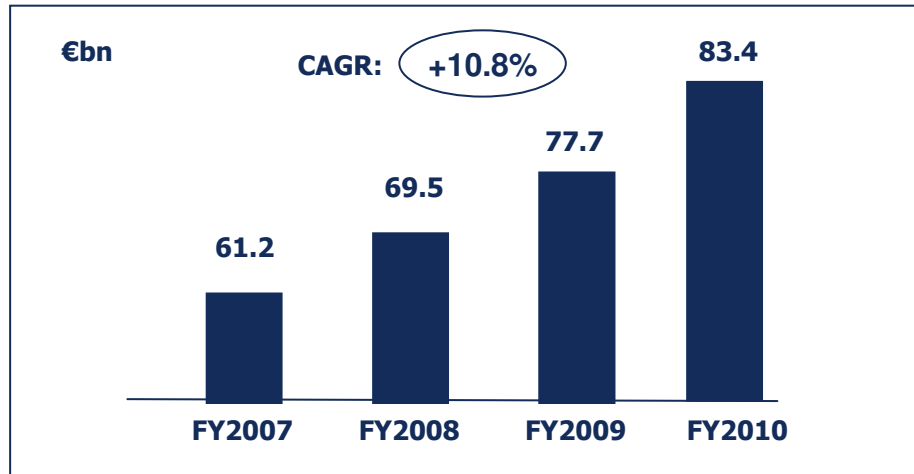
Funding

- | | | | |
|-------------------------------|---------|---|---|
| ▪ Retail funding: | +€8.5bn | ↑ | Euribor -20bps
(o/w: ~3bn at Euribor +35bps) |
| ▪ EMTN & Institutional bonds: | -€3.8bn | ↓ | Euribor +80bps |

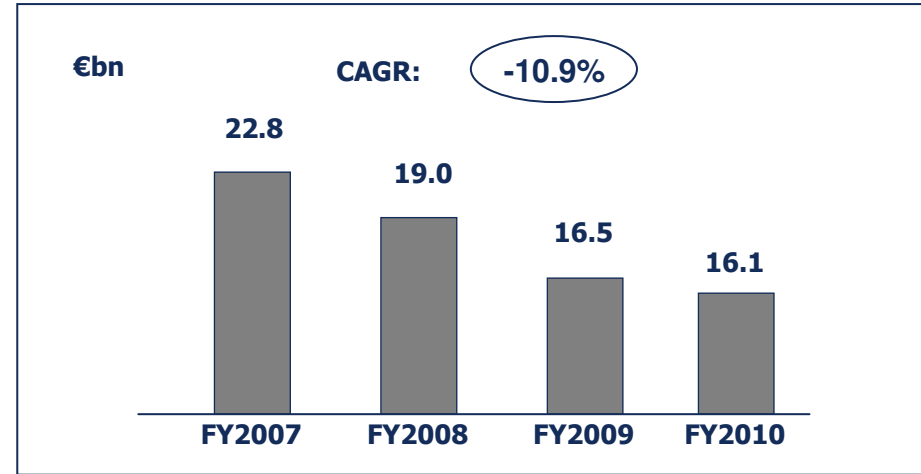
Funding & ALM Strategy 2008-2010

Averages volumes

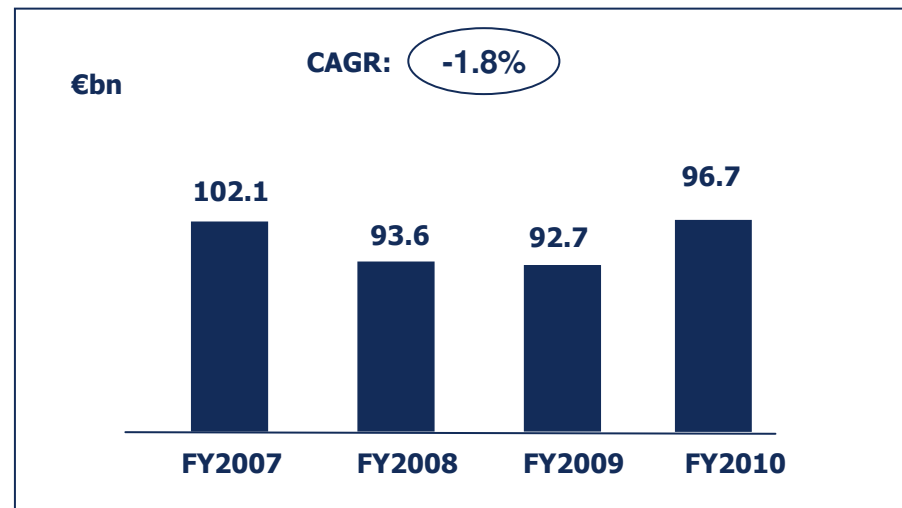
Direct customer funds



EMTN + London branch



Indirect customer funds



Retail Funding Strategy in 2008

**2008 target for growth
in direct customer funds:
€8.5bn**

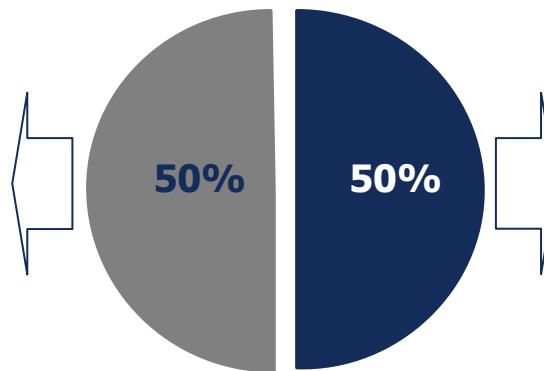
External funding: ~€4.25bn

Internal funding: ~€4.25bn

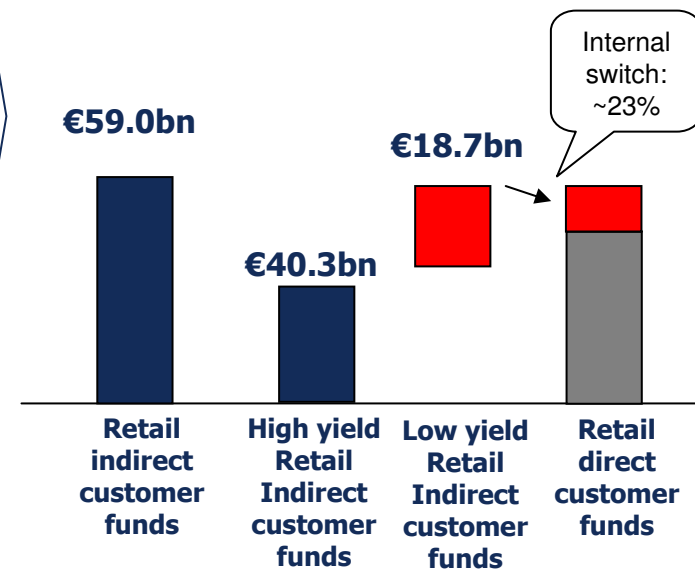
Commercial focus:

**Bond placements with
retail customers ~€3.75bn**

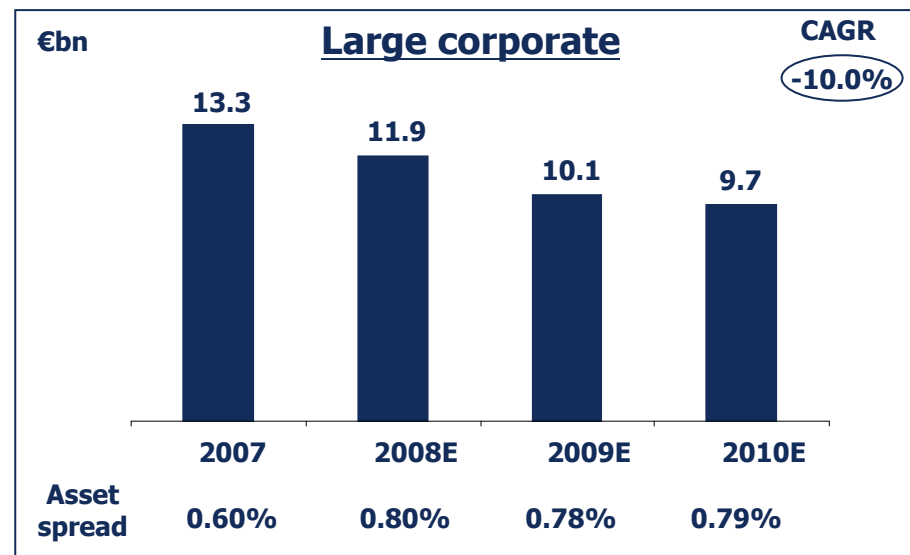
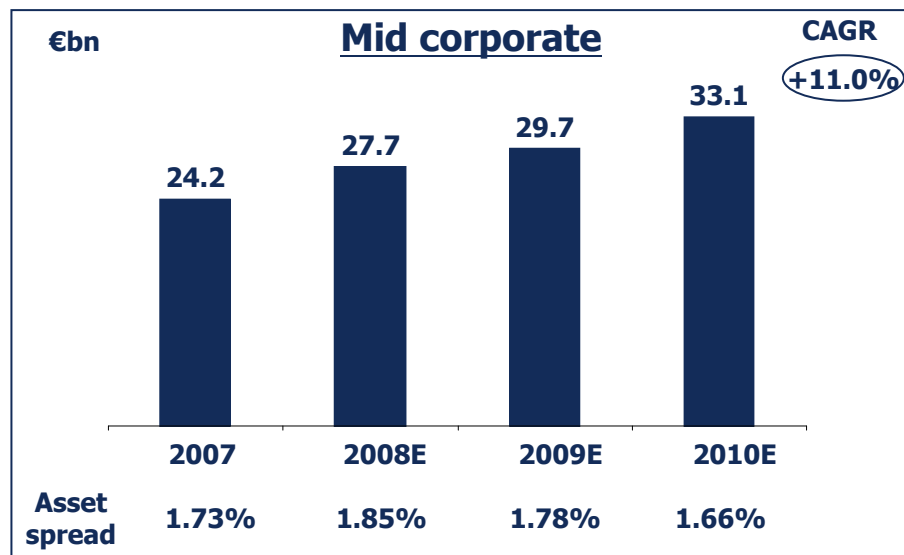
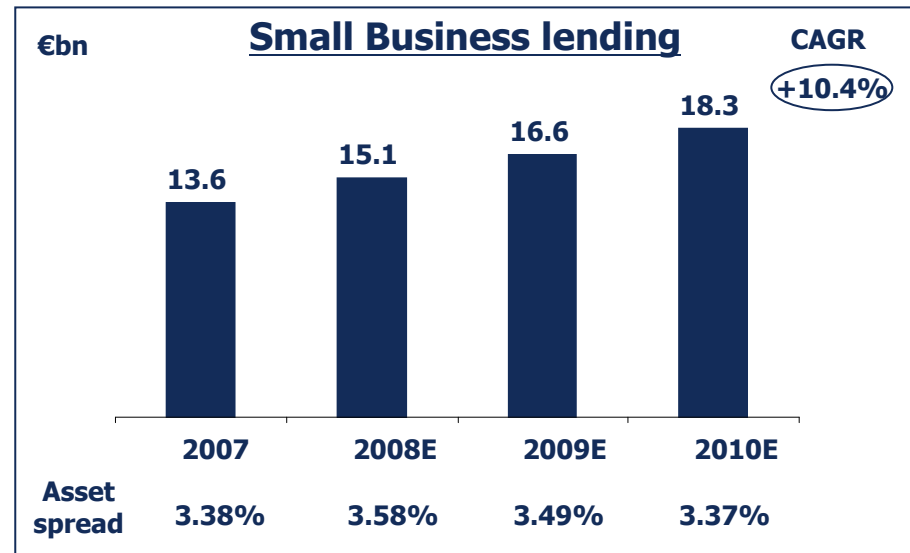
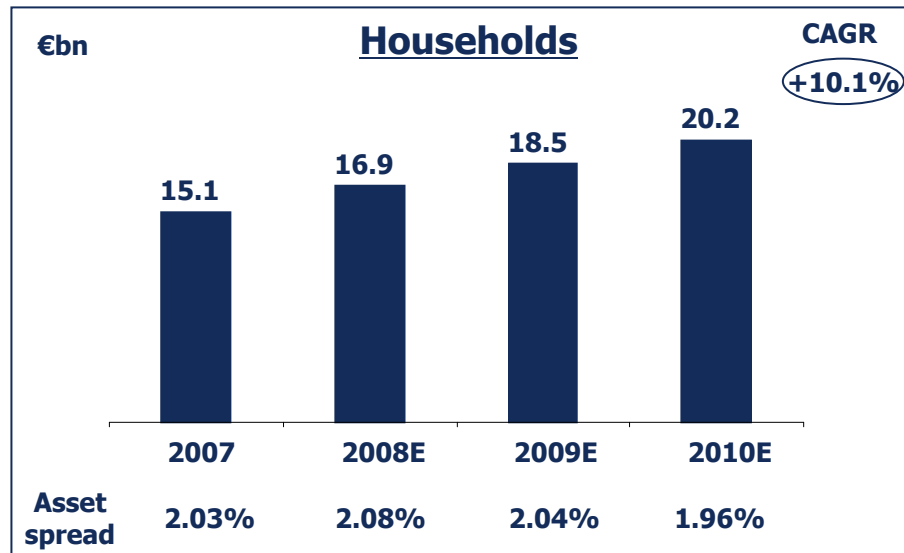
**Increase in direct
retail customer
deposits ~€0.50bn**



Use of flexibility in switching
indirect into direct customer funds:



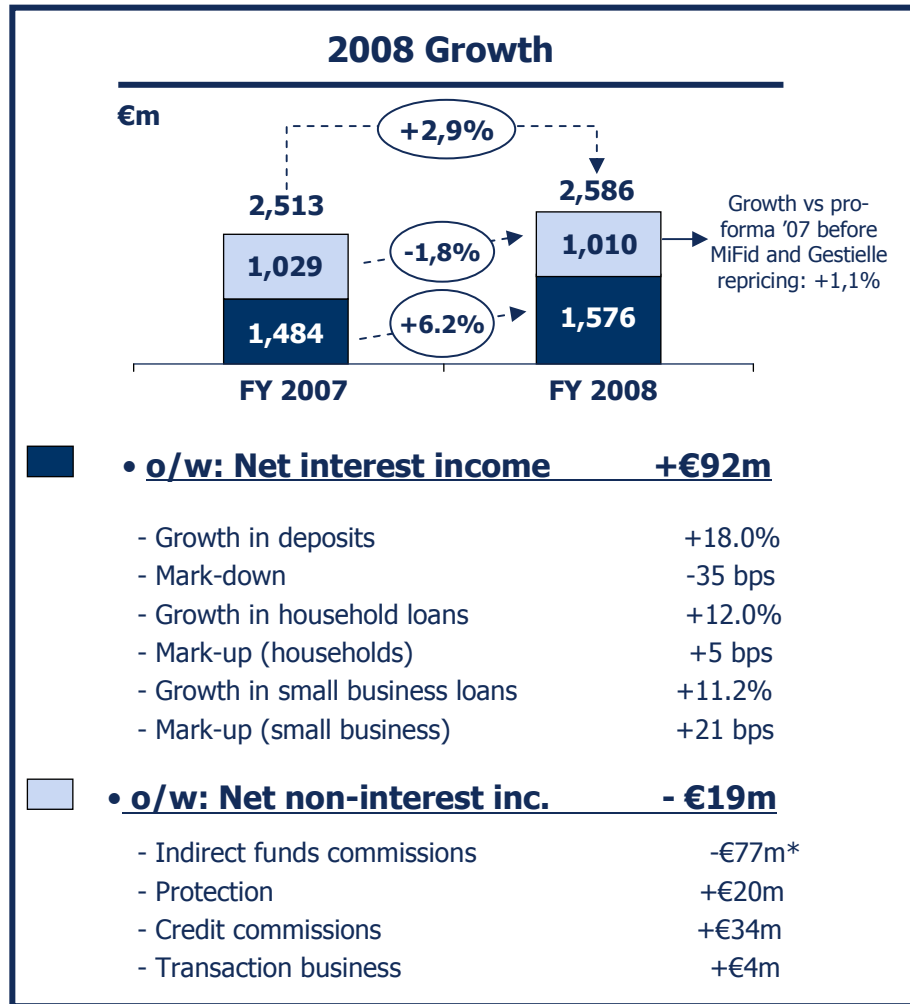
Lending Strategy 2008-2010 (i)



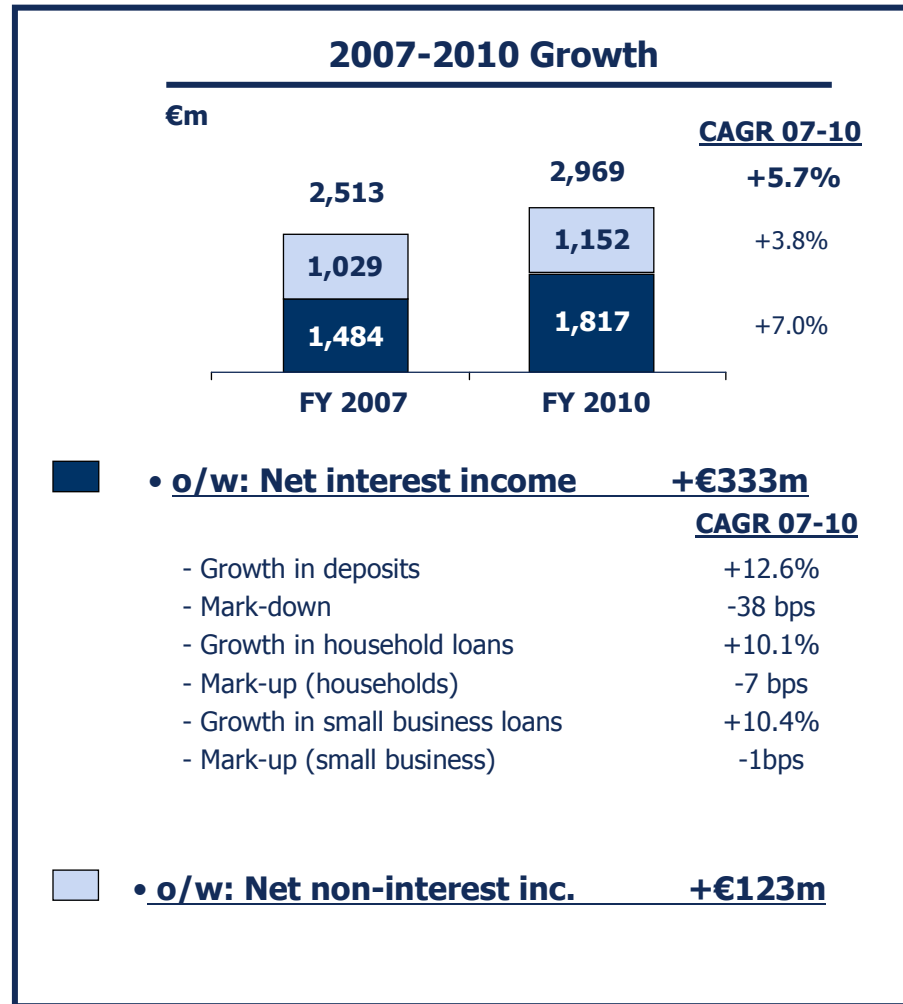
(i) Average volumes

Retail Business Growth Targets

Growth in retail revenues of the banking network



(Average volumes)

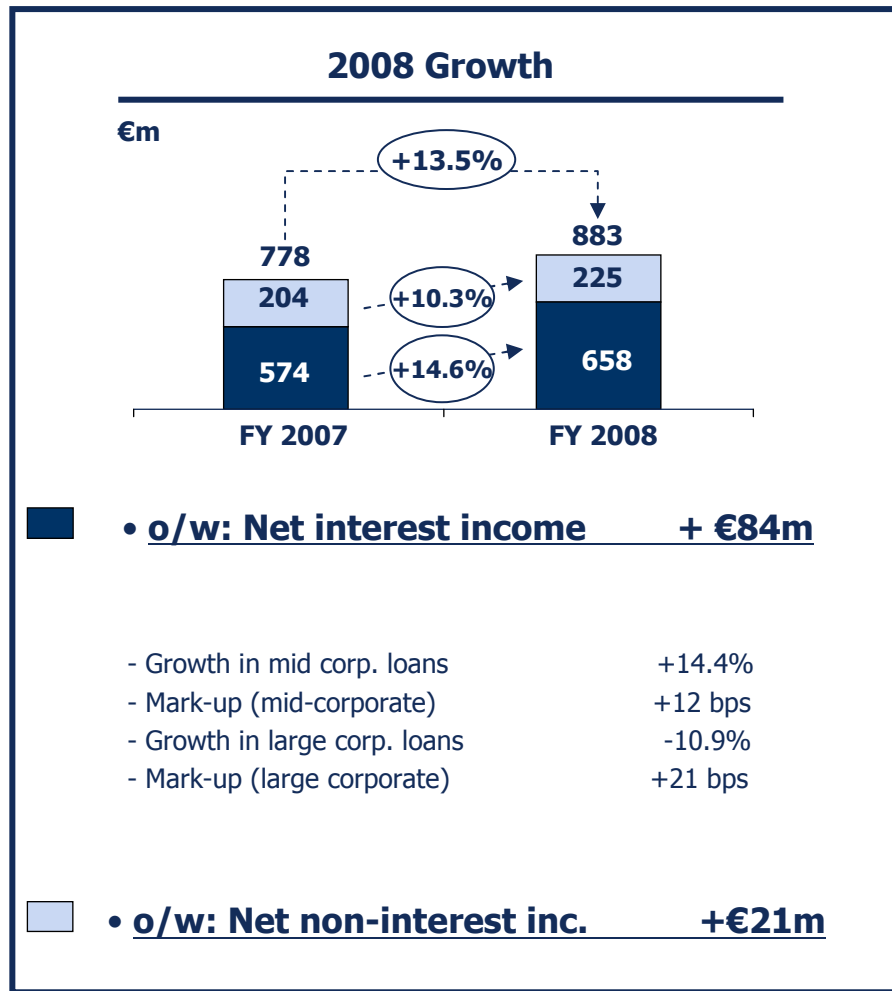


(Average volumes)

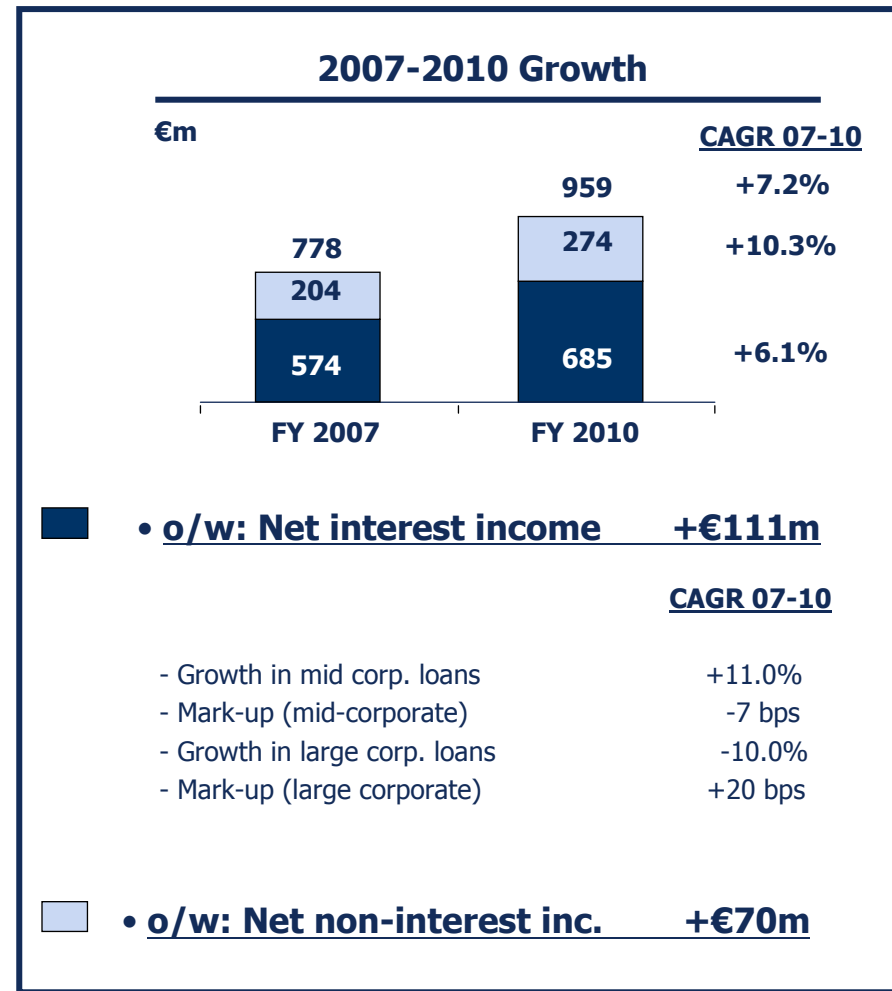
(*) of witch ~€30m due to MiFid and re pricing pay-out Gestelle

Corporate Business Growth Targets

Growth in corporate revenues of the banking network



(Average volumes)



(Average volumes)

Strategic Focus on Key Adjacent Businesses

Consumer credit



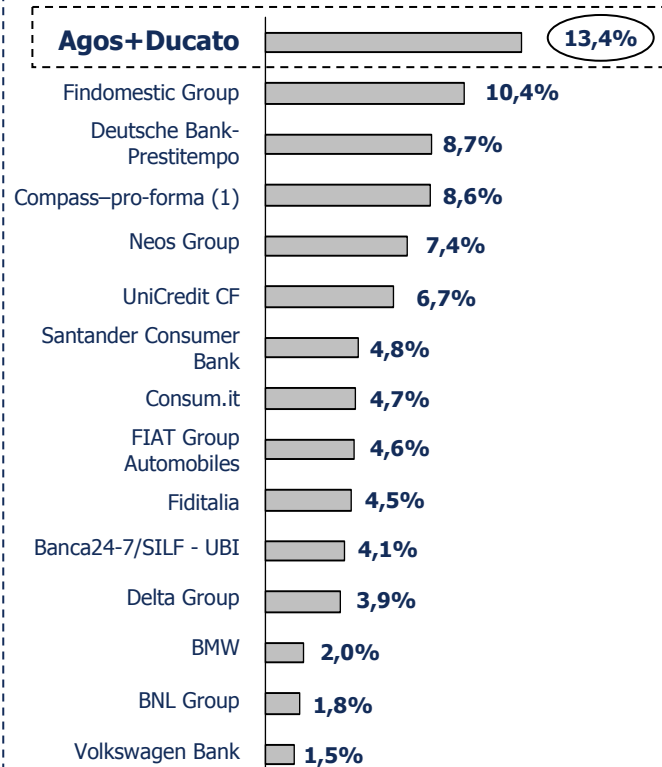
Alternative Asset Management



Growth focus through partnership agreements
in key adjacent banking businesses

Consumer Credit strategy: Agos + Ducato

Market share



Pre-tax synergies

Early estimates:
~ € 50 m

- Revenues synergies:
 - Increased customer base
 - Higher product diversification & market penetration
 - Best practices: product innovation, CRM, risk mgnt, network mgnt,
- Brand exploitation
- Cost synergies:
 - Integration of IT functions
 - Synergies on G&A expenses
 - Cost of funding
 - ...

Key benefits for Banco Popolare

- Accretive transaction thanks to synergies
- Strengthening of capital ratios
- Long term commercial agreement to give Banco Popolare a full & leading consumer finance commercial proposal:
 - Expected commissions 2010: ~€160m
- Participation into strong future upside related to a new leading player in Italian consumer credit market
- Positive effect on funding/liquidity

Exclusive negotiations, lasting for one month, for the definition of a possible form of integration and development of a business plan.

(1) Pro forma of Compass and Linea Group

Long-term Partnership in the Alternative Asset Management Industry



- UBP is one of the major Swiss asset management banks for both private and institutional clients.
- it manages approximately \$121bn of which c.\$53bn are assets under management invested in hedge funds.
- Major external advisor of AGA since its inception in 2001 and has contributed to build AGA's leadership position in Italy



- Aletti Gestielle Alternative ("AGA") is the Italian market leader among funds of hedge funds
- Best in class performance in all product categories in the last 3 and 5 years.
- Resilient growth path: AUM growth of 63% per year on average since 2000

Banco Popolare and Union Bancaire Privée ("UBP"), to create a long-term 50/50 partnership in the alternative asset management industry

STRATEGIC RATIONALE:

- **Development of the extra captive institutional and third party businesses:**
 - High growth potential from institutional clients, currently accounting for only 10% of AGA's AUM.
 - Leverage on UBP's unparalleled knowledge and track record in the institutional market.
- **Further penetration of Banco Popolare's untapped retail and private customer base:**
 - Only approx. 5% of Banco Popolare's high net worth clients investing in AGA's funds of hedge funds.
- **Broadening of product range leveraging on UBP's track-record and expertise.**
- **Fulfilling of customers' growing demand for non-correlated investments.**
- **Significant increase in assets under management over the next three years.**
- **Timing:** by end of May 2008



Business Plan Targets: Group recurrent P&L

€m	2007	2008	Y/Y % chg	CAGR 2007/2010
Total operating revenues:	4,169.0	4,375.4	+4.9%	+7.7%
▪ <i>Net interest income</i>	2,322.4	2,590.6	+11.5%	+10.7%
<i>Divid. + profit (losses) from eq. inv.</i>	34.4	62.7		
▪ <i>Net non-interest income</i>	1,812.2	1,722.1	-5.0%	+2.4%
Operating costs	(2,434.4)	(2,429.6)	-0.2%	+2.3%
Operating margin	1,734.6	1,945.8	+12.2%	+14.4%
Net value adjust. for loans and similar	(354.0)	(389.6)		
Other net value adjustments (i)	(12.9)	(5.0)		
Net provisions for risks and liabilities	(72.9)	(44.9)		
Inc. from the disp. of eq. part. + invest.	14.3	0.0		
Income before tax from continuing operations	1,309.2	1,506.3	+15.1%	+16.2%
→ Net income of the period pre PPA	718.0	907.2	+26.4%	+19.9%
<i>PPA recurrent effect on Net Income</i>	(53.1)	(103.5)		
Net income of the period post PPA	664.9	803.7	+20.8%	+19.6%

(i) Net value adjustments on financial operations, goodwill and participations



Executive summary

Building an adequate capital position, with a core Tier-1 ratio over 6% (5.1% today) and a Tier-1 capital ratio of 7.5% (6.5% today).

In response to the new market environment, Banco Popolare is determined to leverage on its key strengths as core retail bank and build its strategy on:

- **Focus on retail funding and lending to households and small/medium-sized businesses.**
- **ALM strategy: strengthening the balance of customer funds/loans and liquidity.**
- **Adoption of adequate risk-adjusted pricing.**
- **Strict cost control.**
- **Focus on sustainable earnings growth.**





Appendices

- *Details on PPA*
- *Details on FY 2007 results*
- *Details on merger integration & turnaround of ex-BPI*
- *Details on 2008-2010 Business Plan*



PPA: Main impact on the Balance Sheet as of 1/7/07

<u>Acquisition Cost:</u>	€5.9 bn
<u>Merger difference:</u>	€3.2 bn

Allocation of merger difference to assets & liabilities: €0.7bn

€m	Allocations
Loans to customer	598.4 (32.2%)
Real estate	148.9 (8.1%)
Intangible assets	918.4 (50.2%)
Participations	61.4 (3.4%)
Other	110.1 (6.1%)
Total Gross allocation	€1.8 bn
Total net allocation	€0.7 bn

Remaining Goodwill: €2.5m

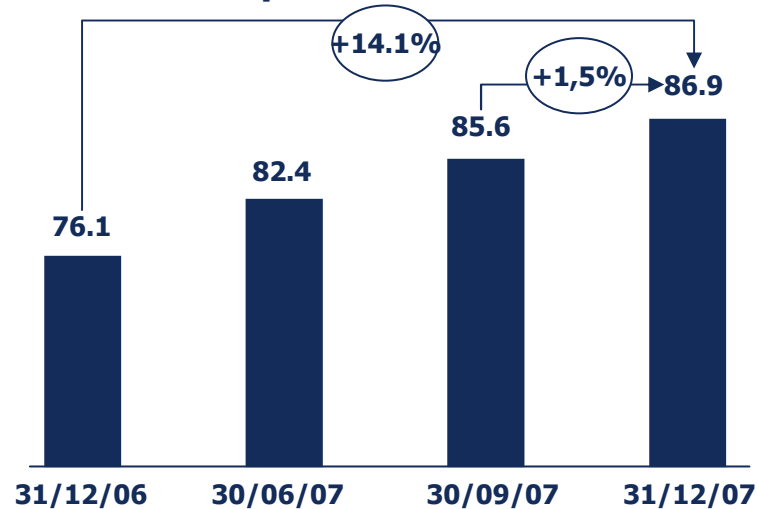
PPA: Main impact on the recurrent P&L

€m	FY 2007 Pre PPA	PPA impact	FY 2007 Post PPA
Net interest income	2,322.4	(58.5)	2,263.9
Profit (loss) from equity investments carried at equity	34.4		34.4
Other operating income	1,812.2	(20.1)	1,792.1
Total income	4,169.0	(78.6)	4,090.4
Personnel expenses	(1,504.5)		(1,504.5)
Other administrative expenses	(761.4)		(761.4)
Depreciation and amortization	(168.5)	(1.9)	(170.4)
Operating costs	(2,434.4)	(1.9)	(2,436.3)
Operating margin	1,734.6	(80.4)	1,654.2
Net impairments of loans, guarantees and commitments	(354.0)		(354.0)
Net impairments of other financial assets	(12.9)		(12.9)
Net provisions for risks and charges	(72.9)		(72.9)
Profit (loss) from disposal of equity and other investments	14.3		14.3
Income before tax from continuing operations	1,309.2	(80.4)	1,228.8
Tax on income from continuing operations	(554.7)	30.8	(523.9)
Income after tax from continuing operations	754.5	(49.7)	704.8
minority interests	(36.4)	(3.4)	(39.8)
Net income for the period	718.0	(53.1)	664.9

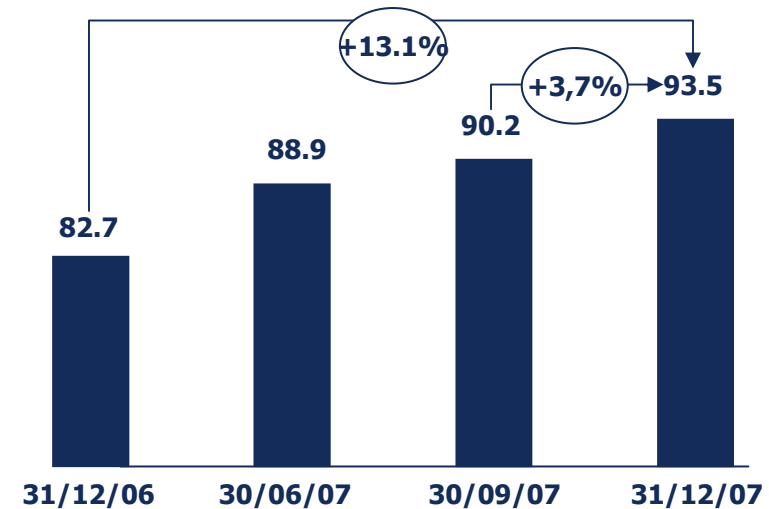
Group volumes: Customer loans & funds

€/m

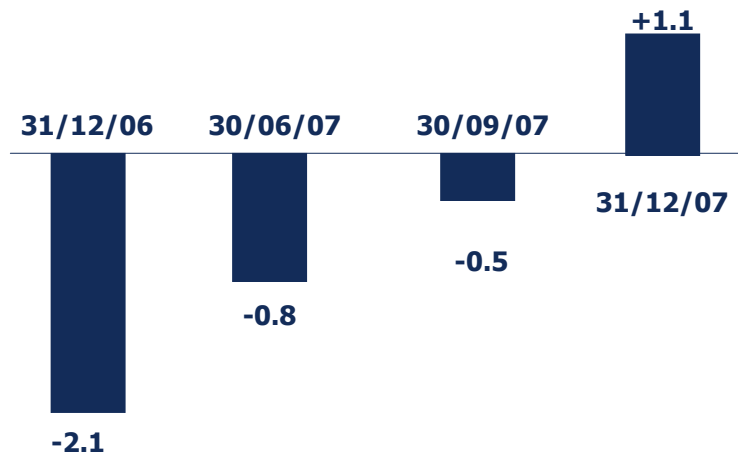
Group customer loans



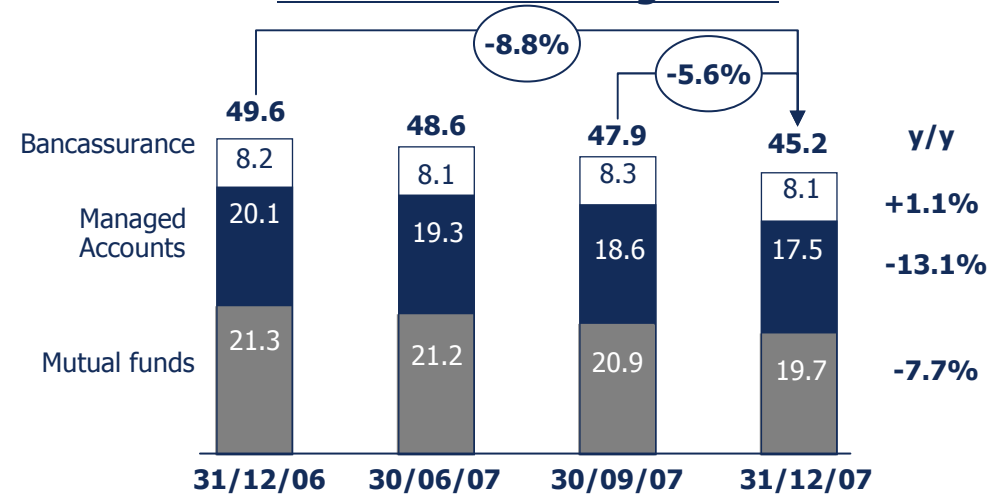
Direct customer funds



Net interbank position

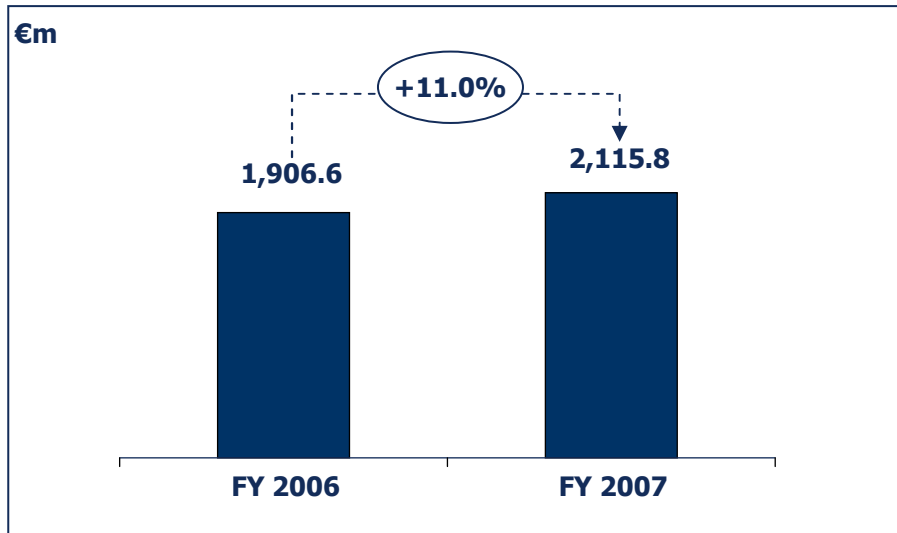


Assets under management

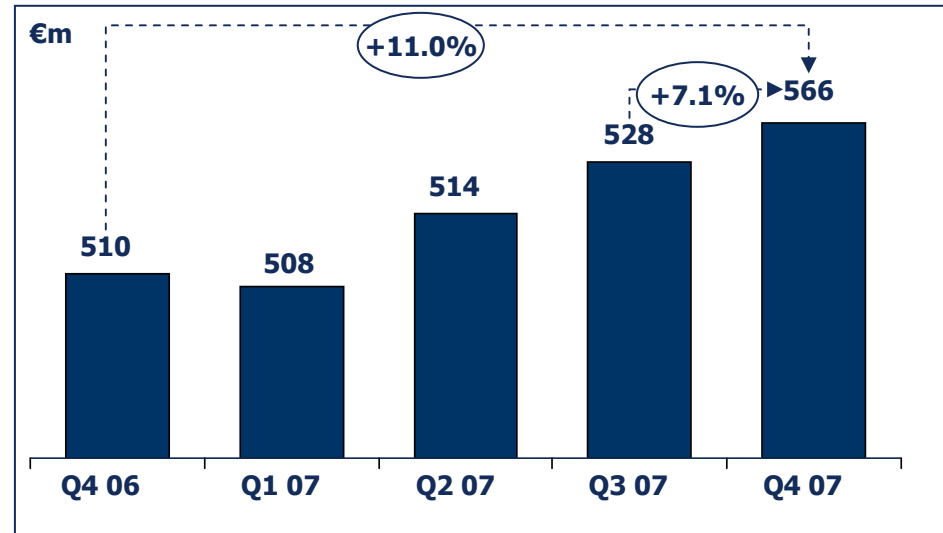


Commercial banks: customer net interest income

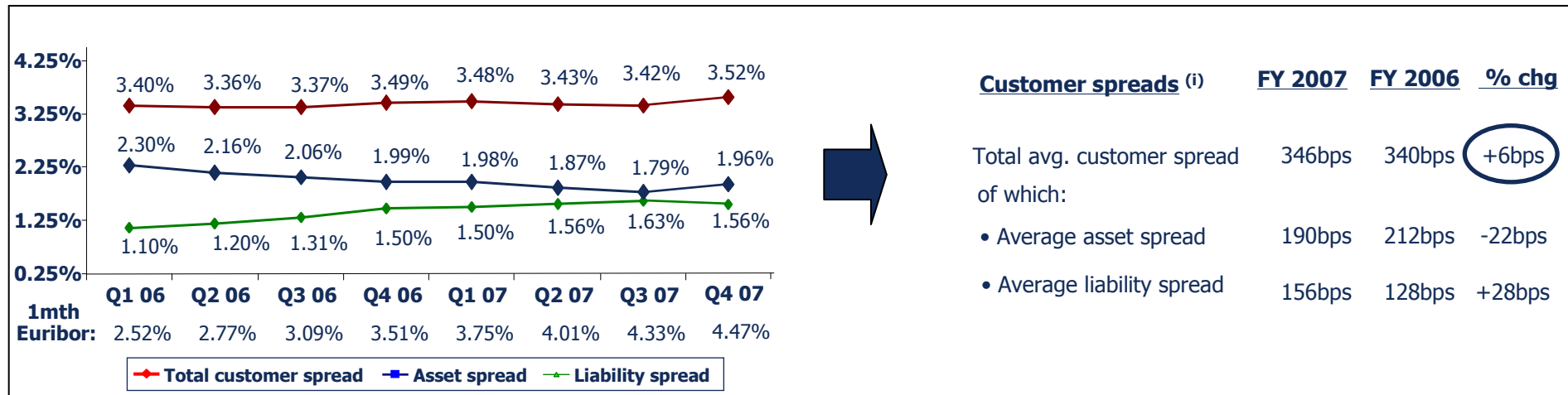
Customer net interest income: y/y trend



Customer net interest income: quarterly trend



BP Group customer spread



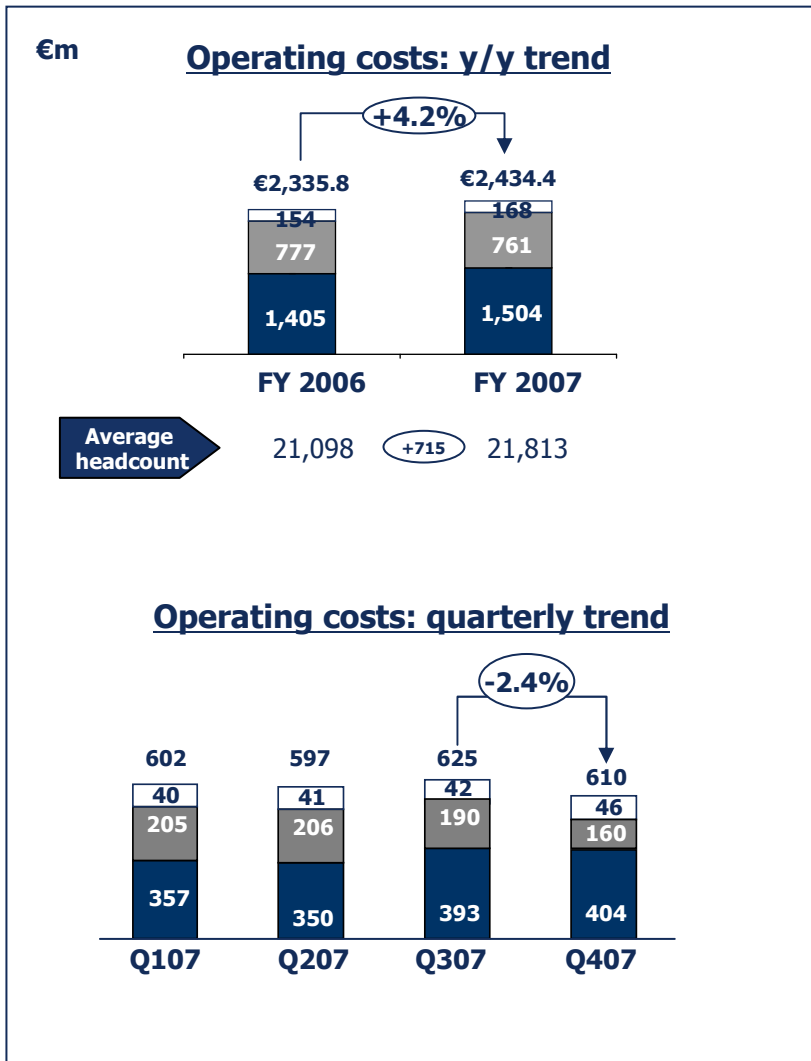
Customer spreads (i)	FY 2007	FY 2006	% chg
Total avg. customer spread	346bps	340bps	+6bps
of which:			
• Average asset spread	190bps	212bps	-22bps
• Average liability spread	156bps	128bps	+28bps

Group quarterly recurrent net non-interest income

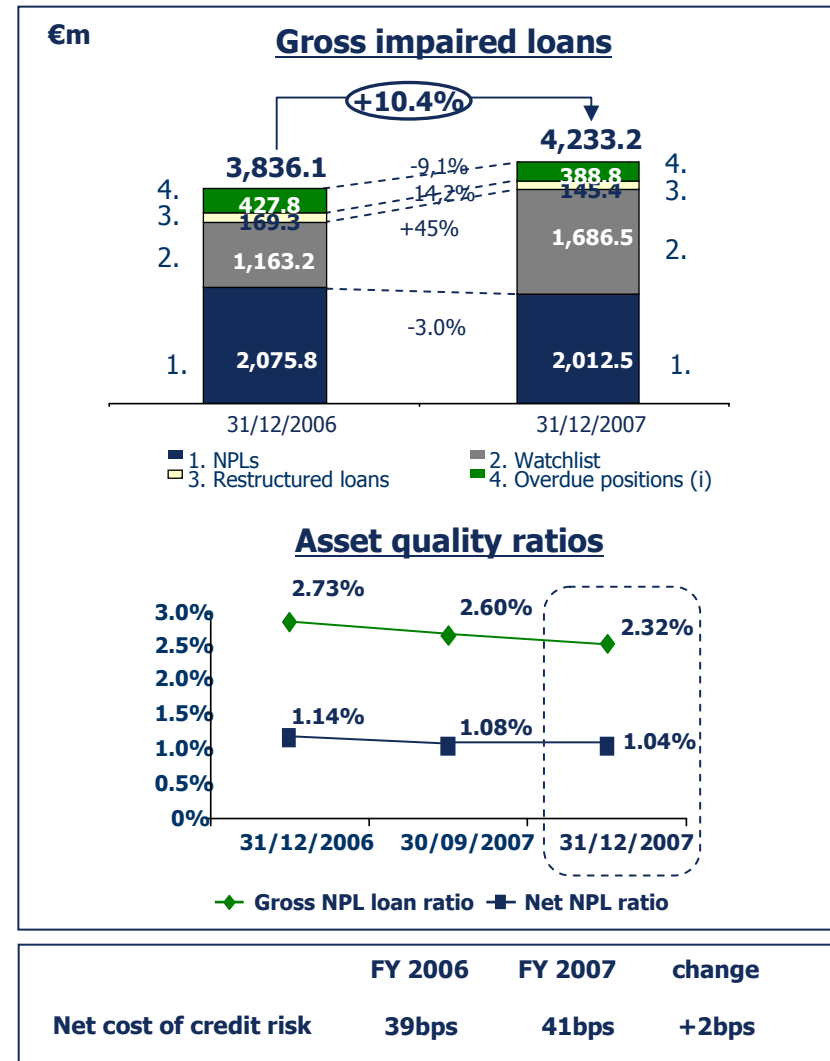
€m	Q4 07	Q3 07	Q2 07	Q1 07	Q4 06	Q3 06	Q2 06	Q1 06
Net commission income:	284.2	291.6	324.5	309.7	303.7	298.9	306.9	331.8
• <i>Management, brokerage and advisory services</i>	167.2	184.5	211.4	205.4	208.5	195.0	208.6	204.6
<i>of which: Asset management fees</i>	93.4	91.3	104.2	105.9	125.4	98.3	108.4	119.1
Net financial result:	20.5	38.5	100.4	170.2	71.7	96.1	88.1	95.8
• <i>Net result of trading and hedging of financial assets/liabilities valued at FV</i>	20.5	36.4	68.4	70.0	63.2	94.7	54.1	94.9
• <i>Dividends from "ex participations"</i>	0	2.1	32.1	0.2	8.5	1.4	34.0	0.9
Other net operating income	63.7	66.7	73.9	69.0	72.7	68.2	68.9	81.5
Total recurrent net non-interest income	367.8	396.7	498.8	548.8	448.2	463.2	463.9	509.1

Operating costs & Credit quality

Focus on costs



Focus on credit quality



Group cost of credit risk

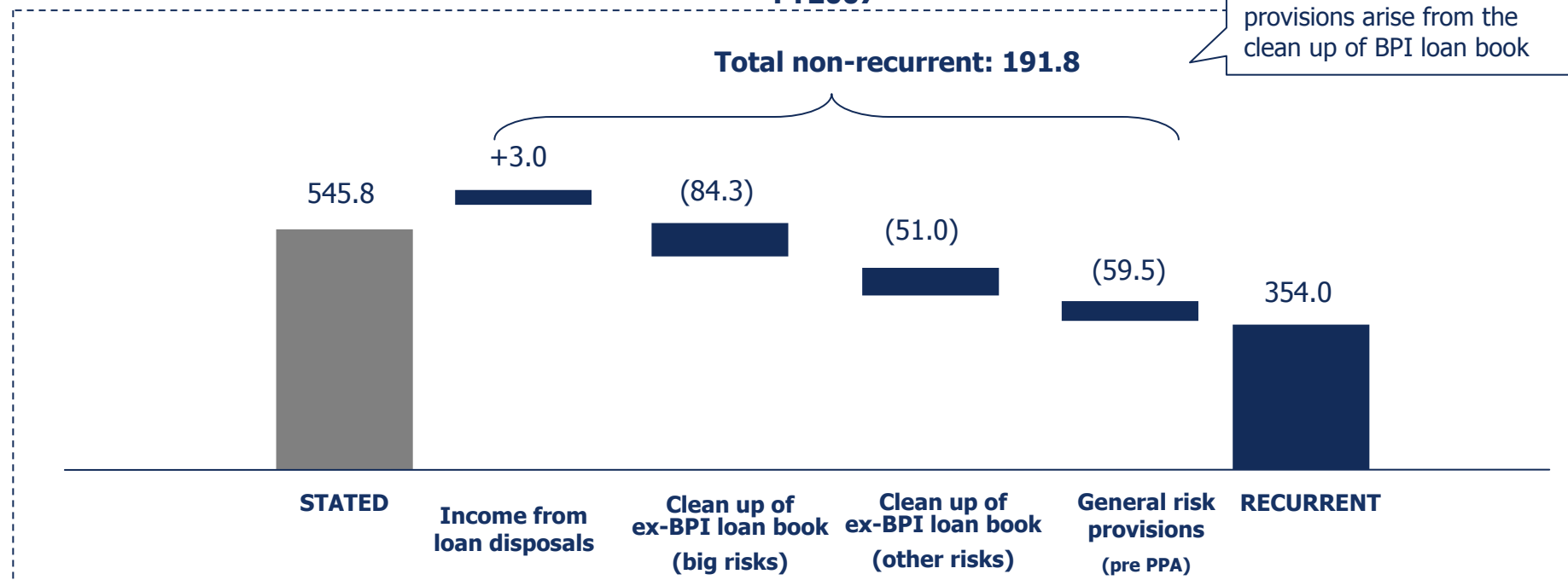
€m

Net loans loss provisions (LLP)

FY2007

Total non-recurrent: 191.8

All non-recurrent loan loss provisions arise from the clean up of BPI loan book

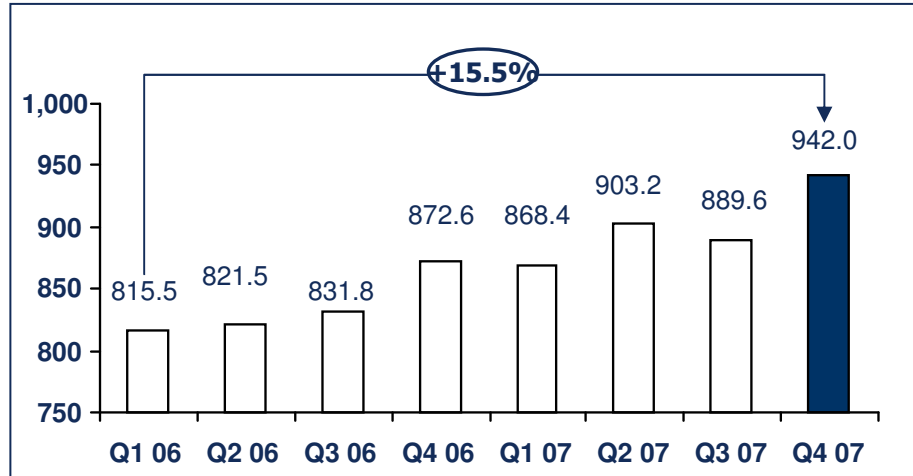


	FY2007	
	Banco Popolare Rec.	Stated
Total Gross Provisions	606.8	801.6
Total Write-Backs	252.8	255.8
Total Net Provisions	354.0	545.8

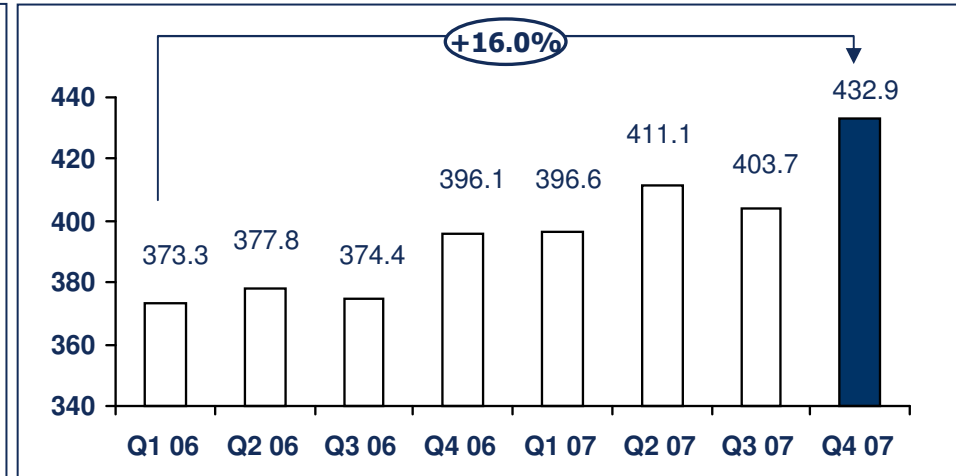
Commercial banks: quarterly recurrent customer revenues

€/m

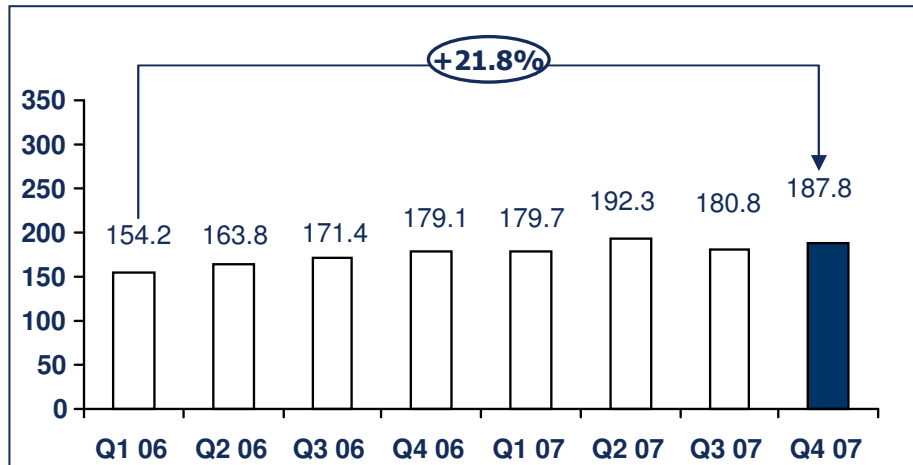
TOTAL RETAIL BANKS (i)



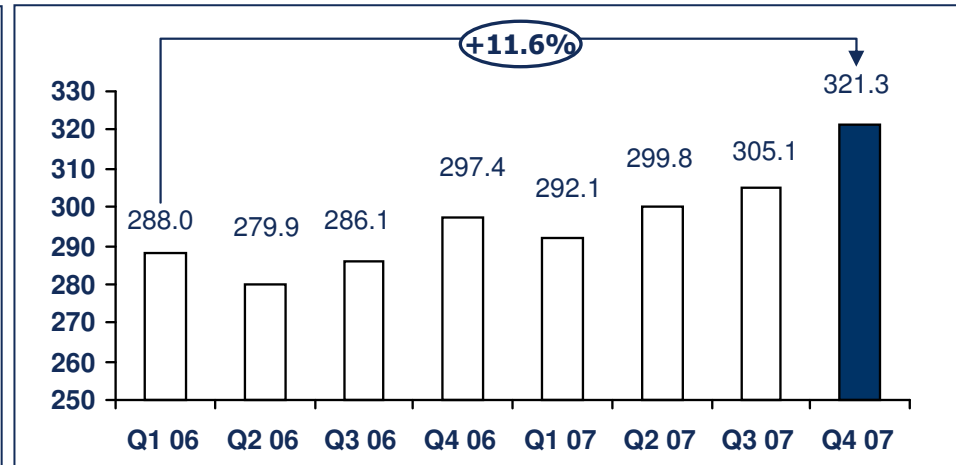
BPV + CREBERG



BPN



BPL + CR LUPILI (ii) + OTHER (iii)



(i) Branches as of 30/09/2007

(ii) CRLuPiLi stands for Cassa di Risparmio di Lucca, Pisa e Livorno

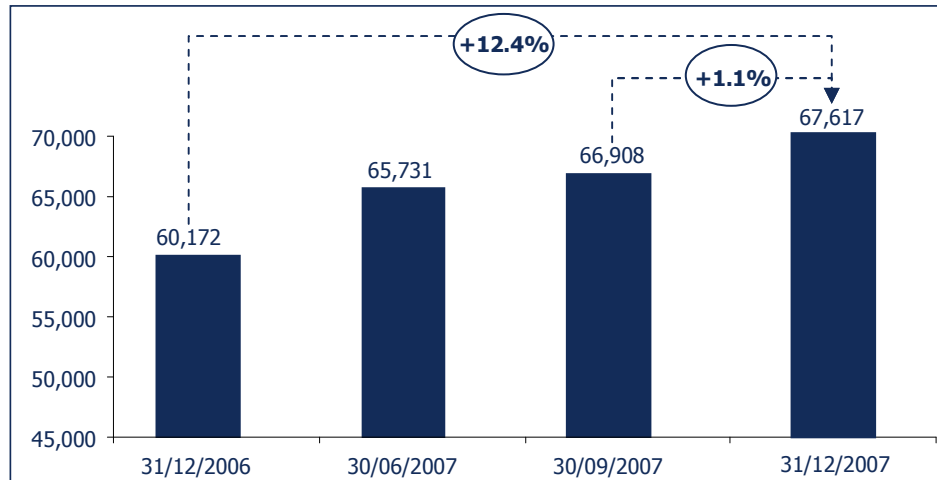
(iii) Other includes BP Cremona (72 branches), BP Crema (44 branches), BP Mantova (9 branches) and Caripe (55 branches)

Commercial banks: customer lending

€/m

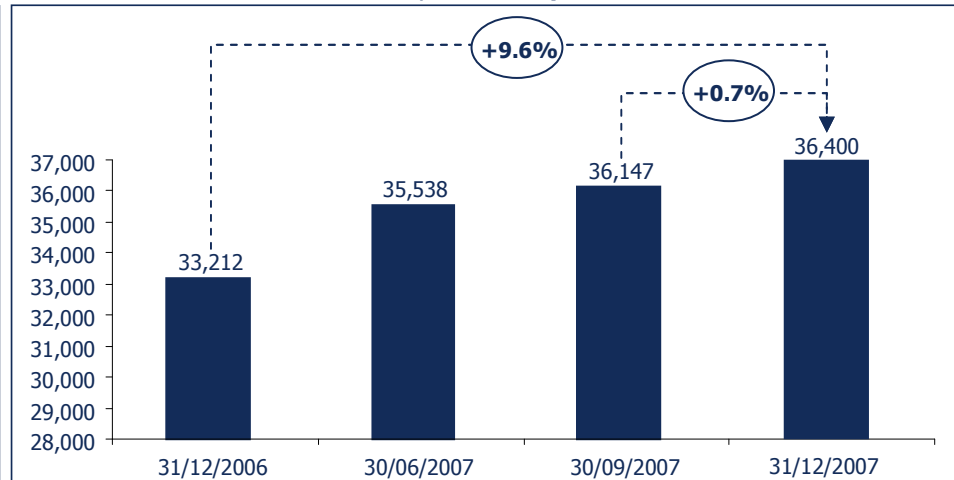
TOTAL COMMERCIAL BANKS (i)

(2,185 branches)



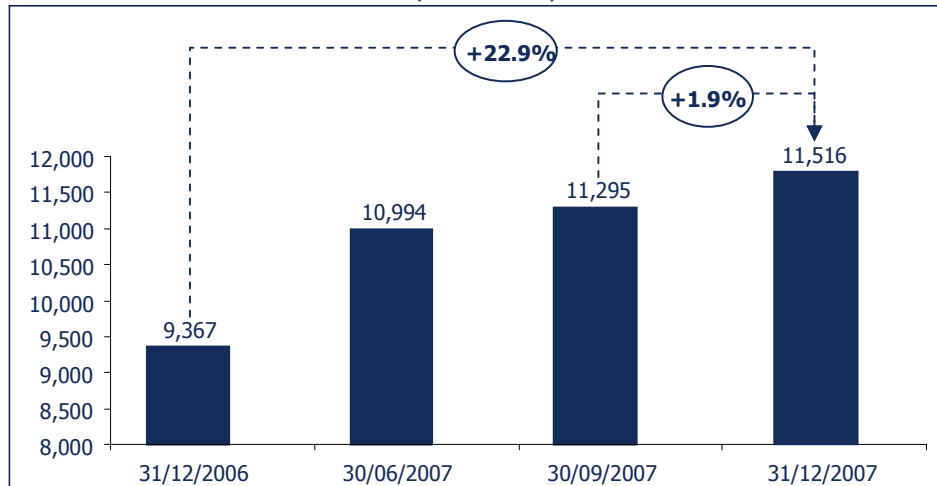
BP VERONA + CREBERG

(804 branches)



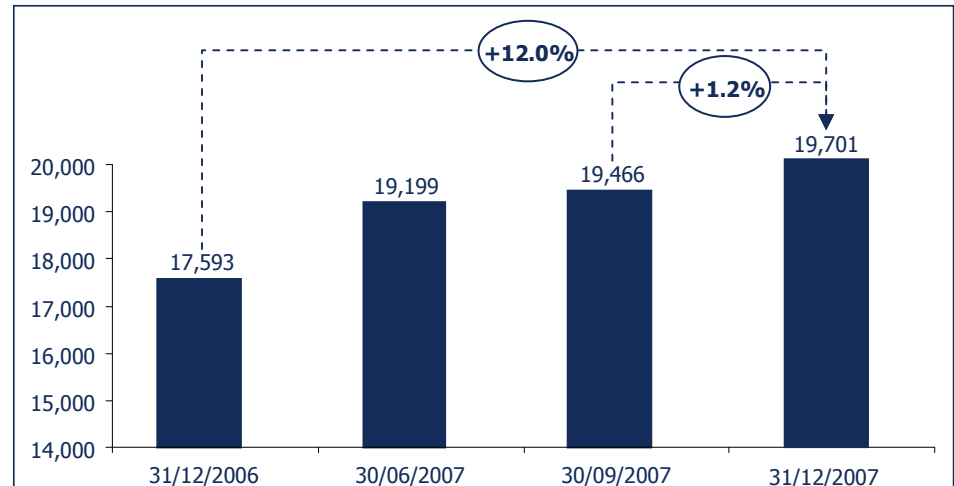
BPN

(418 branches)



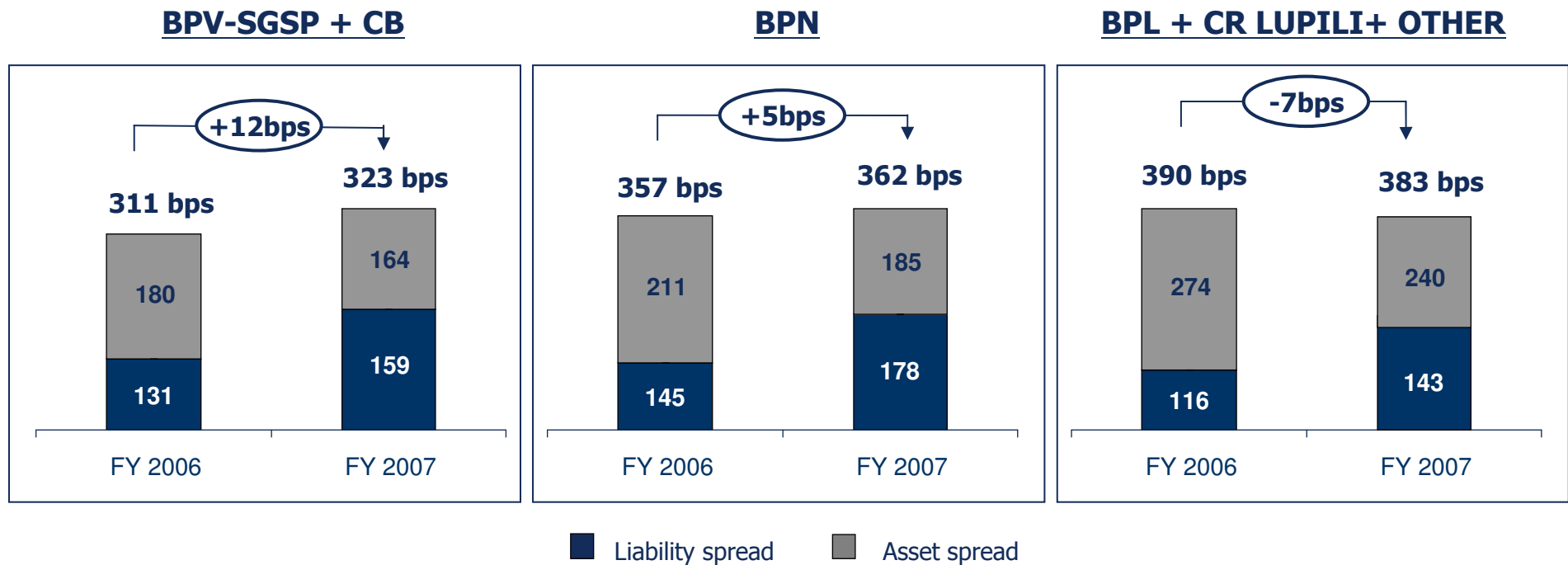
BPL + CR LUPILI + OTHER (ii)

(539 + 244 + 180 branches)



(i) Indicated branch numbers refer to 31/12/2007 (ii) Other includes BP Cremona (73 branches), BP Crema (44 branches), BP Mantova (9 branches) and Caripe (54 branches)

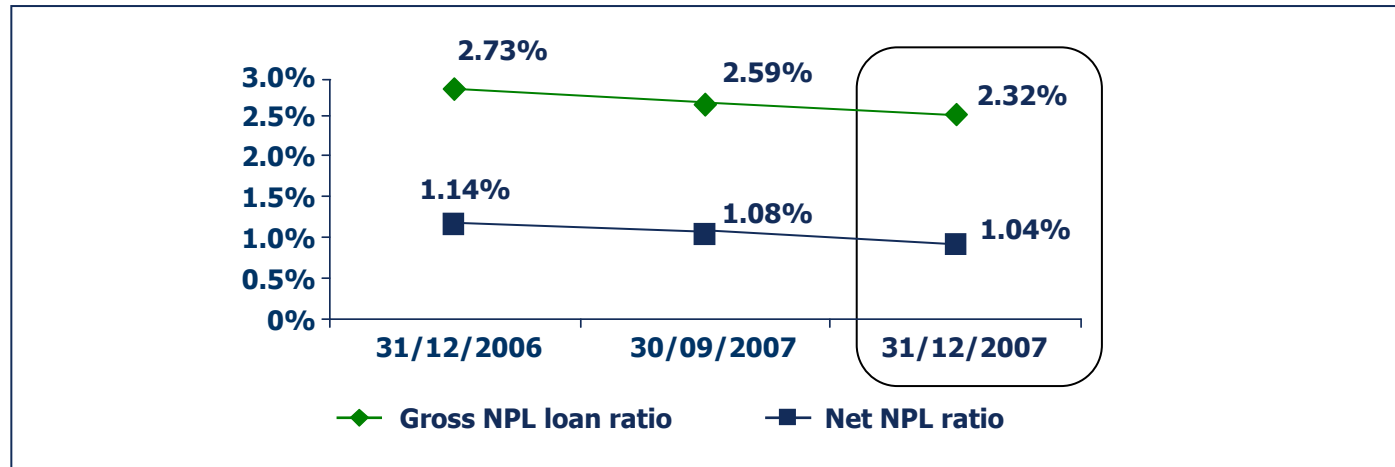
Commercial banks: trend in average customer spreads



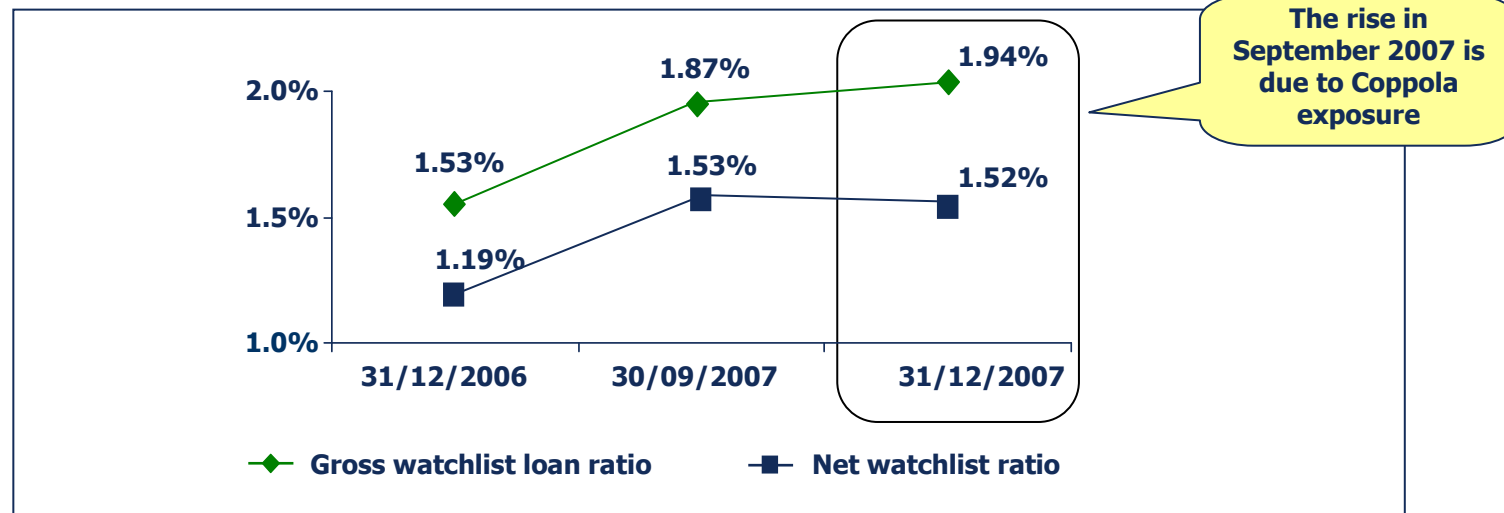
Group credit quality ratios

UPDATED

NPL ratio



Watchlist loan ratio



Group cost of credit risk: analysis

€m	FY 2007 BP Group	
	recurrent	stated
Total gross provisions ⁽ⁱ⁾ <i>excluding provisions for time factor (A)</i>	514.0	708.8
Write-backs <i>excluding provisions for time factor</i>	162.0	165.0
Total net provisions (B) ⁽ⁱ⁾	352.0	543.8
Gross customer loans (C)	86,871.7	
Gross provisions as a % of period-end gross customer loans (A/C)	59 bps	82 bps
Net provisions as a % of period-end gross customer loans (B/C)	41 bps	63 bps

Internal benchmarking: FY2007 performance of the commercial banks

	BANCO POPOLARE	BPV-SGSP + Creberg	BPN	BPLodi + CR Lu Pi Li + OTHER (i)
Structure				
Total employees	21,833	6,665	3,366	6,371
Volumes				
Gross customer loans (€m)	86,871.6	38,433.9	12,722.8	26,761.5
Net customer loans (€m)	84,551.0	37,776.7	12,479	25,585.3
Direct customer funds (€m)	93,229.0	34,150.5	13,845.4	27,060.7
P&L data and productivity indicators				
Net commission income as % of total revenues		21%	22%	15%
Total revenues per employee		336	278	179
Asset quality				
Gross NPL ratio (%)	2.32%	2.07%	2.23	2.57
Net NPL ratio (%)	1.04	1.07	1.33	0.84

(i) Other commercial banks includes BP Crema, BP Cremona, BP Mantova and Caripe

Turnaround of ex-BPI: Drivers (2)

Action Focus

Productivity gap realignment

Reinvigoration of inefficient branches

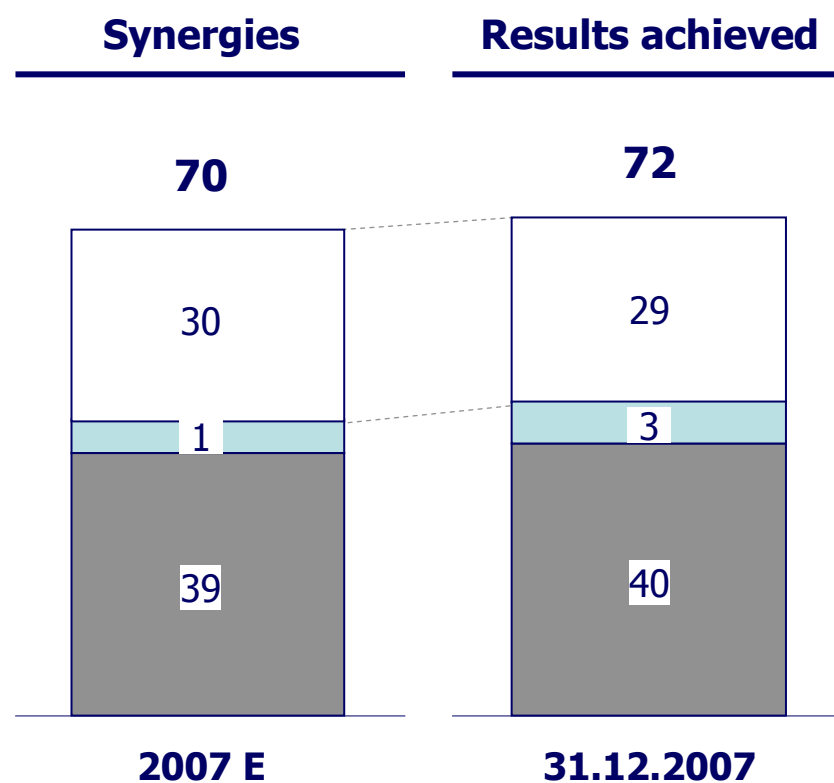
Branch swap

Training and coaching for commercial behaviour

Performance highlights

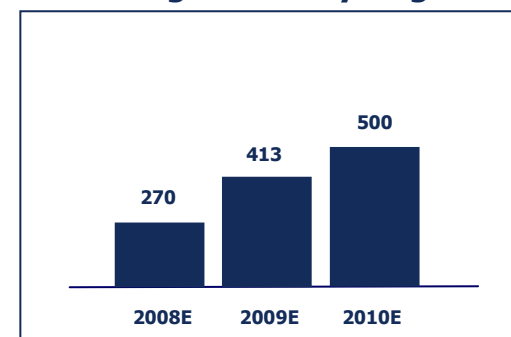
- **Monitor productivity** at Branch and Corporate Center level vs. internal/ external best practices
 - **Boost of commercial Front-End** utilization
 - **Identify actions** to improve **commercial** (i.e. acquisition, share of wallet / cross selling, business mix, pricing) and **operational** performance
-
- Set up an **on-going profitability analysis** tool to constantly monitor profitability at Branch and Corporate Center levels
 - **Launch specific actions** to address and re-balance the profitability of the Retail and Corporate units
-
- Eliminate **existing overlaps** and strengthen BPLodi **market share** in its historic franchise
 - Foster **productivity realignment** and cost synergies
-
- **Roll out of Retail and Corporate commercial Front End** on all 5 Banks
 - **Training development material** and **on-the-job training** for all salespeople in Areas, Branches and Corporate Centers

Achievement of synergies



- = Revenue / realignment synergies
- = Cost synergies (Personnel)
- = Cost synergies (Other Administrative Expenses + Amortization)

Phasing of total synergies



Year-end 2007 results slightly higher than the budget, with a higher contribution from cost synergies.

Analysis of integration costs (after tax)

	€/m Amount	% on total FY 2007 amount	Q1	Q2	Q3	Q4
Total Personnel integration costs:	159.3	70%	0.3	2.8	161.0	-4.9
Of which						
▪ Personnel exit incentives:	131.0	58%				
▪ Merger Premium:	19.2	8%				
▪ Training:	9.0	4%				
Total Other Administrative integration costs:	61.1	27%		37.8	7.7	15.6
Of which						
▪ Advertising:	3.4	2%				
▪ legal and consulting:	57.7	25%				
Total Depreciations of tangible and intangible fixed assets	6.3	3%				6.3
Total FY2007 integration costs (pre tax):	226.7	100%	0.3	40.6	168.7	17.0

Phasing of total BP
integration costs :



2007	2008	2009	2010
76%	18%	4%	2%

New Macroeconomic Scenario

Macroeconomic scenario

		2007	2008	2009	2010
GDP Italy	New	1.70%	0.80%	1.60%	1.20%
	<i>Old</i>	<i>1.30%</i>	<i>1.40%</i>	<i>1.20%</i>	--
GDP EU	New	2.70%	1.50%	2.00%	1.70%
	<i>Old</i>	<i>1.90%</i>	<i>2.10%</i>	<i>2.00%</i>	--
Inflation (Italy)	New	1.80%	2.60%	2.10%	1.80%
	<i>Old</i>	<i>1.80%</i>	<i>2.00%</i>	<i>1.70%</i>	--
3-Month Euribor	New	4.25%	4.18%	4.25%	4.40%
	<i>Old</i>	<i>3.44%</i>	<i>3.39%</i>	<i>3.51%</i>	--

Italian banking system deposits and loans growth rate forecasts

		2007	2008	2009	2010
Customer funds	New	7.07%	6.00%	5.91%	5.29%
	<i>Old</i>	<i>5.21%</i>	<i>4.63%</i>	<i>4.19%</i>	--
- Bond issued	New	11.72%	8.74%	8.28%	7.33%
	<i>Old</i>	<i>8.96%</i>	<i>7.48%</i>	<i>6.58%</i>	--
Customer loans	New	10.55%	7.98%	8.26%	7.34%
	<i>Old</i>	<i>7.29%</i>	<i>6.46%</i>	<i>5.61%</i>	--
- ST loans	New	8.37%	5.75%	7.66%	6.09%
	<i>Old</i>	<i>5.58%</i>	<i>5.89%</i>	<i>4.94%</i>	--
- MLT loans	New	11.82%	9.23%	8.59%	8.02%
	<i>Old</i>	<i>8.26%</i>	<i>6.77%</i>	<i>5.97%</i>	--

Source: Prometeia Quartely Forecasts Report as of 18/01/08

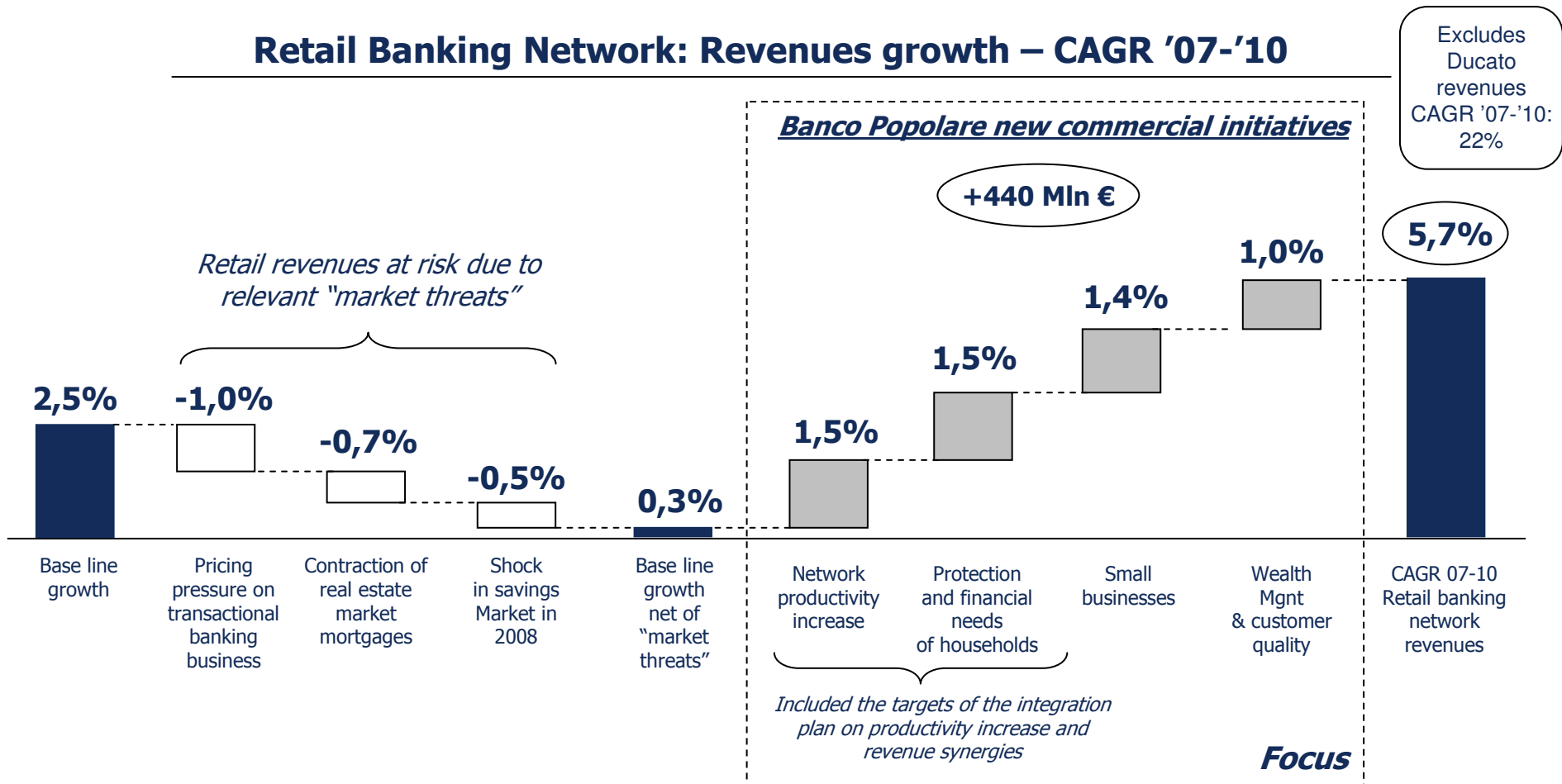
Business Plan Targets: Group recurrent P&L - post PPA

€m	2007	2008	Y/Y % chg	CAGR 2007/2010
Total operating revenues:	4,090.4	4,212.3	+3.0%	+7.3%
▪ <i>Net interest income (post PPA)</i>	2,263.9	2,480.5	+9.6%	+10.4%
<i>PPA effect on Net interest income</i>	(58.5)	(110.1)		
▪ <i>Divid. + profit (losses) from eq. inv.</i>	34.4	62.7		
▪ <i>Net non-interest income</i>	1,792.1	1,669.1	-6.9%	+2.0%
<i>PPA effect on net non interest income</i>	(20.1)	(53.0)		
Operating costs (post PPA)	(2,436.3)	(2,433.3)	-	+2.4%
<i>PPA effect on amortization</i>	(1.9)	(3.7)		
Operating margin	1,654.1	1,779.0	+7.5%	+13.8%
Net value adjust. for loans and similar	(354.0)	(389.6)		
Other net value adjustments (i)	(12.9)	(5.0)		
Net provisions for risks and liabilities	(72.9)	(44.9)		
Inc. from the disp. of eq. part. + invest.	14.3	0.0		
Income before tax from continuing operations	1,228.7⁽ⁱⁱ⁾	1,339.6	+9.0%	+15.5%
<i>PPA effect on taxes</i>	30.7	53.6		
Net income of the period pre PPA	704.8	840.5		
<i>PPA effect on Net Income</i>	(53.1)	(103.5)		
Net income of the period post PPA	664.9	803.7	+20.9%	+19.6%

(i) Net value adjustments on financial operations, goodwill and participations. (ii) Corrected amount. Previously, € 1,083.1 was erroneously indicated; % changes adjusted accordingly.

Retail Business Growth Strategy: focus on banking network

Retail Banking Network: Revenues growth – CAGR '07-'10



Growing Revenues in spite of relevant market threats thanks to specific commercial initiatives: customer service model, product range, clients acquisition/retention actions

Retail Business: drivers

Drivers	Fact base	Δ Contribution '07-'10
Network productivity increase	<ul style="list-style-type: none"> Since Feb. '08 unique Group IT platform New organization model fully operative since Q1 '08 on ex-BPI banking network BPN successful case: productivity gap vs BPV-SGSP network closed in three years ('05-'07) 	120 Mln €
Protection and financial needs of households	<ul style="list-style-type: none"> Commercial focus on consumer credit business and dedicated distribution model: productivity of ex-BPI network increased by 65% in 2007 (new loans granted per branch) Dedicated commercial "platform" for protection business (AviPop: JV with AVIVA): penetration targets: 35% on mortgages new flows, >85% on personal loans new flows; ~€80m commissions in 2010 (vs less than €10m in 2007) Commercial focus on "substitution mortgages business": ~€2,8bn of "substitution" mortgages granted in the period 2008-2010 	120 Mln €
Small businesses	<ul style="list-style-type: none"> New products range released since Feb. '08: current accounts net increase: ~220/week in 1Q 2008 vs ~70/week in 4Q 2007 New customer service model by 2009: current account cumulative increase in the period 07-'10: +34K (and +10K related retail clients) Further development of clients personal relationship ("You & Your Business" approach): 175K potential new clients; acquisition target ~20% (+35K current account) 	115 Mln €
Wealth Mgmt & customer quality	<ul style="list-style-type: none"> Development of protected/guaranteed investment products: increase in propensity to purchase in high volatile markets; lower penetration ratio vs competitors (structured bonds + life insurances / indirect customer funds: ~24% Banco Popolare vs ~30% top competitors) Increase in productivity of life insurance products: alignment to top competitors performances (life premiums per branch: ~€1m vs ~€1,6m of top competitors) Remix of customer assets: repositioning of customer asset mix in relation to MiFid risk profile (~60% of mutual funds assets in low risk products vs 10% of customers with low risk profile) 	85 Mln €
		440 Mln €



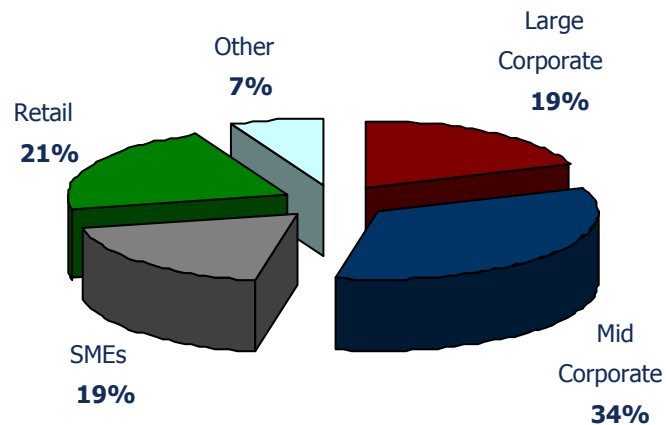
Corporate Business: drivers

Corporate growth drivers

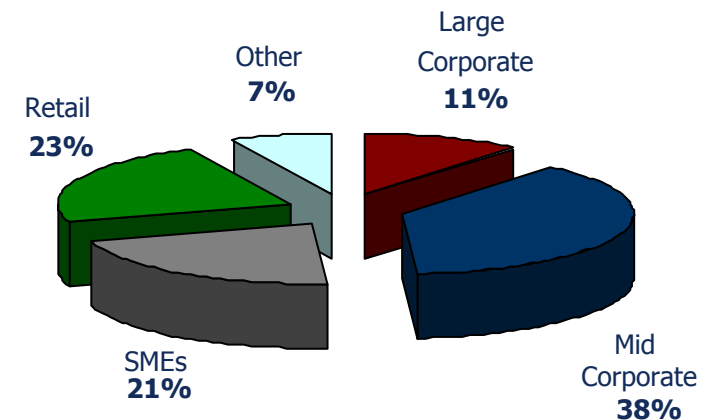
- **Sustainable growth in direct customer funds through new products designed for businesses**
- **Development of a range of services with higher value-added content:**
 - ✓ Services for Trade and Export Finance
 - ✓ Financial Value Chain for the integrated management of the asset conversion cycle
 - ✓ Corporate Finance services in support of business growth
- **Focus on Mid-Corporate through:**
 - ✓ Dedicated products for capital investment/development/innovation needs
 - ✓ Commercial actions specifically aimed at the target customers of the Group's banks
 - ✓ Optimisation of RWA, with value-based measurement instruments and risk-based pricing in support of business development

Lending Strategy 2008-2010

Breakdown by segment in 2007 (avg.)



Breakdown by segment in 2010 (avg.)



Based on the adoption of risk-adjusted pricing for the Large Corporate segment, coupled with a commercial development focus on households and small/medium-sized corporates, the average share of Large Corporate on total customer lending is set to fall from 19 % on average in FY 2007 (17% at year-end) to 11% on average in 2010 (10% at year-end).

Pipeline of IR initiatives in 2008

work in progress

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Date	Place	Event
17 January 2008	London	HSBC – Italian Regional Banks Conference (investor meetings)
24 January 2008	Vienna	Kepler /Borsa Italiana Conference (investor meetings)
1 February 2008	Milan	UBS – Italian Financial Services Conference
28 March 2008	Verona	Press release on FY 2007 results
28 March 2008 (TBC)	Verona	Banco Popolare: Conference call on FY2007 results
2-3 April 2008	London	Morgan Stanley – European Financials Conference
April – June 2008	Italy +abroad	Roadshow activities
3 May 2008	Verona	Annual General Meeting of Shareholders (2nd call)
15 May 2008	Verona	Press release on Q1 2008 results
16 May 2008 (TBC)	Verona	Banco Popolare: Conference call on Q1 2008 results
20 May 2008	Paris	CA Chevreux 2nd Annual Spring European Large Cap Conference
30 May 2008	London	Deutsche Bank Italian Conference
13 June	Berlin	Goldman Sachs European Financials Conference
29 August 2008	Verona	Press release on H1 2008 results
29 August 2008 (TBC)	Verona	Banco Popolare: Conference call on H1 2008 results
8 October 2008	London	Merrill Lynch – European banking and Insurance Conference
14 November 2008	Verona	Press release on Q3 2008 results
14 November 2008	Verona	Banco Popolare: Conference call on Q3 2008 results



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