



## **Banca Leonardo**

### Italian Financial Conference

**Pier Francesco Saviotti, Group CEO**

Erbusco, 18 November 2009





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# Methodological notes (1/2)

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## SECTION 1:

This section presents the income statement of Banco Popolare Group as of 30 September 2009, which for the first time includes Banca Italease figures related solely to Q3 2009.

This section is subdivided as follows:

- recurring data, which underline the trend in the core banking business trend;
- main extraordinary items: the negative balance can largely be attributed to the application of IAS accounting rules concerning the FVO; extraordinary items do not include any negative components linked either to the core commercial banking business or to the credit area;
- stated data of the income statement.

## SECTION 2:

This section shows the consolidated income statement and balance sheet data of Banco Popolare on a 'standalone' basis (i.e. excluding the contribution of Banca Italease) in order to ensure the continuity of financial performance data presented in the past.

This section is subdivided as follows:

- recurring data, highlighting the trend in the core banking business;
- stated data of the P&L account;
- balance sheet data.

## Methodological notes (2/2)

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### SECTION 3:

In this section, income statement and balance sheet data of the consolidated Banca Italease Group are presented solely with respect to Q3 2009, together with an update on the ongoing reorganization process.

In particular, this section contains:

- Q3 2009 income statement;
- reorganization of Banca Italease and future consolidation perimeter for Banco Popolare Group;
- details on NewCo 1 and on Banca Italease POST-conferments.

### SECTION 4:

This section shows key P&L account and commercial data of Banca Popolare di Lodi which highlight the progress in the turnaround currently under way.



## Section 1

# Group consolidated results as of 30 September 2009

## Banco Popolare Group

## Group consolidated income statement: recurring data

	Banco Popolare Group	
<b>Net interest, dividend and similar income</b>	<b>1,560.8</b>	<b>1,738.6</b>
Net commissions	755.6	822.1
Other revenues	129.4	120.4
Net financial income	602.2	25.0
<b>Other operating income</b>	<b>1,487.2</b>	<b>967.5</b>
<b>Total income</b>	<b>3,048.0</b>	<b>2,706.1</b>
Personnel expenses	(1,115.8)	(1,107.1)
Other administrative expenses	(593.2)	(521.4)
Amortization and depreciation	(116.9)	(126.1)
<b>Operating costs</b>	<b>(1,825.9)</b>	<b>(1,754.7)</b>
<b>Profit from operations</b>	<b>1,222.1</b>	<b>951.4</b>
Net write-downs on impairment of loans, guarantees and commitments	(493.5)	(205.8)
Net write-downs on impairment of other assets	(16.7)	(5.6)
Net provisions for risks and charges	(36.3)	(26.2)
<b>Income before tax from continuing operations</b>	<b>675.6</b>	<b>713.8</b>
Tax on income from continuing operations	(283.6)	(327.3)
<b>Income after tax from continuing operations</b>	<b>392.0</b>	<b>386.5</b>
Minority interests	(9.8)	(15.2)
<b>Net income for the period attributable to the Parent company</b>	<b>382.2</b>	<b>371.4</b>

**The two sets of results are not directly comparable considering that Banca Italease Group is consolidated starting only from 1 July 2009.**

*(\*) Data are restated on a pro-forma basis to take account only of exits from the Group's perimeter of consolidation and of assets under disposal pursuant to IFRS 5. Data as of 30/09/08 are instead not restated with respect to the consolidation of Banca Italease.*

# Main extraordinary items in the first 9 months of 2009

€/000

	Pre-Tax	Post-tax	of which: Q3 2009	
			Pre-tax	Post-tax
• <b>Profit (loss) on equity investments carried at equity</b>	<b>22,065</b>	<b>21,230</b>		
- <i>Agos dividend</i>	22,065	21,230		
• <b>Profit (Loss) on the disposal of equity participations and investmts.</b>	<b>106,503</b>	<b>77,515</b>	<b>11,144</b>	<b>8,200</b>
- <i>of which: Eracle real estate fund</i>	106,503	77,515	11,144	8,200
<b>TOTAL POSITIVE EXTRAORDINARY ITEMS:</b>	<b>128,568</b>	<b>98,745</b>	<b>11,144</b>	<b>8,200</b>
	Pre-Tax	Post-tax	Pre-tax	Post-tax
• <b>Net financial income</b>	<b>(323,610)</b>	<b>(218,992)</b>	<b>(192,612)</b>	<b>(130,360)</b>
- <i>Credit-worthiness under FVO</i>	(333,287)	(225,572)	(195,335)	(132,203)
- <i>Disposal of securities held for sale (AFS)</i>	9,677	6,580	2,723	1,843
• <b>Net provisions for risks and charges</b> for the contribution to the Central Guarantee Fund for SMEs (commitment taken in connection with the Tremonti bond issue) *	<b>(21,750)</b>	<b>(15,769)</b>		
• <b>Tax on income from continuing operations</b>	-	<b>(57,500)</b>		
- <i>Impact of the settlement of tax litigations of former BPI</i>		(57,500)		
• <b>Merchant banking assets to be disposed of</b>	-	<b>(30,052)</b>		<b>(268)</b>
<b>TOTAL NEGATIVE EXTRAORDINARY ITEMS:</b>	<b>(345,360)</b>	<b>(322,313)</b>	<b>(192,612)</b>	<b>(130,628)</b>

\* Accounted for as *Net provisions for risks and charges* in Q2 2009 and reclassified under the item *Other revenues* in Q3 2009.



## Banco Popolare Group

## Group consolidated income statement: accounting data

€/m	Banco Popolare Group	
	30/09/2009	30/09/2008 (*)
Net interest income	1,525.5	1,700.9
Profit (loss) on equity investments carried at equity	57.4	38.2
<b>Net interest, dividend and similar income</b>	<b>1,582.9</b>	<b>1,739.1</b>
Net commissions	755.6	822.1
Other revenues	107.7	255.1
Net financial income	278.6	161.2
<b>Other operating income</b>	<b>1,141.9</b>	<b>1,238.3</b>
<b>Total income</b>	<b>2,724.7</b>	<b>2,977.5</b>
Personnel expenses	(1,115.8)	(1,107.1)
Other administrative expenses	(593.2)	(521.4)
Amortization and depreciation	(116.9)	(126.1)
<b>Operating costs</b>	<b>(1,825.9)</b>	<b>(1,754.7)</b>
<b>Profit from operations</b>	<b>898.8</b>	<b>1,222.8</b>
Net write-downs on impairment of loans, guarantees and commitments	(492.9)	(354.2)
net write-downs on impairment of other financial transactions	(16.7)	(51.7)
Net provisions for risks and charges	(36.3)	(41.7)
Impairment of goodwill and equity investments	(3.1)	-
Profit (loss) on disposal of equity and other investments	115.0	143.0
<b>Income before tax from continuing operations</b>	<b>464.8</b>	<b>918.1</b>
Tax on income from continuing operations	(259.3)	(347.5)
<b>Income after tax from continuing operations</b>	<b>205.5</b>	<b>570.7</b>
Integration charges after tax	-	(31.6)
Income (Loss) after tax from non-current assets held for sale (**)	(24.4)	15.9
<b>Net income for the period</b>	<b>181.0</b>	<b>555.0</b>
Minority interest	(3.2)	(33.2)
<b>Net income for the period attributable to the Parent company</b>	<b>177.9</b>	<b>521.8</b>

The two sets of results are not directly comparable considering that Banca Italease Group is consolidated starting only from 1 July 2009.

(\*) Data are restated on a pro-forma basis to take account only of exits from the Group's perimeter of consolidation and of assets under disposal pursuant to IFRS 5. Data as of 30/09/08 are instead not restated with respect to the consolidation of Banca Italease.

(\*\*) This item includes also the results of shareholdings acquired as part of merchant banking activities.



## Section 2

# Banco Popolare “standalone”

## Key messages: recurring data 'standalone'

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- Recurring net income reaches €403.2m in the first 9 months of 2009, showing a growth of about 9% in comparison with the corresponding figure of 2008 (€371.4m).
- Healthy trend in recurring operating performance:
  - Total income of €3,000m: +10.9% (+12.2% proforma).\*
  - Operating profit of €1,198m: +25.9%.
- Strong growth in the recurring net financial result, which reaches €602,3mIn (+577,3m with respect to the nine-month period of 2008).
- Costs are under control:
  - Personnel expenses decreased 0.5% y/y;
  - Administrative expenses, excluding the negative impact of intergroup VAT and of rental costs starting from 2009 in relation to operating real estate assets (disposed of as part of the Eracle RE fund), decrease by 3.4% y/y. Excluding these items of discontinuity, administrative expenses rise 12.4%.
- Asset quality remains satisfactory: the annualized cost of the risk stands at 70bps in the first nine months of 2009, in line with the 2009 budget.

\* Pro forma for the disposal of 33 Tuscany-based branches.

## Banco Popolare 'standalone'

# 'Standalone' consolid. income statement: recurring data

€/m	30/09/2009	30/09/2008 (*)	% chg	Q1 09 (**)	Q2 09	Q3 09
Net interest income	1,478.6	1,700.4	(13.0%)	521.1	504.7	452.9
Profit (loss) on equity investments carried at equity	35.3	38.2	(7.5%)	13.6	1.7	20.1
<b>Net interest, dividend and similar income</b>	<b>1,513.9</b>	<b>1,738.6</b>	<b>(12.9%)</b>	<b>534.6</b>	<b>506.4</b>	<b>473.0</b>
Net commissions	751.5	822.1	(8.6%)	218.9	278.4	254.2
Other revenues	132.0	120.4	9.6%	47.1	42.6	42.3
Net financial income	602.3	25.0	n.s.	196.9	201.4	204.1
<b>Other operating income</b>	<b>1,485.8</b>	<b>967.5</b>	<b>53.6%</b>	<b>462.9</b>	<b>522.4</b>	<b>500.6</b>
<b>Total income</b>	<b>2,999.8</b>	<b>2,706.1</b>	<b>10.9%</b>	<b>997.5</b>	<b>1,028.7</b>	<b>973.5</b>
Personnel expenses	(1,101.2)	(1,107.1)	(0.5%)	(369.8)	(363.0)	(368.4)
Other administrative expenses	(586.3)	(521.4)	12.4%	(196.6)	(195.3)	(194.4)
Amortization and depreciation	(114.3)	(126.1)	(9.4%)	(37.6)	(38.4)	(38.3)
<b>Operating costs</b>	<b>(1,801.8)</b>	<b>(1,754.7)</b>	<b>2.7%</b>	<b>(604.1)</b>	<b>(596.7)</b>	<b>(601.1)</b>
<b>Profit from operations</b>	<b>1,198.0</b>	<b>951.4</b>	<b>25.9%</b>	<b>393.4</b>	<b>432.1</b>	<b>372.5</b>
Net write-downs on impairment of loans, guarantees and commitments	(444.6)	(205.8)	116.0%	(132.9)	(138.0)	(173.8)
net write-downs on impairment of other assets	(16.7)	(5.6)	n.s.	(3.2)	(8.8)	(4.7)
Net provisions for risks and charges	(35.0)	(26.2)	33.4%	(15.9)	(10.8)	(8.3)
<b>Income before tax from continuing operations</b>	<b>701.7</b>	<b>713.8</b>	<b>(1.7%)</b>	<b>241.5</b>	<b>274.5</b>	<b>185.7</b>
Tax on income from continuing operations	(287.0)	(327.3)	(12.3%)	(98.3)	(118.4)	(70.3)
<b>Income after tax from continuing operations</b>	<b>414.7</b>	<b>386.5</b>	<b>7.3%</b>	<b>143.2</b>	<b>156.0</b>	<b>115.5</b>
Minority interests	(11.5)	(15.2)	(24.0%)	(5.3)	(5.4)	(0.9)
<b>Net income for the period attributable to the Parent company</b>	<b>403.2</b>	<b>371.4</b>	<b>8.6%</b>	<b>137.9</b>	<b>150.7</b>	<b>114.6</b>

(\*) Adjusted for comparison to account for changes in consolidation scope and of discontinued operations under IFRS 5.

(\*\*) Reclassification of -11.034 million from "Net financial income" to "Net interest income" in order to ensure a homogeneous comparison.

## Key messages: accounting data 'standalone'

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- Stated net income reaches €192.3m in the first 9 months of 2009, being influenced by the extraordinary items indicated in slide 8.
- Effectively, this amount is the result of the application of the fair value for the valuation of own liabilities (FVO) corresponding to -€333.3m pre-tax and -€225.6m after tax, which has risen significantly in the first 9 months as result of the improvement of Banco Popolare's credit standing; it is recalled that in the first 9 months of 2008 the FVO had instead translated into a positive contribution of €137.8m pre-tax and €97.3m after tax.
- It follows that:
  - Total income reaches €2.676,5m, decreasing 10.1%;
  - Operating profit amounts to €874.7m, declining 28.5% (with costs identical with the recurring level).

## Banco Popolare 'standalone'

# 'Standalone' consolid. income statement: accounting data

€/m	30/09/2009	30/09/2008 (*)	% chg	Q1 09 (**)	Q2 09	Q3 09
Net interest income	1,478.6	1,700.9	-13.1%	521.1	504.7	452.9
Profit (loss) on equity investments carried at equity	57.4	38.2	50.3%	13.6	23.7	20.1
<b>Net interest, dividend and similar income</b>	<b>1,536.0</b>	<b>1,739.1</b>	<b>(11.7%)</b>	<b>534.6</b>	<b>528.5</b>	<b>473.0</b>
Net commissions	751.5	822.1	(8.6%)	218.9	278.4	254.2
Other revenues	110.2	255.1	(56.8%)	47.1	42.6	20.5
Net financial income	278.7	161.2	72.9%	281.2	(13.9)	11.5
<b>Other operating income</b>	<b>1,140.5</b>	<b>1,238.3</b>	<b>(7.9%)</b>	<b>547.2</b>	<b>307.1</b>	<b>286.2</b>
<b>Total income</b>	<b>2,676.5</b>	<b>2,977.5</b>	<b>(10.1%)</b>	<b>1,081.8</b>	<b>835.5</b>	<b>759.2</b>
Personnel expenses	(1,101.2)	(1,107.1)	(0.5%)	(369.8)	(363.0)	(368.4)
Other administrative expenses	(586.3)	(521.4)	12.4%	(196.6)	(195.3)	(194.4)
Amortization and depreciation	(114.3)	(126.1)	(9.4%)	(37.6)	(38.4)	(38.3)
<b>Operating costs</b>	<b>(1,801.8)</b>	<b>(1,754.7)</b>	<b>2.7%</b>	<b>(604.1)</b>	<b>(596.7)</b>	<b>(601.1)</b>
<b>Profit from operations</b>	<b>874.7</b>	<b>1,222.8</b>	<b>(28.5%)</b>	<b>477.7</b>	<b>238.9</b>	<b>158.1</b>
Net write-downs on impairment of loans, guarantees and commitments	(444.0)	(354.2)	25.3%	(132.9)	(137.5)	(173.6)
net write-downs on impairment of other financial transactions	(16.7)	(51.7)	(67.7%)	(3.2)	(8.8)	(4.7)
Net provisions for risks and charges	(35.0)	(41.7)	(16.1%)	(15.9)	(32.6)	13.5
Impairment of goodwill and equity investments	(3.1)	-	-	-	(3.1)	-
Profit (loss) on disposal of equity and other investments	113.6	143.0	-	100.8	0.8	12.0
<b>Income before tax from continuing operations</b>	<b>489.5</b>	<b>918.1</b>	<b>(46.7%)</b>	<b>426.5</b>	<b>57.7</b>	<b>5.3</b>
Tax on income from continuing operations	(262.2)	(347.5)	(24.5%)	(209.4)	(36.7)	(16.1)
<b>Income after tax from continuing operations</b>	<b>227.2</b>	<b>570.7</b>	<b>(60.2%)</b>	<b>217.1</b>	<b>21.0</b>	<b>(10.9)</b>
Integration charges after tax		(31.6)				-
Income (Loss) after tax from non-current assets held for sale (***)	(30.1)	15.9	-	(0.0)	(29.8)	(0.3)
<b>Net income for the period</b>	<b>197.2</b>	<b>555.0</b>	<b>(64.5%)</b>	<b>217.1</b>	<b>(8.8)</b>	<b>(11.2)</b>
Minority interest	(4.9)	(33.2)	(85.2%)	1.5	(5.6)	(0.8)
<b>Net income for the period attributable to the Parent company</b>	<b>192.3</b>	<b>521.8</b>	<b>(63.2%)</b>	<b>218.6</b>	<b>(14.4)</b>	<b>(11.9)</b>

(\*) Adjusted for comparison to account for changes in consolidation scope and of discontinued operations under IFRS 5.

(\*\*) Reclassification of -11.034 million from "Net financial income" to "Net interest income" in order to ensure a homogeneous comparison.

(\*\*\*) Includes results of shareholdings acquired as part of the merchant banking activity.

## Banco Popolare 'standalone'

# Income statement: focus on stated revenues and costs

€/m	9m 09	9m 08	% chg	Q1 09	Q2 09	Q3 09
<b>Total income:</b>	<b>2,676.5</b>	<b>2,977.5</b>	<b>-10.1%</b>	<b>1,081.8</b>	<b>835.4</b>	<b>759.2</b>
• Net interest income	1,478.6	1,700.9	-13.1%	521.1	504.7	452.9
• Profit (loss) on equity investments carried at equity	57.4	38.2	50.3%	13.6	23.7	20.1
• Other operating income:	1,140.5	1,238.3	-7.9%	547.2	307.0	286.3
- <i>Net commissions</i>	751.5	822.1	-8.6%	218.9	278.4	254.2
- <i>Other revenues</i>	110.2	255.1	-56.8%	47.1	42.6	20.5
- <i>Net financial income</i>	278.7	161.2	72.9%	281.2	(13.9)	11.5
<i>of which: FVO (credit-worthiness)</i>	(333.3)	137.8	n.s.	80.3	(218.2)	(195.3)
<b>Operating costs:</b>	<b>(1,801.8)</b>	<b>(1,754.7)</b>	<b>2.7%</b>	<b>(604.1)</b>	<b>(596.7)</b>	<b>(601.1)</b>
• Personnel expenses	(1,101.2)	(1,107.1)	-0.5%	(369.8)	(363.0)	(368.4)
• Other administrative expenses	(586.3)	(521.4)	12.4%	(196.6)	(195.3)	(194.4)
• Amortization and depreciation	(114.3)	(126.1)	-9.4%	(37.6)	(38.4)	(38.3)
<b>Profit from operations</b>	<b>874.7</b>	<b>1,222.8</b>	<b>-28.5%</b>	<b>477.7</b>	<b>238.8</b>	<b>158.1</b>

-11.9% on pro-forma basis:  
excluding the 33 Tuscany-based  
branches sold in Sept. 2008

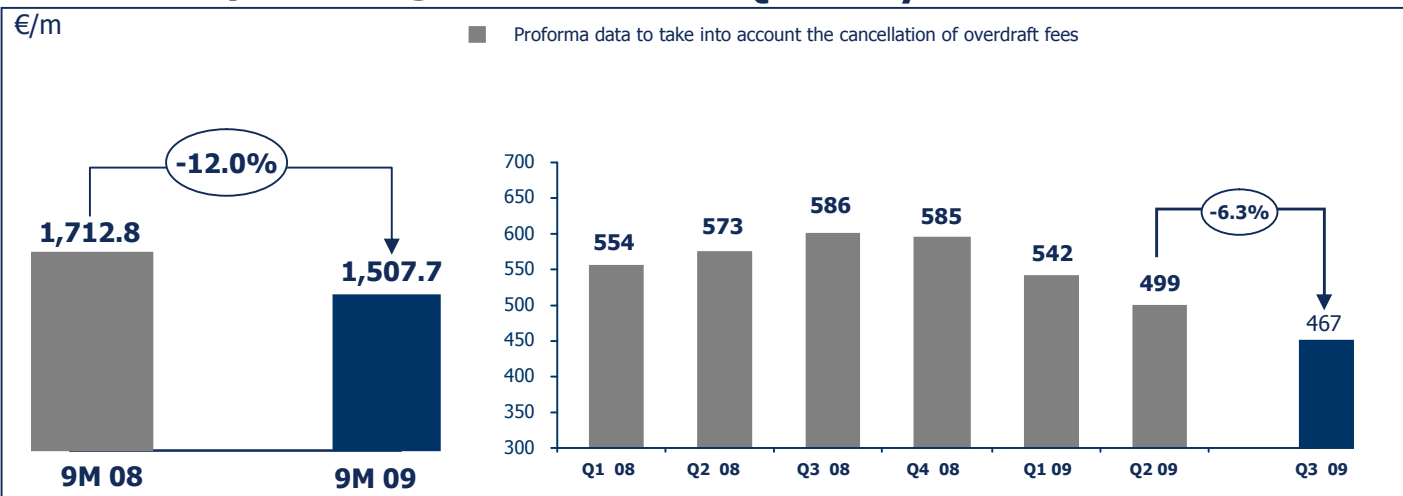
-€20m due to a new pricing structure  
introduced following the cancellation of  
overdraft fees since 01/07/09

The item includes the contribution of -€21.7m  
to the Guarantee fund for loans granted to  
Small and Medium-sized Enterprises  
(commitment taken following the issuance of  
Tremonti bonds)

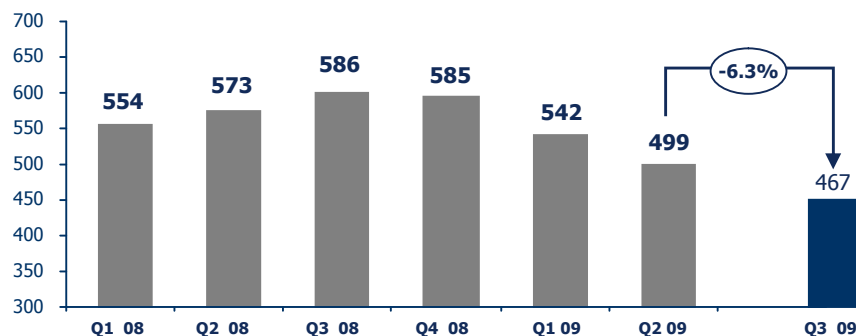
# Customer net interest income of the Banks of the Territory

Excludes other Group companies (Holding BP, Banca Aletti, Efibanca, foreign banks)

## Year-on-year change



## Quarterly trend



## Drivers

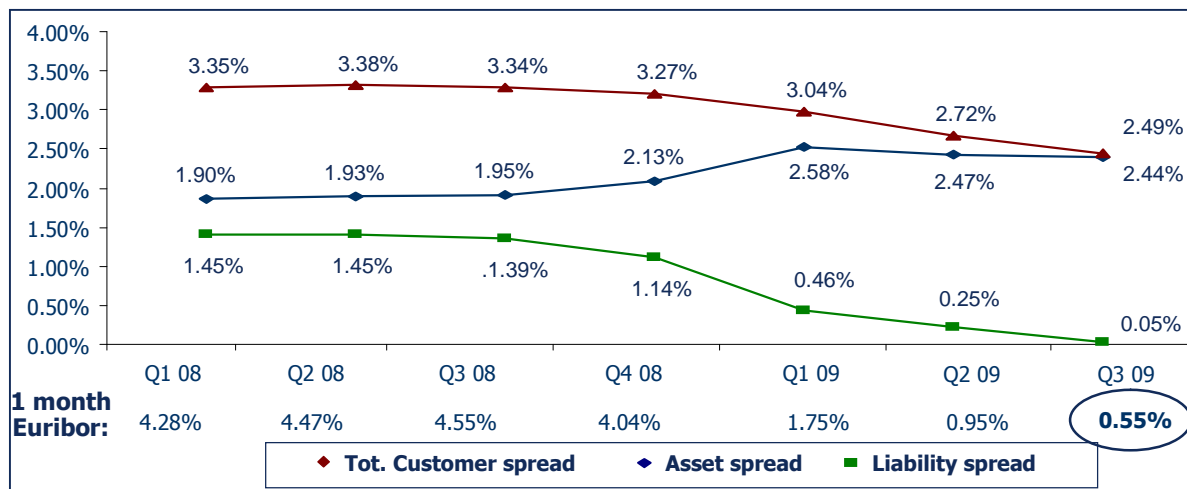
The NII of customer loans & funds of the Banks of the territory recorded a decline of **12%** y-o-y, corresponding to **-€205,2m** of which:

- volume effect: +€36.8
- Group lower spread, mainly due to a decrease of liability spread: -€240.4
- Time effect of days\*: -€1.6

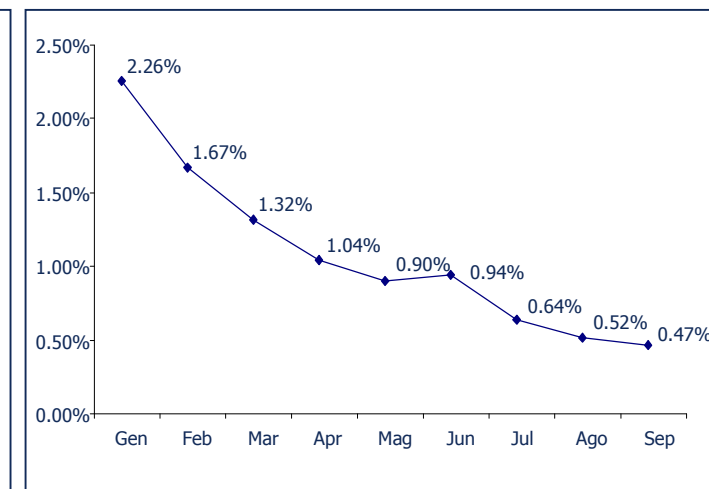
**-€203.6**

\* A time effect of days has been calculated considering that the first 9 months of 2009 have 1 day less in comparison with 2008

## Quarterly customer spreads (asset spread recalculated on a pro-forma basis to account for change in overdraft fees)



## One-month Euribor evolution in 2009





# Analysis of customer net interest income of the Banks of the Territory\*

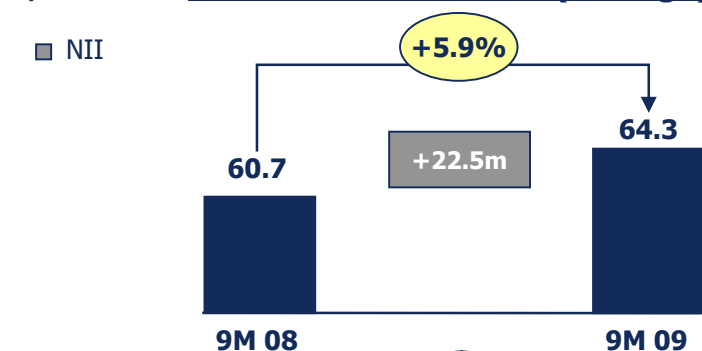
Change in NII customer loans & cust. Funds: 9 months 2009 vs 9 months 2008:

**-€203.6m** (excluding 'time effect of days')

## Drivers

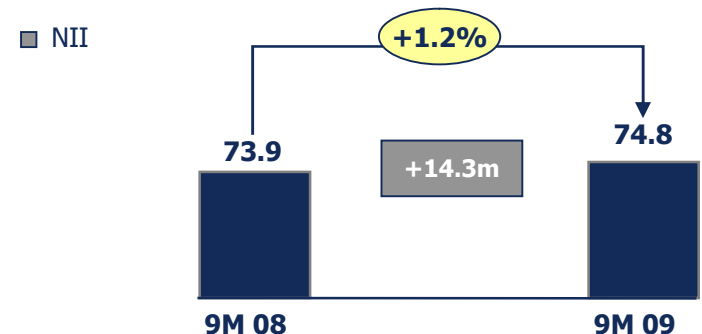
**Volumes: +€36.8m (interest income)**

€/m Direct customer funds (average)



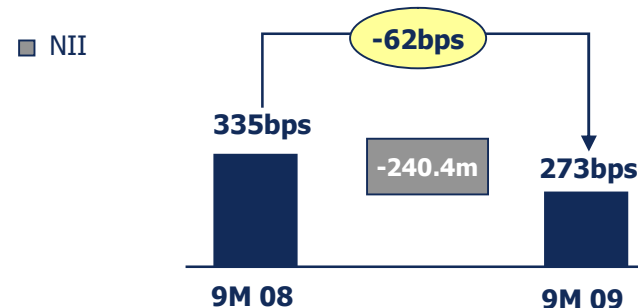
+

€/m Gross customer loans (average)

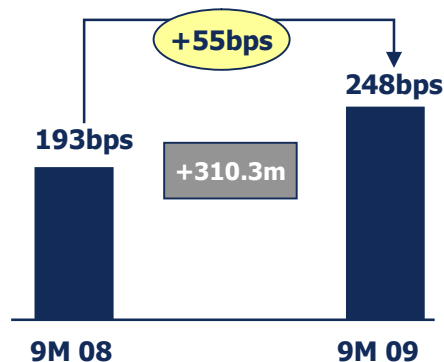


**Customer Spread : -€240.4m (interest income)**

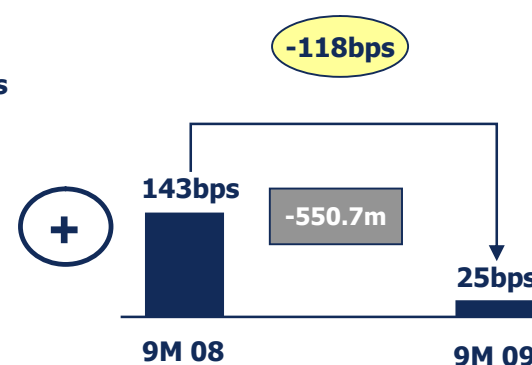
Total customer spread (average)



Asset spread (average)



Liability spread (average)

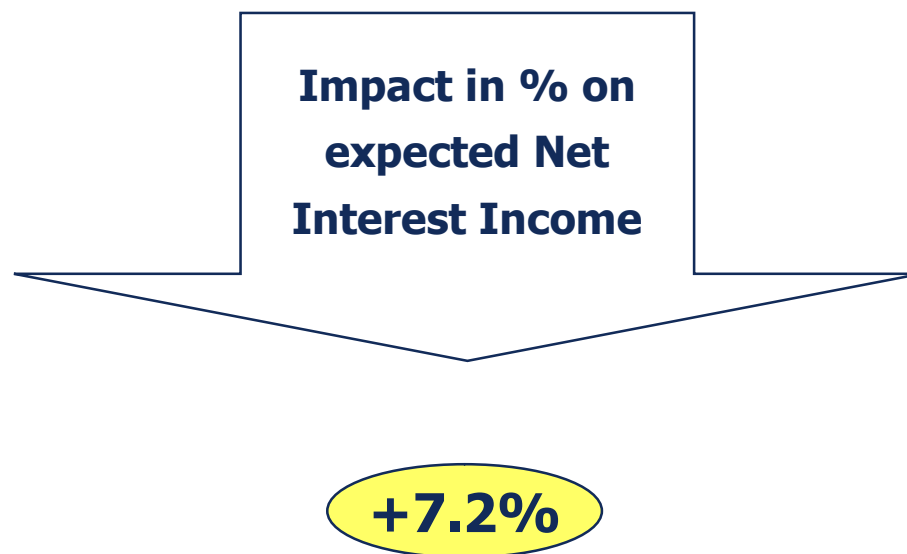


\* Analysis based on customer funds of the Banks of the Territory.

## Interest rate sensitivity: positive shock

---

Impact of a +100 bps shift of the yield curve on Net Interest Income:



Note:

The impact is referred to interest earning assets, interest paying liabilities and derivative positions with an interest rate maturity up to 12 months (sight positions based on absorption and stickiness analyses).

## Other operating income: net commissions

€/m

### Analysis of Net commission income

	9M 09	9M 08	% chg	Q1 09	Q2 09	Q3 09
Management, brokerage and advisory services	410.2	500.4	-18.0%	125.0	161.8	123.4
Recovery of expenses from checking accounts and other	151.5	133.2	13.8%	37.1	44.5	69.9
Payment and collection services	84.6	90.8	-6.8%	27.4	27.8	29.4
Guarantees given	42.4	39.2	7.9%	14.2	14.2	13.9
Other services	62.8	58.4	7.5%	15.2	30.0	17.6
<b>Total</b>	<b>751.5</b>	<b>822.1</b>	<b>-8.6%</b>	<b>218.9</b>	<b>278.4</b>	<b>254.2</b>

### Composition of 'Management, brokerage and advisory services'

	9M 09	9M 08	% chg	Q1 09	Q2 09	Q3 09
Assets management	97,9	188,0	-47,9%	32,5	32,0	33,4
Bancassurance	125,9	122,4	2,9%	10,5	73,3	42,1
Consumer credit and other	76,7	76,5	0,2%	26,7	25,5	24,5
Securities sale and distribution	44,0	65,3	-32,6%	34,8	8,6	0,6
Custodian bank	11,9	18,4	-35,5%	3,3	4,7	3,9
Trading activity of branch customers	39,7	24,0	65,3%	11,5	15,3	12,9
Other	14,1	5,8	143,4%	5,7	2,5	5,9
<b>Total</b>	<b>410,2</b>	<b>500,4</b>	<b>-18,0%</b>	<b>125,0</b>	<b>161,8</b>	<b>123,4</b>

## Other operating income: net financial income

<b>Net financial income</b>					
<b>€/m</b>	<b>9M 09</b>	<b>9M 08</b>	<b>Q1 09</b>	<b>Q2 09</b>	<b>Q3 09</b>
• Financial liabilities designed at FV	(309.8)	170.5	104.1	(203.9)	(210.0)
<i>of which: credit-worthiness</i>	<i>(333.3)</i>	<i>137.8</i>	<i>80.3</i>	<i>(218.3)</i>	<i>(195.3)</i>
• Hedging activity	(1.9)	(1.8)	(0.8)	0.7	(1.9)
• Dividends from participations	7.4	33.1	1.1	4.6	1.7
• Proprietary portfolio and trading	573.2	(40.9)	161.4	193.0	218.7
<i>of which: Banca Aletti</i>	<i>202.5</i>	<i>103.7</i>	<i>55.7</i>	<i>86.5</i>	<i>60.2</i>
• Disposals of non core equity stake	9.7	0.3	4.2	2.8	2.7
<b>Net financial income</b>	<b>278.6</b>	<b>161.2</b>	<b>270.1</b>	<b>(2.9)</b>	<b>11.3</b>
<b>Net financial income EXCLUDING credit-worthiness impact</b>	<b>611.8</b>	<b>23.4</b>	<b>189.8</b>	<b>215.4</b>	<b>206.7</b>

Largely replicable Core business

Strong performance of proprietary portfolio and trading activities, influenced positively by:

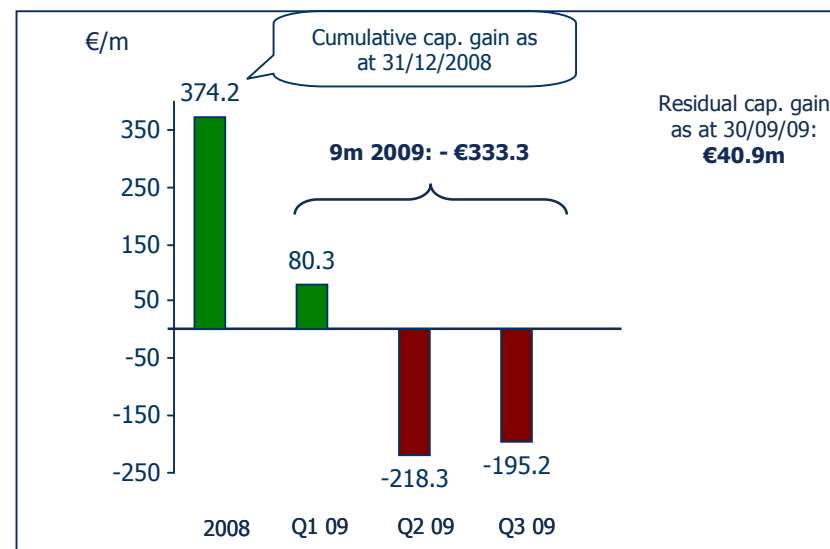
- capital gains generated from hedging positions for a falling interest rates for an amount of about €120m. These positions were closed almost fully in the month of May 2009;
- capital gains for about €175m recorded by the management of the proprietary securities portfolio (mainly low-risk bonds; see details of the proprietary portfolio in the appendix);
- capital gains of €76.0m generated by the re-purchase of Banca Italease financial liabilities in Q3 2009.

# FVO: Actions to reduce the volatility

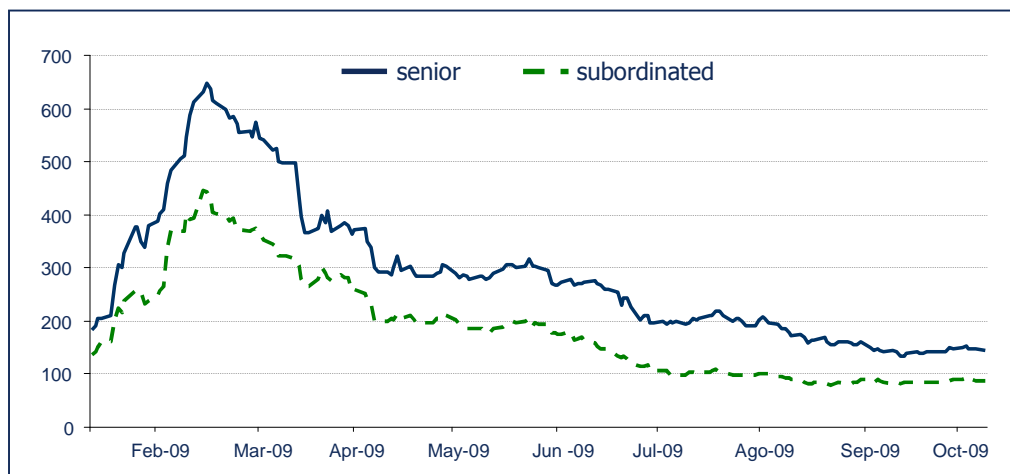
## Accounting method for the evaluation of FVO

	9M 08	Q4 08	Q1 09	Q2 09	Q3 09
Bonds issued on the INSTITUTIONAL market	Bond prices quoted on the institutional market	CDS	CDS		
Bonds issued on the RETAIL market			Bonds prices of the retail market (initial spread)		

## FVO: "non cash" impact on P&L



## CDS trend of Banco Popolare in 2009

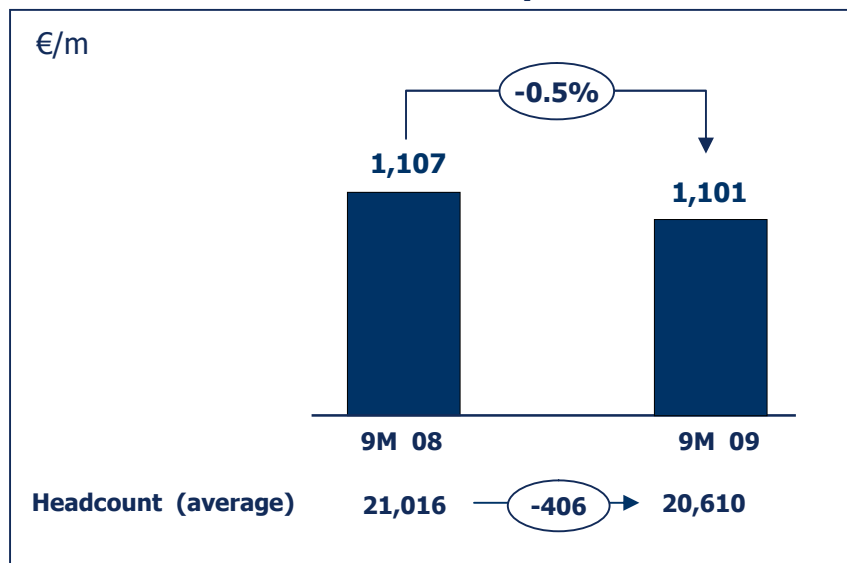


## Comments and perspectives

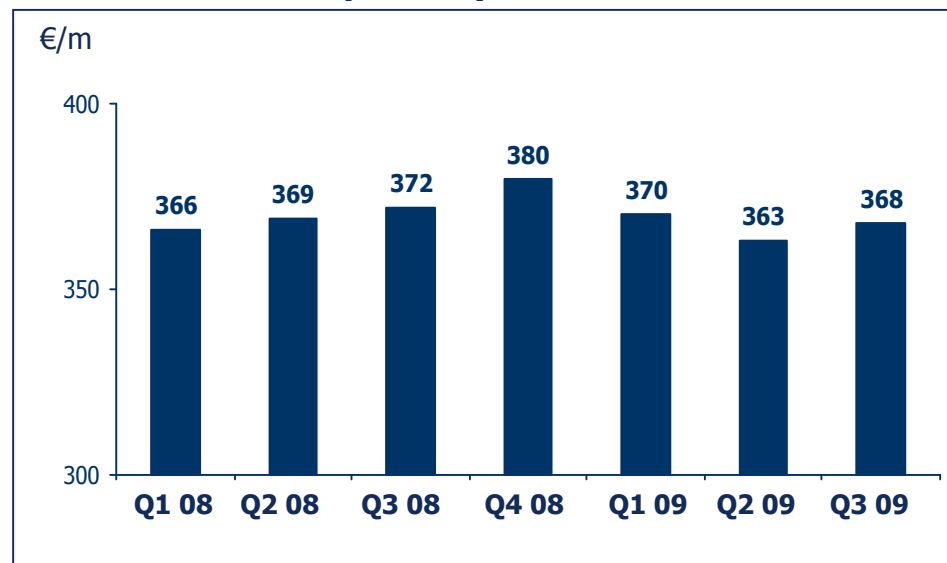
- In Q1 2009, the FVO related on bonds issued on retail market has been reset.
- Since 01/07/2009 all new istitutional bond issues are evaluated with the hedge accounting method and no longer at fair value.
- The FVO continues to be applied on a nominal value of istitutional bonds equal to €5.4bn, for which a residual gain of about €41m remains as of 30/09/09.

## Operating costs: personnel expenses

Personnel expenses



...quarterly evolution



Staff by category

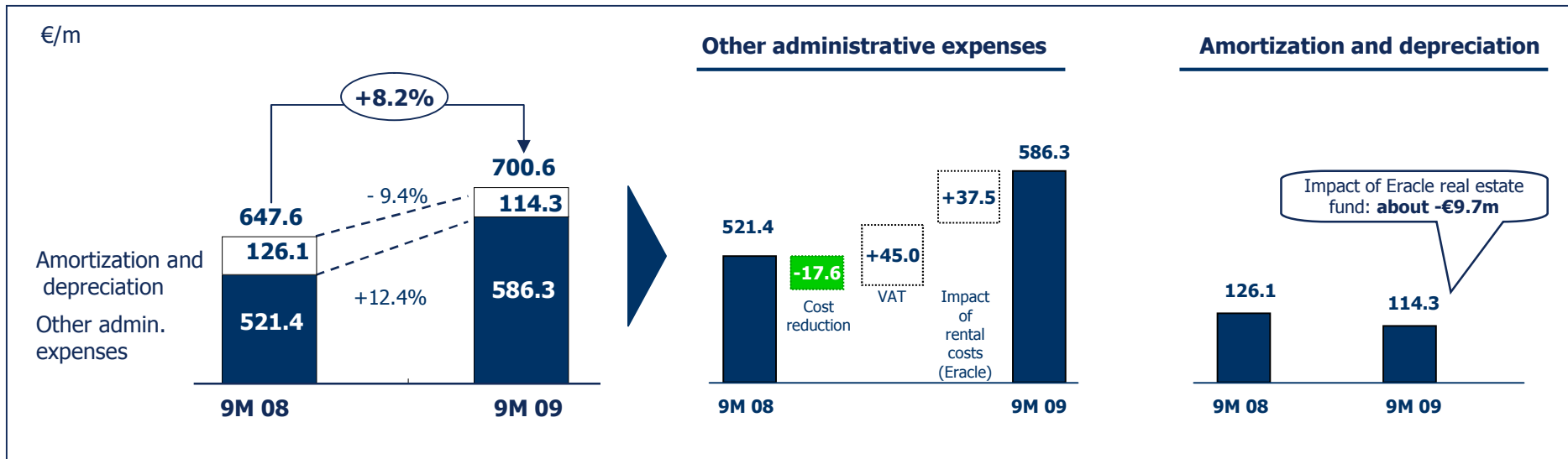
	30/09/08	30/09/09
Total headcount (end of period)	20,731	20,555
- Executive managers	343	322
- Managers	7,306	7,521
- Clerks	12,000	11,748
- Other	1,082	964
(Foreign department, training and similar contracts, temporary employment contracts)		

Comments:

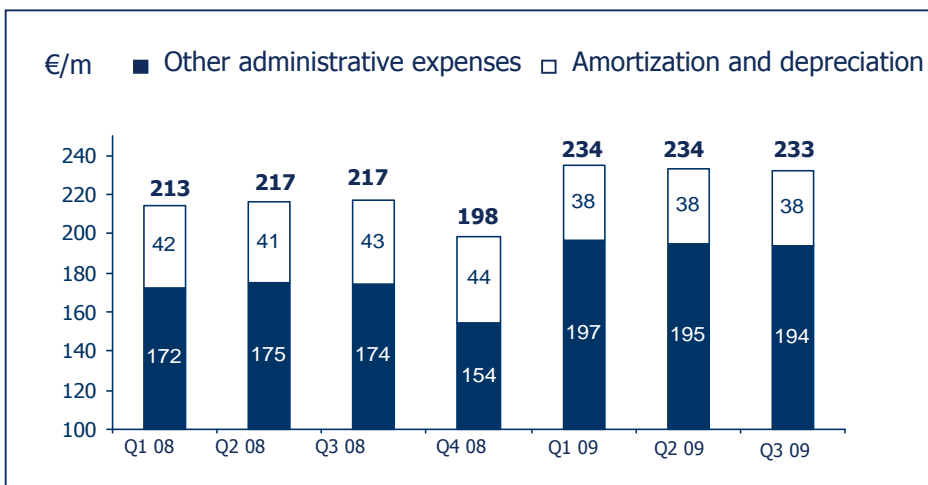
- In the first 9M 2009, personnel expenses decreased 0.5% y/y in spite of the rise due to the renewal of the national labour contract (for about +€13.4m).
- Average headcount shows a decrease of 406 employees, while period-end headcount registered a decrease of 176 resources.

# Operating costs: non-personnel expenses

## Analysis of total other expenses...



## ... quarterly evolution



## Comments

- The increase in total non-personnel expenses (+8.2% y/y) is due to two discontinuity factors:
  - elimination of the VAT exemption for the invoicing of intragroup items, which amounted to €45.0m in the first 9M 2009;
  - higher rental costs for a total of €37.5m in relation to the disposal of real estate assets finalised in December 2008.
- Excluding these discontinuity factors, cost reduction process continued: -€17.6m y/y
- Going forward, a reduction of about €10m is expected in relation to the invoicing of VAT for intragroup services.

# Income statement: focus on stated post operating profit

€/m	9M 09	9M 08	% chg	Q1 09	Q2 09	Q3 09
<b>Profit from operations</b>	<b>874.7</b>	<b>1,222.8</b>	<b>-28.5%</b>	<b>477.7</b>	<b>238.9</b>	<b>158.1</b>
Net write-downs on impairmt. of loans, guar. & commit.	(444.0)	(354.2)	25.4%	(132.9)	(137.5)	(173.7)
Net write-downs on impairment of other assets	(16.7)	(51.7)	-67.7%	(3.2)	(8.8)	(4.7)
Net provisions for risks and charges	(35.0)	(41.7)	-16.1%	(15.9)	(32.6)	13.5
Impairment of goodwill and equity investments	(3.1)	-	n.s.	-	(3.1)	-
Profit (loss) on disposal of equity and other investments	113.6	143.0	-20.6%	100.8	0.8	12.0
<b>Income before tax from continuing operations</b>	<b>489.5</b>	<b>918.2</b>	<b>-46.7%</b>	<b>426.5</b>	<b>57.7</b>	<b>5.2</b>
Tax on income from continuing operations	(262.2)	(347.5)	-24.5%	(209.4)	(36.7)	(16.1)
Integration charges after tax	-	(31.6)	n.s.	-	-	-
Income (loss) after tax from non-current assets held for sale	(30.1)	15.9	n.s.	-	(29.8)	(0.3)
Minority interest	(4.9)	(33.1)	-85.2%	1.5	(5.6)	(0.8)
<b>Income of the period</b>	<b>192.3</b>	<b>521.9</b>	<b>-63.2%</b>	<b>218.6</b>	<b>(14.4)</b>	<b>(11.9)</b>

Excluding the extraordinary tax payment of **-€57,5m** in relation to the closing of tax litigation regarding the former Banca Popolare Italiana Group, the tax rate decrease from 52% to **42%**

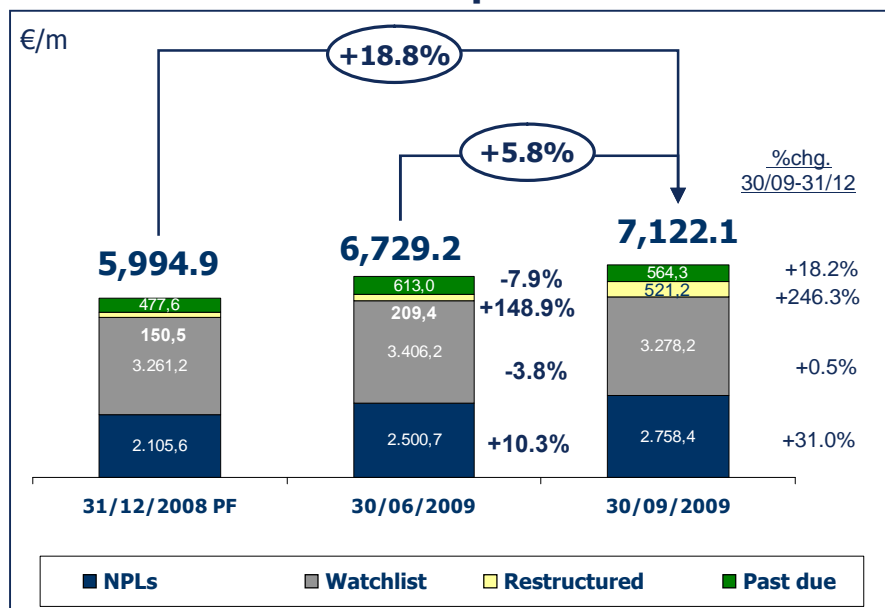
The item includes the reclassification of the contribution to the Guarantee fund for loans granted to Small and Medium-sized Enterprises in the item *other revenues* for a total amount of **-€21.7m** (see pag. 15)

\* Minority interest: +€4,2m Creberg, +€3,5m Aletti, -€2,8m Other.

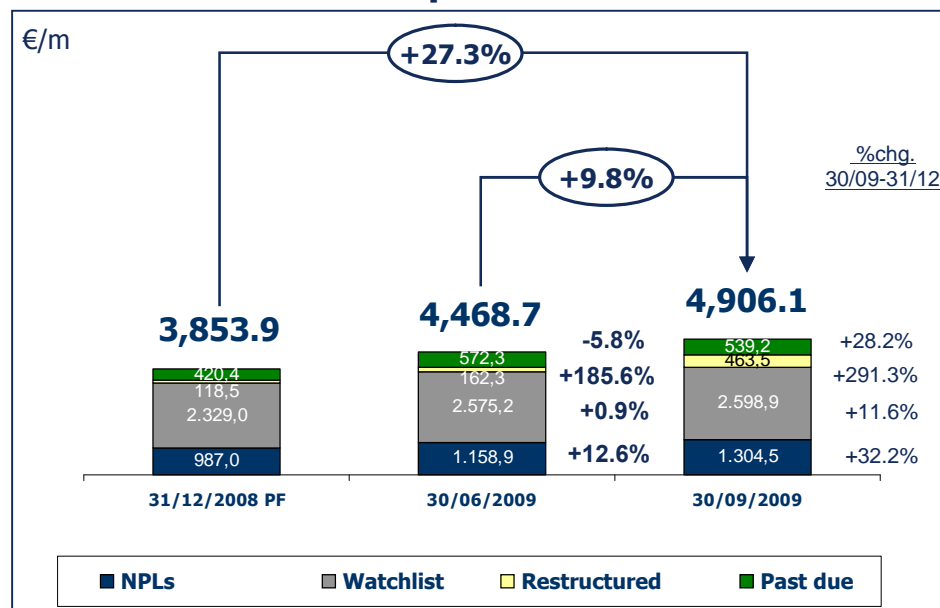


# Credit quality: impaired loans and coverage ratios

## Gross impaired loans



## Net impaired loans



## Coverage of impaired loans

About 92% including real estate collateral

	30/09/09	31/12/08
• NPL coverage:	70.7%	73.1%
• Watchlist loan coverage:	20.7%	26.4%
• Coverage of 'Past Due'	4.4%	12.0%

NPL coverage includes write-offs.

## Comments

- The increase of gross impaired loans in Q3 2009 can be attributed to restructured loans, essentially in relation to 3 loan positions for which a capital increase has already been either closed or is in the process of finalisation.
- NPL coverage reaches 92% including real estate collateral; 70.7% excluding collateral but including write-offs.

N.B. Watchlist loan data as of 31/12/2008 have been adjusted in order to include about €503m which had already been subject to provisions in the FY 2008 accounts, but which were classified into the watchlist loan category only in Q1 2009 (see page 71 of the Group's 2008 Annual Report and Q1 Results Presentation). 'Past due' is referred to positions with a payment delay of more than 180 days.

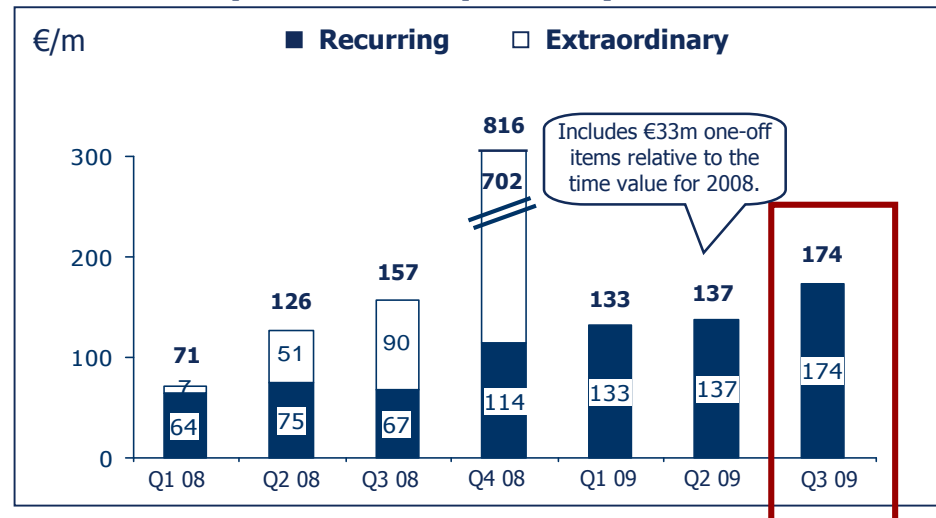
# Banco Popolare 'standalone'

## Credit quality: cost of credit risk

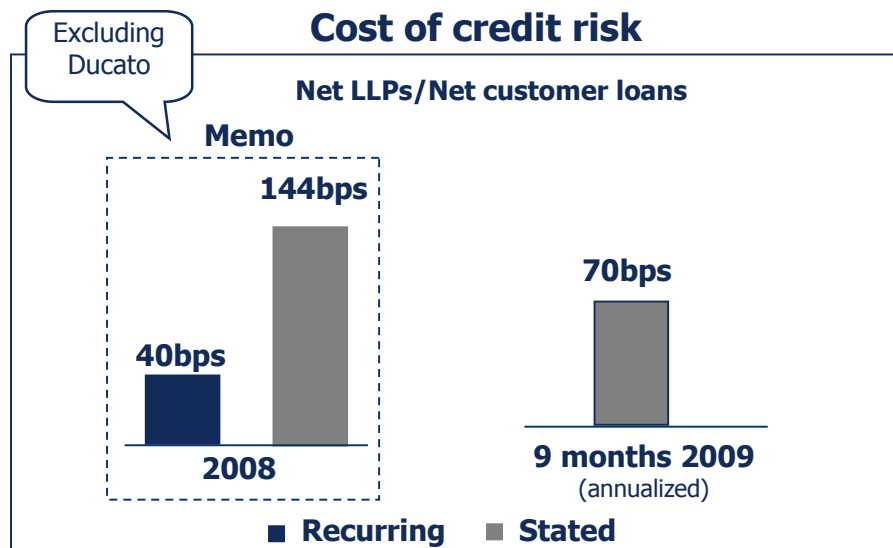
### Loan loss provisions

€/m	30/09/2009	30/09/2008
Loan loss provisions	<b>444.0</b>	<b>354.2</b>
Net customer loans	84,524.8	79,806.9

### Loan loss provisions: quarterly evolution



### Cost of credit risk



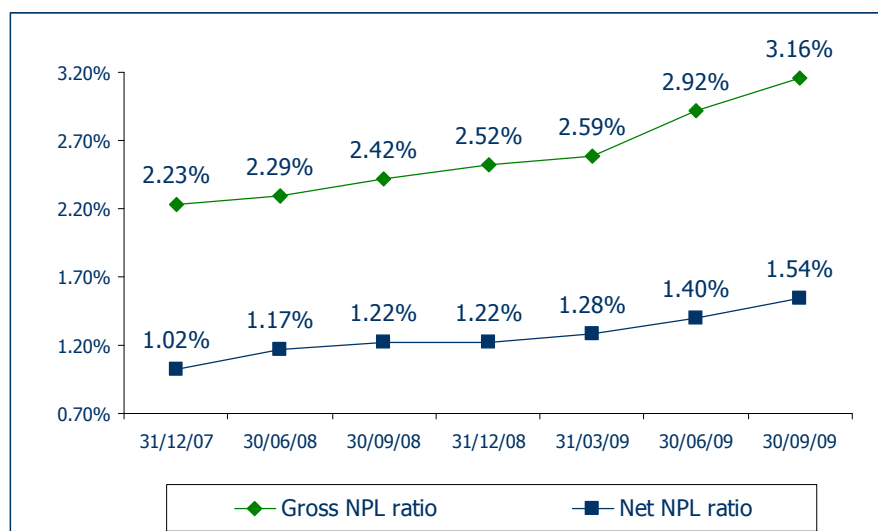
### Comments:

In the first nine months of 2009, the annualised cost of credit risk was **70bps**, right in line with the 2009 budget.

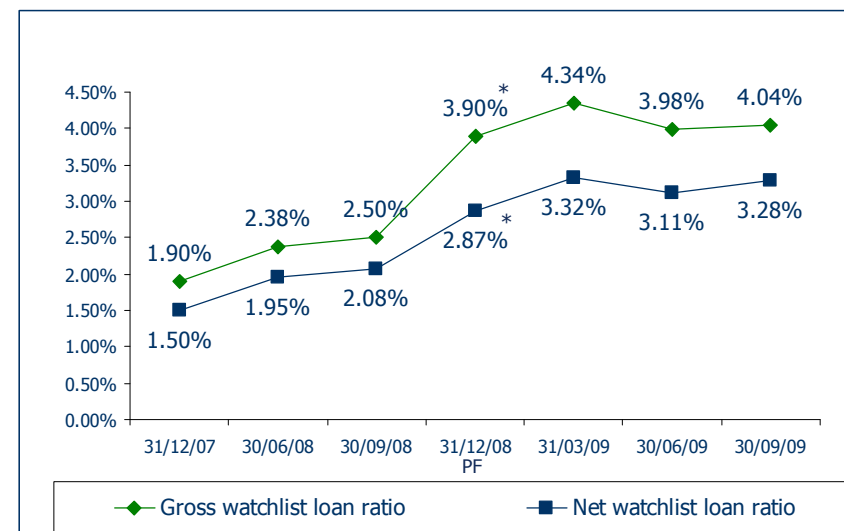
# Banco Popolare 'standalone'

## Credit quality: ratio analysis

### NON-PERFORMING LOAN RATIO



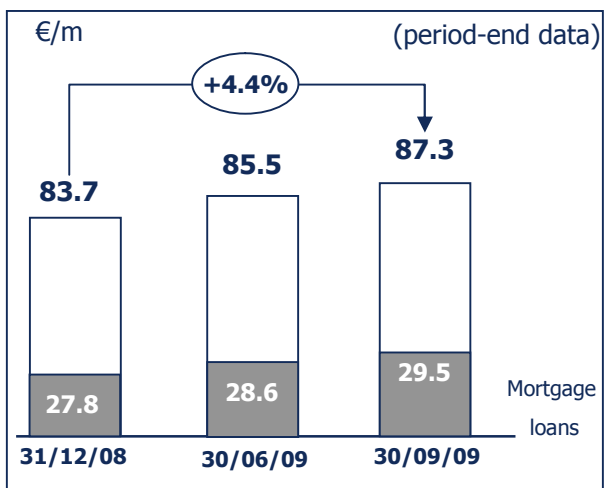
### WATCHLIST LOAN RATIO



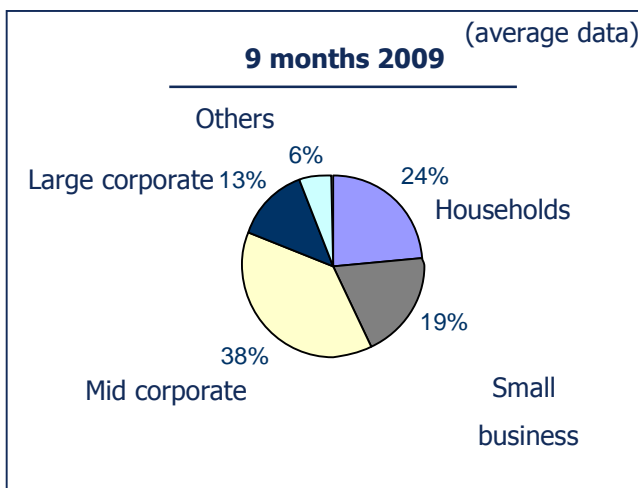
\* Watchlist data as of 31/12/2008 have been adjusted in order to include about €503m which had already been subject to provisions in the FY 2008 accounts, but which were classified into the watchlist loan category only in Q1 2009 (see page 71 of the Group's 2008 Annual Report and Q1 2009 Results Presentation).

# Customer loans: focus on Retail and SMEs

## Group gross customer loans



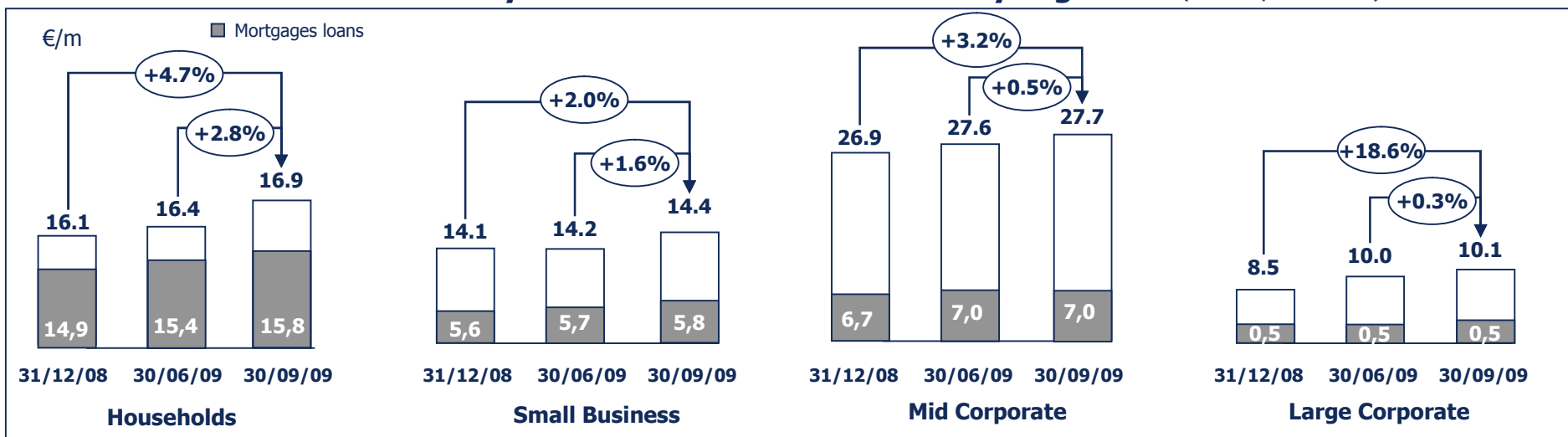
## Customer loans BdT by segment



## Comments

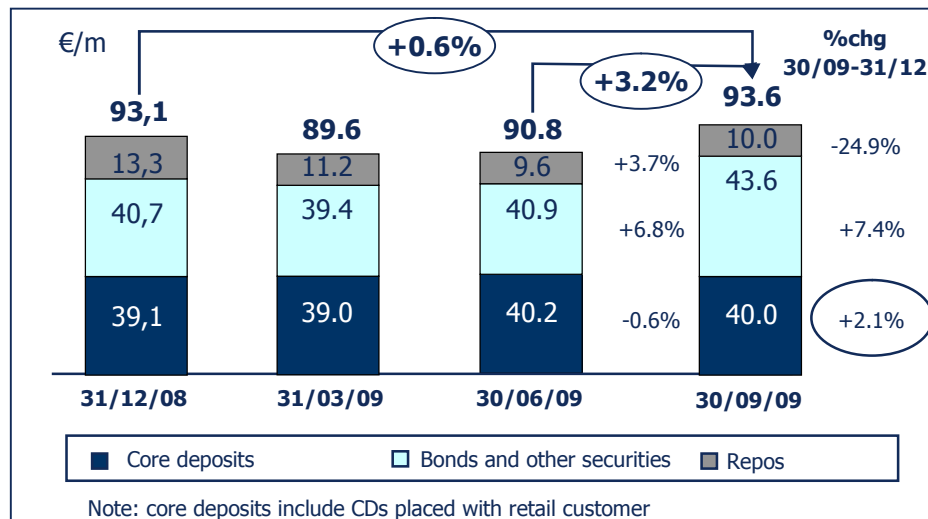
- In the first 9 months 2009, Group gross customer loans rose 4.4% YTD.
- In Q3 2009, the increase was focused on the Household and Small Business segments (+2.8% and +1.6% q/q, respectively).
- Large Corporate loans stabilize at a historic level of about €10bn.

## Banks of the Territory: increase of customer loans by segments (end-of-period data)

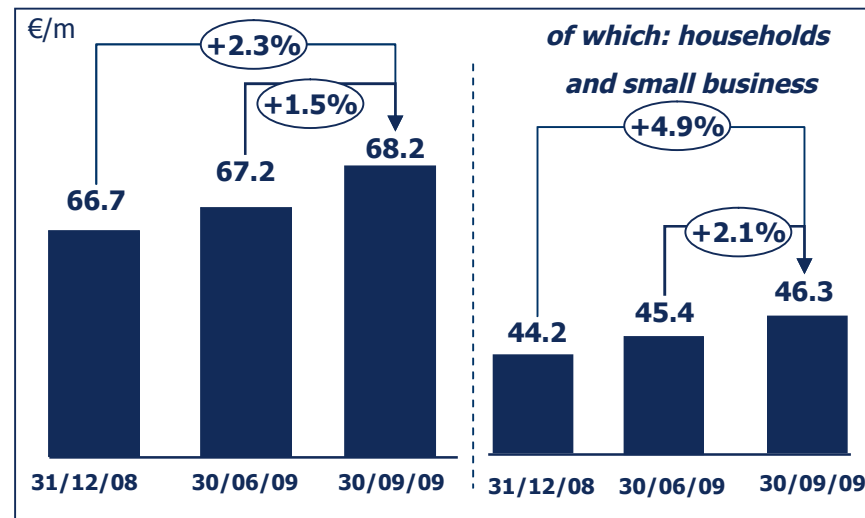


# Direct customer funds: growth in the retail segment

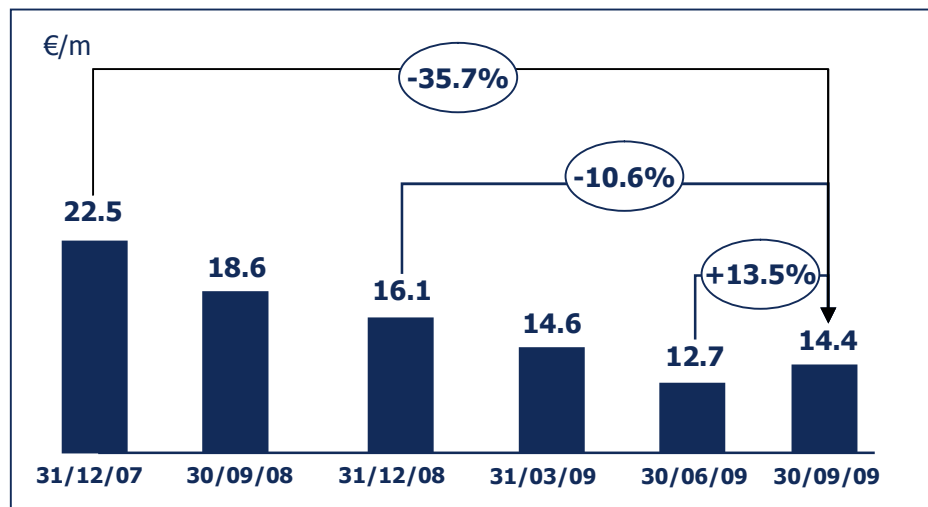
**Total Group direct customer funds** (period-end data)



**o/w: direct cust. funds of the Banks of the Territory**



**o/w: wholesale funding (EMTN and London)\***



## Comments

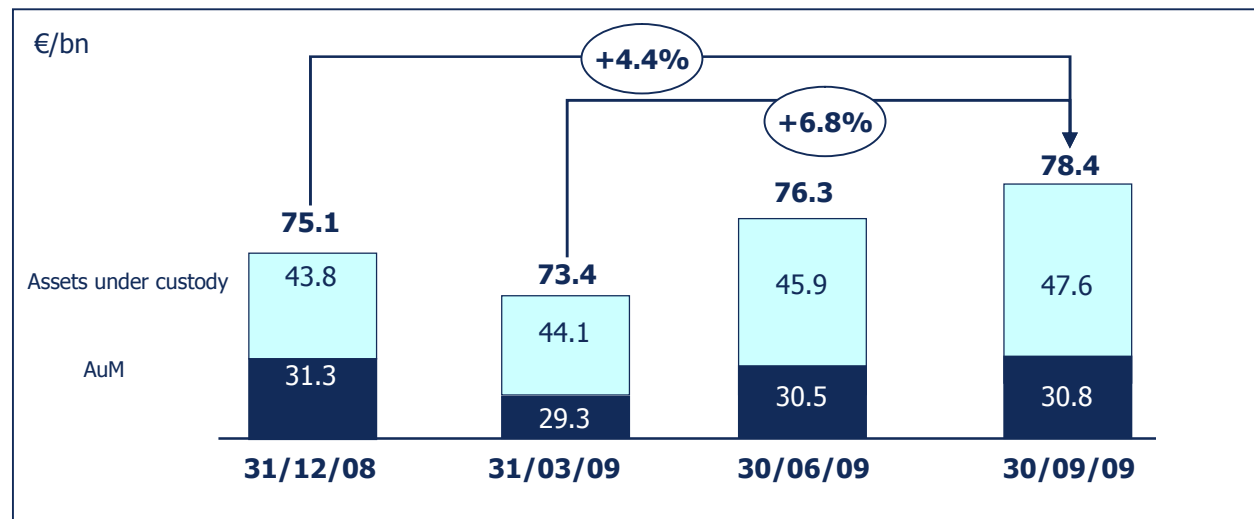
- Group total direct customer funds increased slightly with respect to year-end 2008 (+0.6%) and registered a strong growth with respect to 30/06/09 (+3.2%).
- Increase in core deposits (households and small business segments) of 4.9% since year-end 2008 and of 2.1% with respect to mid-2009.
- From Q3 2009, following the significant improvement of Banco Popolare's credit standing, the Group turned issuing on the institutional markets (EMTN/ECP/ECD), thereby increasing its capability of placing other products through the retail commercial network.

\* Figures exclude funds of Efibanca, Banca Aletti and other minor.

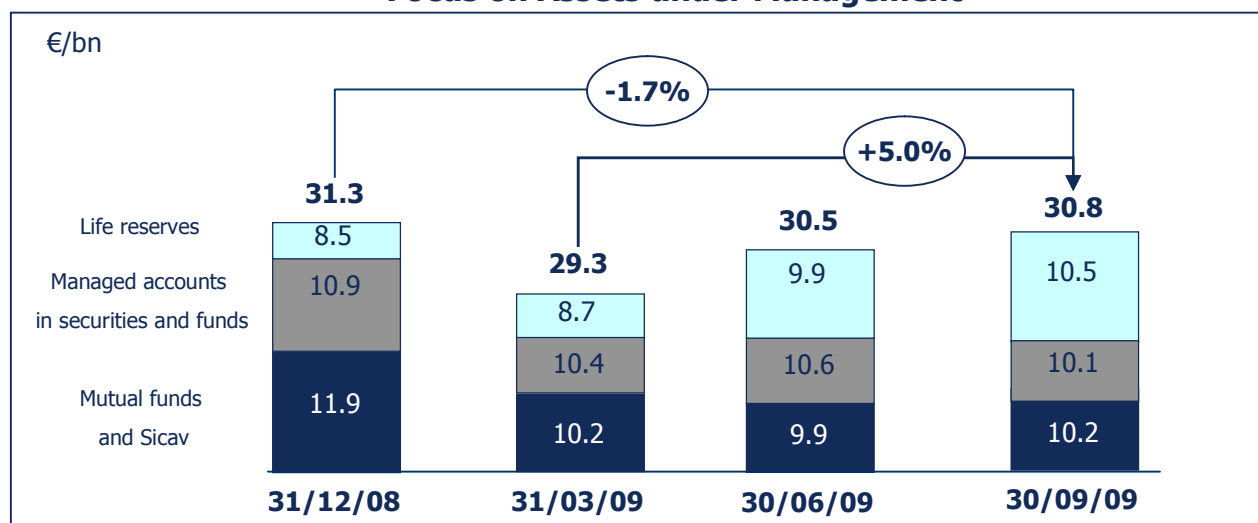
# Banco Popolare 'standalone'

## Indirect customer funds

Indirect customer funds



Focus on Assets under Management





## Section 3

# Banca Italease

# Banca Italease: Q3 2009 income statement

€/m	Q3 2009
Net interest income	46.6
Profit (loss) on equity investments carried at equity	
<b>Net interest, dividend and similar income</b>	<b>46.6</b>
Net commissions	4.1
Other revenues	(1.8)
Net financial income	(0.1)
<b>Other operating income</b>	<b>2.1</b>
<b>Total income</b>	<b>48.7</b>
Personnel expenses	(14.6)
Other administrative expenses	(6.9)
Amortization and depreciation	(2.6)
<b>Operating costs</b>	<b>(24.2)</b>
<b>Profit from operations</b>	<b>24.5</b>
Net write-downs on impairment of loans, guarantees and commitments	(48.9)
Net write-downs on impairment of other financial transactions	-
Net provisions for risks and charges	(1.3)
Impairment of goodwill and equity investments	
Profit (loss) on disposal of equity and other investments	1.5
<b>Income before tax from continuing operations</b>	<b>(24.2)</b>
Tax on income from continuing operations	2.9
<b>Income after tax from continuing operations</b>	<b>(21.3)</b>
Income (Loss) after tax from non-current assets held for sale	5.2
<b>Net income for the period</b>	<b>(16.1)</b>
Minority interest	1.7
<b>Net income for the period attributable to the Parent company</b>	<b>(14.4)</b>

The income statement shown in this slide reflects the contribution of Banca Italease Group to Banco Popolare Group consolidated accounts.

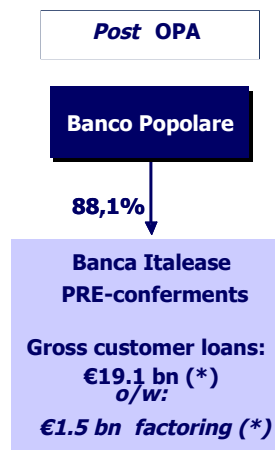
The higher loss of €3.2m in comparison with the consolidated data approved by Banca Italease is explained by the consolidation differences resulting from the different extension of the underlying area of consolidation.



# Banca Italease: reorganisation to be completed end-2009

## TODAY

- Following the closure of the Public Tender Offer (08 July 2009), Banca Italease has become part of Banco Popolare Group; on 30 September 2009 it is **consolidated on a line-by-line basis**.

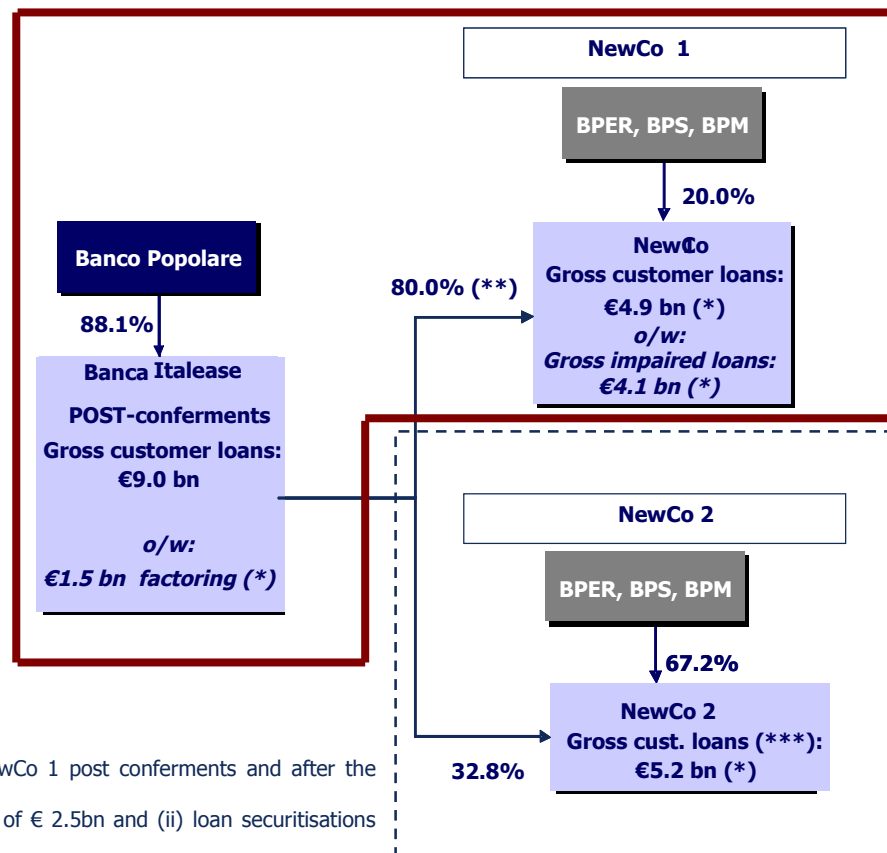


Reorganisation



## AS OF 31 DECEMBER 2009

- Shareholder Meetings of NewCo1 and NewCo2** for the conferment of BIL's assets: **by end-November 2009**
- Legal effectiveness** of the Banca Italease reorganisation: **31 December 2009**
- Finalisation of the capital increase** of max. €1.2bn for Banca Italease: **by the end of December 2009**



Starting from 31 Dec. 2009

Banca Italease POST-conferments + NewCo1 shall be **consolidated on a line-by-line basis**

The 32.8% stake in NewCo 2 shall be **consolidated with the equity method**

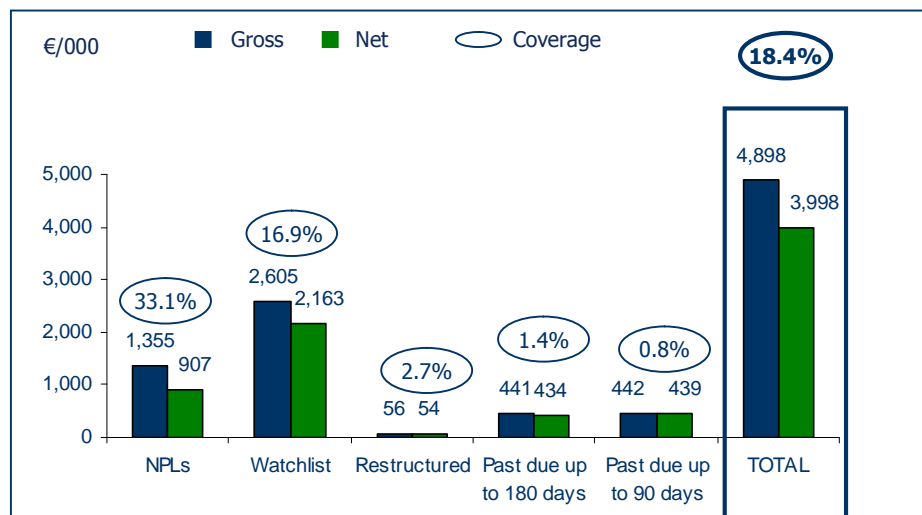
\* Data as of 30/09/2009.

\*\* Participation to be held by Banca Italease in NewCo 1 post conferments and after the company's share capital increase.

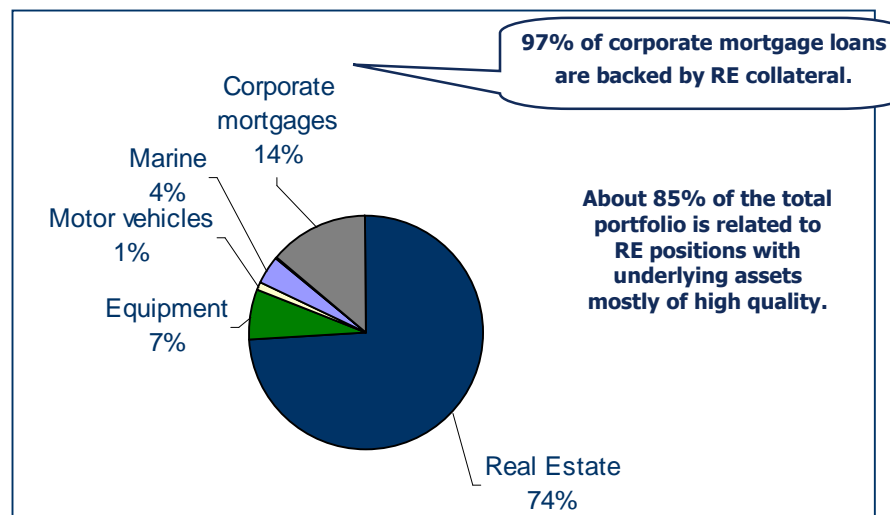
\*\*\* Includes (i) the conferment of a credit portfolio of € 2.5bn and (ii) loan securitisations for a total of €2.7 bn.

# Banca Italease: focus on NewCo 1 loan portfolio

Loan portfolio (leasing+mortgages) as of 30/09/2009



Loan breakdown by type of business

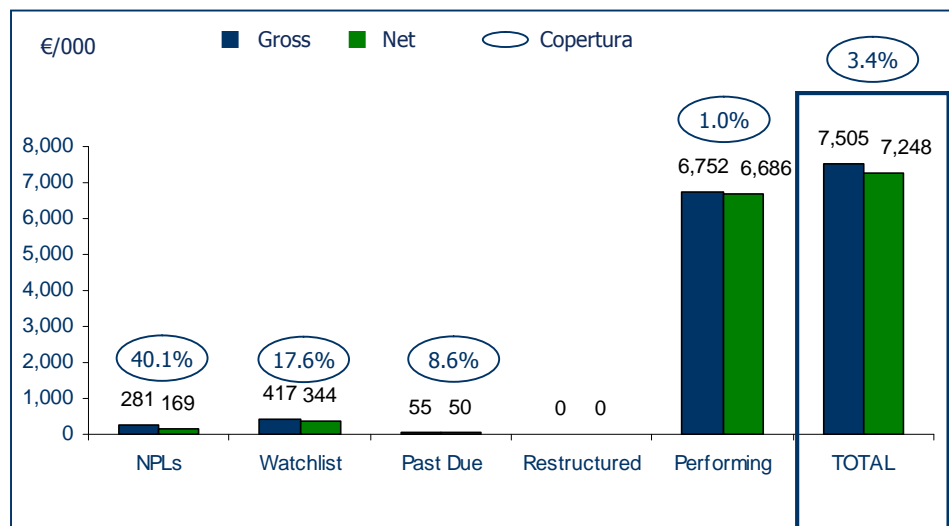


## Comments

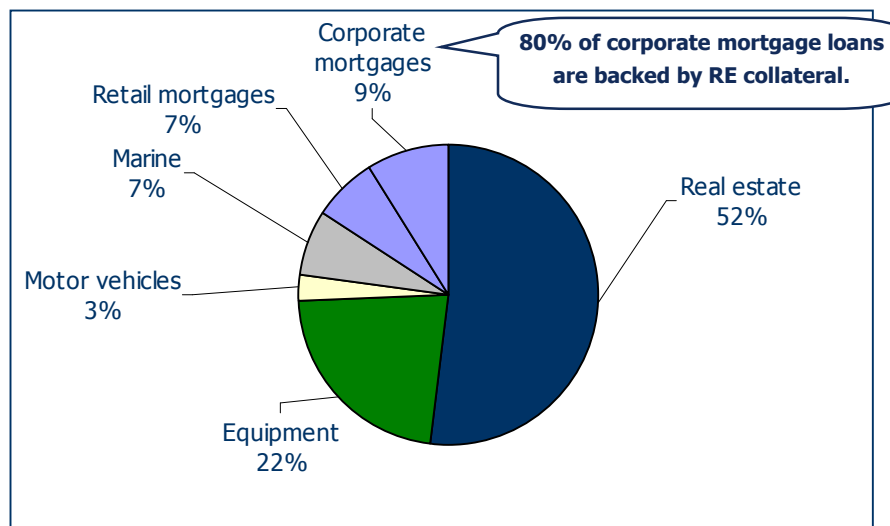
- NewCo 1 will be a company with a level of capital that shall be brought to about €400m after the start of operations, with the aim of reaching a total capital ratio of 7%.
- About 70% of the total leasing portfolio is concentrated in 34 larger real estate positions.
- Headcount of about 40 employees, fully dedicated to the management and recovery of credit risks.
- Various initiatives aimed at achieving a strong reduction of this portfolio are well under way.

# Banca Italease: focus on loan portfolio post-conferments \*

Loan portfolio (leasing+mortgages) as of 30/09/2009



Loan breakdown by type of business



## Comments

- Recapitalisation to be implemented by year-end 2009 through a share capital increase of max. €1.2bn (approved by the Extraordinary Shareholders' Meeting on 12 Oct. 2009).
- The Core Tier 1 capital ratio of Banca Italease Group – after the conferments, excluding Factorit and post share capital increase – will reach about 10%.
- Strongly fragmented customer loan portfolio.
- Headcount of about 550 employees (about 400 excluding Factorit).
- The loan portfolio is expected to shrink by about 30% by the end of 2011 and by about 40% by the end of 2012.

\* Remaining loan portfolio of Banca Italease, ie. after the conferments of loans into NewCo 1 and NewCo2, excluding Factorit.



## Section 4

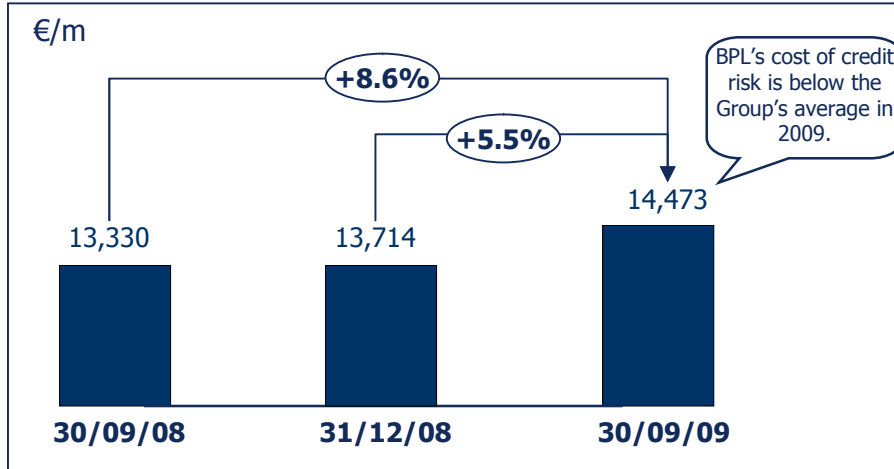
# Turnaround of Banca Popolare di Lodi

# Turnaround of Banca Popolare di Lodi

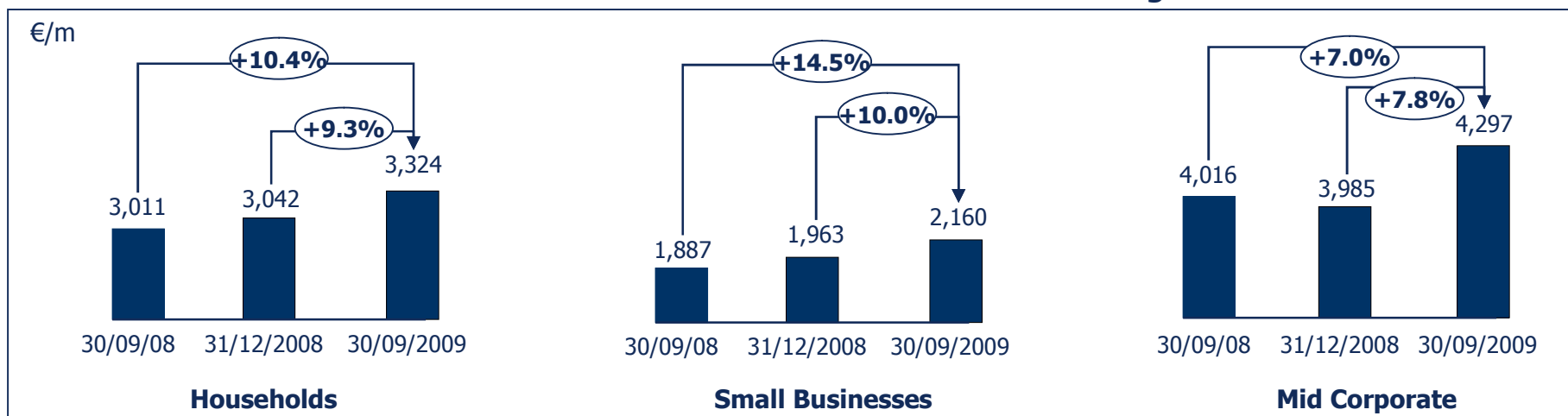
## Nine-month 2009 profitability highlights

€/m	Net interest income	304.7
	Net commission income	158.2
	Total income	488.9
	Operating costs	(374.9)
	Profit from operations	114.0
	Net income	33.6
	<b>Net recurring income*</b>	<b>50.9</b>

## Trend in the loans to customers (gross)



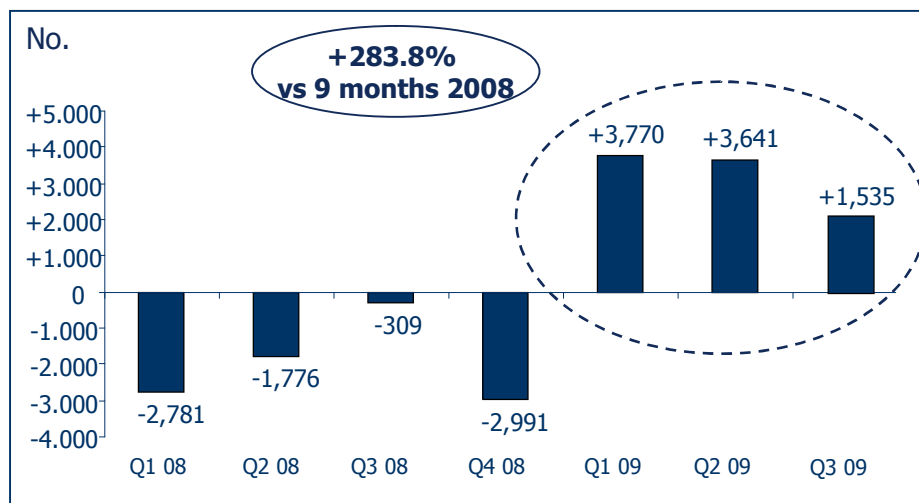
## Loans to customers: focus on core business segments



\* The net recurring income excludes the impact deriving from the FVO in the period, equal to -€23,6m (pre-tax).

# Turnaround of BPL: commercial focus

## Trend in the net opening of current accounts

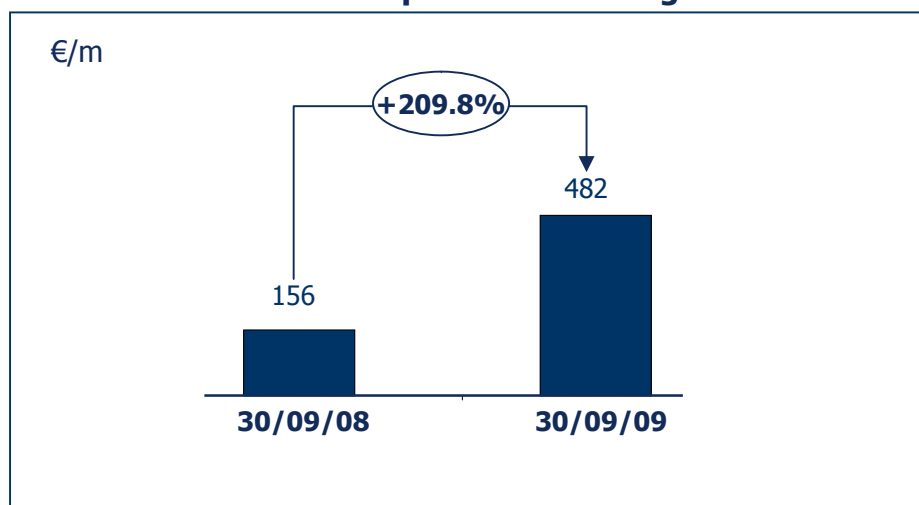


## Comments

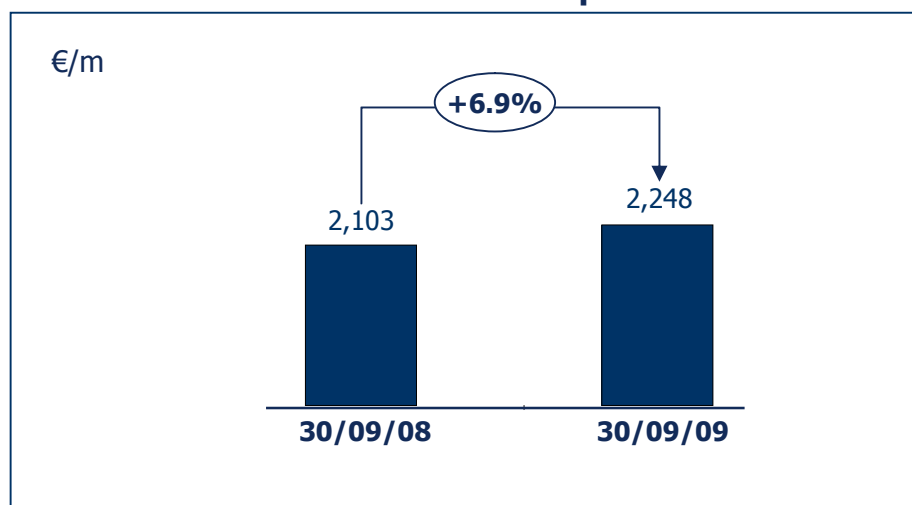
BPL's business performance shows a clear recovery in 2009:

- net balance of current accounts opening since the start of the year: **+8,946**;
- placement of bancassurance products has risen strongly in the first 9 months of 2009: **+209.8%** y/y;
- growth also in total investment products sold to customers: **+6.9%** y/y.

## Bancassurance + specialised managed accounts



## Total investment products





## *Appendix*





# Consolidation of Banca Italease

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As of 1st July 2009, following the end of the tender period into the Total Tender Offer launched for all of the outstanding common shares of Banca Italease, Banco Popolare acquired the majority shareholding and hence the control over the company. As a result, as of the second half Banca Italease joined Banco Popolare's consolidation scope, and was fully consolidated together with the other subsidiaries.

Therefore, the balance sheet of Gruppo Banco Popolare as at 30th September 2009 includes the assets and liabilities related to Gruppo Banca Italease. Note, that although the agreement signed by Banco Popolare, Banca Popolare dell'Emilia Romagna, Banca Popolare di Milano and Banca Popolare di Sondrio for the business restructuring and reorganization of Gruppo Banca Italease provides for the transfer in a new company of a business line made up of the performing loans and related assets and liabilities mainly deriving from leases and/or mortgages originated by the branch networks of the banks associated with Banca Italease, the assets and liabilities making up the business line under transfer were not posted under "non-current assets held for sale and discontinued operations" and "liabilities associated with discontinued operations" in the balance sheet as at 30th September 2009, as at the date of the quarterly report the financial statement of the business line under transfer is not available yet.

Discontinued operations include Factorit S.p.A..

The consolidated income statement of Gruppo Banco Popolare as at 30th September 2009 includes the contribution of Gruppo Banca Italease only with regard to the portion of operating income generated after 1st July 2009.

Owing to the above mentioned business combination, the consolidated balance sheet and income statement of Gruppo Banco Popolare as at 30th September 2009 are not readily comparable with the same financial statements as at 30th September 2008.

However, for the sake of comparability with the previous year, the operating results of Gruppo Banco Popolare as at 30th September 2009 show the contribution made by the companies belonging to Gruppo Banca Italease split from the contribution made by the companies belonging to the consolidation scope of Gruppo Banco Popolare before the acquisition of control over Banca Italease, so as to be comparable with the data referring to 30th September 2008 and previous periods.

Also balance sheet data are represented along a similar approach so as to make it comparable with the consolidated balance sheet as at 31st December 2008.





## Other changes in the consolidation scope

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After the end of the third quarter 2008, the consolidation scope underwent a number of changes. The main differences are the sale of Ducato S.p.A., Banca Popolare di Mantova S.p.A. and other minor companies. In order to make the comparison between the first nine months of 2009 with the same period last year easier, data referring to periods before 30th September 2009 have been adjusted to take into account the changes in the consolidation scope.

After 30th September 2008, other corporate actions were finalized, that have already been explained in the 2008 Annual Report, among which the sale of a business line comprised of n. 33 bank branches to Credito Emiliano and the transfer of 456 real estate units to the Eracle Fund, whose shares have been sold out to institutional investors. This transactions must be taken in due consideration when comparing the results of the various periods.



# Fair value option

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## Changes in fair value measurement of financial liabilities under “fair value option”

In first quarter 2009, in the light of a confirmed pricing policy for the repurchase of financial liabilities aiming at the adoption of credit spreads in line with those outstanding at the time of issue, as is typical of liabilities sold to retail customers, when preparing the quarterly report on operations as at 31st March 2009, some changes were introduced in the fair value measurement of financial liabilities issued by the Group and designated at fair value, in particular with regard to the method used to calculate changes in Banco Popolare’s creditworthiness. As regards financial liabilities sold to retail customers, the past method was completely dismissed, replaced by the use of actual prices quoted on the secondary market of securities in issue. As a result of this change, 212 millions were charged to income for the first half, namely the profit recognized in financial years 2008 and 2007 on the fair value measurement of the financial liabilities under examination. As regards financial liabilities sold to institutional customers, the measurement method in use on 31st December 2008 was confirmed also for 30th September 2009.



# Purchase Price Allocation of Banca Italease Group

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Upon preparing this quarterly report, the Purchase Price Allocation (PPA) was calculated on a preliminary basis, as provided for under paragraph 62 of IFRS 3. Therefore, the difference between the business combination and the net accounting equity of Gruppo Banca Italease at the acquisition date was cumulatively recognized under a specific balance sheet item named "Temporary acquisition difference".

Once the initial recognition of the business combination is over, and its cost has been allocated to the assets, liabilities and contingent liabilities of Gruppo Banca Italease, all annual and interim reports published after the effectiveness date of the business combination shall be corrected.



# Purchase Price allocation ex-BPI Group

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In keeping with the relevant international accounting standard (IFRS 3), the income statement of Gruppo Banco Popolare includes the economic impacts from the Purchase Price Allocation – PPA under IFRS 3 relating to both the first nine months of 2009 and the prior year's quarters on a comparative basis. For the sake of a like-to-like comparison, please note that PPA impacts can be significantly different in the period under comparison. For a full and transparent disclosure, shown below are the impacts deriving from the recognition of profit adjustments reported by the income generation units acquired by Gruppo Banca Popolare Italiana due to the higher values recognized in the consolidated financial statements on the date of effectiveness of the merger as a result of applying the accounting standard IFRS 3.

- Net interest income: the P&L impact was – 119.4 millions on 30th September 2009 (-38.5 millions in third quarter) and -137.8 millions as at 30th September 2008, and is mainly attributable to the greater value recognized during PPA to loans acquired under the merger.
- Other operating income: the impact was – 33.0 millions as at 30th September 2009 (-10.6 millions in third quarter 2009) primarily represented by the amortization of intangible assets having a defined useful life recognized upon the PPA. The impact on the income statement as at 30th September 2008 was – 69.9 millions, of which 35 millions relating to the greater value recognized during PPA to a minority stake sold as part of our merchant banking business, and 34.9 millions to the amortization of the above mentioned intangible assets.

As a result, the income statements for the first nine months of the FY under comparison showed the following impacts:

- |   |   |
|---|---|
| • <b>total income:</b>                        | - 152.4 millions in 2009 e – 207.6 milioni in 2008; |
| • <b>profit from operations:</b>              | - 155.5 millions in 2009 e – 211.8 milioni in 2008; |
| • <b>income/loss before tax :</b>             | - 157.7 millions in 2009 e – 207.9 milioni in 2008; |
| • <b>income tax:</b>                          | + 52.3 millions in 2009 e +62.8 milioni in 2008;    |
| • <b>net loss on discontinued operations:</b> | -3.0 millions in 2008;                              |
| • <b>minority interest:</b>                   | +7.7 millions in 2009 e +10.6 milioni in 2008.      |

**The overall effect on the consolidated net income comes in at -97.7 millions on 30th September 2009 and at -137.6 millions on 30th September 2008.**



# Non-recurring items

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In compliance with the directives spelled out in Consob's Communication n. DEM/6064293 dated July 28th, 2006, the impact of non recurring items is highlighted in the report on operations.

Income items classifiable as non-recurring have generated a total negative impact of 204.3 millions on the operating result generated in the first nine months of 2009. The main non-recurring positive constituents are the profit on disposal of equity and other investments (115.0 millions gross of tax effect) and the dividend paid by Agos S.p.A upon distributing its 2008 earnings (22.1 millions), that were generated before the acquisition of the equity investment by Banco Popolare. Non-recurring negative constituents are the impact from the accounting value of financial liabilities in issue measured at fair value as a result of the improving creditworthiness of Banco Popolare in the first nine months of the year (-333.3 millions gross of tax effect), the charge associated with the commitment to make a contribution to the Guarantee fund for small and medium-sized enterprises (-21.7 millions gross of tax effect), a loss from discontinued operations (-24.4 millions net of tax effect), and the non-recurring charge generated by the decision to settle almost all tax litigations regarding the pre-merger conduct of some companies belonging to the former Gruppo Banca Popolare Italiana, by resorting to a fast-track composition with immediate tax audit and remedy (-57.5 millions).

Note, that in the third quarter, following the issuance of the "Tremonti bonds" and the payment of the first installment of the contribution to the Guarantee Fund for small and medium-sized enterprises, the entire amount of 21.7 millions that had already been charged to income in the second quarter had to be reclassified from provisions for risks and charges (where as a result the amount was written back) to other revenues.



## Other explanatory notes

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With regard to the pro-forma data referring to impaired and substandard loans, note that the calculation of the pro-forma data for 31st December 2008 took into account that the 2008 annual report already specified that performing loans included 502.7 millions loans that had been reclassified as substandard in the first months of financial year 2009. Therefore, for the sake of comparability, the amount was added to substandard loans, and as a result to the aggregate amount of impaired loans referring to 31st December 2008.

# Consolidated balance sheet as of 30/09/2009

Reclassified assets €/m	B. Popolare	B. Italease	Consolidation adjustments	30/09/2009	31/12/2008	% chg
( A )					( B )	( A/B )
Cash and cash equivalents	496.2	0.01	-	496.2	710.0	(30.1%)
Financial assets and hedging derivatives	15,449.1	382.6	(518.1)	15,313.7	12,593.1	22.7%
Due from other banks	10,189.9	1,350.0	(5,117.5)	6,422.4	12,480.4	(18.4%)
Customers loans	84,524.8	16,731.7	(176.0)	101,080.5	81,026.2	4.3%
Equity investments	1,692.9	5.7	(221.1)	1,477.5	1,457.4	16.2%
Property, plant and equipment	1,279.9	245.2	-	1,525.1	1,329.1	(3.7%)
Intangible assets	5,297.5	7.8	-	5,305.2	5,333.2	(0.7%)
Non-current assets held for sale and discontinued operations	128.3	1,508.3	(3.3)	1,633.3	186.7	(31.3%)
Other assets	4,937.9	719.2	(2.9)	5,654.2	6,259.3	(21.1%)
Provisional acquisition difference	-	-	0.7	0.7	-	
<b>Total</b>	<b>123,996.6</b>	<b>20,950.4</b>	<b>(6,038.2)</b>	<b>138,908.8</b>	<b>121,375.5</b>	<b>2.2%</b>

Reclassified liabilities €/m	B. Popolare	B. Italease	Consolidation adjustments	30/09/2009	31/12/2008	% chg
( A )					( B )	( A/B )
Due to other banks	8,760.7	7,929.9	(5,249.4)	11,441.3	8,345.5	5.0%
Due to customers, debt securities in issue and financial liabilities measured at fair value	-	-	-	-	-	
Financial liabilities and hedging derivatives	93,650.1	11,451.7	(482.1)	104,619.7	93,129.6	0.6%
Provisions	4,400.6	273.0	(90.5)	4,583.0	3,424.8	28.5%
Liabilities associated with assets held for sale	1,231.8	90.3	-	1,322.1	1,268.1	(2.9%)
Other liabilities	26.2	828.5	(49.7)	805.0	22.6	16.1%
Minority interest	4,093.9	139.7	54.0	4,287.7	4,997.3	(18.1%)
Shareholders' equity	373.0	0.2	28.3	401.5	403.6	(7.6%)
- Share capital and reserves	-	-	-	-	-	
- Net income for the period	11,460.3	237.0	(248.8)	11,448.5	9,784.0	17.1%
	11,268.1	251.4	(248.8)	11,270.7	10,117.4	11.4%
	192.3	(14.4)	-	177.9	(333.4)	(157.7%)
	-	-	-	-	-	
<b>Total</b>	<b>123,996.6</b>	<b>20,950.4</b>	<b>(6,038.2)</b>	<b>138,908.8</b>	<b>121,375.5</b>	<b>2.2%</b>

# Group consolidated 9M 2009 income statement: stated data

Reclassified income statement €/m	B. Popolare 9M09	B. Italease Q309	Consolidation adjustments	30/09/2009	30/09/2008	% chg
	( A )				( B )	( A/B )
Net interest income	1,478.6	46.6	0.3	1,525.5	1,700.9	(13.1%)
Profit (loss) on equity investments carried at equity	57.4	-	-	57.4	38.2	50.3%
<b>Net interest, dividend and similar income</b>	<b>1,536.0</b>	<b>46.6</b>	<b>0.3</b>	<b>1,582.9</b>	<b>1,739.1</b>	<b>(11.7%)</b>
Net commissions	751.5	4.1	(0.04)	755.6	822.1	(8.6%)
Other revenues	110.2	(1.8)	(0.7)	107.7	255.1	(56.8%)
Net financial income	278.7	(0.1)	-	278.6	161.2	72.9%
<b>Other operating income</b>	<b>1,140.5</b>	<b>2.1</b>	<b>(0.8)</b>	<b>1,141.9</b>	<b>1,238.3</b>	<b>(7.9%)</b>
<b>Total income</b>	<b>2,676.5</b>	<b>48.7</b>	<b>(0.5)</b>	<b>2,724.7</b>	<b>2,977.5</b>	<b>(10.1%)</b>
Personnel expenses	(1,101.2)	(14.6)	0.02	(1,115.8)	(1,107.1)	(0.5%)
Other administrative expenses	(586.3)	(6.9)	0.02	(593.2)	(521.4)	12.4%
Amortization and depreciation	(114.3)	(2.6)	-	(116.9)	(126.1)	(9.4%)
<b>Operating costs</b>	<b>(1,801.8)</b>	<b>(24.2)</b>	<b>0.0</b>	<b>(1,825.9)</b>	<b>(1,754.7)</b>	<b>2.7%</b>
<b>Profit from operations</b>	<b>874.7</b>	<b>24.5</b>	<b>(0.4)</b>	<b>898.8</b>	<b>1,222.8</b>	<b>(28.5%)</b>
Net write-downs on impairment of loans, guarantees and commitments	(444.0)	(48.9)	-	(492.9)	(354.2)	25.3%
Net write-downs on impairment of other assets	(16.7)	-	-	(16.7)	(51.7)	(67.7%)
Net provisions for risks and charges	(35.0)	(1.3)	-	(36.3)	(41.7)	(16.1%)
Impairment of goodwill and equity investments	(3.1)	-	-	(3.1)	-	-
Profit (loss) on disposal of equity and other investments	113.6	1.5	-	115.0	143.0	(20.6%)
<b>Income before tax from continuing operations</b>	<b>489.5</b>	<b>(24.2)</b>	<b>(0.4)</b>	<b>464.8</b>	<b>918.1</b>	<b>(46.7%)</b>
Tax on income from continuing operations	(262.2)	2.9	-	(259.3)	(347.5)	(24.5%)
<b>Income after tax from continuing operations</b>	<b>227.2</b>	<b>(21.3)</b>	<b>(0.4)</b>	<b>205.5</b>	<b>570.7</b>	<b>(60.2%)</b>
Income (Loss) after tax from non-current assets held for sale*	(30.1)	5.2	0.4	(24.4)	15.9	-
<i>Integration charges after tax</i>	-	-	-	-	(31.6)	-
<b>Net income for the period</b>	<b>197.2</b>	<b>(16.1)</b>	<b>-</b>	<b>181.0</b>	<b>555.0</b>	<b>(64.5%)</b>
Minority interests	(4.9)	1.7	-	(3.2)	(33.2)	(85.2%)
<b>Net income for the period attributable to the Parent company</b>	<b>192.3</b>	<b>(14.4)</b>	<b>-</b>	<b>177.9</b>	<b>521.8</b>	<b>(63.2%)</b>

(\*) Includes results of shareholdings acquired as part of the merchant banking activity.



# Recurring income statement: quarterly evolution in 2009

Reclassified income statement €/m	Q3 2009	Q2 2009	Q1 2009
	452.9	504.7	521.1
Profit (loss) on equity investments carried at equity	20.1	1.7	13.6
<b>Net interest, dividend and similar income</b>	<b>473.0</b>	<b>506.4</b>	<b>534.6</b>
Net commissions	254.2	278.4	218.9
Other revenues	42.3	42.6	47.1
Net financial income	204.1	201.4	196.9
<b>Other operating income</b>	<b>500.6</b>	<b>522.4</b>	<b>462.9</b>
<b>Total income</b>	<b>973.5</b>	<b>1,028.7</b>	<b>997.5</b>
Personnel expenses	(368.4)	(363.0)	(369.8)
Other administrative expenses	(194.4)	(195.3)	(196.6)
Amortization and depreciation	(38.3)	(38.4)	(37.6)
<b>Operating costs</b>	<b>(601.1)</b>	<b>(596.7)</b>	<b>(604.1)</b>
<b>Profit from operations</b>	<b>372.5</b>	<b>432.1</b>	<b>393.4</b>
Net write-downs on impairment of loans, guarantees and commitments	(173.8)	(138.0)	(132.9)
Net write-downs on impairment of other assets	(4.7)	(8.8)	(3.2)
Net provisions for risks and charges	(8.3)	(10.8)	(15.9)
<b>Income before tax from continuing operations</b>	<b>185.7</b>	<b>274.5</b>	<b>241.5</b>
Tax on income from continuing operations	(70.3)	(118.4)	(98.3)
<b>Income after tax from continuing operations</b>	<b>115.5</b>	<b>156.0</b>	<b>143.2</b>
Minority interests	(0.9)	(5.4)	(5.3)
<b>Net income for the period attributable to the Parent company</b>	<b>114.6</b>	<b>150.7</b>	<b>137.9</b>

(\*) Reclassification of -11.034 million from "Net financial income" to "Net interest income" in order to ensure a homogeneous comparison.

# Stated income statement: quarterly evolution in 2009

Reclassified consolidated income statement €/m	Q3 2009	Q2 2009	Q1 2009 (*)
Net interest income	452.9	504.7	521.1
Profit (loss) on equity investments carried at equity	20.1	23.7	13.6
<b>Net interest, dividend and similar income</b>	<b>473.0</b>	<b>528.5</b>	<b>534.6</b>
Net commissions	254.2	278.4	218.9
Other revenues	20.5	42.6	47.1
Net financial income	11.5	(13.9)	281.2
<b>Other operating income</b>	<b>286.2</b>	<b>307.1</b>	<b>547.2</b>
<b>Total income</b>	<b>759.2</b>	<b>835.5</b>	<b>1,081.8</b>
Personnel expenses	(368.4)	(363.0)	(369.8)
Other administrative expenses	(194.4)	(195.3)	(196.6)
Amortization and depreciation	(38.3)	(38.4)	(37.6)
<b>Operating costs</b>	<b>(601.1)</b>	<b>(596.7)</b>	<b>(604.1)</b>
<b>Profit from operations</b>	<b>158.1</b>	<b>238.9</b>	<b>477.7</b>
Net write-downs on impairment of loans, guarantees and commitments	(173.6)	(137.5)	(132.9)
Net write-downs on impairment of other assets	(4.7)	(8.8)	(3.2)
Net provisions for risks and charges	13.5	(32.6)	(15.9)
Impairment of goodwill and equity investments	-	(3.1)	-
Profit (loss) on disposal of equity and other investments	12.0	0.8	100.8
<b>Income before tax from continuing operations</b>	<b>5.3</b>	<b>57.7</b>	<b>426.5</b>
Tax on income from continuing operations	(16.1)	(36.7)	(209.4)
Income (Loss) after tax from non-current assets held for sale (**)	(0.3)	(29.8)	(0.0)
Minority interests	(0.8)	(5.6)	1.5
<b>Net income for the period attributable to the Parent company</b>	<b>(11.9)</b>	<b>(14.4)</b>	<b>218.6</b>

(\*\*) Reclassification of -11.034 million from "Net financial income" to "Net interest income" in order to ensure a homogeneous comparison.

(\*\*) Includes results of shareholdings acquired as part of the merchant banking activity.



# Banca Italease: recent developments and next steps

## March – Aug '09

- **Signing of a Master Agreement for reorganization of BIL** with BPER, BPM and BP Sondrio - **15 March '09**
- **Launch of Public Tender Offer (PTO)** on 69.3% of BIL share capital at € 1.5 per share – **15 March '09**
- **End of PTO** – after the tender period extension Banco Popolare holds 88.1% of BIL share capital - **22 July '09**
- BIL becomes part of Group Banco Popolare – **8 July '09**
- Established NewCo1 and NewCo2 **5 August '09**

## Sep. – Oct. '09

- **Public Exchange Offer** on two BIL's subordinated bonds – **29 September '09**
- **Communication to the Trade Unions** of BIL reorganization plan (NewCo1 and NewCo2) **1 October '09**
- **BIL General Meeting** for coverage of BIL losses, elimination of the shares' par value and €1.2bn rights issue approval and new Board of Director appointments – **12 October '09**
- **Beginning** of the exchange offer on BIL's subordinated bonds – **29 October '09**

## November '09

- **End** of exchange offer on BIL's subordinated bonds - **5 November '09**
- **BIL board of directors for assets transfer** to NewCo1 and NewCo2 – **12 November '09**
- **Consolidation of BIL 3Q 2009 results** in Banco Popolare – **13 November '09**
- **Beginning of BIL Rights Issue Offer** - last week of November/beginning of December '09
- **NewCo1 and NewCo2 General Meetings** for BIL assets' transfer - **by the end of November '09**

## 2009/ 2010

- **Legal effects** of BIL reorganization plan – **31 December '09**
- **End of BIL Rights Issue** - by the end of December '09
- **Consolidation of BIL Q4 2009 results** in Banco Popolare 2009 results excluding NewCo 2



# Subordinated bonds underwritten by the Government

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## Key technical features (i)

- Amount and issue price: €1.45 bn; at par.
- Date: 31 July 2009.
- Initial nominal unitary value: €50,000.
- Interests:

To be paid retroactively on an annual basis for an amount equal to the highest among:

  - (i) **8.5% for the years from 2009 to 2012** of the Nominal Value, to be increased by 0.5% in the following 4 years and, subsequently, by 0.5% every 2 years;
  - (ii) (a) 105% with reference to FY 2009, (b) 110% with reference to FY 2010, (c) 115% with reference to FY 2011-2017, and (d) 125% with reference to FY 2018 and subsequent years of the dividend amount that will be paid on ordinary shares; and
  - (iii) starting from FY 2011 and for the subsequent years, the average yield on 30-year BTP Italian Treasury bonds, calculated in the first quarter of Interest payment, of the Nominal Value, increased by 300 basis points for the years 2011 and 2012 and by 350 basis points for the year 2013 and for subsequent years.
- Payment date: On July 1<sup>st</sup> of each year, starting from July 1<sup>st</sup> 2010.

## Accounting method

- Balance sheet: The nominal amount issued shall be booked under the shareholders' equity, in the item 160 "**capital instruments**".
- Income statement: Annual interest payments will not be booked in the income statement but are treated like distributed dividends.
- Computation for capital adequacy requirements: Capital instrument computable without restrictions under Core Tier 1 capital.

(i) For further details, please see the Prospect.

# Capital adequacy ratios at a glance

## Group capital ratios

### Accounting ratios

### Pro-forma ratios as of 30/06/2009

**Core Tier 1**

€4.02bn      **5.2%**

**6.3%**

**Tier 1**

€5.13bn      **6.6%**

**7.8%**

**Total capital**

€7.96bn      **10.2%**

**11.0%**

**RWAs**

€77.9bn

**Pro-forma ratios post 'Tremonti' bonds,  
Italease (post re-organisation) and  
disposal of Factorit**

# Banco Popolare 'standalone'

## Proprietary securities portfolio

### Breakdown of the proprietary securities portfolio as of al 30/09/2009

Assets	Amount (€/bn)	% comp.
- Treasury securities	6.2	60.8%
- Senior investment grade bonds*	2.3	22.6%
- 'SUBPRIME', CLOs, CDOs and CBOs	0	0%
- Monolines	0	0%
- Emerging markets: bonds & equity sec.	0	0%
- ABS (AAA rating)	0.1	1.2%
- Stakes in OICR	0.8	7.5%
- Equities	0.3	3.2%
- Other securities	0.5	4.7%
<b>Total</b>	<b>10.3</b>	<b>100%</b>

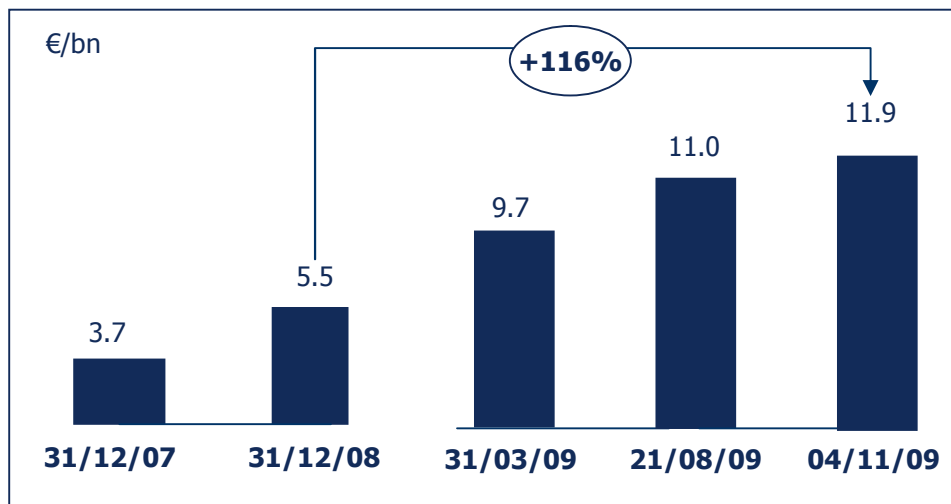
• Absence of risks related to securities in the SUBPRIME mortgage sector.

• Absence of major financial market risks.

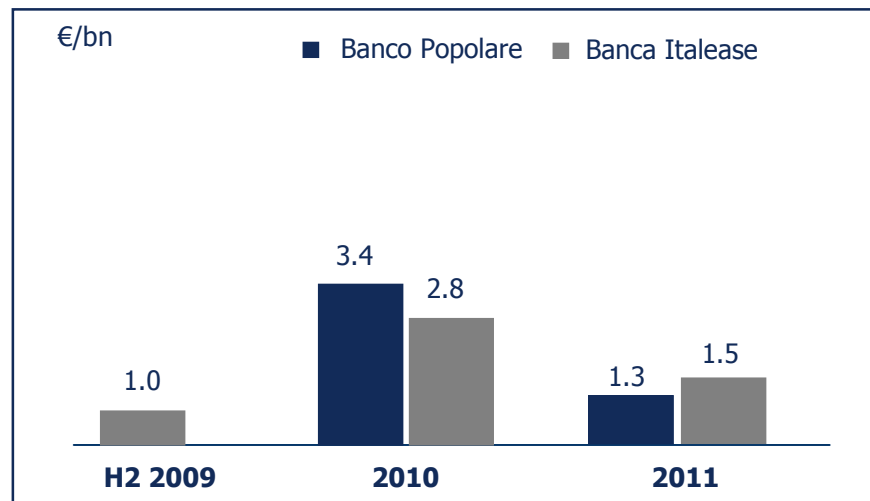
\* of which €1,1bn related to Italian-based issuers.

# Group liquidity profile

Portfolio of eligible securities



Next EMTN maturities of Banco Popolare and Italease

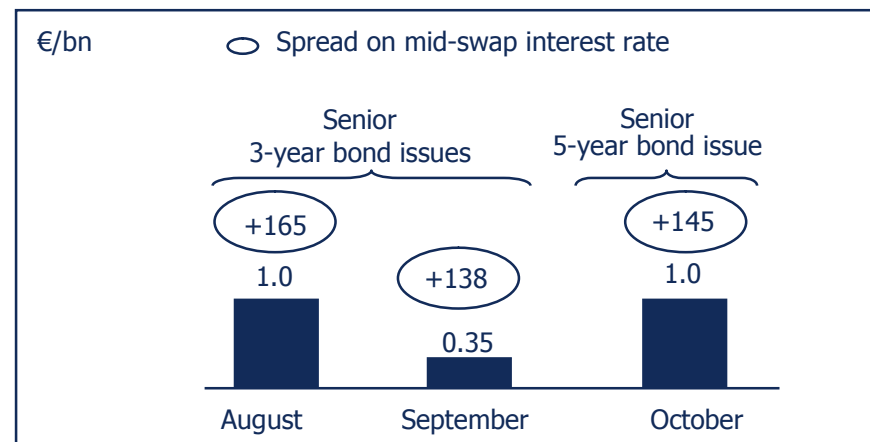


## Comments:

- In July 2009, Tremonti bonds were issued for a total amount of €1.45 bn, while in August 2009 a senior 3-year bond issue for a total of €1bn was placed on the market, followed by an additional tranche of €350m in September. Moreover, in the month of October, a senior 5-year bond issue was placed on the market.

- The increase in the stock of eligible and available securities derives from the use of other securities issued as part of own securitizations made in 2009.

## 2009 EMTN bond issues





## Public Tender Offer on Banca Italease: outcome

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On 16 March 2009, Banco Popolare launched a Public Tender Offer for the voluntary purchase of the totality of Banca Italease shares not already held, either directly or indirectly, by the Group (corresponding to a total of 116,671,321 shares), for a price of 1.50 euro per share.

OUTCOME OF THE PUBLIC TENDER OFFER ON BANCA ITALEASE

OFFER PERIOD	# OFBANCA ITALEASE SHARES TENDERED	AS A % OF THE SHARE CAPITAL OF BANCA ITALEASE	AMOUNT PAID
▪ 14/05/09 – 01/07/09	90,479,182	53.7%	€135,718,773.0
▪ 09/07/09 – 15/07/09	6,196,773	3.7%	€9,295,159.5
	<b>96,675,955</b>	<b>57.4%</b>	<b>€ 145,013,932.5</b>

BANCO POPOLARE POSITION

	# OF SHARES HELD BY BANCO POPOLARE	AS A % OF THE SHARE CAPITAL OF BANCA ITALEASE
▪ PRE-PTO	51,732,957	30.7%
▪ PTO	96,675,955	57.4%
▪ <b>POST-PTO</b>	<b>148,408,912</b>	<b>88.1%</b>

Today, Banco Popolare holds a total of **148,408,912** shares in Banca Italease, corresponding to **88.1%** of the share capital.





# Programme of IR events in 2009

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## Pipeline of IR events in 2009

Date	Place	Event
25 March 2009	Verona	Press release on FY 2008 results
25 March 2009	Verona	Banco Popolare: Conference call on FY2008 results
1 April 2009	London	Morgan Stanley - European Financials Conference
25 April 2009	Verona	Annual Meeting of Shareholders (2nd call)
15 May 2009	Verona	Press release on Q1 2009 results
15 May 2009	Verona	Banco Popolare: Conference call on Q1 2009 results
21 May 2009	Rome	Unicredit XII Italian Conference
28 May 2009	Milan	Deutsche Bank Italian Conference
05 June 2009	Frankfurt	Goldman Sachs European Financials Conference
23 June 2009	London	Borsa Italiana Italian Conference
28 August 2009	Verona	Press release on H1 2009 results
28 August 2009	Verona	Banco Popolare: Conference call on H1 2009 results
3 September 2009	London	Nomura Annual Euro Banks Conference
16 September 2009	London	KBW European Financials Conference
29 September 2009	London	BoA-Merrill Lynch Banking and Insurance CEO Conference
13 November 2009	Verona	Press release on Q3 2009 results
13 November 2009	Verona	Banco Popolare: Conference call on Q3 2009 results
18 November 2009	Erbusco	Banca Leonardo Italian Conference
19 November 2009	London	Goldman Sachs Italian Symposium
2 December 2009	London	Cheuvreux Financials Conference

N.B. The above pipeline does not include ongoing roadshows, meetings etc.





# Contacts for Investors and Financial Analysts

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