



Merrill Lynch Banking & Insurance CEO Conference

Fabio Innocenzi, Group CEO

London, 9 October 2008





Disclaimer

This presentation is being supplied to you solely for your information and may not be further distributed or passed on to any other person or published, in whole or in part, for any purpose. Neither this presentation nor any copy of it may be taken or transmitted into the United States, Canada, Australia or Japan or distributed, directly or indirectly, in the United States, Canada or Australia or distributed or redistributed in Japan or to any resident thereof. The distribution of this presentation in other jurisdictions may be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of, and observe, these restrictions. To the fullest extent permitted by applicable law, the companies involved in the proposed business combination disclaim any responsibility or liability for the violation of such restrictions by any person.

This presentation does not constitute or form part of, and should not be construed as, any offer or invitation to subscribe for, underwrite or otherwise acquire, any securities of Banco Popolare or any member of its group, nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities in Banco Popolare or any member of its group, or any commitment whatsoever. Persons who intend to participate in the proposed tender offers are reminded that any such participation may only be made solely on the basis of the information contained in the respective offer documents to be issued by Banco Popolare in accordance with the relevant tender offer and securities laws regulations which may be different from the information contained in this presentation. The information contained in this presentation is not for publication, release or distribution in Australia, Canada, Japan or the United States (within the meaning of Regulation S under the US Securities Act of 1933, as amended (the "Securities Act"). This presentation and the information contained herein are not an offer of securities for sale in the United States and may not be viewed by persons in the United States except for qualified institutional buyers (as defined in Rule 144A under the Securities Act) ("QIBs"). The securities proposed to be offered in Banco Popolare have not been and will not be registered under the Securities Act and may not be offered or sold in the United States except to QIBs in reliance on an exemption from, or transaction not subject to, the registration requirements of the Securities Act. The information contained in this presentation is for background purposes only and is subject to amendment, revision and updating. Certain statements in this presentation are forward-looking statements under the US federal securities laws about Banco Popolare. Forward-looking statements are statements that are not historical facts. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates" and similar expressions. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, the satisfaction of the conditions of the offering, changing business or other market conditions and the prospects for growth anticipated by the Banco Popolare's management. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Banco Popolare do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation.



Agenda

	<u>Page</u>
Section 1: Funding and lending strategy & performance	5
Section 2: Capital position & risk profile	18
Section 3: Turnaround of BPL and CRLuPiLi	26
<u>Appendices</u>	32



Key bulletpoints: Leveraging on key Group strengths

1. Solid Liquidity

Healthy customer lending and funding strategy, leveraging on the strengths of the deeply rooted territorial franchise, have translated into a solid liquidity position.

2. Back to sound Capital Position

Following the recent capital strengthening initiatives, the Group's capital position has turned sound again, with a Tier-1 ratio of 7.4% on a pro-forma basis.

3. First delivery in turnaround of ex-BPI

Turnaround of underperforming banking subsidiaries of ex-BPI now well on track, ensuring competitive advantages also in 2009-2010.



Section 1

Funding and Lending Strategy & Performance



Funding and Lending strategy at a glance

Banco Popolare's lending and funding strategy is designed to leverage on the core strengths of the deeply rooted retail franchise, making the Group well positioned to face the new market challenges

ALM & Funding strategy:

- Growth in direct retail customer funds
- Growing independence from wholesale markets
- Healthy balance in the loan/deposit ratio

0.84 in H1 2008

Lending strategy:

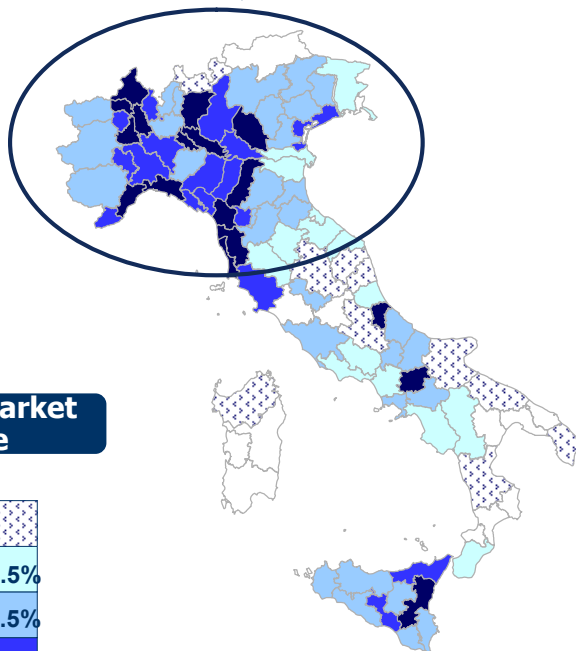
- Focus on retail and mid-corporate customers, including underpenetration of ex-BPI
- Reduction of Large Corporate loans
- Adequate risk-adjusted pricing / repricing

Output

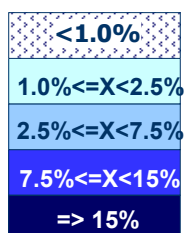
Solid liquidity position
Healthy growth in core net interest income

Deep franchise roots in affluent Italian regions

Economically resilient northern Italy accounts for more than 70% of the Group's branch network (more than 80% incl. Tuscany)



Branch market share



Source: Bankit al 31/12/2007

Domestic market shares:

	NORTH	CENTRE	SOUTH
- Loans:	6.4%	3.8%	2.3%
- Deposits*:	6.6%	4.1%	2.6%

Excellent geographical position:

- Average branch market share of 10% in the main regions in northern Italy:
 - Liguria: 14.1%
 - Tuscany: 10.7%
 - Veneto: 8.9%
 - Piedmont: 8.9%
 - Lombardy: 8.7%
 - Emilia Romagna: 7.3%
- Market share of more than 10% in 20 provinces

Franchise quality

Well recognized brands in core market regions

An advantage for commercial effectiveness and sound credit management

* Excluding bonds

ALM strategy in 2008

2008 net flows

Lending

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

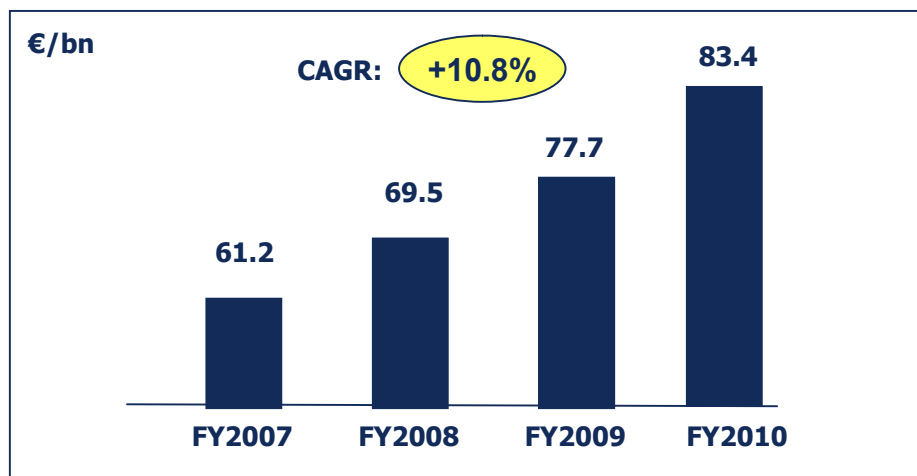
Funding

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

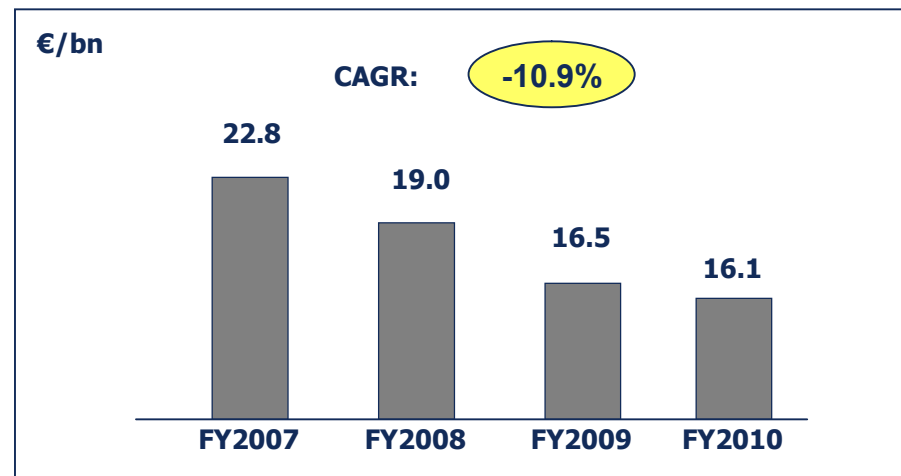
Funding & ALM Strategy 2008-2010

Averages volumes

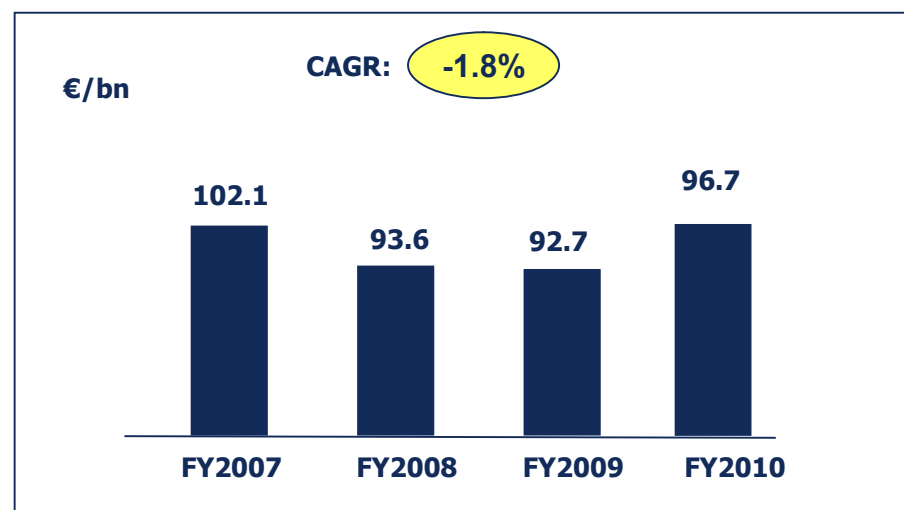
Direct customer funds (i)



EMTN + London branch



Indirect customer funds



(i) Excludes EMTN bonds

Retail Funding Strategy in 2008

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

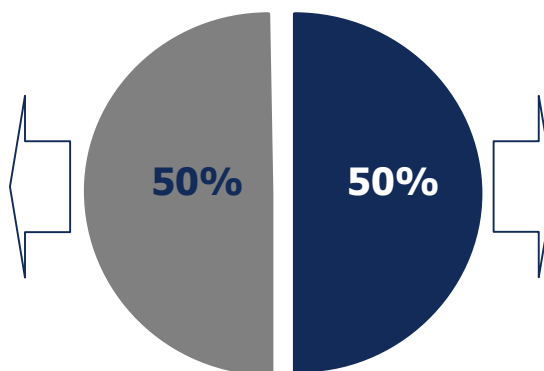
External funding: ~€4.25bn

Internal funding: ~€4.25bn

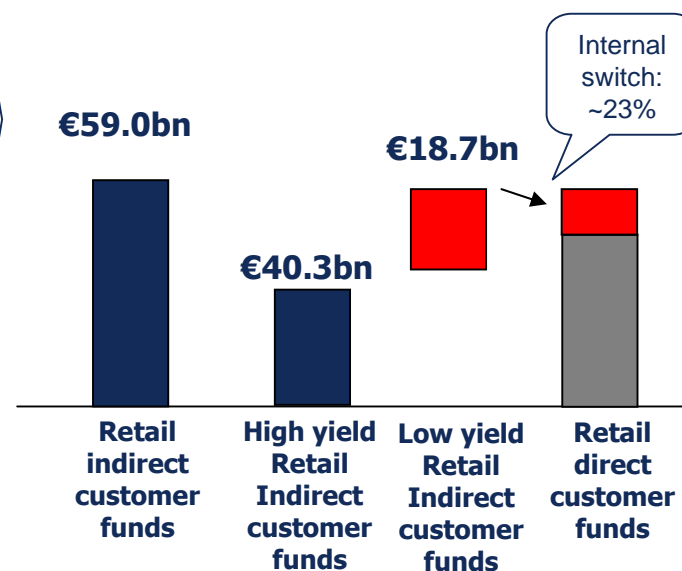
Commercial focus:

Bond placements with
retail customers ~€3.75bn

Increase in direct
retail customer
deposits ~€0.50bn

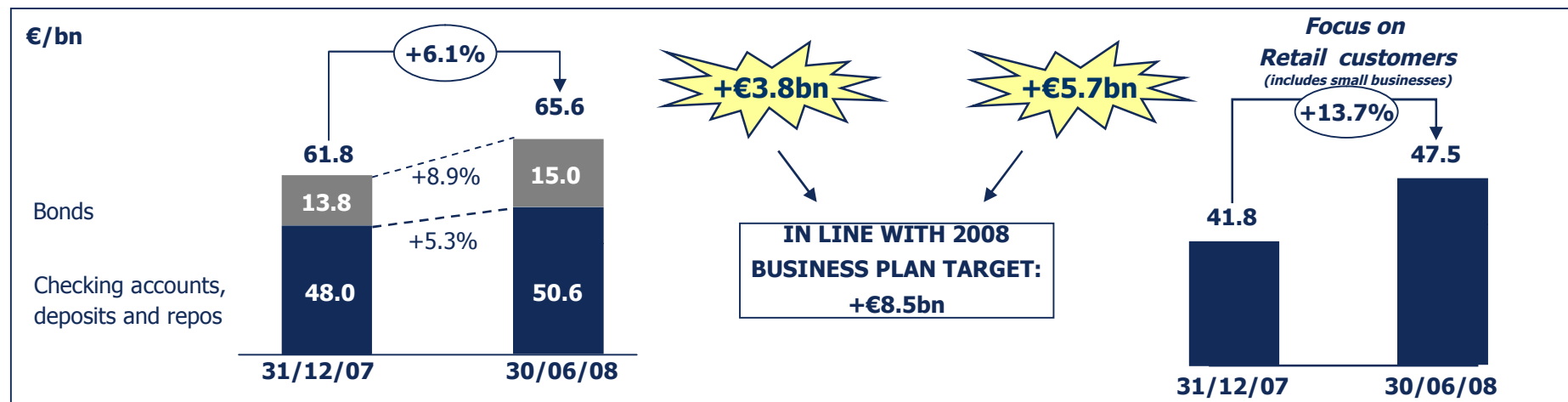


Use of flexibility in switching indirect into direct customer funds:

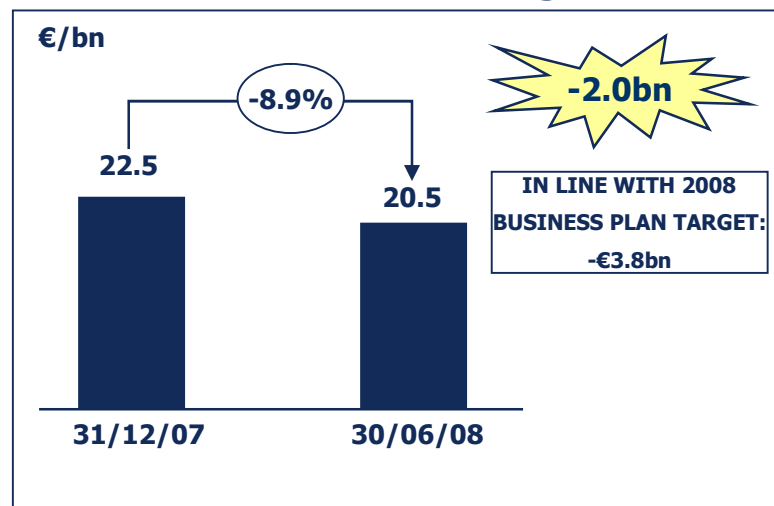


Funding performance in H1 2008: core retail focus

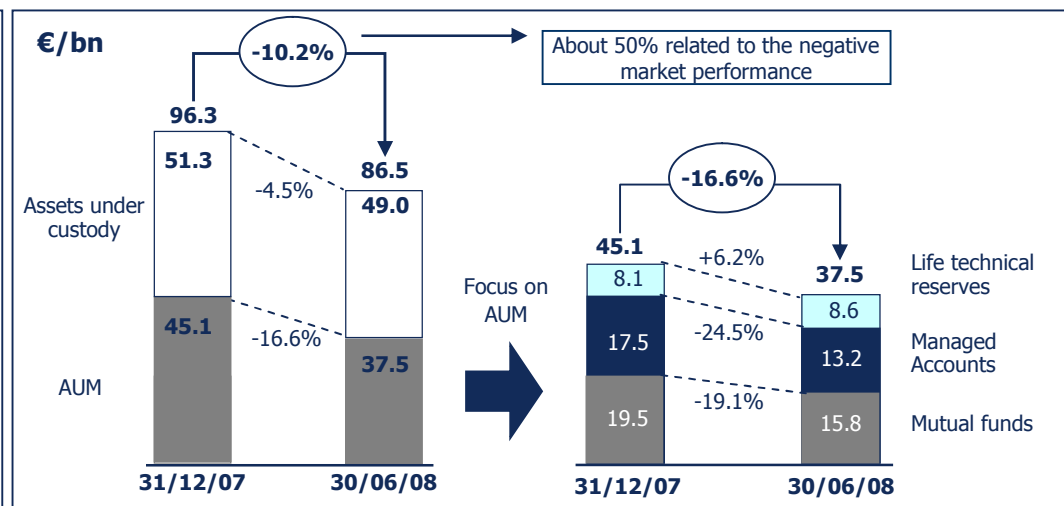
Direct customer funds of the commercial banks



Wholesale funding



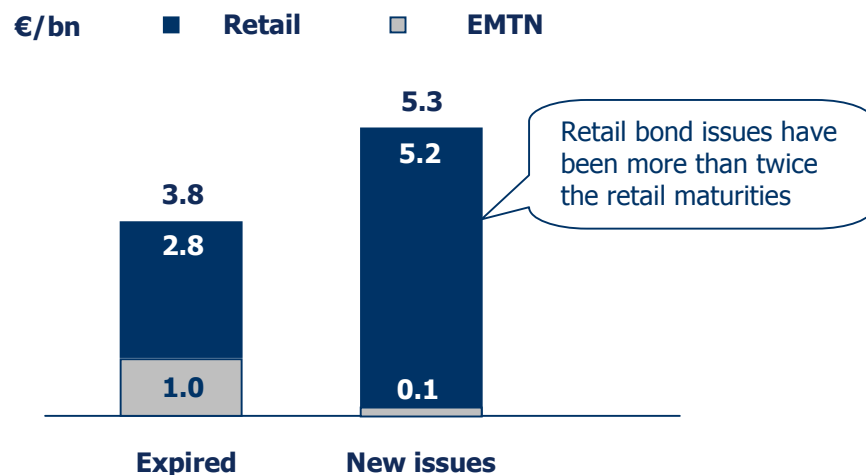
Indirect customer funds



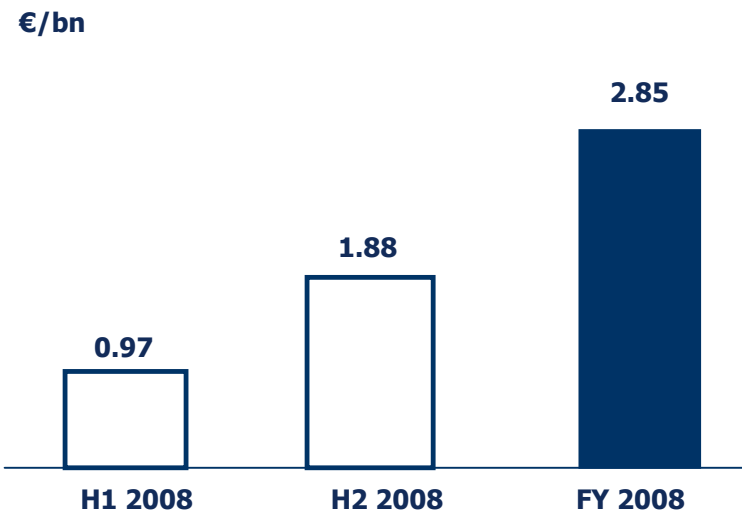
All indicated data are end-of-period figures. Wholesale funding includes institutional bonds (EMTN and London branch)

Funding performance in H1 2008: core retail focus

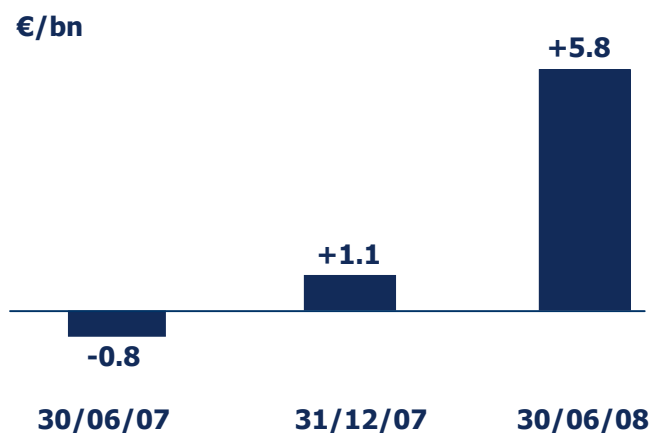
Group bond issues in H1 2008



2008 EMTN Bond Maturities



Net Interbank position

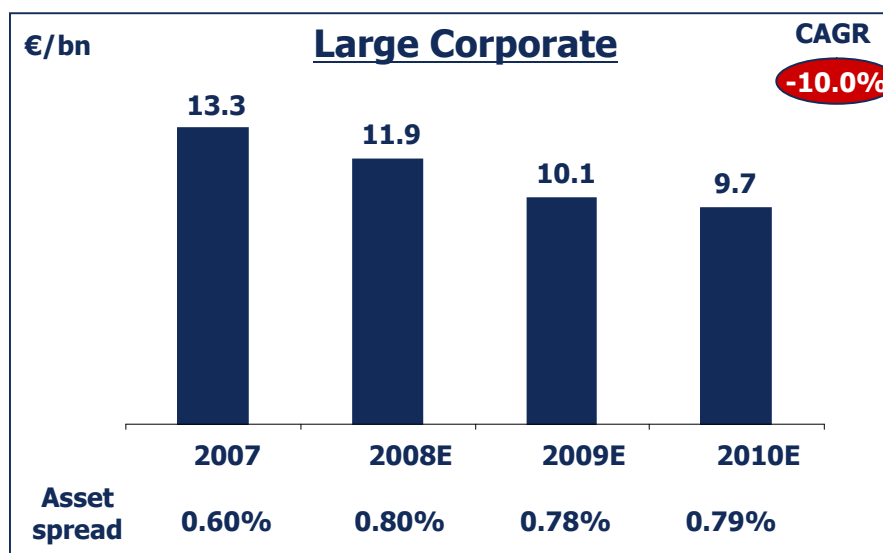
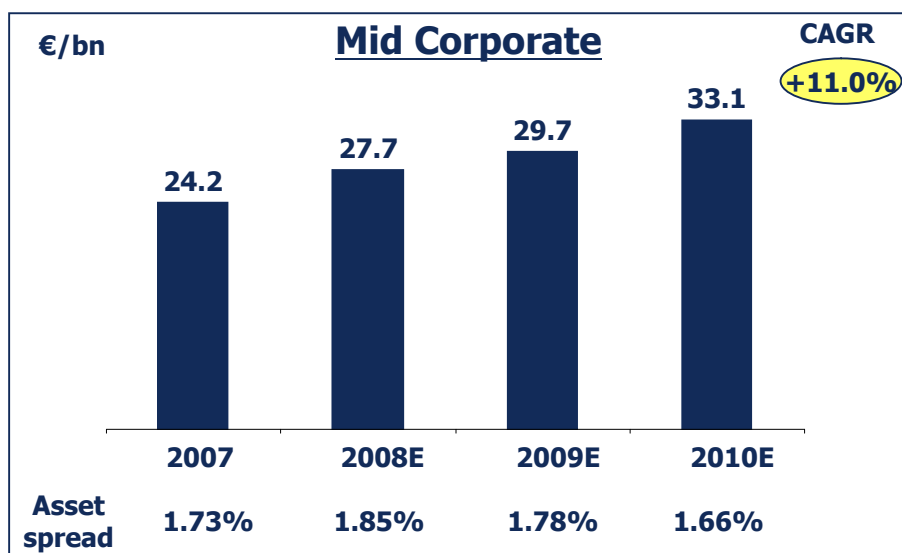
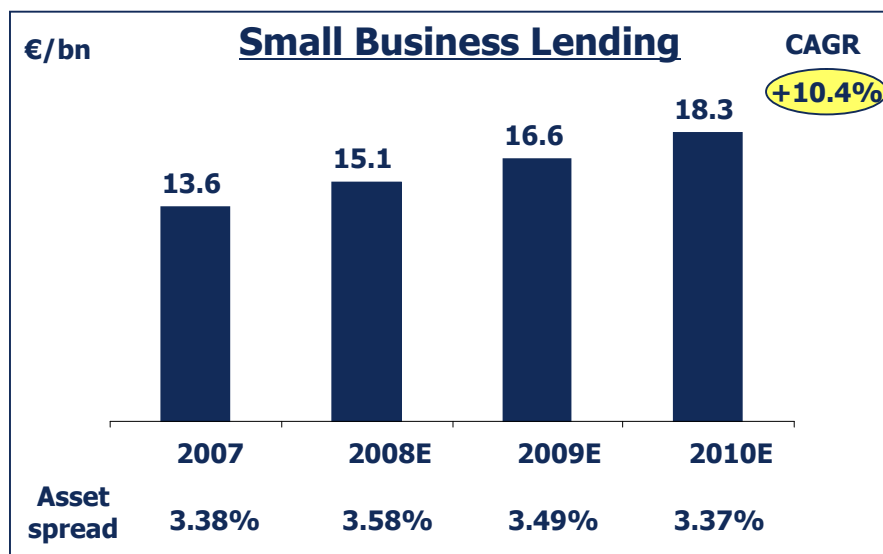
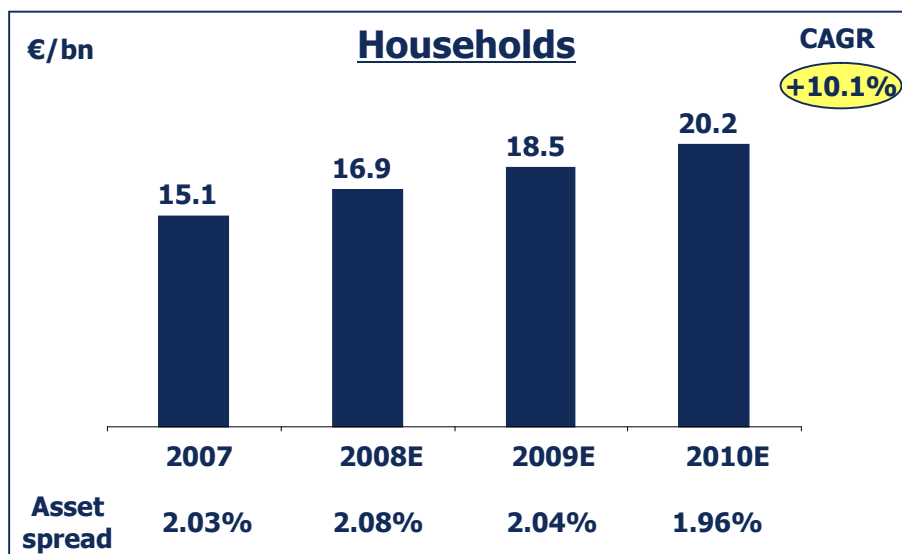


Group funding strategy focused on the core retail market:

- full leverage on the strength of the core retail franchise
- in H1 2008, EMTN bonds matured were substituted by bonds placed with retail clients
- a strong reduction in wholesale funding (**CAGR 08/10: -11%**) is expected also over the next years, as a result of non-replacement of EMTN bonds.

Strong improvement in the Group's net interbank position in H1 2008.

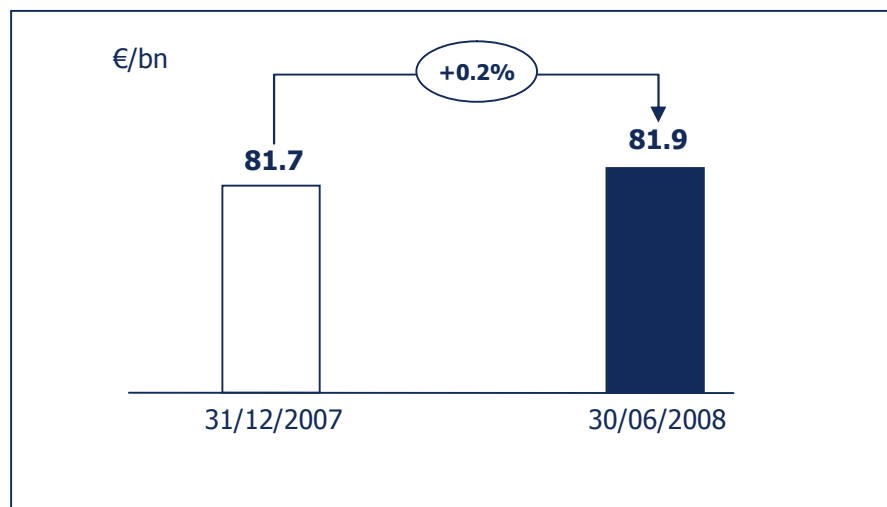
Lending Strategy 2008-2010 (i)



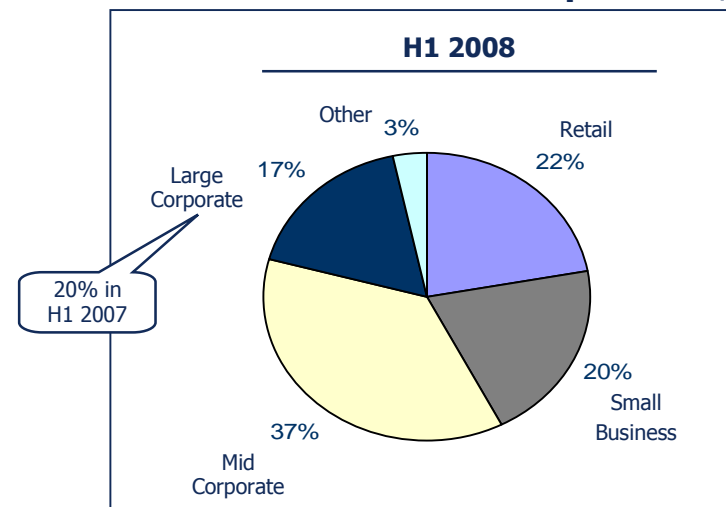
(i) Average volumes

Lending performance in H1 2008: focus on retail and SMEs

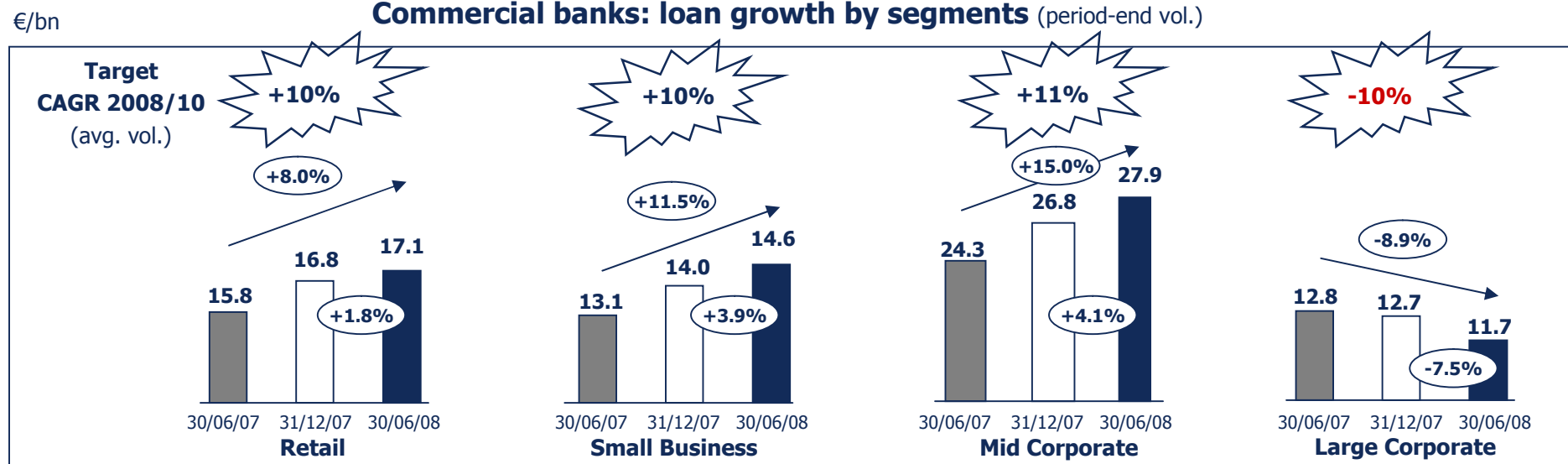
Group loan growth (period-end vol.)



Commercial banks: loan composition (avg. vol.)

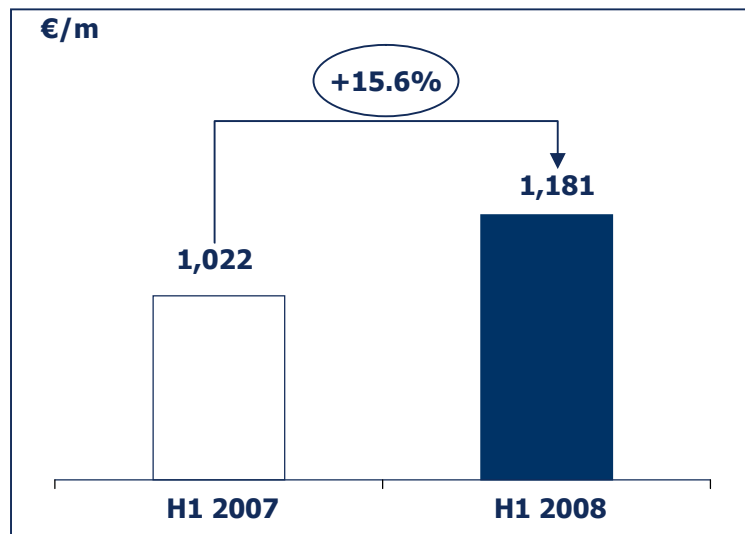


Commercial banks: loan growth by segments (period-end vol.)

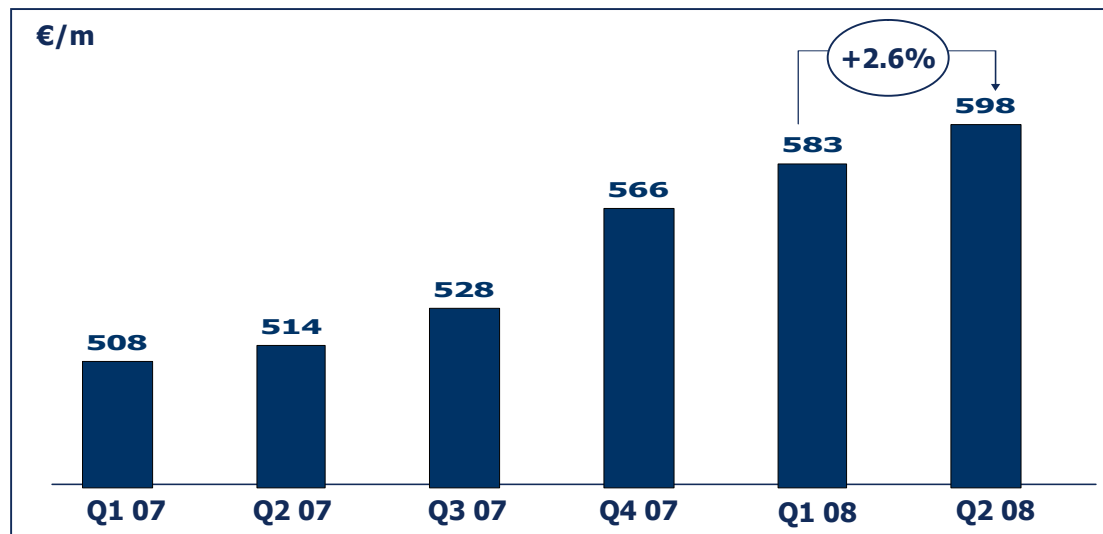


Commercial banks: customer net interest income & spread

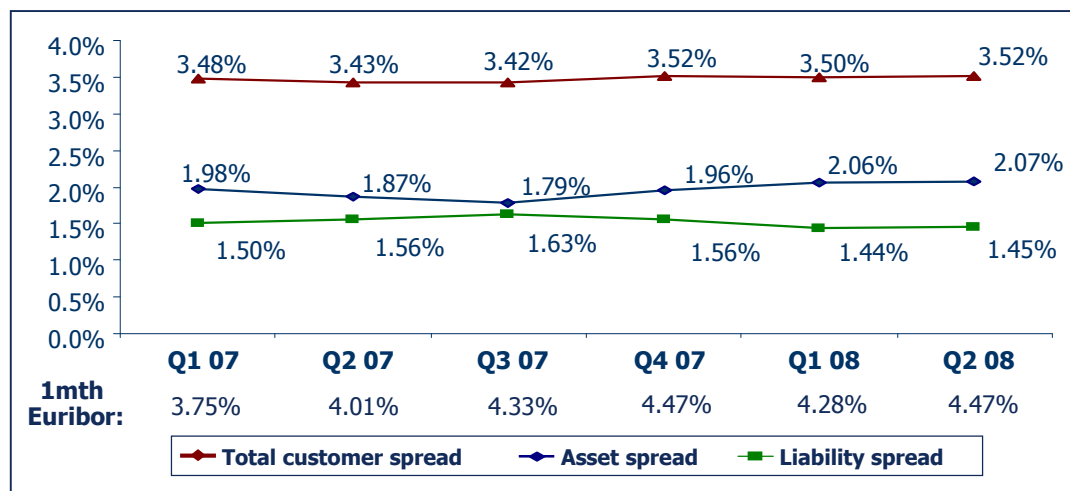
Customer net interest income: y/y trend



Customer net interest income: quarterly trend



Customer spread



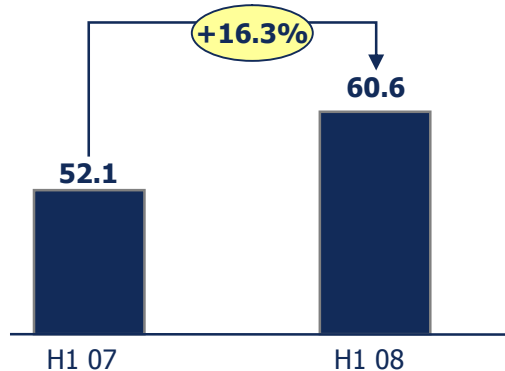
Commercial banks: growth drivers of customer NII

Customer net interest income in H1 2008:
+ €159m (+15% y/y)

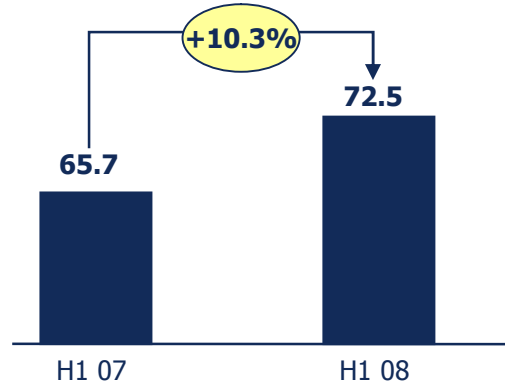
Drivers

Volume growth driver: +€130m (NII)

€/bn Direct customer funds (avg.)

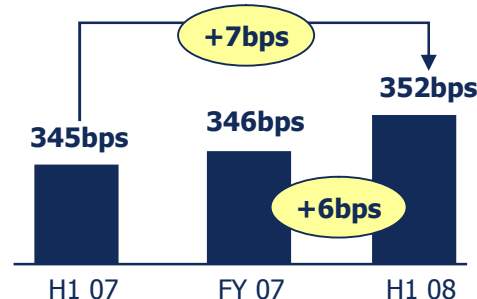


€/bn Gross domestic customer loans (avg.)

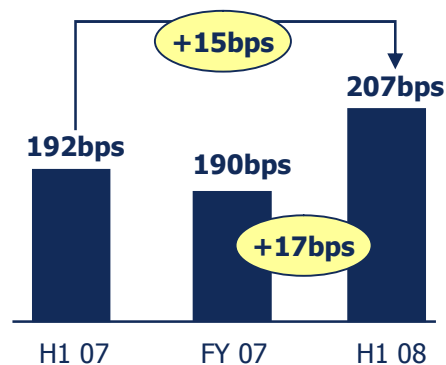


Customer spread driver: +€29m (NII)

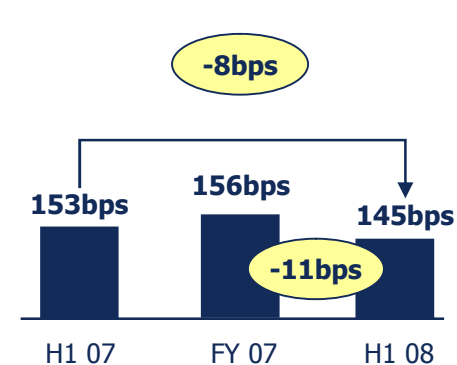
Total avg. customer spread



Asset spread

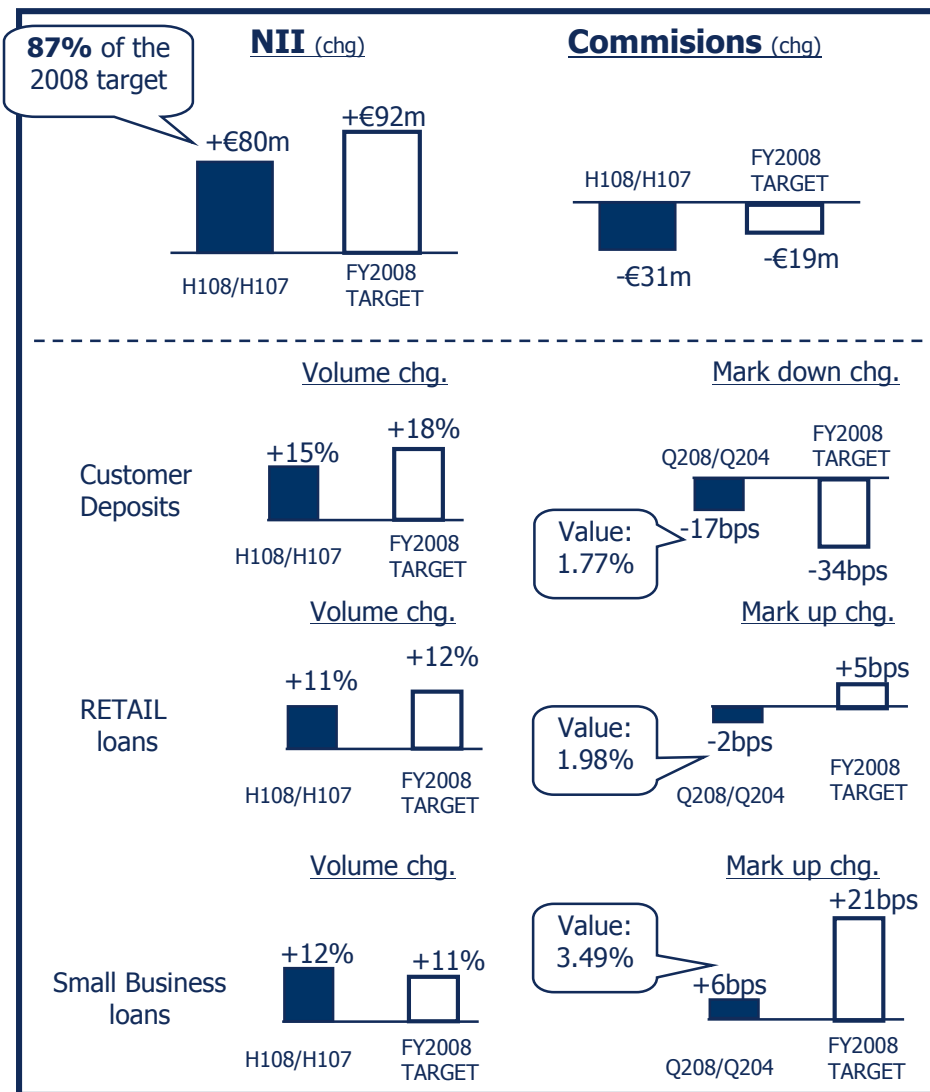


Liability spread

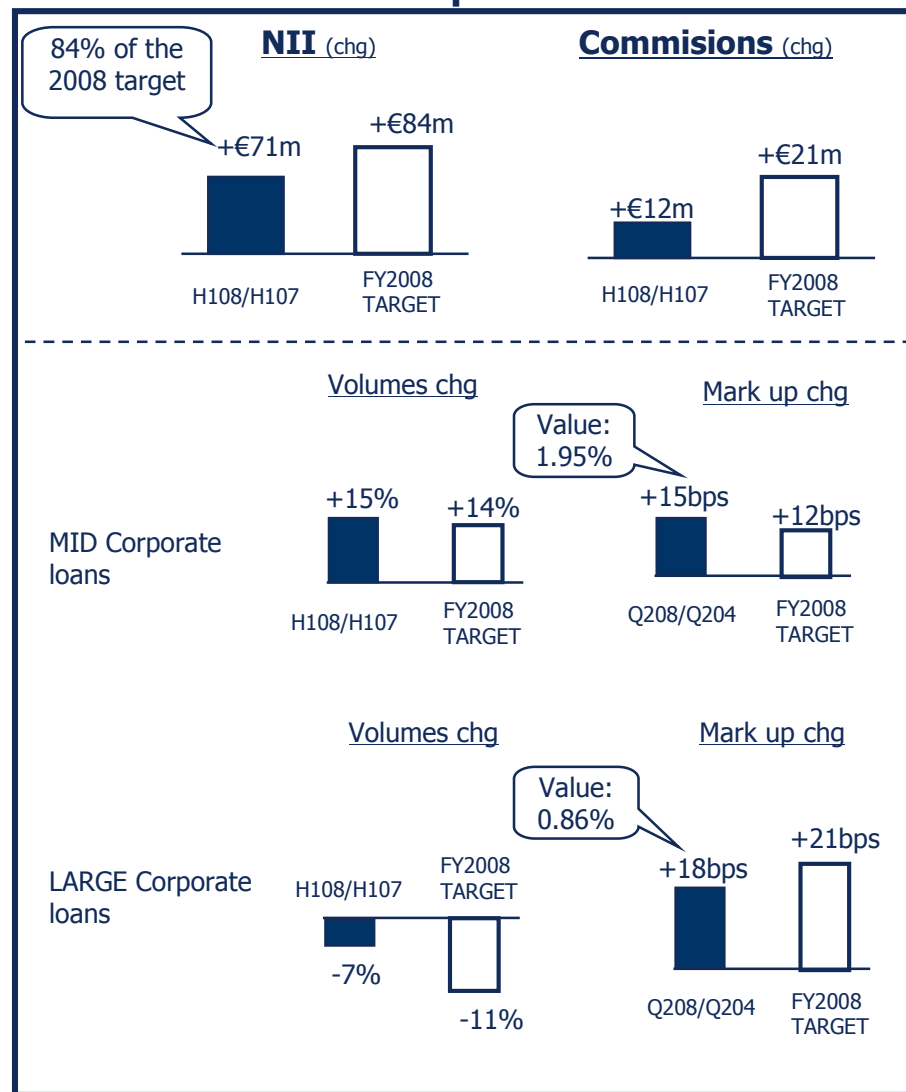


Retail and Corporate business performance of the commercial banks

Retail



Corporate



Indicated volumes are based on average amounts.



Section 2

Significant strengthening in the Group's capital position, flanked by an ongoing reduction in the risk profile

Capital Position and Risk Profile

Capital adequacy

Evolution of Group capital ratios

Pro-Forma
Core Tier 1 ratio stands
at **5.9%**

Target
Core Tier 1 ratio:
6.0%-6.5%

	STATED				PRO FORMA ⁽ⁱⁱ⁾		TARGET RATIOS ⁽ⁱⁱ⁾ (Basle II Standard)
	31/12/2007		30/06/2008 ⁽ⁱ⁾		30/06/2008		
	Ratio	Amount €/m	Ratio	Amount €/m	Ratio	Amount €/bn	
Tier 1	5.2%	4,775	5.6%	4,944	7.4%	6.1	7.5%
Total capital	8.7%	8,069	9.4%	8,343	11.0%	9.1	11.0%
RWA	-	92,537	-	88,689		82.7	-

Notes:

- (i) Regarding capital strengthening initiatives, includes only the positive effect of Linea. With respect to Basle II, includes only the passage from Basle I to Basle II Standard.
- (ii) Includes the effect of all capital strengthening initiatives already disclosed in the FY 2007 results presentation and in subsequent press releases. With respect to Basle II, includes only the passage from Basle I to Basle II Standard, while the positive impact expected from the Foundation and Advanced models is excluded.

Estimated impact of capital strengthening initiatives

	ESTIMATED EFFECT			
	Core Tier 1	Tier 1	Timing	Comment
▪ Disposal of 33 Tuscany-based branches	+15bps	+18bps	Q3 2008	Closed on 31 Aug. 2008
▪ Disposal of 50% stake in Aletti Alternative	+9bps	+10bps	Q4 2008	Binding agreement
▪ Consumer credit JV	+66bps	+84bps	Q4 2008	Binding agreement
▪ Disposal of €1bn instrumental real estate assets	+47bps	+56bps	Q4 2008	Guaranteed
▪ Other ⁽ⁱ⁾	+13bps	+14bps	Q4 2008	See comments below

TOTAL ESTIMATED EFFECT

+150bps

+ 182bps

**All initiatives to be
closed in 2008**

(i) Includes the sale of: Banca Popolare di Mantova non-instrumental real estate assets, Finoa and the agreement with Palladio Finanziaria.

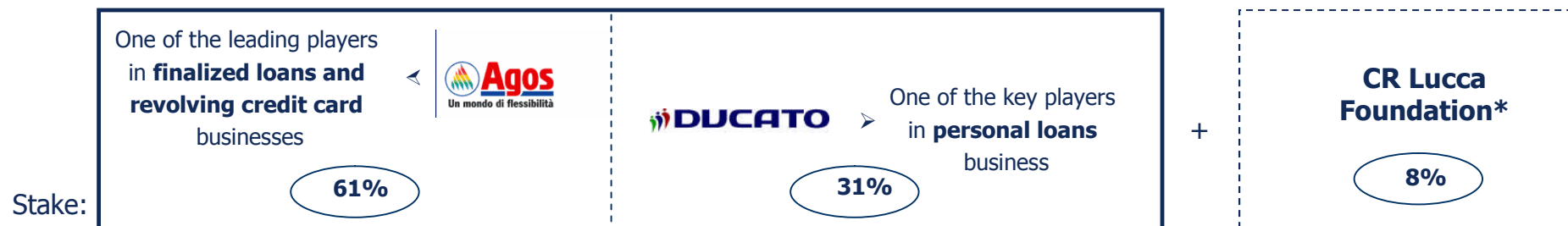
Authorisation process under way

Work in progress

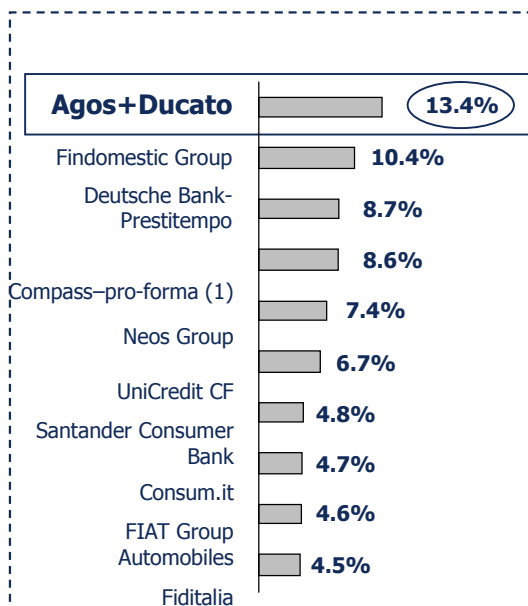
Consumer Credit Strategy: Agos & Ducato JV project

Crédit Agricole and Banco Popolare have reached an agreement on the qualifying points of an integration project between their respective subsidiary consumer credit companies, Agos and Ducato:

JOINT VENTURE:



MARKET LEADER



KEY POINTS

- **Strong distribution power:**
 - 256 own outlets
 - exclusive partnership agreement with:
 - 2,100 Banco Popolare retail branches
 - 700 Cariparma and Friuladria retail branches
 - 25,000 partner sale points
- **Preliminary estimate of synergies of about €50m confirmed**
- **Excellent complementarity between Agos and Ducato**

BENEFITS FOR BANCO POPOLARE

- **Generation of net capital gain**
- **Strengthening of capital ratios**
- **Participation into strong future upside related to a new leading player in Italian consumer credit market**
- **Positive effect on funding and liquidity**

* On 11 July 2008, CaRiLucca Foundation agreed that it shall acquire a stake of 8% in the JV from Banco Popolare.



Risk profile: moderate risks and prudent management

Business risk

- Economic risks largely related to resilient northern Italy
- Strong fragmentation and sector diversification of the loan book
- Result: historically low cost of credit risk

Market and other specific risks

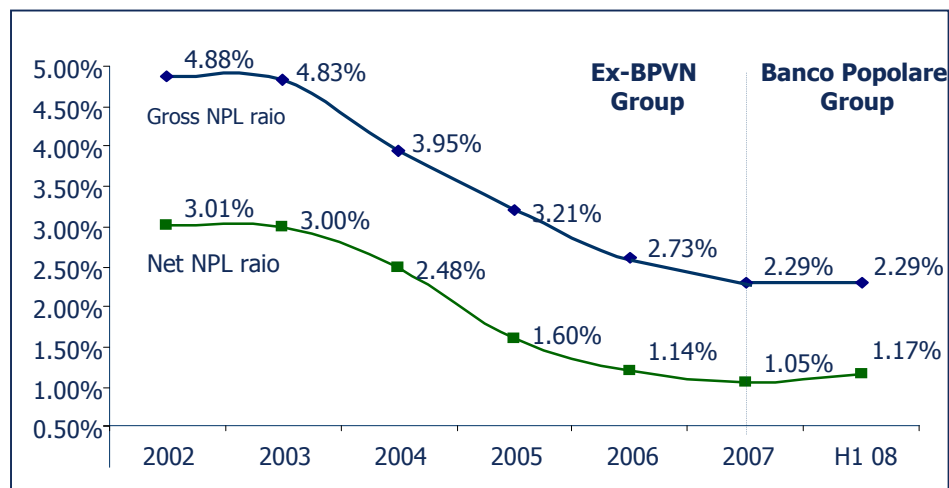
- Limited financial market risks
- No exposure to sub-prime sector and US monoliners
- No conduit exposure
- No material foreign exchange risk

Prudent risk management

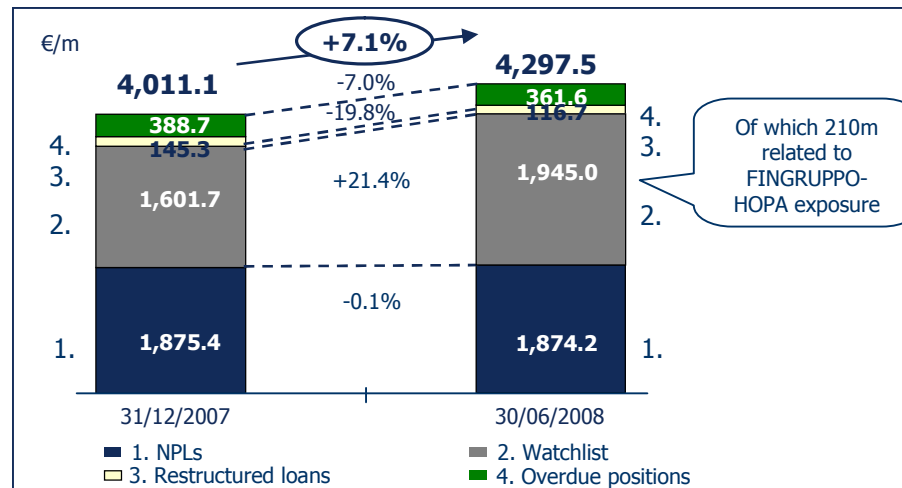
- Loan/value ratio practice: ~80%
- High level of collateralisation of customer loans
- Unified internal credit rating system (Basle II compliant)
- Constant monitoring of customer risk profiles

Group credit quality and cost of risk

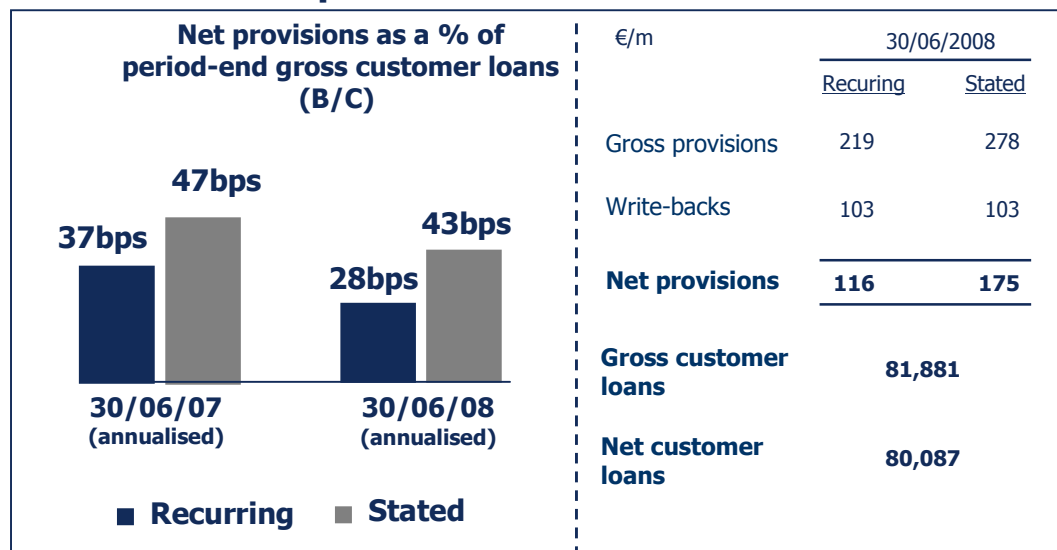
NPL ratios: historical trend



Gross impaired loans



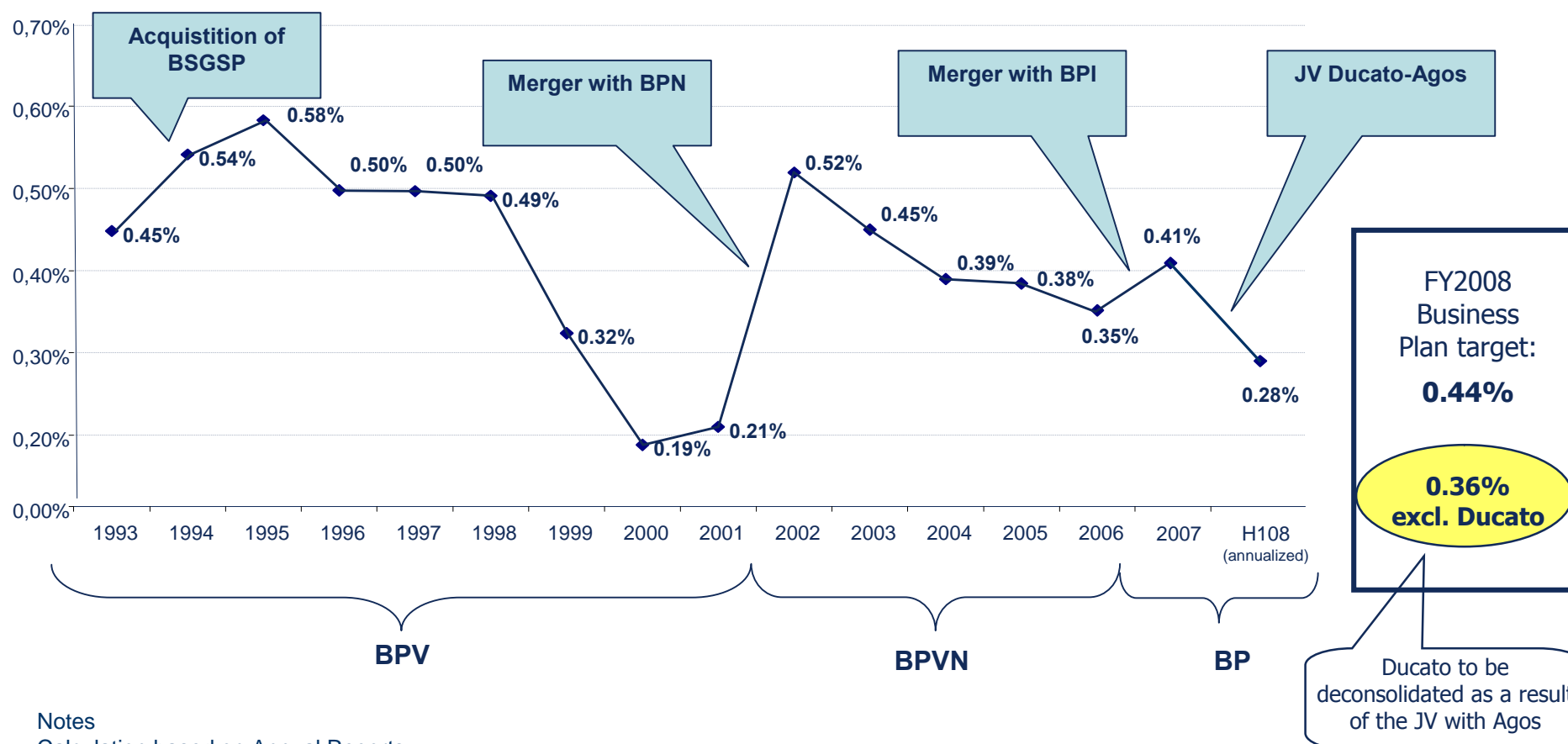
Group cost of credit risk in H1 2008



- Historically, Banco Popolare has always enjoyed a low cost of credit risk, in the range between 20 and 55bps, thanks to its strong risk fragmentation among its retail and SMEs clients and the good level of collateralization of loans.
- Sharp reduction in the NPL ratios over the past six years, thanks to the heightened focus on asset quality.
- The recurring cost of credit risk in H108 stands at **28bps** (targeted level of **36bps** at year-end, excl. Ducato).

Low historic cost of credit risk

Recurrent cost of credit risk



Notes

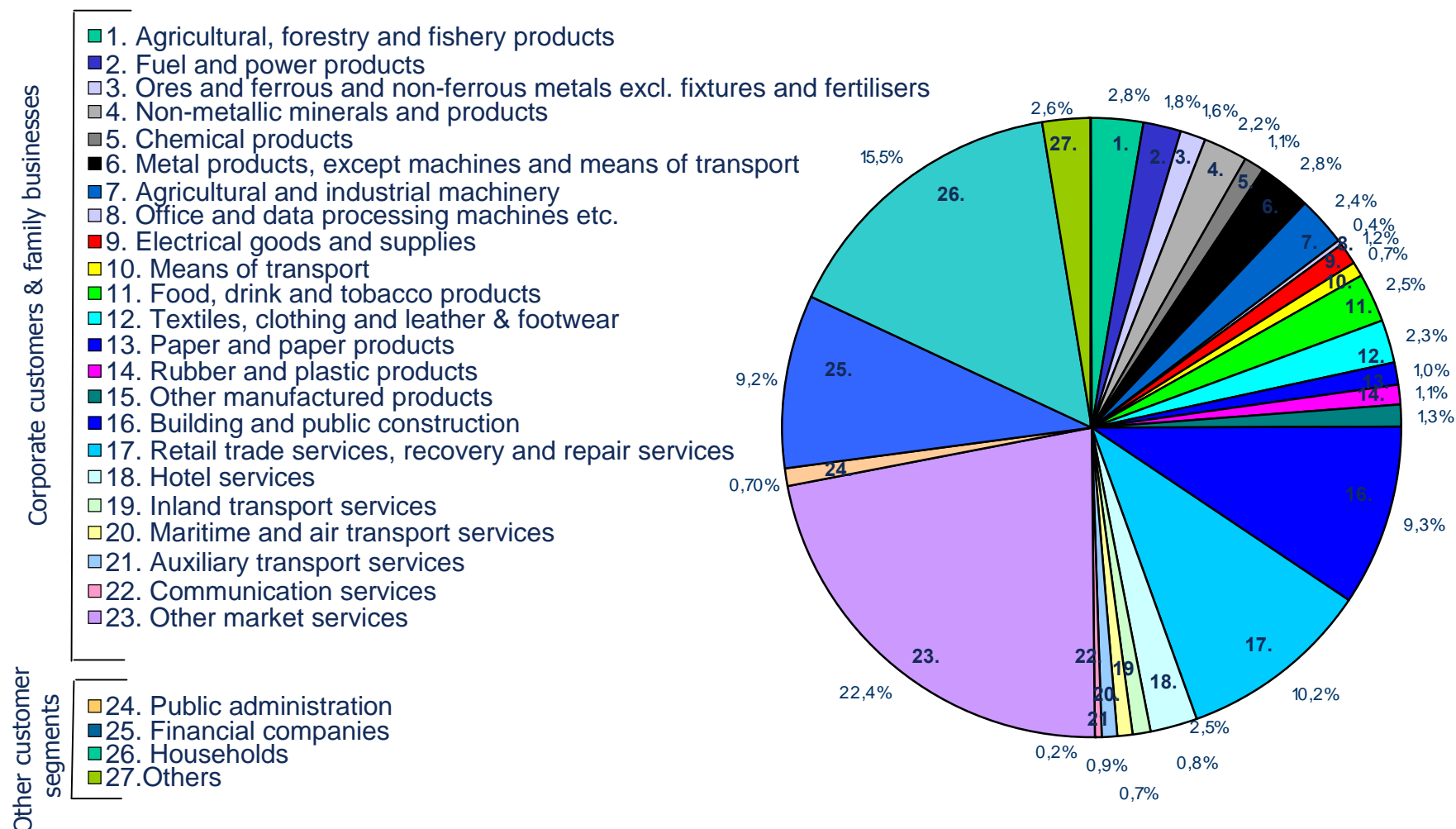
Calculation based on Annual Reports

2006-2007 figures based on IAS, previous years on Italian Gaap; 2006-2007 excluding time factor, with 2006 including disposal of NPLs

2004 without Linea (afterwards considered as equity stake)

Banco Popolare: Loan segmentation

Customer Loan Breakdown of the Group's banks (30/06/2008) (i)



(i) Includes all commercial banks and Efibanca; excludes Ducato and foreign branch offices.



Section 3

Turnaround of BP Lodi and CR LuPiLi

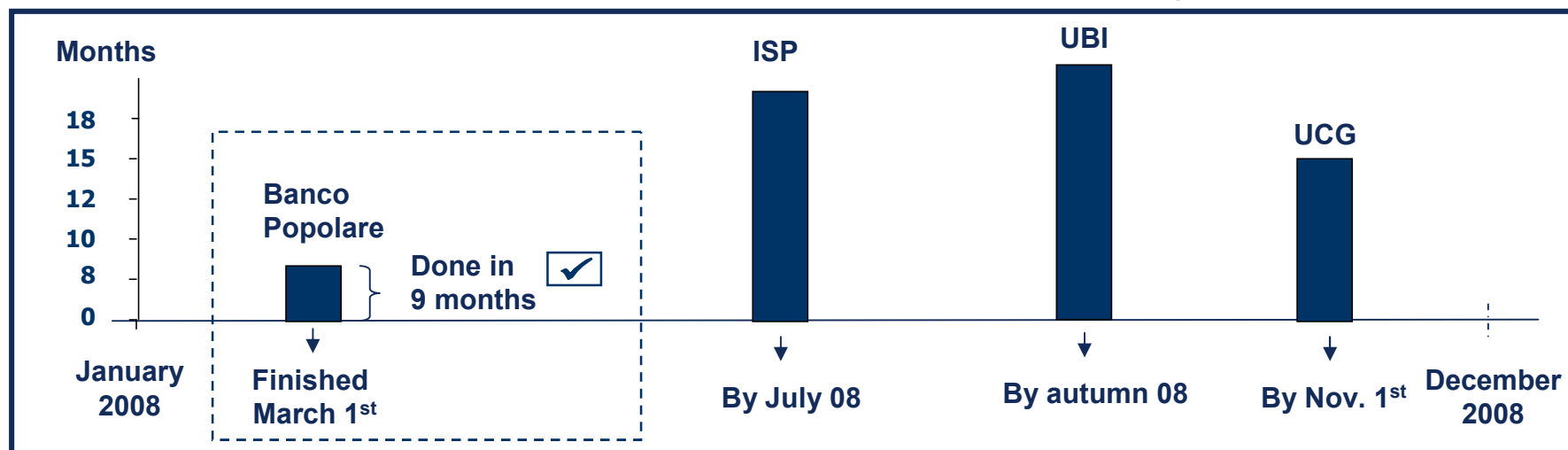
Completion of IT integration: a key milestone

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	✓

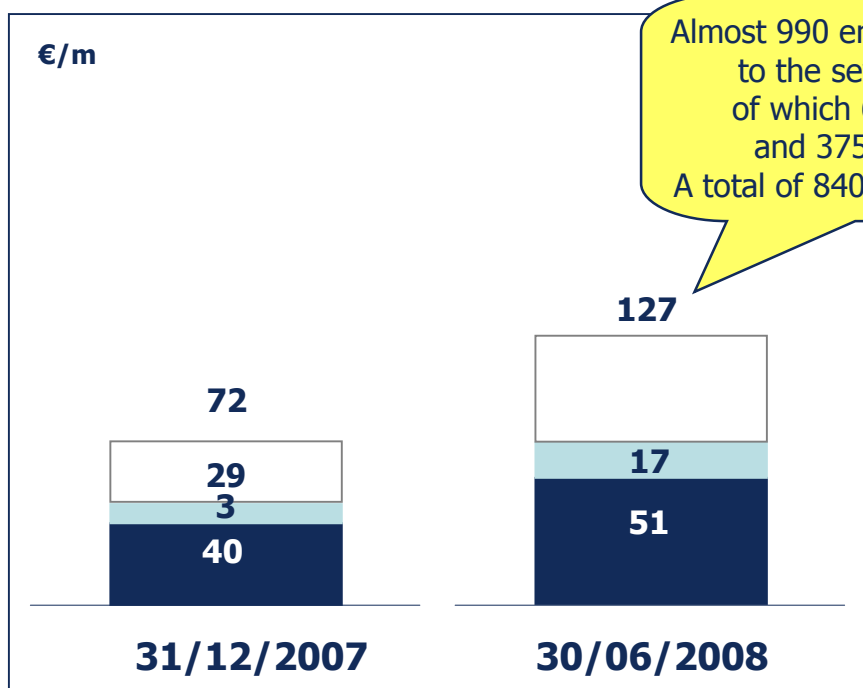
Banco Popolare in the Italian landscape of IT integration



Achievement of synergies

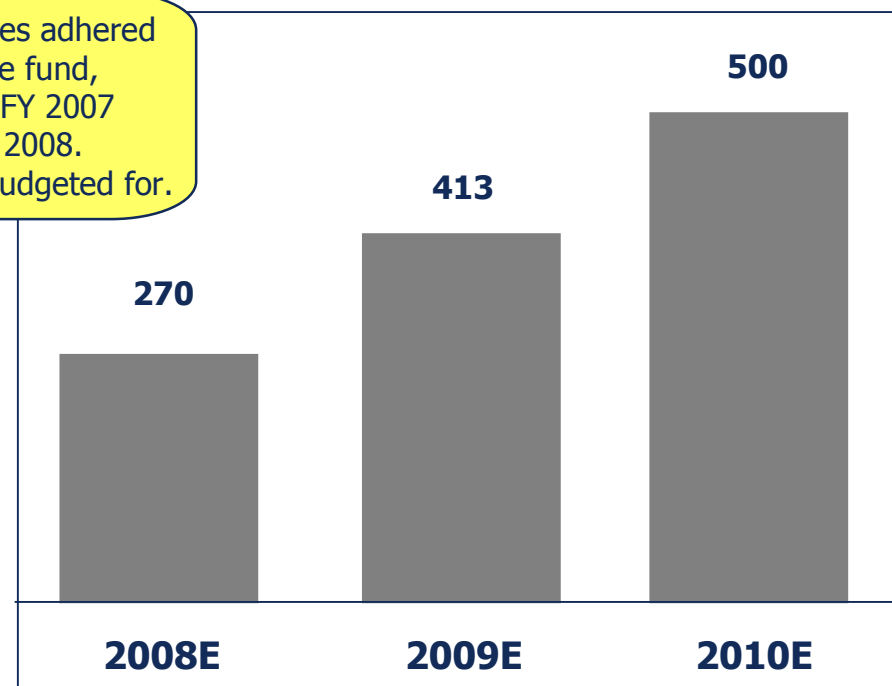
Of the total, cost synergies account for about 45-48% in the period 2008-2010.

Focus: delivery of synergies



H1 2008 delivery of total synergies in line with targets

Phasing of targeted total synergies



Confirmation of total synergy targets

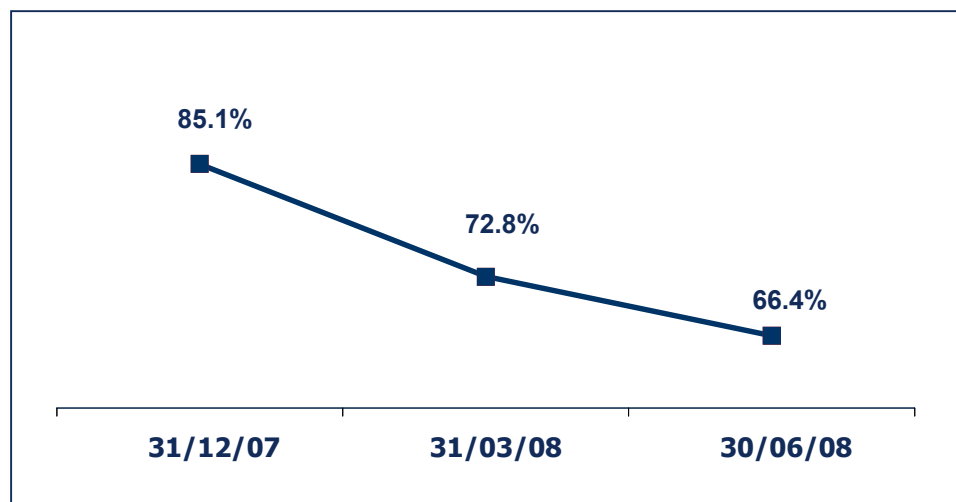
- = Revenue / realignment synergies
- = Cost synergies (Personnel)
- = Cost synergies (Other administrative expenses + Depreciation)

BPL turnaround under way

BP Lodi key H1 2008 P&L data*

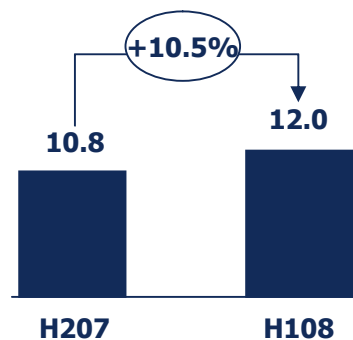
	H1 08	H2 07	% chg
Net interest income	241,7	210.1	+15.0%
Net commission income	77.2	74.1	+4.2%
Revenues	365.8	311.3	+17.5%
Operating costs	-242.7	-301.6	-19.5%
Operating income	123.1	9.7	n.s
Recurring Net profit	68.0	-4.9	
Recurring cost of credit risk (annualized)	25bps	30bps	

BP Lodi Cost/Income ratio



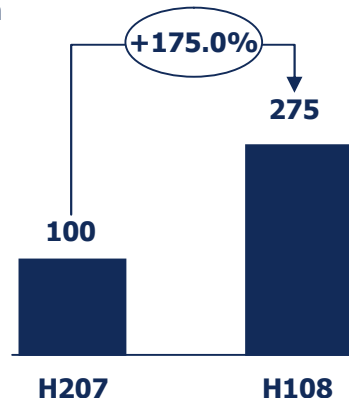
Network customer loans

€/bn



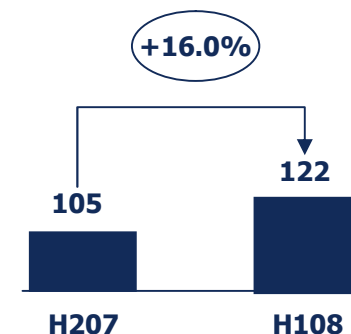
Structured bond inflows

€/m



Consumer lending inflows

€/m



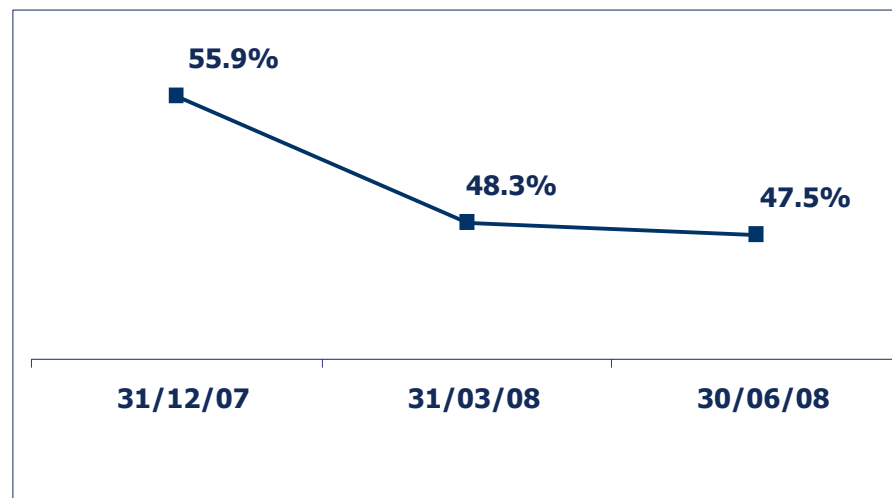
* In order to ensure the same accounting perimeter after the effectiveness of the merger between BPVN and BPI (1 July 2007), the comparison is made on H2 2007 data.

CR Lucca turnaround under way

CR LuPiLi key H1 2008 P&L data*

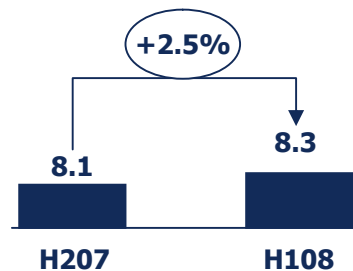
	H1 08	H2 07	% chg
Net interest income	160.8	147.1	+9.3%
Net commission income	44.1	40.4	+9.0%
Revenues	224.4	203.0	+10.5%
Operating costs	-106.6	-118.1	-9.7%
Operating income	117.7	84.9	+38.6%
Recurring net income	62.8	32.6	+92.6%
Recurring cost of credit risk (annualized)	44bps	42bps	

CR LuPiLi Cost/Income ratio



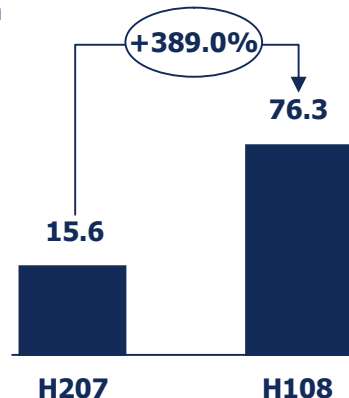
Network customer loans

€/bn



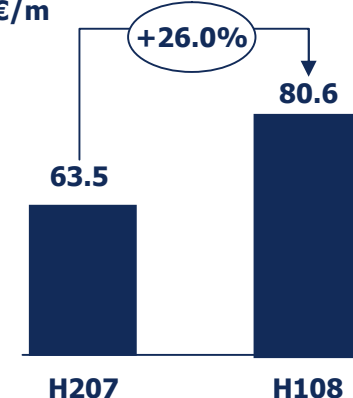
Structured bond inflows

€/m



Bancassurance inflows

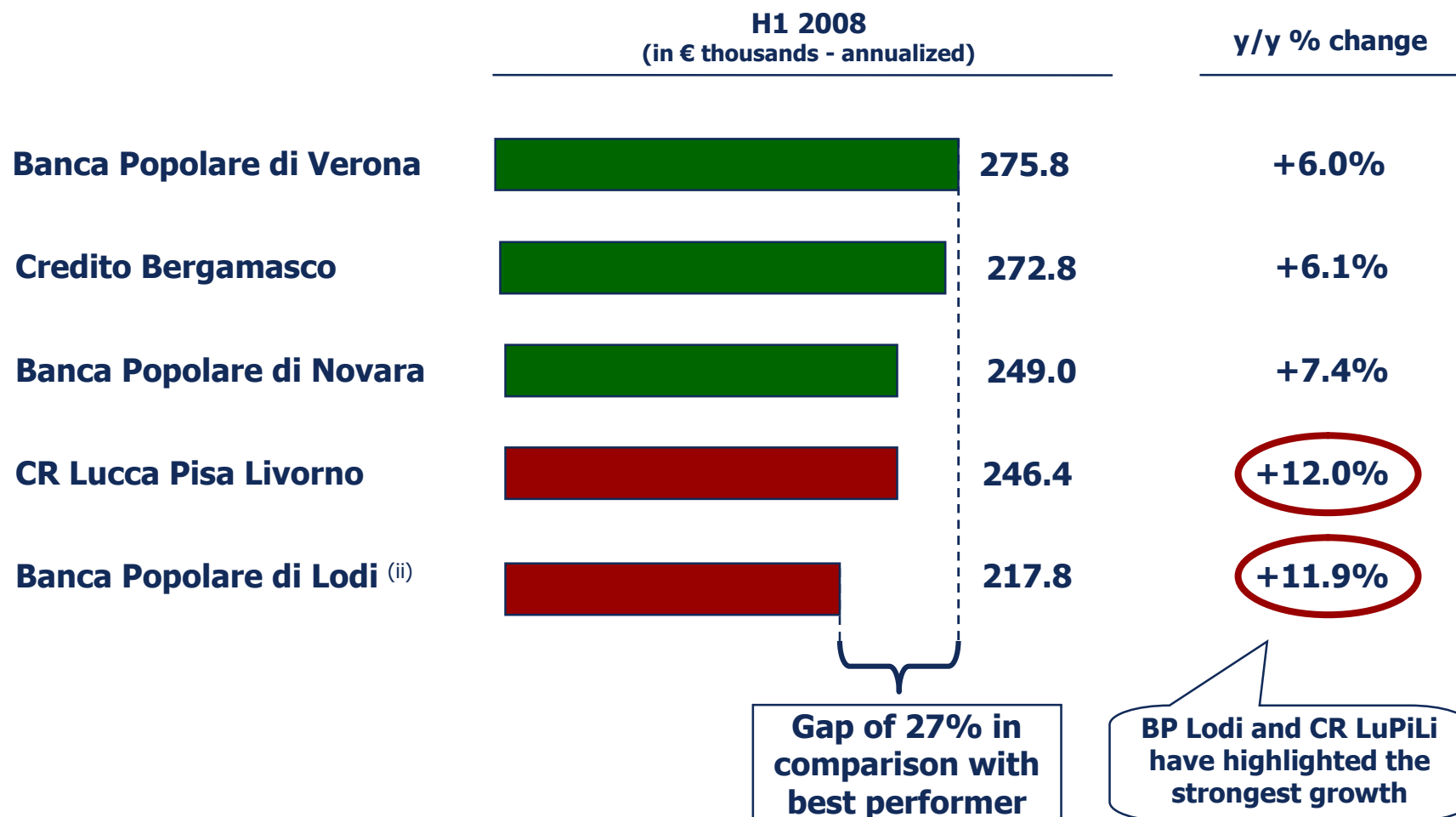
€/m



* In order to ensure the same accounting perimeter after the effectiveness of the merger between BPVN and BPI (1 July 2007), the comparison is made on H2 2007 data.

Internal benchmarking of key Group commercial banks

Revenues per network employees ⁽ⁱ⁾



(i) 'Network employees' are indicated as average number and include personnel in branch offices and in network areas and field developers (retail and corporate). Revenues include only core network revenues.

(ii) BPL here considered standalone, i.e. excluding BP Crema, BP Cremona and Caripe; Banca Popolare di Mantova is also excluded.



Appendices



PPA and accounting reclassification

In application of the pertinent international accounting principle (IFRS 3), the merger operation is considered as an acquisition by Banco Popolare di Verona e Novara Group of Banca Popolare Italiana Group. Consequently, the income statement of Banco Popolare Group includes the contribution of Banca Popolare Italiana Group and the economic impact deriving from the allocation of the merger difference deriving from the operation in accordance with **IFRS 3 (Purchase Price Allocation)** only starting from 1 July 2007. For a homogenous comparison, the Group's 2008 results should be considered excluding the effect deriving from the PPA.

In order to allow a homogenous comparison, previous accounting data have been restated in order to consider the following changes in the area of consolidation:

- **Ducato:** on 19 May 2008, Banco Popolare signed a binding contract with Crédit Agricole for the creation of a consumer credit JV (Ducato & Agos) which shall be held 61% by Crédit Agricole, 31% by Banco Popolare and 8% by CaRiLucca Foundation*.
- **Banca Popolare di Mantova:** on 1 July 2008, Banco Popolare signed a binding sales contract with Banca Popolare di Milano for the disposal of the 56.99% stake.
- **Minor shareholdings:** Other minor shareholdings due to be disposed are also treated as indicated below.

P&L:

- The economic effects of the related items, previously consolidated on a line-by-line basis, have been reclassified into one single accounting item: "Profit (loss) after tax from discontinued operations".
- In order to ensure a homogeneous P&L comparison previous quarters were restated accordingly.
- The P&L contribution of these items is considered as non-recurring. For full transparency, the line-by-line adjustment in previous quarters is shown in the Appendix.

Balance sheet:

- The balance sheet effects of the related items, previously consolidated on a line-by-line basis, have been reclassified into one single accounting item: "Non-current assets held for sale and discontinued operations" and "Liabilities associated with discontinued operations", respectively.
- In order to ensure a homogeneous comparison, previous accounting data were restated accordingly.

* On 11 July 2008, CaRiLucca Foundation agreed that it shall acquire a stake of 8% in the JV from Banco Popolare.

Appendix:

Group H1 2008 profitability highlights (pre PPA)

€/m	RECURRING			STATED		
	H1 08	H1 07*	% chg	H1 08	H1 07*	% chg
Total operating revenues:	2,009.5	2,076.4	-3.2%	2,114.7	1,923.0	10.0%
• Net interest income	1,225.9	1,057.8	+15.9%	1,225.9	1,057.8	15.9%
• Dividends and profit (loss) from eq. inv.	32.4	4.8	+571.6%	32.4	(140.5)	n.s.
• Net non-interest income	751.2	1,013.8	-25.9%	856.4	1,005.8	-14.9%
- Net financial results	53.3	260.7	-79.6%	158.4	272.7	-41.9%
- Net commissions	589.1	630.6	-6.6%	589.1	630.6	-6.6%
- Other net operating income	108.8	122.5	-11.2%	108.8	102.5	6.1%
Operating costs	(1,162.5)	(1,161.5)	0.1%	(1,162.5)	(1,147.4)	1.3%
Operating profit	847.0	914.9	-7.4%	952.2	775.6	22.8%
Net value adjustments for loans	(138.4)	(151.8)	-8.8%	(197.0)	(189.1)	4.2%
Net impairments of other financial assets	(4.5)	0.1	n.s.	(25.7)	(4.5)	471.2%
Net provisions for risks and charges	(16.2)	(34.2)	-52.6%	(33.5)	(36.2)	-7.5%
Inc. from disposal of equity and other invest.	0.0	14.3	n.s.	120.4	29.9	302.8%
Income before tax from contin. operat.	688.0	743.3	-7.4%	816.4	574.6	42.1%
Tax on income from continuing operations	(269.1)	(285.5)	-5.8%	(277.4)	(275.1)	0.8%
Integration costs	-	-	-	(24.2)	(27.3)	-11.4%
Profit (loss) after tax from discontinued operations	-	-	-	17.6	12.9	36.4%
Net income of the period - pre PPA	396.3	439.4	-9.8%	494.1	274.5	80.0%
<i>Net income contribution of Ducato</i>	12.7	22.6				
Net income with contribution of Ducato - pre PPA	409.0	462.0	-11.5%			

* Pro-forma data.

Appendix:

Group quarterly recurring P&L

		<i>Pro –Forma data</i>						
€/m		Q2 08	Q1 08	% chg	Q4 07	Q3 07	Q2 07	Q1 07
Total operating revenues:	Pre PPA	1,041.6	968.0	7.6%	940.1	938.7	1,015.5	1,060.9
• Net interest income		627.1	598.8	4.7%	578.8	528.6	531.3	526.5
• Dividends and profit (loss) from eq. inv.		21.7	10.7	102.6%	4.9	24.6	5.5	(0.6)
• Net non-interest income		392.8	358.5	9.6%	356.4	385.5	478.7	535.0
Operating costs		(584.1)	(578.4)	1.0%	(583.1)	(605.0)	(575.7)	(585.8)
Operating profit		457.5	389.6	17.4%	357.0	333.7	439.8	475.1
Net value adjustments for loans		(75.3)	(63.1)	19.2%	(84.6)	(50.7)	(99.1)	(52.7)
Net provisions for risks and charges		(6.2)	(10.0)	-37.3%	(31.5)	(6.0)	(25.3)	(8.9)
Income before tax from contin. operat.		372.8	315.1	18.3%	228.4	276.2	313.9	429.5
Tax on income from continuing operations		(158.5)	(110.6)	43.3%	(117.9)	(118.8)	(130.3)	(155.3)
Net income of the period - pre PPA	208.3	187.9	10.8%	94.2	155.6	170.6	268.9	
<i>Net income contribution of Ducato</i>		3.6	9.1		(0.6)	6.3	11.5	11.1
<i>Recurring net inc. with contrib. of Ducato</i>		211.9	197.0	7.5%	93.6	161.9	182.1	280.0
PPA impact (i)		(31.2)	(71.5)		64.8	(161.7)	0.0	0.0

(i) Of the total PPA impact of €103m, €32.6m are related to the sale of participations within the Group's merchant banking/private equity business.

Appendix:

Non-recurring items & PPA impact

€/m	H1 08 Stated	H1 08 Recurring	NON-RECURRING		
			H1 08	Q1 08	Q2 08
Total operating revenues:	2,114.7	2,009.6	105.1	213.6	(108.5)
• Net interest income	1,225.9	1,225.9			
• Dividends and profit (loss) from eq. inv.	32.4	32.5			
• Other operating income	856.4	751.2			
- Net financial result	158.4	53.3	105.1	213.6	(108.5)
- Net commissions	589.1	589.1			
- Other net operating income	108.8	108.8			
Operating costs	(1,162.5)	(1,162.5)			
Operating profit	952.2	847.1	105.1	213.6	(108.5)
Net value adjustments for loans	(197.0)	(138.4)	(58.6)	(7.4)	(51.2)
Net impairment of other financial assets	(25.7)	(4.5)	(21.2)		(21.2)
Net provisions for risks and charges	(33.5)	(16.2)	(17.3)	(2.5)	(14.8)
Inc. from disposal of equity and other invest.	120.4	0.0	120.4	1.5	118.9
Income before tax from contin. operat.	816.4	687.9	128.4	205.2	(76.8)
Profit (loss) after tax from discontinued operat.	17.6	0.0	17.6	12.2	5.4
Net integration costs	(24.3)	0.0	(24.3)	(3.0)	(21.3)
Net income of the period - pre PPA	494.1	396.3	97.8	143.9	(46.1)
PPA impact	(102.7)				
Net income of the period - post PPA	391.4				

Fair value option on own liabilities

Provisions mainly related to Fingruppo loan exposure

Writedowns related to 7.4% Hopa stake and BPL Net

Provisions related to Fingruppo

Mainly related to the sale of 48% Linea stake

Contribution of Ducato, Banca Popolare di Mantova and other

Integration costs

Appendix:

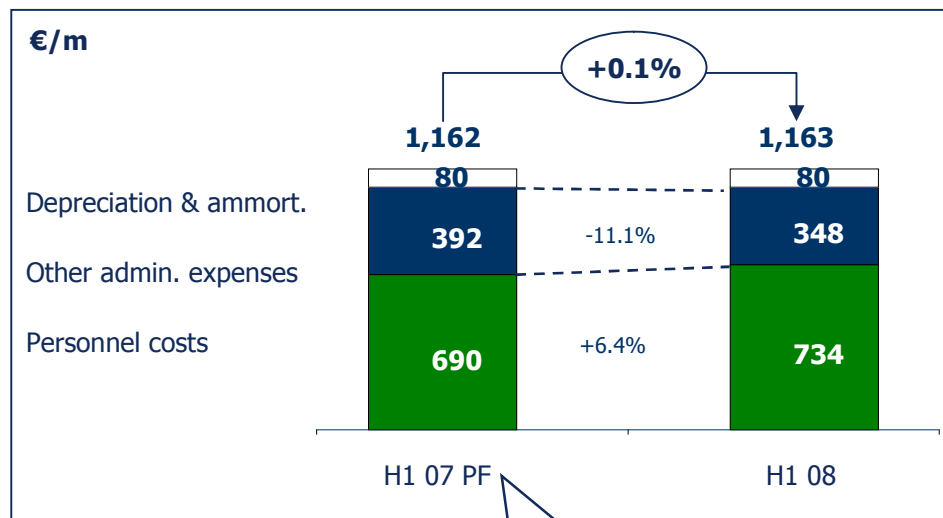
Group quarterly recurring net non-interest income

€/m

	Q2 08	Q1 08	Q4 07	Q3 07	Q2 07 PF	Q1 07 PF
Net commission income:	292.3	296.9	294.3	285.6	322.6	308.0
• Management, brokerage and advisory services	177.3	187.2	178.8	181.2	212.0	203.3
Net financial result:	50.2	3.1	18.3	37.5	92.5	168.2
• Net result of trading and hedging of financial assets/liabilities valued at FV	27.3	3.1	18.3	35.4	60.4	168.0
• Dividends from "ex participations"	22.9	0.0	0.0	2.1	32.1	0.2
Other net operating income	50.4	58.5	43.7	62.4	63.6	58.9
Total recurring net non-interest income	392.9	358.5	356.4	385.5	478.7	535.0

Group recurring operating costs

Total operating costs

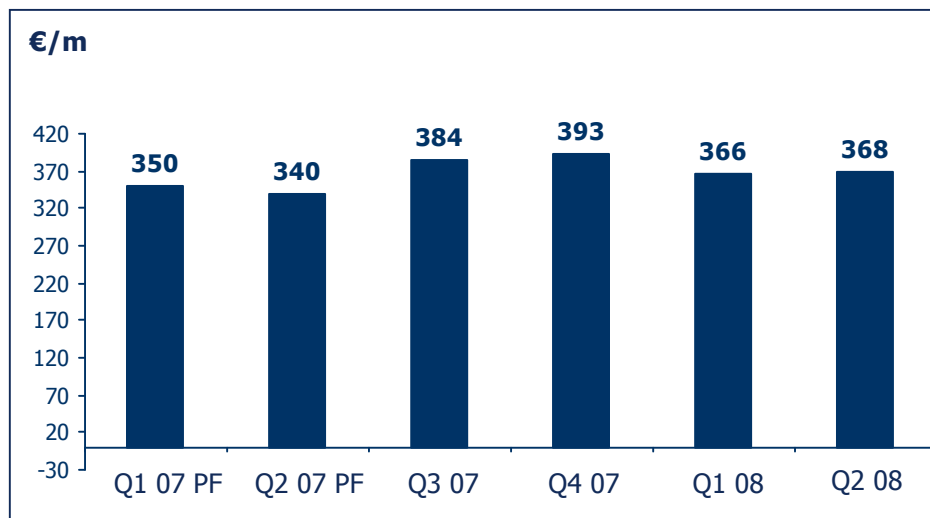


Personnel costs in H1 2007 benefited from a positive effect of €34.8m from the interest rate adjustment for severance fund liabilities. Excluding this impact, the year-on-year growth is:

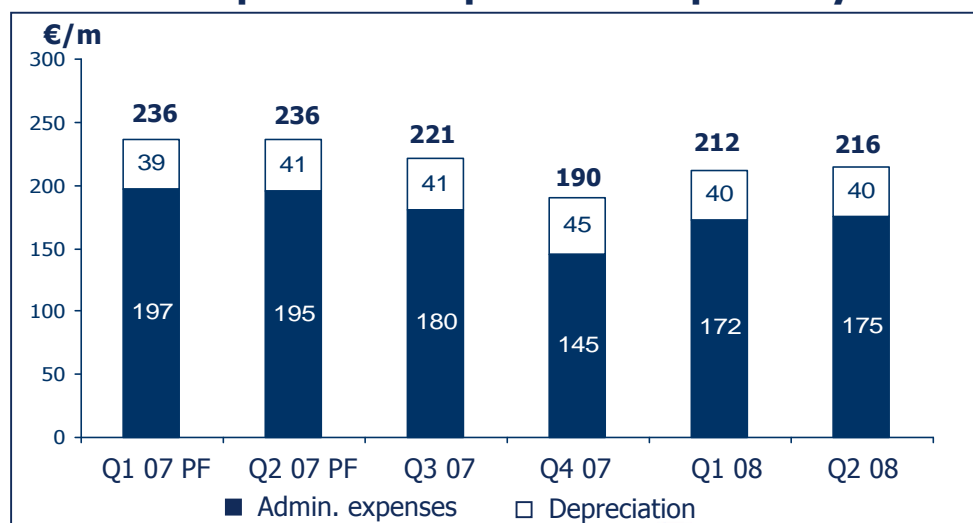
Personnel costs +1.3%

Total operating costs -2.8%

Personnel costs: quarterly trend



Admin. expenses & depreciation: quarterly trend



Appendix:

Tightening in provisioning policy in FY 2007

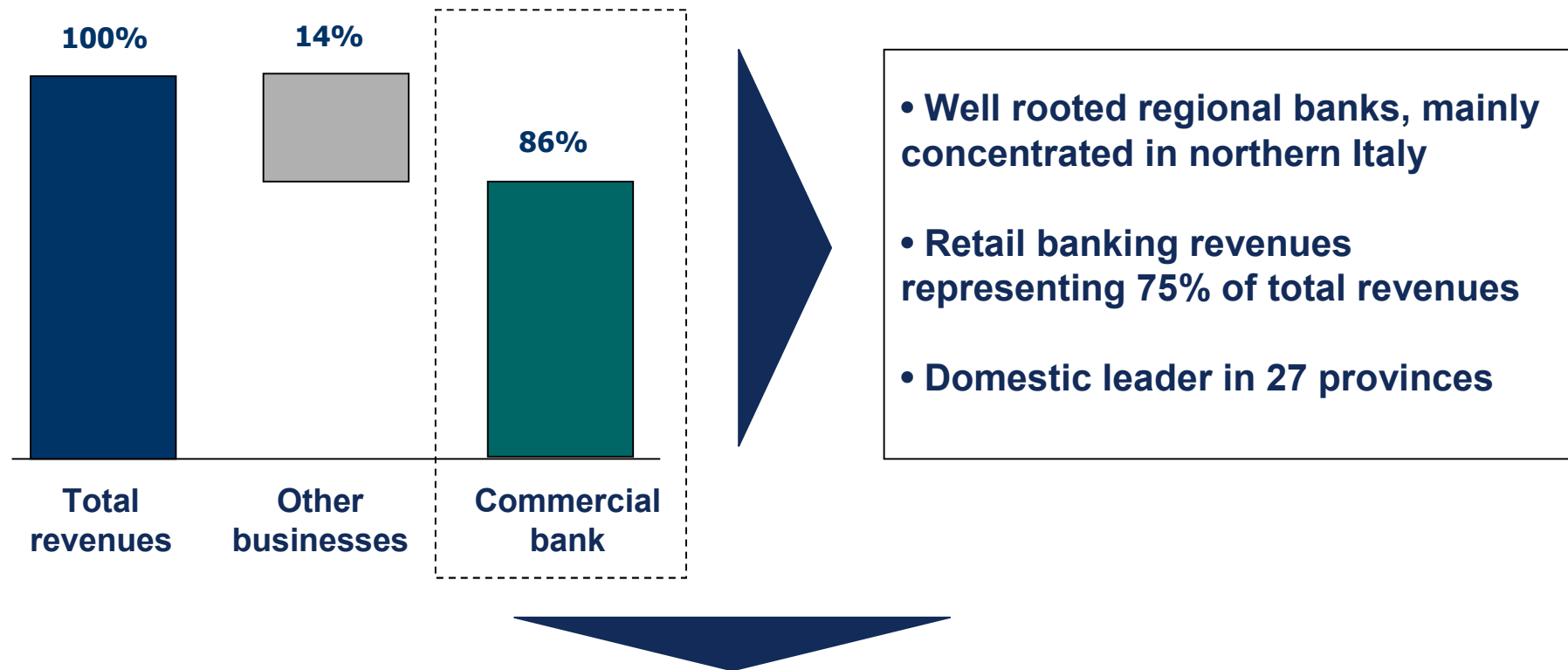
€m

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%)	

Strategic focus on core commercial banking business

Breakdown of Group total revenues



In the current difficult scenario, our focus is 100% on core business

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

Leveraging on Banco Popolare Strengths

	Threats		Banco Popolare response
	Uncertainty about the persistence of the changes		Leveraging on key strengths to ensure sustainable earnings generation
1	<u>LIQUIDITY CRISIS</u>	→	<u>RETAIL FUNDING & LENDING STRATEGY</u> <ul style="list-style-type: none"> -Repricing of SME loans -Reduction in Large Corporate -Growth in direct customer deposits
2	<u>SUBPRIME</u>	→	<u>NO RISK</u>
3	<u>NEGATIVE TREND IN COMMISSIONS:</u> <ul style="list-style-type: none"> -Regulatory changes -Price competition -Negative trend in AUM 	→	<u>NEW RANGE OF SERVICES FOR SMEs</u> <u>FOCUS ON CORE RETAIL SEGMENTS:</u> <ul style="list-style-type: none"> -Consumer lending -Protection business -New wealth management approach (Mifid opportunity)

Appendix:

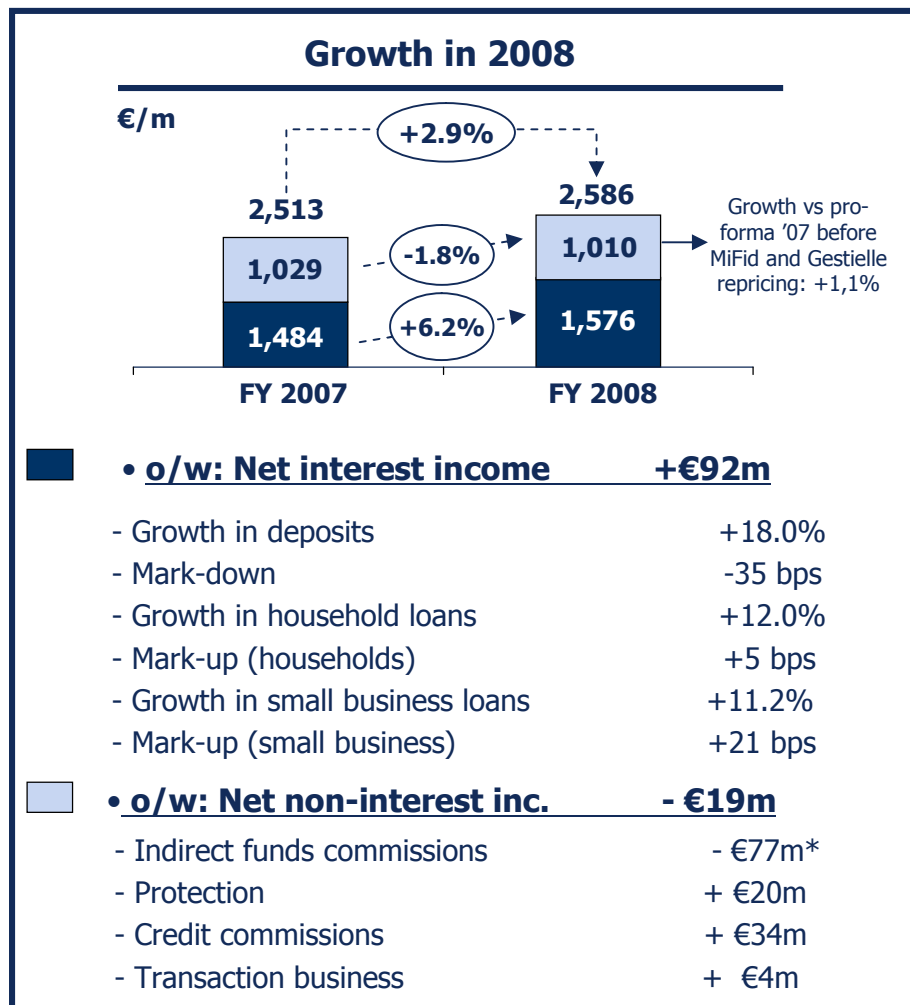
Business Plan Targets: Group recurrent P&L - pre PPA

€/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	+20.9%	+19.6%

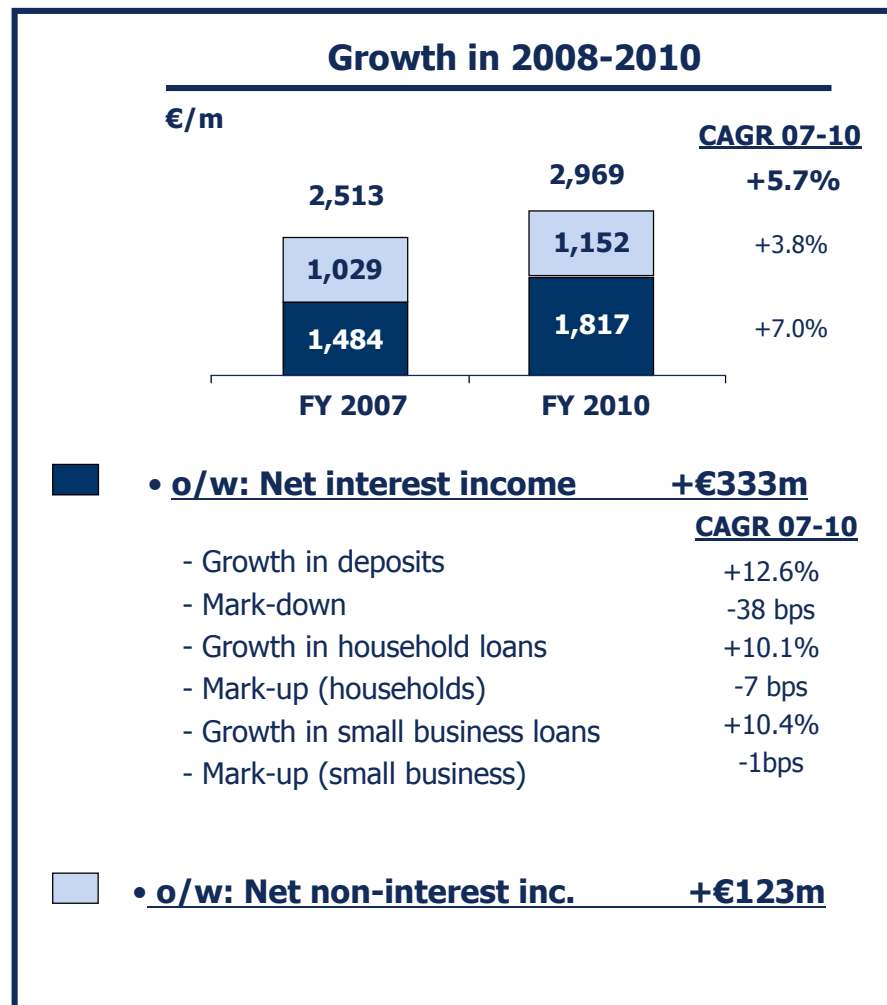
(i) Net value adjustments on financial operations, goodwill and participations

Retail Business Growth Targets

Growth in retail revenues of the banking network



(Average volumes)

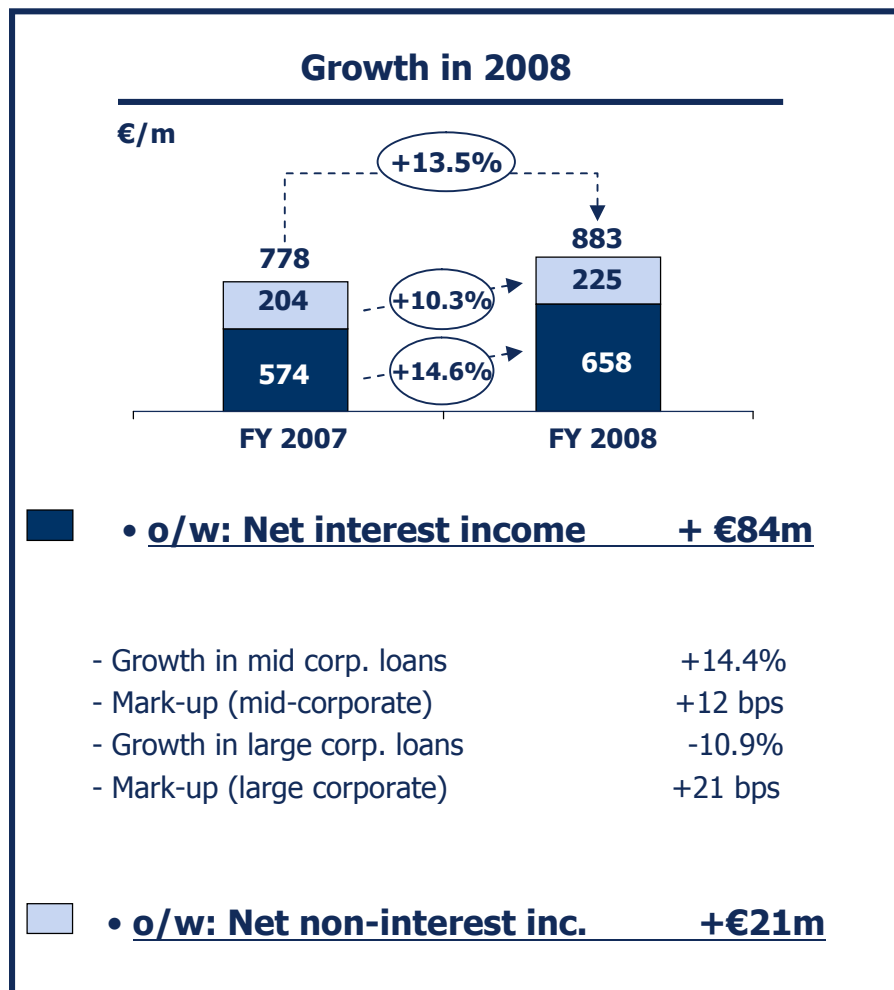


(Average volumes)

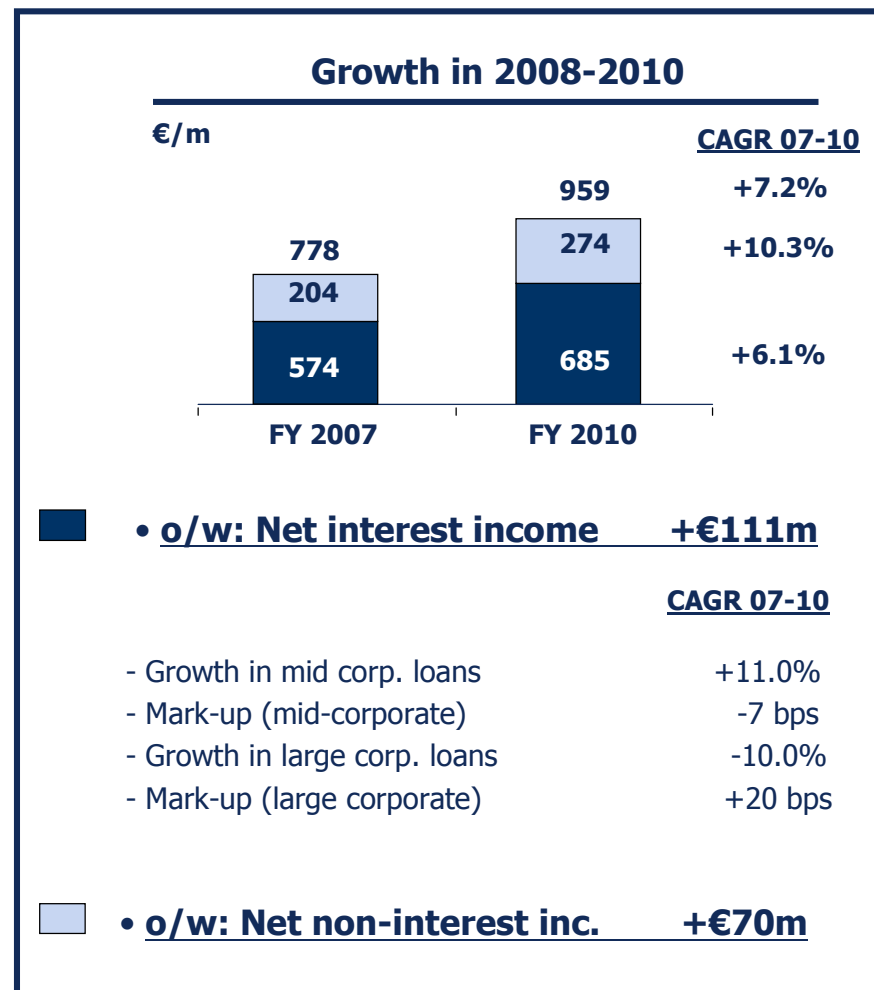
(*) of which ~€30m due to MiFid and re pricing pay-out Gestielle

Corporate Business Growth Targets

Growth in corporate revenues of the banking network



(Average volumes)



(Average volumes)

Appendix:

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

Capital strengthening initiatives: limited impact on core earnings (included in the Business Plan)

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)

Does not include the positive contribution from the consumer credit JV

Appendix:

Pipeline of IR initiatives in 2008

work in
progress

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
29 March 2008	Verona	Press release on FY 2007 results
31 March 2008	Verona	Banco Popolare: Conference call on FY2007 results
2-3 April 2008	London	Morgan Stanley – European Financials Conference
April – July 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
15 May 2008	Verona	Banco Popolare: Conference call on Q1 2008 results
19 May 2008	Paris	CA Cheuvreux 2nd Annual Spring European Large Cap Conference
22 May 2008	Rome	Unicredit XI Italian Conference
30 May 2008	Milan	Deutsche Bank Italian Conference
13 June 2008	Berlin	Goldman Sachs European Financials Conference
29 August 2008	Verona	Press release on H1 2008 results
29 August 2008	Verona	Banco Popolare: Conference call on H1 2008 results
2 September 2008	London	Goldman Sachs Italian Financials Symposium
September-October 2008	Italy & abroad	Roadshow activities
17 September 2008	London	Keefe, Bruyette & Woods European Financials Conference
7-8 October 2008	Tokyo	Borsa Italiana/Nomura Italian Conference
8-9 October 2008	London	Merrill Lynch – European Banking and Insurance Conference
14 November 2008	Verona	Press release on Q3 2008 results
14 November 2008 (TBC)	Verona	Banco Popolare: Conference call on Q3 2008 results
November-December 2008	Italy & abroad	Roadshow activities
20 November 2008	Palermo	Banca Leonardo - Italian Banking Conference



Appendix:

Key Contacts for Investors and Analysts

e-mail: investor.relations@bancopopolare.it

Tom Lucassen <i>Head of Investor Relations</i>	Office: +39 045 867 5537
--	--------------------------

Elena Segura	Office: +39 045 867 5484
---------------------	--------------------------

Fabio Pelati	Office: +39 0371 580.105
---------------------	--------------------------

Vania Farinati	Office: +39 045 867 5580
-----------------------	--------------------------

Francesca Romagnoli	Office: +39 045 867 5613
----------------------------	--------------------------
