



Banca Leonardo

Italian Financial Conference

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Stresa, 19 November 2010





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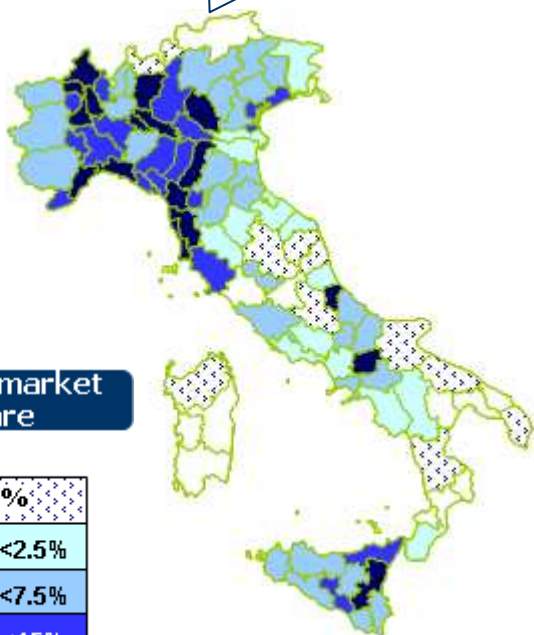
Section 1

Highlights

Highlights

Banco Popolare: Group franchise at a glance

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



Branch market share

<1.0%
1.0% ≤ X < 2.5%
2.5% ≤ X < 7.5%
7.5% ≤ X < 15%
⇒ 15%

Domestic market shares:

	NATIONAL	NORTH-WEST	NORTH-EAST	CENTRE	SOUTH
- Loans:	5.0%	6.1%	6.4%	3.5%	2.3%
- Deposits:	5.2%	7.1%	6.2%	3.7%	2.5%

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



Highlights

Banco Popolare Group risk profile: low structural risks

Business Model Focus on Retail

- Deep local roots in core market territory.
- Banking business mainly focused on households, small businesses and medium-sized corporate customers.
- Core business accounts for about 93% of total revenues.

Sound Balance Sheet Structure and Liquidity Pos.

- Loan/Deposit ratio of 0.94 as of 30 September 2010.
- Funding needs are structurally covered until 2012.
- Low leverage.
- RWA/Total Assets ratio of 67% vs. 55% on average in Italy (and c. 50% on average for European banks).

Low risk in assets

- 97% of the core business is domestic.
- Strong diversification of the loan portfolio, which was subject to strict valuation rigor and provisioning in 2008.
- Alignment of all participations in the merchant banking portfolio to market values.

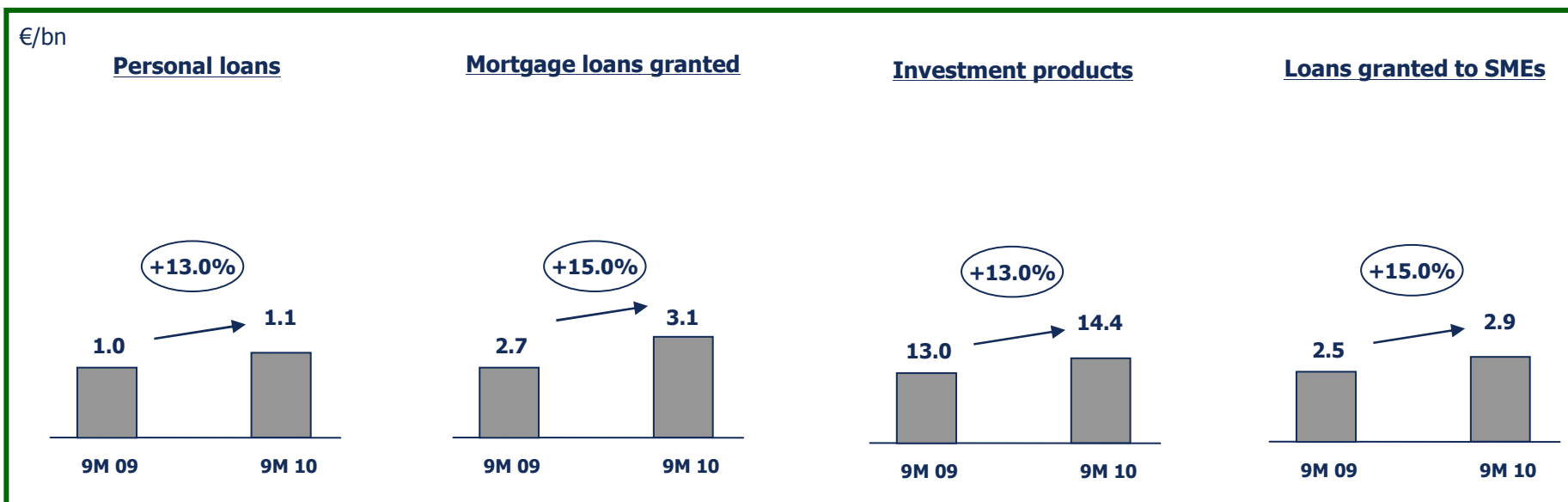
No Investments in Toxic Assets

- No exposure to the subprime mortgage sector, monoliners, CDOs/CBOs.
- No investment in structured credit products.
- No investment in structured investment products on market variables.
- Low VAR of the trading book: max. about €4.9m in 9M 2010 (holding period = 1 day; confidence interval = 99%) – about €3.8m on 30 September 2010.

Highlights

Confirmation of the retail commercial performance

Banks of the Territory



Satisfactory operating results

- Group and 'standalone' normalized net income stand at €260.3m and €269.5m, respectively, in the nine months of 2010.
- Net commission income increased 8.5% y/y.
- Operating costs fall -2.0% y/y. In particular, personnel costs register an increase of 1.6% y/y while non-personnel expenses decrease 7.7% y/y.
- Credit quality under control, with an annualized cost of risk at 76bps, still above the historic level (40bps on average).

Highlights

Turnaround of Banca Popolare di Lodi

9M 2010 profitability highlights

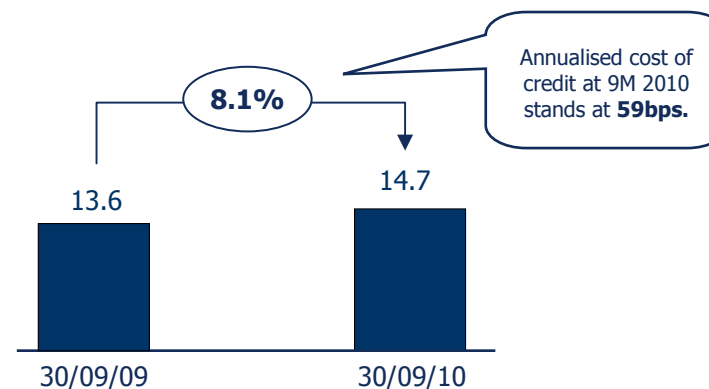
€/m

Net interest income	304.4
Net commission income	228.6
Operating income	533.1
Operating costs	-355.4
Profit from operations	177.7
Net income	60.2*

* Including €13.8m in relation to other operating income.

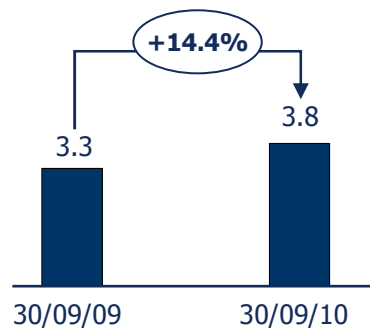
Gross customer loans

€/bn – period-end data

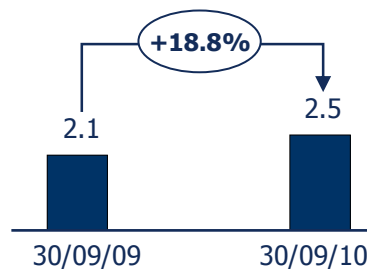


Loans to customers (gross): focus on core business

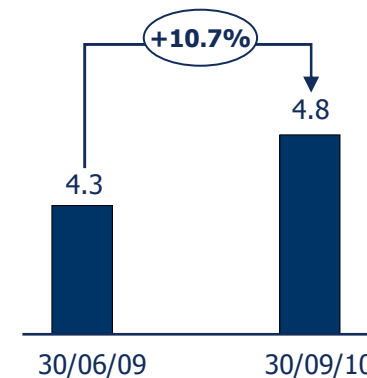
€/bn – period-end data



Households



Small Businesses

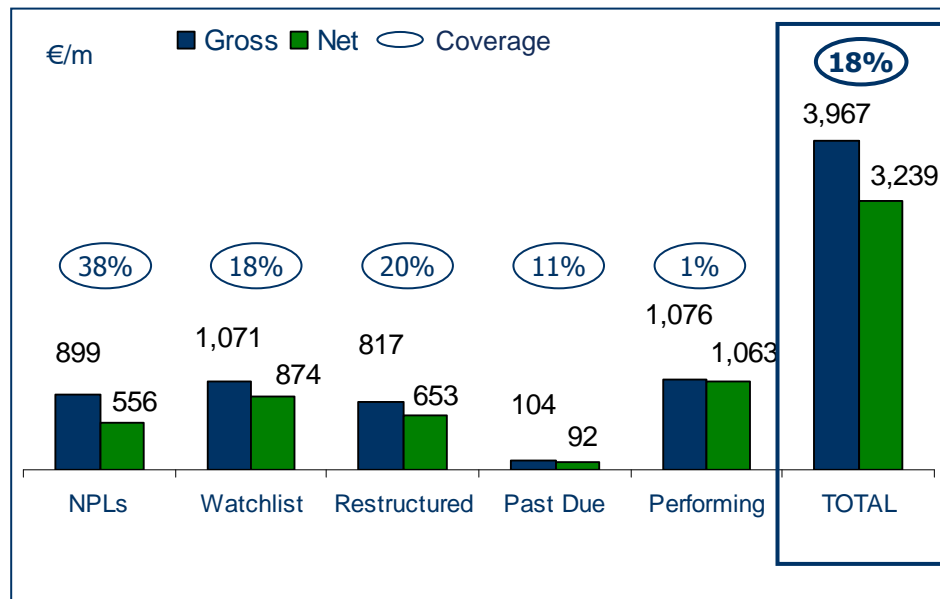


Mid Corporate

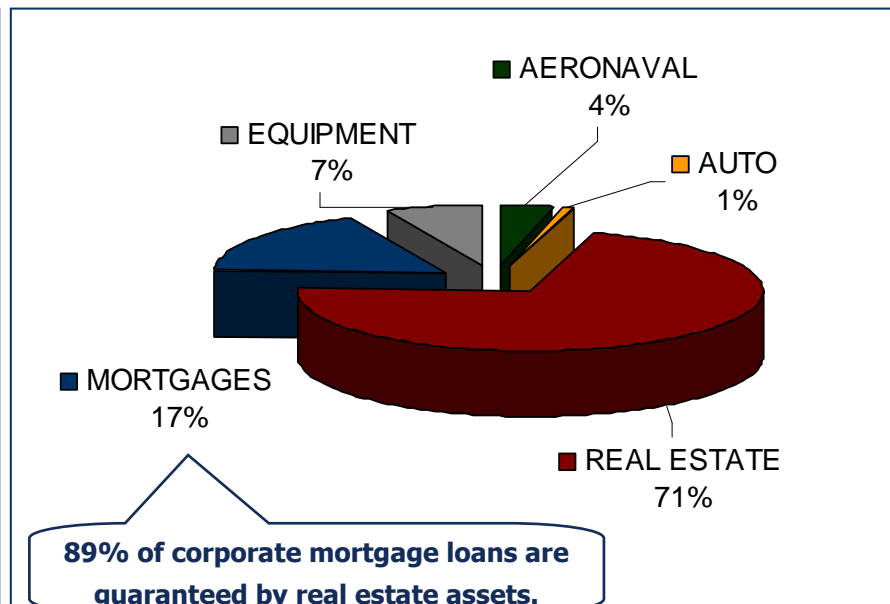
Highlights

Banca Italease derisking: focus on the 'Release' portfolio

Receivables portfolio (leasing+mortgages) as at 30/09/2010



Receivables portfolio by product category



- Strong delivery in the de-risking process:

NPLs and watchlist loans down by €1.7bn since year-end 2009 (-46%).

- NPL and Watchlist loan coverage (including collateral), equal to 106% and 100%, respectively.

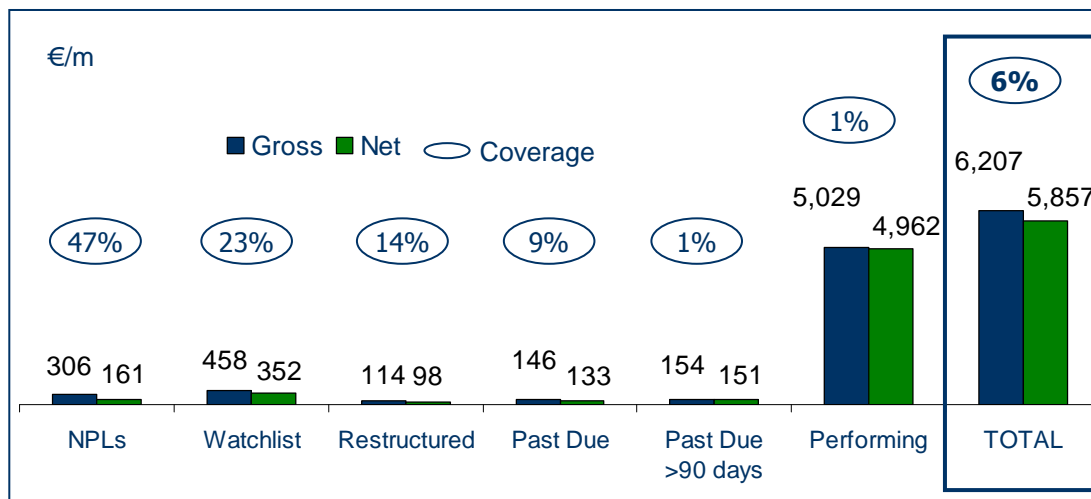
	NPLs	Watchlist	Restructured	Past Due	Perform.	TOTAL
TOTAL GROSS LOANS AS AT 31/12/09	1,463	2,186	184	92	925	4,850
Comp. %	30%	45%	4%	2%	19%	
Agreements finalised with Big Tickets during 9M 2010	-629	-1,078	597	0	299	-811
Other changes (remaining portfolio)	65	-37	36	12	-148	-71
TOTAL GROSS LOANS AS AT 30/09/10	899	1,071	817	104	1,076	3,967
Comp. %	23%	27%	21%	3%	27%	

-39% **-51%**

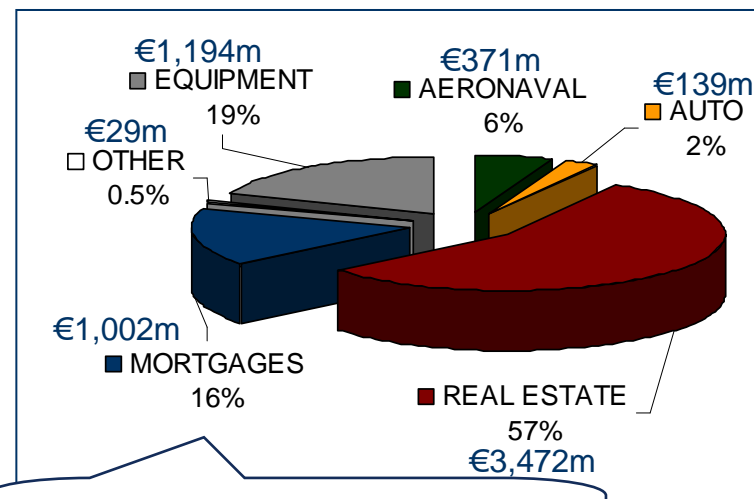
Highlights

Banca Italease derisking: focus on the 'Residual' portfolio*

Receivables portfolio (leasing+mortgages) as at 30/09/2010



Receivables portfolio by product category



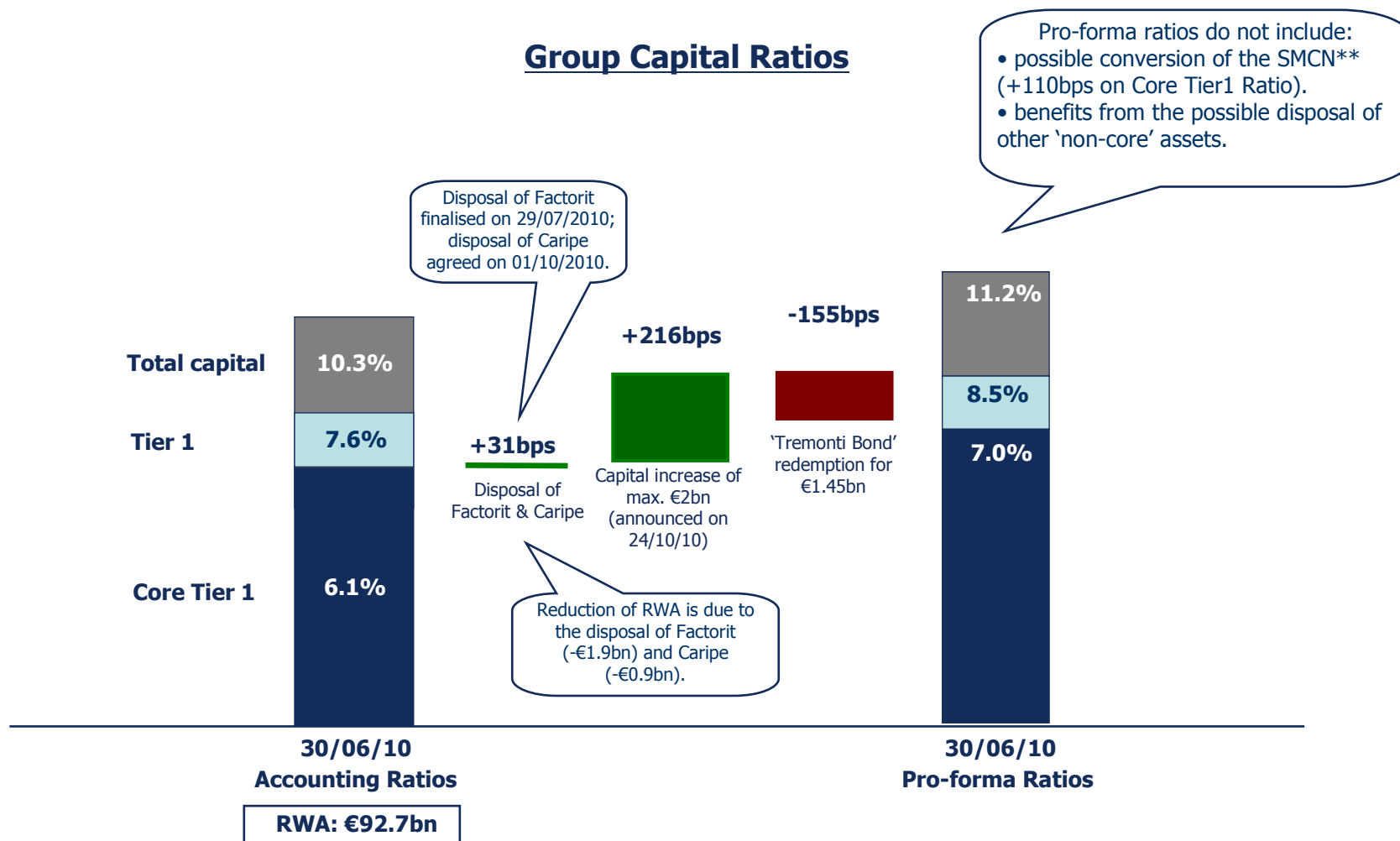
90% of corporate mortgage loans are guaranteed by real estate assets.

- Equipment Leasing to be reduced by ca. 75% by year-end 2012 and by ca. 94% by year-end 2015.
- NPLs coverage including collateral: **111%**
- Watchlist loan coverage including collateral: **102%**

	NPLs	Watchlist	Restructured	Past Due	Perform.	TOTAL
TOTAL GROSS LOANS AS AT 31/12/09	307	497	0	90	6,423	7,317
Comp. %	4%	7%	0%	1%	88%	
Agreements finalised with Big Tickets during 9M 2010	-119	-164	99	0	50	-134
Other changes (remaining portfolio)	118	125	15	56	-1,290	-976
TOTAL GROSS LOANS AS AT 30/09/10	306	458	114	146	5,183	6,207
Comp. %	5%	7%	2%	2%	84%	

* Receivables portfolio after the transfer of the leasing and mortgage business units to Release and Alba, excluding Factorit.

Capital Adequacy: Group Capital Ratios & Outlook



* Pro-forma ratios are calculated on the basis of supervisory regulations in force as of 30/06/2010 and are referred to that date.

** The €1.0bn 'Soft Mandatory' convertible notes, issued at the end of March 2010, are convertible after 18 months after the issue date, both at the request of the bondholders and of the issuer.



Section 2

Group 9M 2010 Results



Highlights: Banco Popolare Group results

Note: Nine-month 2010 results are not directly comparable with 9M 2009 figures, considering that Banca Italease entered into the Group's scope of consolidation only starting from 1 July 2009.

- Group consolidated net income reaches €467.1m in 9M 2010; this result is influenced by various extraordinary items (detailed on Slide 9):
 - Net income of Banco Popolare 'standalone': +€274.7m
 - Net contribution of Banca Italease: +€192.3m (-€9.1m excluding - €84.4m of PPA and +€285.8m of deferred tax assets)
- 'Normalised' Group net income (net of Fair Value Option, PPA, write-downs on treasury securities and deferred tax assets) comes in at €260.3m.
- Commercial performance of the branch franchise:
 - Household mortgage loans (granted): +15% y/y
 - Personal loans: +13% y/y
 - Financing to small businesses: +15% y/y
 - Investment products: +10% y/y
- Good progress in the turnaround of Banca Popolare di Lodi: net income of +€60.2m in 9M 2010.
- Derisking process of Banca Italease well on track: the aggregate amount of NPLs and watchlist loans of the Release portfolio decreased €1.7bn YTD, resulting in a reduction of 46% in the stock (from €3.65bn at year-end 2009 to €1.97bn as at 30 September 2010).



Banco Popolare Group

Consolidated 9M 2010 income statement: breakdown

Reclassified income statement - €/m	9M 2010	9M 2010		
	Banco Popolare Group (PPA line-by-line)	Banco Popolare (standalone)	Banca Italease	PPA Italease
Net interest income	1,367.3	1,369.2	59.4	(61.3)
Profit (loss) on equity investments carried at equity	31.1	35.6	(4.4)	
Net interest, dividend and similar income	1,398.5	1,404.8	54.9	(61.3)
Net commissions	956.8	947.5	9.2	
Other revenues	46.6	23.0	23.6	
Net financial income	398.2	400.2	4.4	(6.4)
Other operating income	1,401.5	1,370.8	37.1	(6.4)
Total income	2,800.0	2,775.6	92.1	(67.7)
Personnel expenses	(1,124.6)	(1,098.4)	(26.2)	-
Other administrative expenses	(577.3)	(547.1)	(30.2)	-
Amortization and depreciation	(96.5)	(88.3)	(8.2)	-
Operating costs	(1,798.4)	(1,733.8)	(64.6)	-
Profit from operations	1,001.6	1,041.8	27.5	(67.7)
Net write-downs on impairment of loans, guarantees and commitments	(608.2)	(520.0)	(88.3)	-
Net write-downs on impairment of other financial transactions	(35.2)	(35.9)	0.7	-
Net provisions for risks and charges	(12.8)	(1.4)	(11.3)	-
Impairment of goodwill and equity investments	(0.8)	(0.8)	(0.0)	-
Profit (loss) on disposal of equity and other investments	12.5	6.5	33.8	(27.9)
Income before tax from continuing operations	357.0	490.1	(37.6)	(95.6)
Tax on income from continuing operations	105.7	(221.4)	296.2	30.9
Income (Loss) after tax from non-current assets held for sale	17.4	16.0	21.8	(20.3)
Minority interest	(12.9)	(9.9)	(3.7)	0.7
Net income for the period	467.1	274.7	276.7	(84.4)

€192.3m

Consolidated 9m 2010 'normalized' income statement

Relevant P&L impacts detailed on slide 14.

Reclassified income statement - €/m	Accounting data	PPA (ex-BPI + BIL)	Accounting data excluding PPA	Fair Value Option	Write-downs on Government securities	Deferred tax assets	Normalized Income statement excluding
Net interest income	1,367.3	(173.6)	1,540.9	-			1,540.9
Profit (loss) on equity investments carried at equity	31.1		31.1	-			31.1
Net interest, dividend and similar income	1,398.5	(173.6)	1,572.1	-			1,572.1
Net commissions	956.8		956.8	-			956.8
Other revenues	46.6	(30.0)	76.6	-			76.6
Net financial income	398.3	(6.4)	404.7	261.1	(103.3)		246.9
Other operating income	1,401.7	(36.4)	1,438.1	261.1	(103.3)		1,280.3
Total income	2,800.1	(210.0)	3,010.1	261.1	(103.3)		2,852.3
Personnel expenses	(1,124.6)		(1,124.6)	-			(1,124.6)
Other administrative expenses	(577.3)		(577.3)	-			(577.3)
Amortization and depreciation	(96.5)	(3.0)	(93.4)	-			(93.4)
Operating costs	(1,798.4)	(3.0)	(1,795.3)	-			(1,795.3)
Profit from operations	1,001.7	(213.0)	1,214.8	261.1	(103.3)		1,057.0
Net write-downs on impairment of loans, guarantees and commitments	(608.4)		(608.4)	-			(608.4)
Net write-downs on impairment of other financial transactions	(35.2)		(35.2)	-			(35.2)
Net provisions for risks and charges	(12.8)		(12.8)	-			(12.8)
Impairment of goodwill and equity investments	(0.8)		(0.8)	-			(0.8)
Profit (loss) on disposal of equity and other investments	12.5	(33.5)	45.9	-			45.9
Income before tax from continuing operations	357.0	(246.5)	603.5	261.1	(103.3)		445.7
Tax on income from continuing operations	105.7	79.4	26.3	(84.4)	33.4	285.8	(208.5)
Income (Loss) after tax from non-current assets held for sale	17.4	(26.1)	43.4				43.4
Minority interest	(12.9)	7.4	(20.3)				(20.3)
Net income for the period	467.1	(185.8)	652.9	176.7	(69.9)	285.8	260.3

In the fourth quarter of 2010, the PPA impact is expected to be about **-€34m**.

On an annual basis, the PPA impact is expected to decrease to about **-€107m** in 2011, to about **-€47m** in 2012 and to about **-€27m** in 2013.

Banco Popolare 'standalone'

'Standalone' 9M 2010 'normalized' income statement

Change in the bank's own creditworthiness.

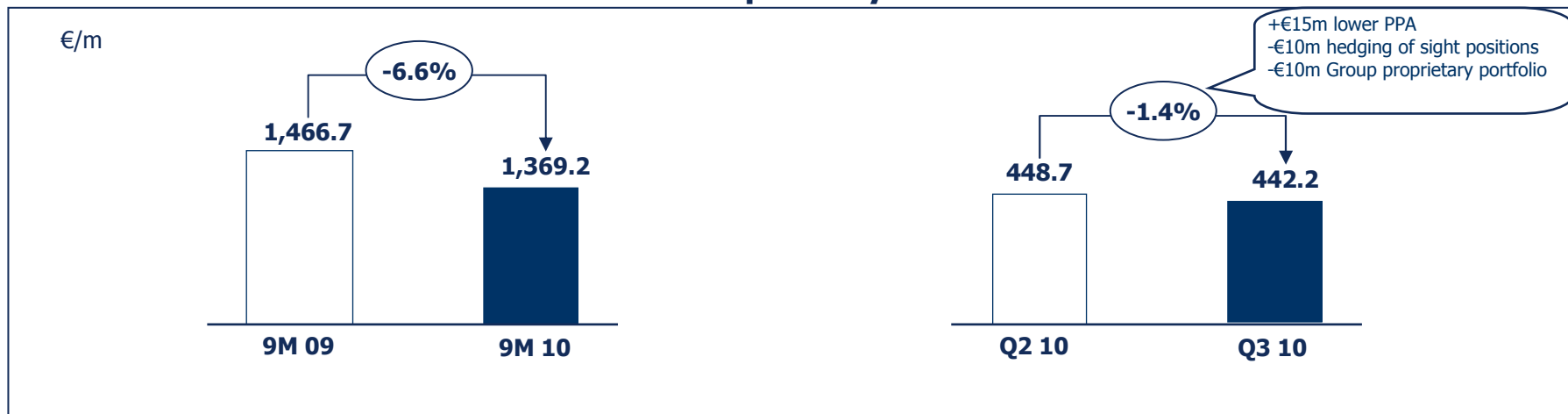
Reclassified income statement - €/m	Accounting data	PPA (ex-BPI + BIL)	Accounting data excluding PPA	Fair Value Option	Write-downs on Government bonds portfolio	Normalized Income statement excluding PPA
Net interest income	1,369.2	(112.3)	1,481.5	-		1,481.5
Profit (loss) on equity investments carried at equity	35.6		35.6	-		35.6
Net interest, dividend and similar income	1,404.8	(112.3)	1,517.1	-		1,517.1
Net commissions	947.5		947.5	-		947.5
Other revenues	23.0	(30.0)	53.0	-		53.0
Net financial income	400.2		400.2	261.1	(103.3)	242.4
Other operating income	1,370.8	(30.0)	1,400.8	261.1	(103.3)	1,243.0
Total income	2,775.6	(142.3)	2,917.9	261.1	(103.3)	2,760.1
Personnel expenses	(1,098.4)		(1,098.4)	-		(1,098.4)
Other administrative expenses	(547.1)		(547.1)	-		(547.1)
Amortization and depreciation	(88.3)	(3.0)	(85.3)	-		(85.3)
Operating costs	(1,733.8)	(3.0)	(1,730.8)	-		(1,730.8)
Profit from operations	1,041.8	(145.3)	1,187.1	261.1	(103.3)	1,029.3
Net write-downs on impairment of loans, guarantees and commitments	(520.0)		(520.0)	-		(520.0)
Net write-downs on impairment of other financial transactions	(35.9)		(35.9)	-		(35.9)
Net provisions for risks and charges	(1.4)		(1.4)	-		(1.4)
Impairment of goodwill and equity investments	(0.8)		(0.8)	-		(0.8)
Profit (loss) on disposal of equity and other investments	6.5	(5.6)	12.1	-		12.1
Income before tax from continuing operations	490.1	(150.9)	641.1	261.1	(103.3)	483.3
Tax on income from continuing operations	(221.4)	48.5	(269.9)	(84.4)	33.4	(218.9)
Income (Loss) after tax from non-current assets held for sale	16.0	(5.7)	21.7	-		21.7
Minority interest	(9.9)	6.7	(16.6)	(0.1)		(16.6)
Net income for the period	274.7	(101.5)	376.2	176.6	(69.9)	269.5

In the fourth quarter of 2010, the PPA impact is expected to be about -€22m.

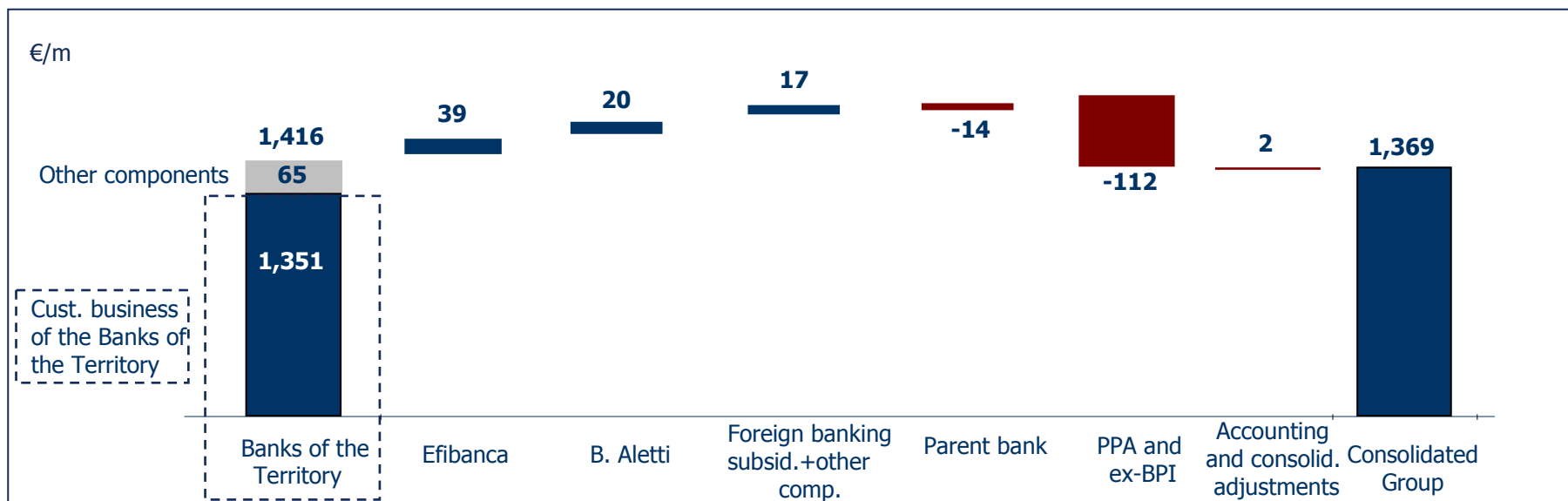
On an annual basis, the PPA impact is expected to decrease to about -€75m in 2011, to about -€31m in 2012 and to about -€19m in 2013.

Net interest income of Banco Popolare 'standalone'

Annual and quarterly trend



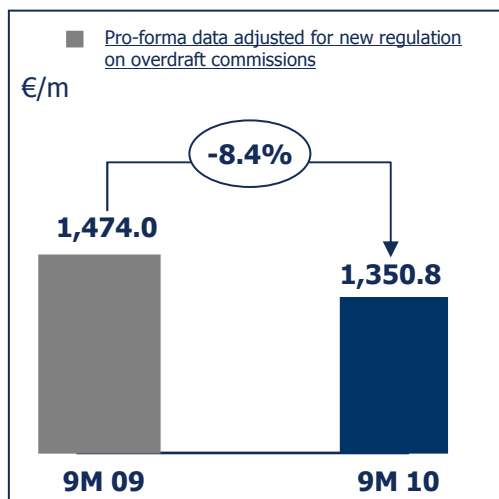
Breakdown of 9M 2010 net interest income



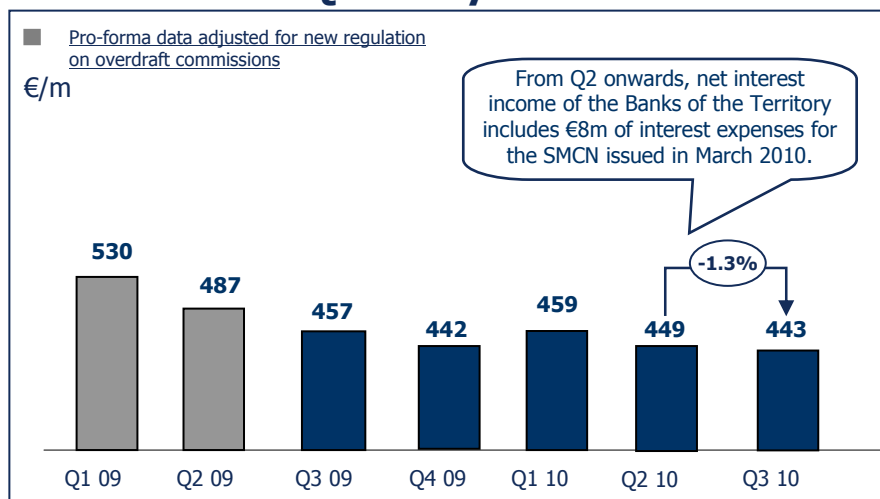
Banco Popolare 'standalone'

Customer Net Interest Income of the Banks of the Territory*

Annual trend



Quarterly trend



Drivers

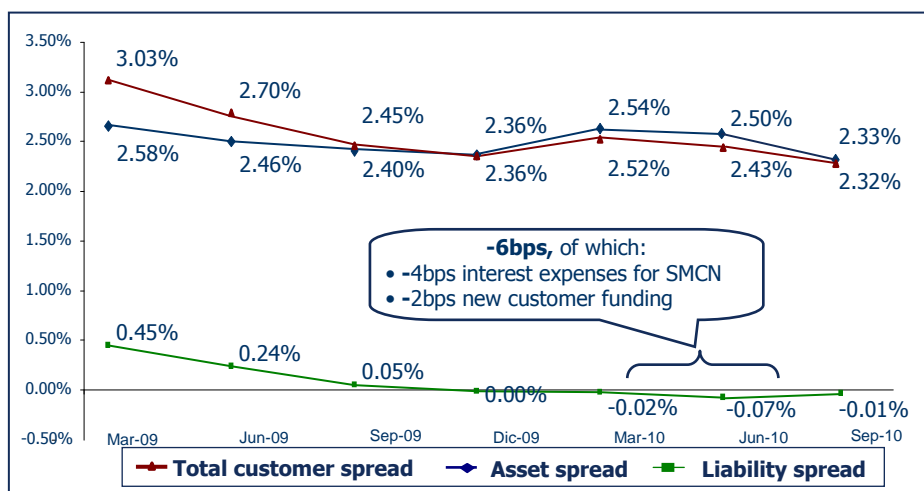
The NII of customer loans & funds of the Banks of the Territory recorded a decrease of -8.4% year-on-year, essentially due to the sharp fall in the liability spread:

9m 10/9m 09

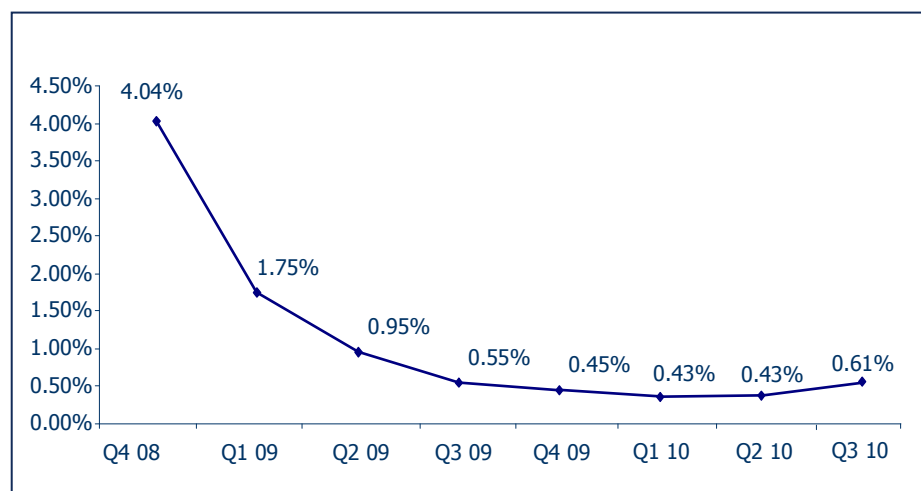
• volumes:	+€24.7m
• spread:	-€147.9m
	-€123.2m

Quarterly customer spreads

(asset spread adjusted for new regulation on overdraft commissions)



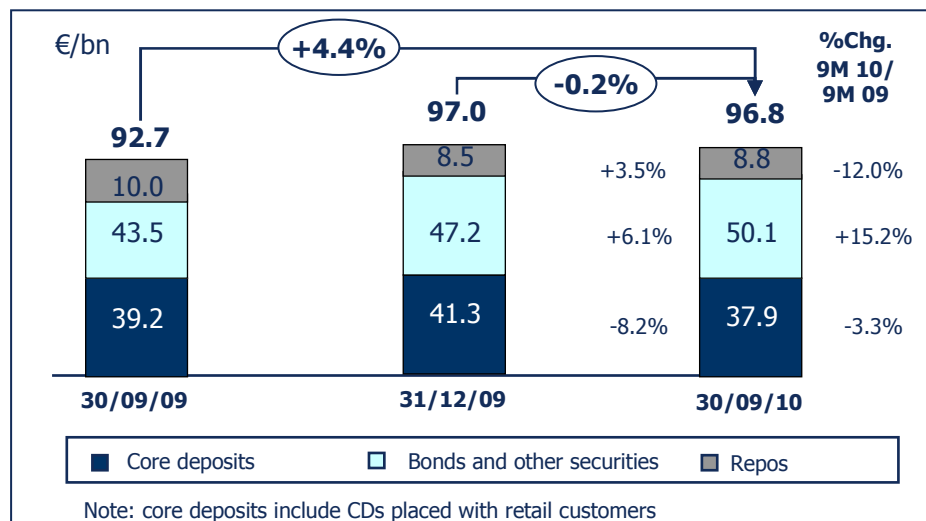
Evolution of one-month Euribor



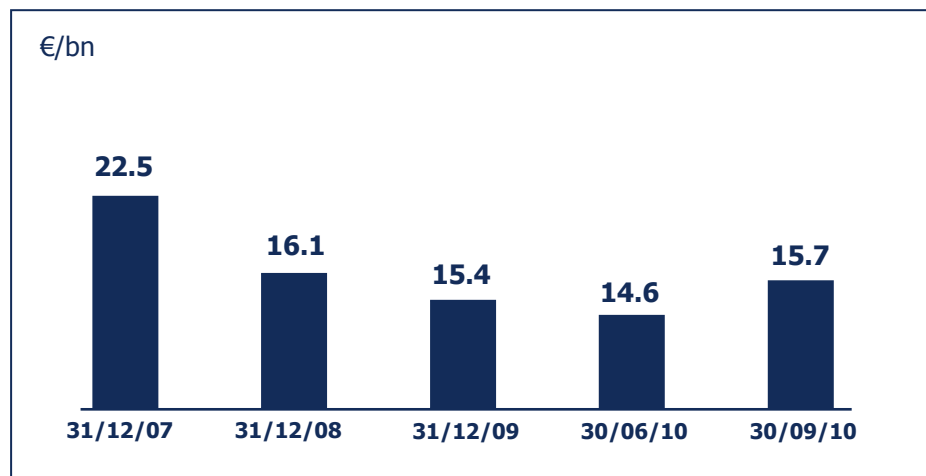
*Analysis based on the customer funds and customer loans of the Banks of the Territory.

Direct customer funds: growth in the retail segment

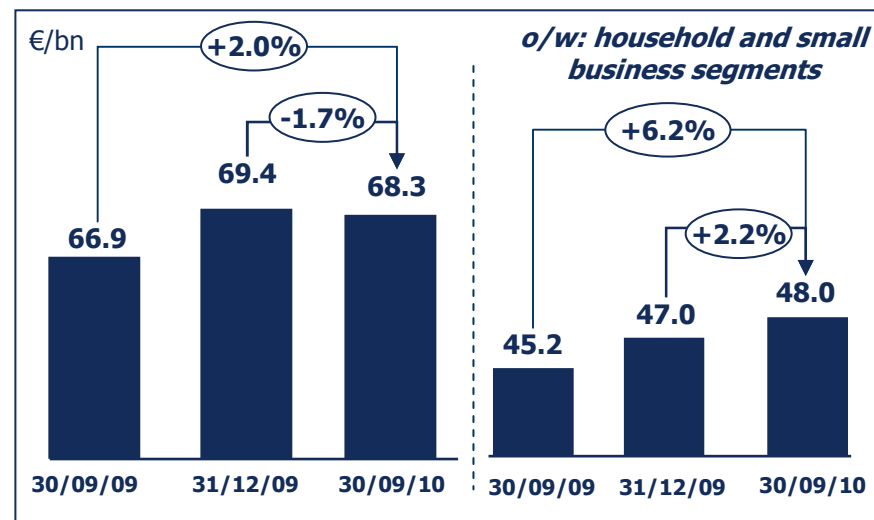
Total Group direct customer funds (period-end data)



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



o/w: Direct cust. Funds of the Banks of the Territory



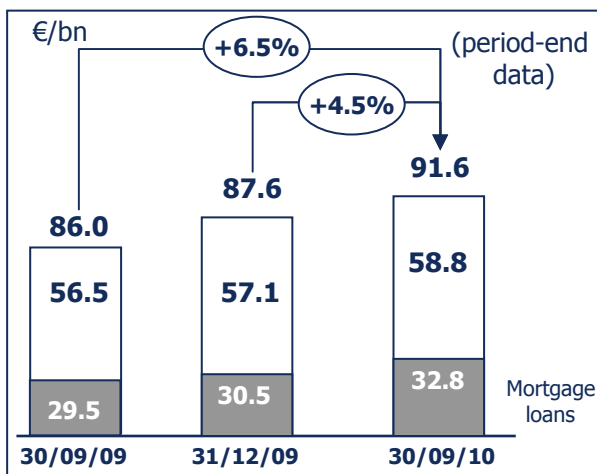
Comments

- Group direct customer funds are in line with year-end 2009 (-0.2%) while they register a growth over 30/09/2009 (+4.4%).
- The funding of the Banks of the Territory rises 2.0% year-on-year, in particular in the core segments (Households and Small Businesses), where a growth of 6.2% is registered y/y (+2.2% since year end 2009).

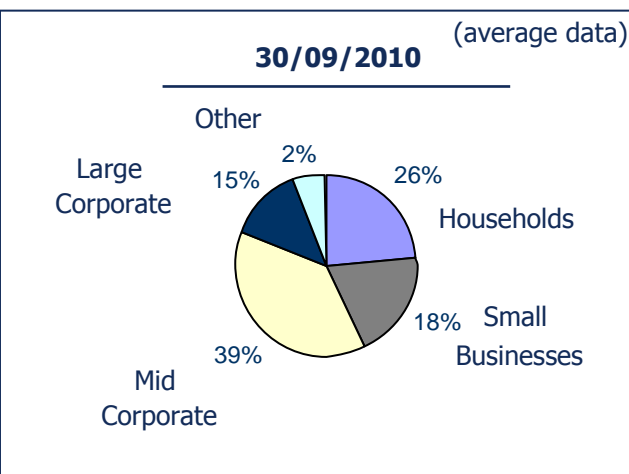
* The figures exclude the customer funding of Efibanca, Banca Aletti, foreign banking subsidiaries, the parent bank and securitisations.

Customer loans: focus on Retail and SMEs

Gross customer loans



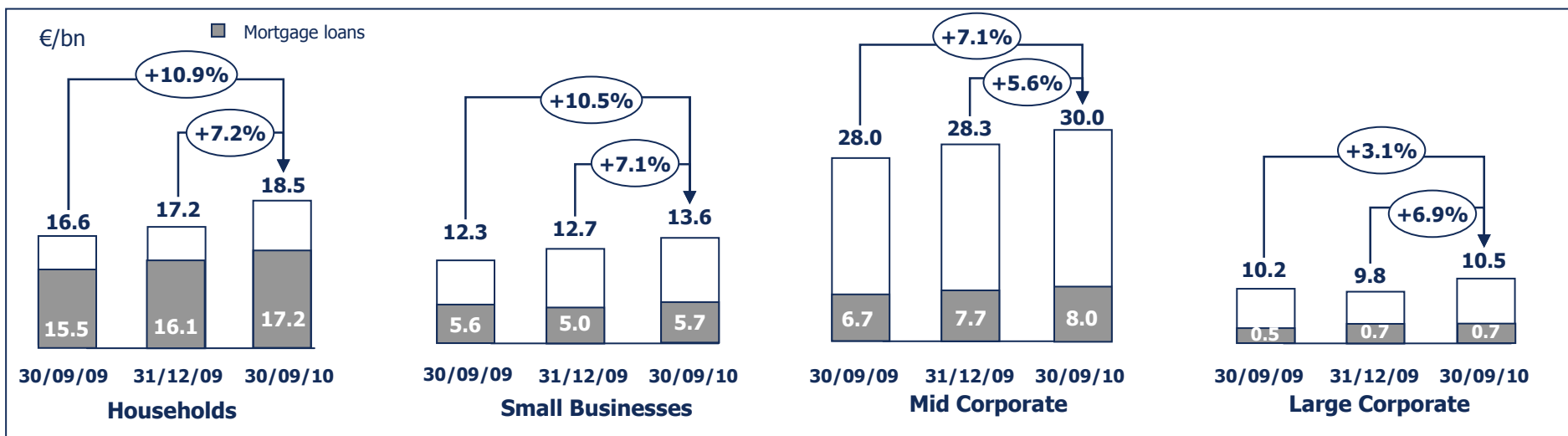
Cust. Loans of BdT by segments



Comments

- Group gross customer loans rose 6.5% y/y and 4.5% since year-end 2009.
- In particular, Household loans increased by +10.9% y/y (+7.2% since year-end 2009), while Small Businesses lending grew +10.5% y/y (+7.1% since year-end 2009).

Banks of Territory (BdT): increase in customer loans by segments (period-end data)



Other operating income: net commissions

€/m

Analysis of Net commission income

	9M 2010	9M 2009	% Chg.	Q3 10	Q2 10	Q1 10
Management, brokerage and advisory services	453.7	406.0	11.8%	151.3	152.2	150.2
Management of current accounts and cust. relation	316.0	279.8	12.9%	102.7	109.9	103.4
Payment and collection services	84.0	83.0	1.2%	27.6	28.8	27.7
Guarantees given	45.2	41.5	8.7%	14.3	14.8	16.0
Other services	48.6	63.0	-22.8%	14.8	17.0	16.9
Total	947.5	873.4	8.5%	310.6	322.7	314.2

Composition of 'Management, brokerage and advisory services'

	9M 2010	9M 2009	% Chg.	Q3 10	Q2 10	Q1 10
Asset management	112.1	97.9	14.5%	38.5	38.4	35.3
Bancassurance	151.3	124.5	21.5%	31.9	71.1	48.3
Consumer credit	45.4	48.0	-5.3%	13.2	13.2	19.0
Credit cards and other	33.8	27.2	24.2%	13.6	11.0	9.2
Securities sale and distribution	49.7	43.5	14.2%	34.8	1.5	13.4
Custodian bank	11.2	11.9	-5.4%	3.6	3.8	3.8
Trading activities of branch customers	36.6	39.3	-6.9%	11.3	12.0	13.3
Other	13.7	13.8	-0.8%	4.4	1.3	8.0
Total	453.7	406.0	11.8%	151.3	152.2	150.2

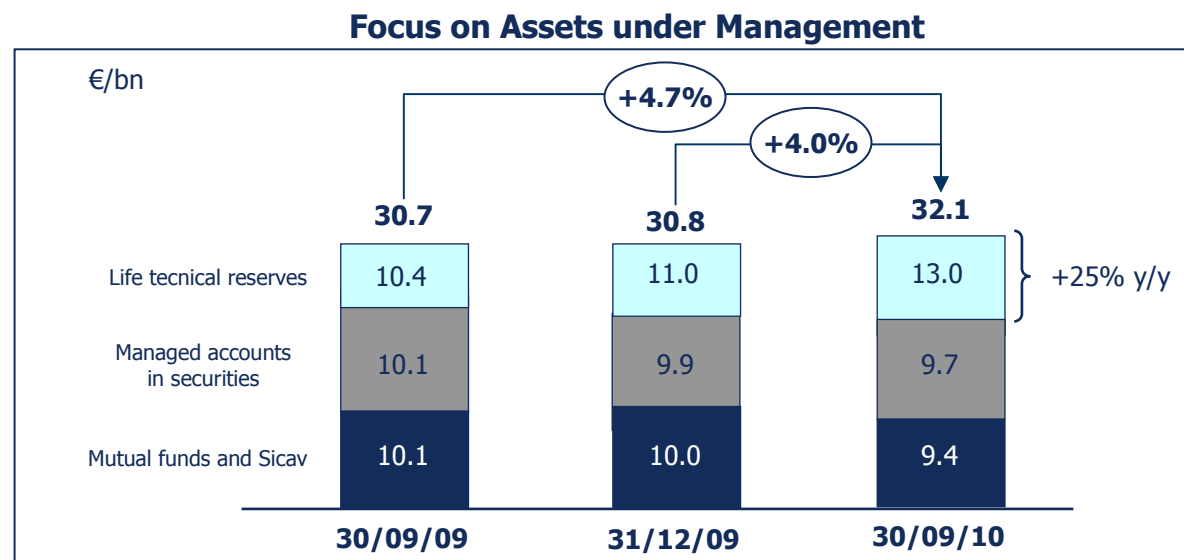
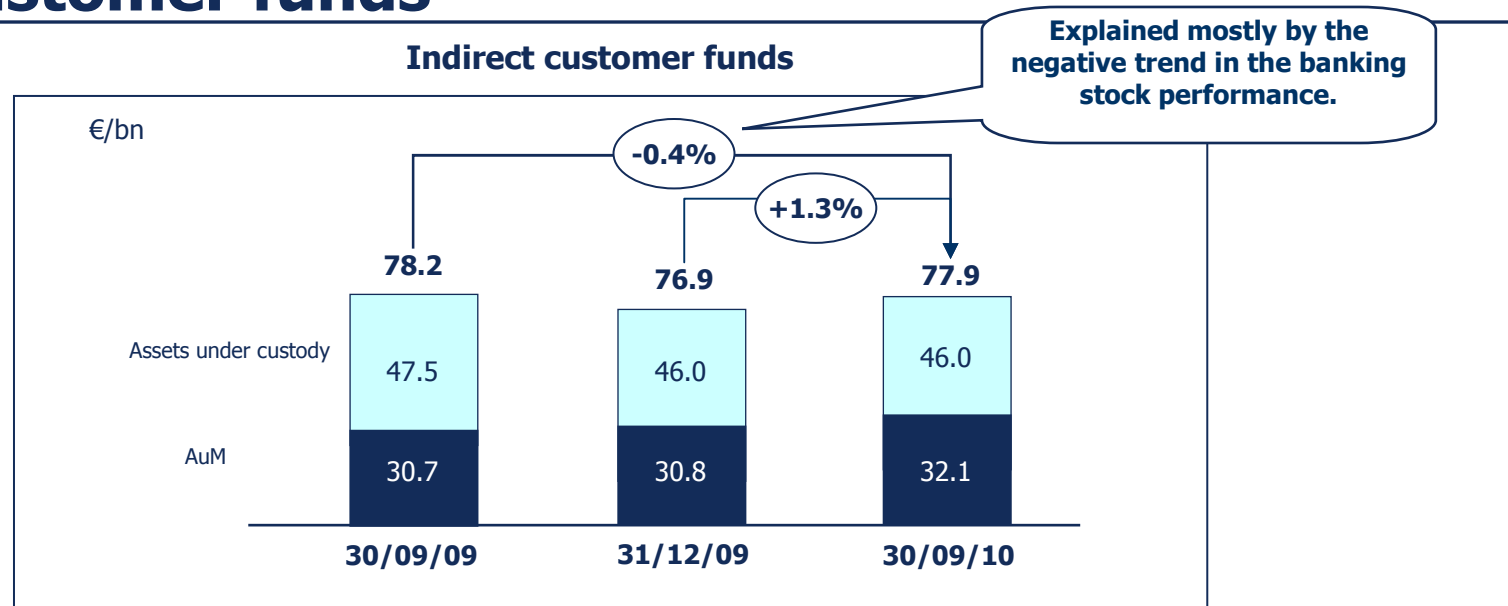
Other operating income: net financial result

€/m	9M 2010	9M 2009	% Chg.	Q3 10	Q2 10	Q1 10
• Financial liabilities designed at fair value	299.2	(328.7)	n.a.	(12.2)	256.0	55.3
<i>of which: credit-worthiness</i>	261.1	(333.3)	n.a.	2.2	239.7	19.3
• Proprietary portfolio and trading	96.5	572.9	n.a.	143.4	(101.3)	54.5
<i>of which: loss on Government bonds portfolio</i>	(103.3)	-	n.a.	13.6	(103.7)	(13.2)
<i>of which: loss from commercial transactions</i> <i>(eg. Public Exchange Offer on Icelandic index policies)</i>	(22.6)	-	n.a.	(1.5)	(3.5)	(17.6)
<i>of which: Banca Aletti</i>	193.8	202.5	-4.3%	75.5	49.6	68.7
• Dividends and profit (loss) on disposals of non-core equity stake	9.4	17.1	-45.1%	3.4	5.1	0.9
• Hedging activity	(4.8)	(1.9)	n.a.	(9.6)	(0.1)	4.9
Net financial income	400.2	259.4	54.3%	125.0	159.7	115.5
Net financial income EXCLUDING credit-worthiness, PEO on Icelandic index policies and write-down on Government bond portfolio.	265.0	592.6	-55.3%	110.7	27.2	127.1

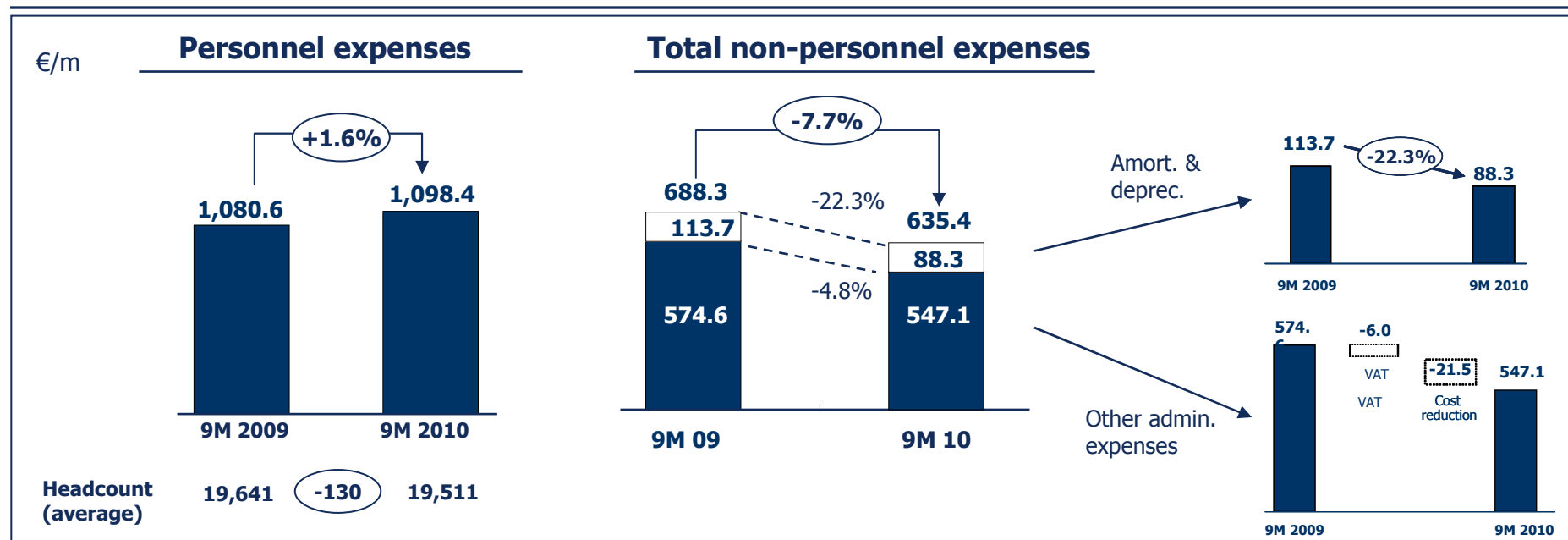
Largely replicable
core business.

Appendix: Banco Popolare 'standalone'

Indirect customer funds



Operating costs: analysis



Staff by category

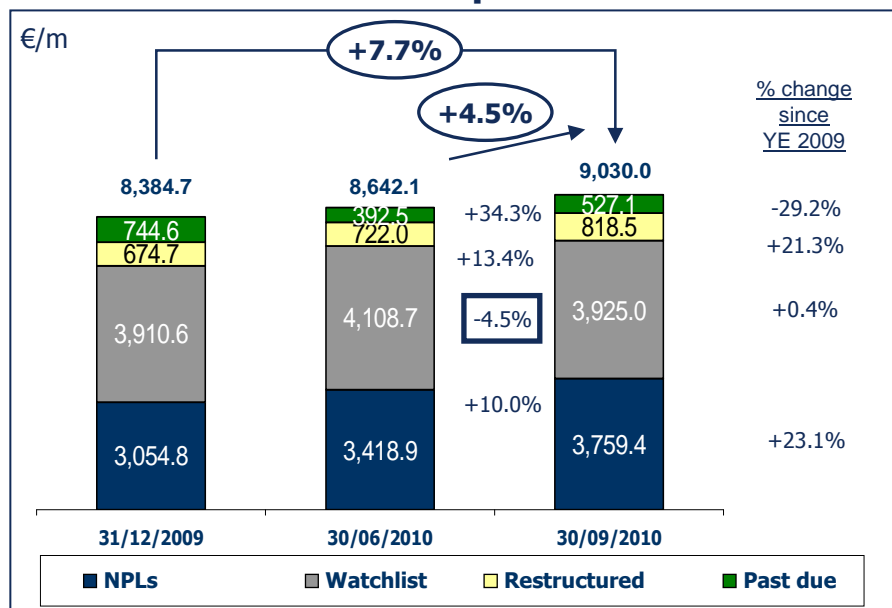
	<u>30/09/2009</u>	<u>30/09/2010</u>
Total Headcount (period-end)	<u>19,588</u>	<u>19,476</u>
- Executive managers	319	319
- Managers	7,386	7,499
- Clerks	11,016	10,832
- Other (Non-domestic, training and temporary employment contracts)	867	826
FTE: Full Time Equivalent		

Comments

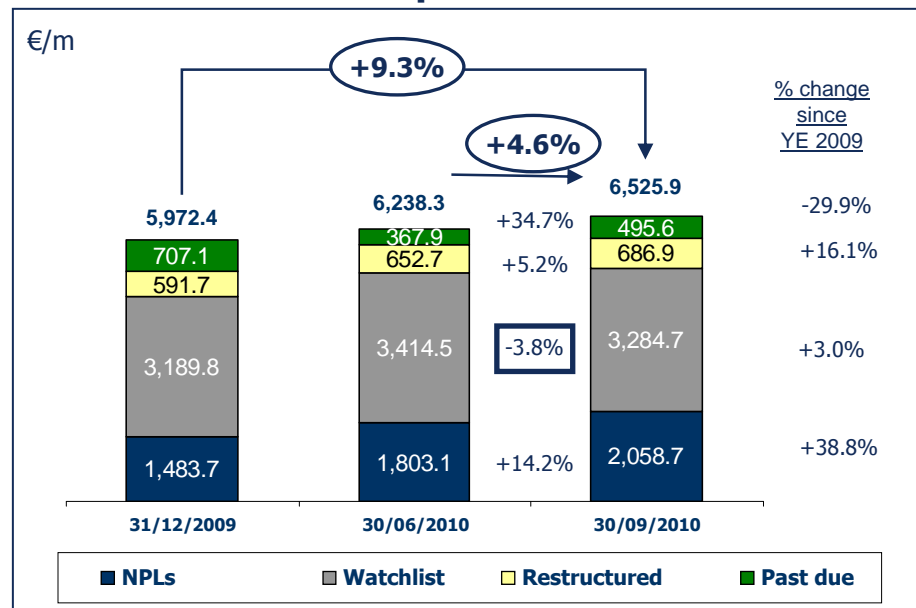
- Personnel expenses in 9M 2010 were mainly influenced by:
 - an increase in salaries, based on the renewal of the national labour contract, accounting for about +€24m as at 30/09/2010.
- Total non-personnel expenses decrease 7.7% y/y, thanks to:
 - savings in operating costs for a total of €21.5m compared with the same period of 2009;
 - VAT savings in relation to the increase in infragroup service activities, which became operational since the beginning of the year;
 - containment in amortisation & depreciation, due to a review of the useful 'life' of software and to investments which have terminated their existence (e.g. branch closures).

Credit quality: impaired loans and coverage ratios

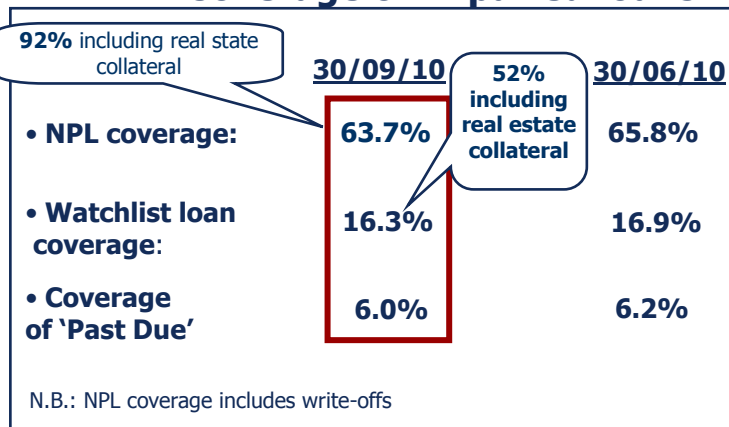
Gross impaired loans



Net impaired loans



Coverage of impaired loans



Comments

- The decrease in the coverage of **NPLs** over 30/06/2010 is influenced by the change in the portfolio mix: positions up to €250,000 registered an increase (mainly residential mortgage loans: +12%), which has led to less accounting provisions due to a better collateralization (for these specific positions, the total coverage rose from 91% to 94%).
- The **watchlists loan** portfolio is well fragmented and characterized by a higher accounting coverage on average for positions >€3m (21%), whereas for the positions up to €500,000 the coverage is represented to a significant degree by RE collateral, with a total coverage (accounting provisions + RE collateral) of 55%.
- The stock of **restructured loans** increased by €96m in Q3, of which €78m related to the support plan denominated "SOS famiglie/ Ditte individuali". The 5 largest positions, which continue to perform in an orderly way, account for 45% of the total. One of these 5 positions, accounting for 13% of the total portfolio, is provisioned against by 15%, plus an additional 29% of real estate collateral solely in favour of our Bank.
- The increase in **Past-Due loans** in Q3 2010 brings the stock to €527m, against €392m at 30/06/10, but remains well below the level registered at the end of 2009 (€745m). This increase is related to the specific period of the year clashing with summer months characterized by a lower level of collection activity; October figures are positive, showing a decrease in the stock to about €400m, hence moving back to the level registered in June.

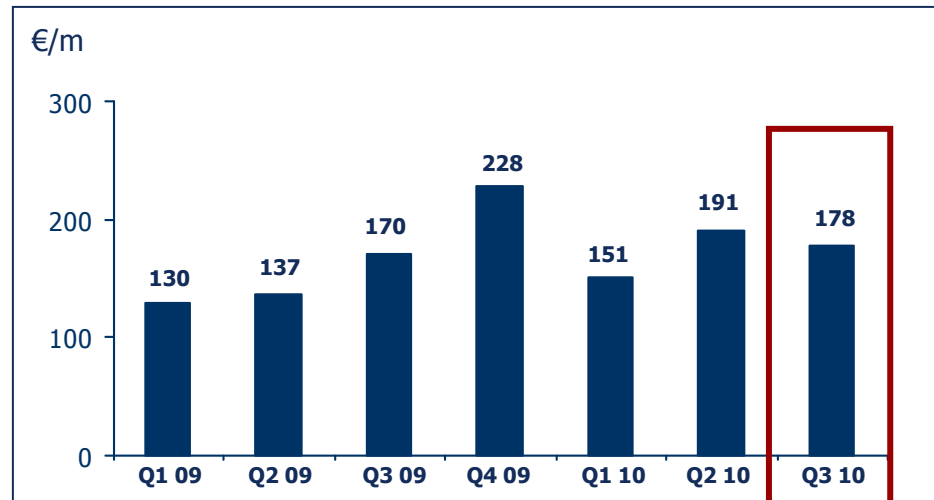
Banco Popolare 'standalone'

Credit quality: cost of risk

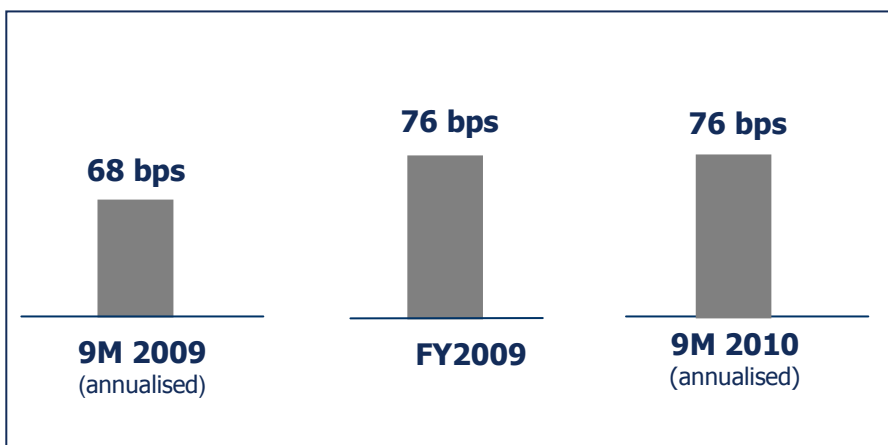
Loan loss provisions

€/m	30/09/10	31/12/09	30/09/09
Loan loss provisions (net)	520	665	437
Gross customer loans	91,587	87,614	85,969

Loan loss provision: quarterly evolution



Cost of credit risk (in bps)

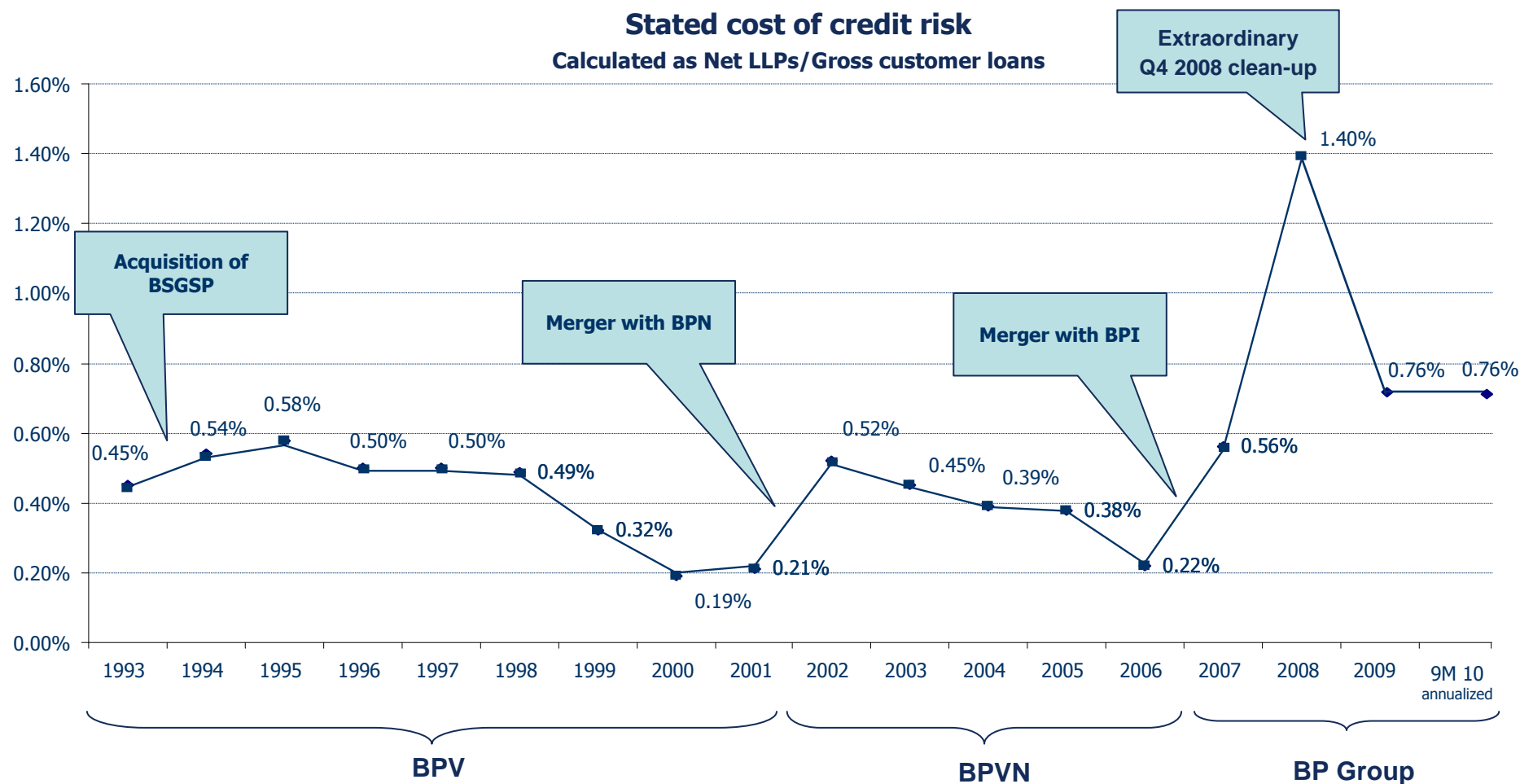


Comments:

Cost of credit risk as at 30 September 2010 equal to **76 bps**.

Banco Popolare 'standalone'

Historic cost of credit risk



Notes: Calculation based on Annual Reports.

2006-2007 figures based on IAS, previous years on Italian Gaap; 2006-2007 and 2008 excluding time factor, with 2006 including disposal of NPLs.

2004 without Linea as the company was considered as equity stake afterwards.



Section 3

Focus on Banca Italease

Banca Italease: income statement as at 30/09/2010

Reclassified income statement - €/m	30/09/2010	Q3 10	Q2 10	Q1 10
Net interest income	59.4	17.4	20.3	21.7
Profit (loss) on equity investments carried at equity	(4.4)	(4.5)	0.0	0.0
Net interest, dividend and similar income	54.9	13.0	20.4	21.7
Net commissions	9.2	3.4	3.4	3.2
Other revenues	23.6	14.1	9.0	(0.4)
Net financial income	4.4	(0.1)	2.8	1.8
Other operating income	37.1	17.4	15.2	4.6
Total income	92.1	30.4	35.5	26.3
Personnel expenses	(26.2)	(8.2)	(9.1)	(8.9)
Other administrative expenses	(30.2)	(8.5)	(13.8)	(7.9)
Amortization and depreciation	(8.2)	(4.3)	(2.1)	(1.8)
Operating costs	(64.6)	(21.0)	(24.9)	(18.6)
Profit from operations	27.5	9.4	10.6	7.7
Net write-downs on impairment of loans, guarantees and commitments	(88.3)	(44.2)	(20.3)	(24.3)
Net write-downs on impairment of other financial transactions	0.7	0.8	0.4	-
Net provisions for risks and charges	(11.3)	10.3	(22.8)	1.2
Impairment of goodwill and equity investments	(0.0)	-	(0.1)	-
Profit (loss) on disposal of equity and other investments	33.8	0.2	30.0	3.6
Income before tax from continuing operations	(37.6)	(23.6)	(2.2)	(11.8)
Tax on income from continuing operations	296.2	8.6	279.9	7.7
Income (Loss) after tax from non-current assets held for sale	21.8	15.8	3.5	2.5
Minority interest	(3.7)	(2.2)	(0.9)	(0.6)
Net income for the period	276.7	(1.4)	280.3	(2.2)

The income statement reflects the contribution of Banca Italease Group to the Banco Popolare Group consolidated accounts, excluding the PPA impact related to Banca Italease.

The income statement as at 30/09/2010 is not directly comparable with the corresponding period of the previous year, considering that at the end of Q4 2009 the conferment of the business line relative to leasing contracts originated through the banking channel to the associated company Alba Leasing was finalised.

In addition to what reported in H1 results (alignment to the Group's credit evaluation standards and higher provisions on Watchlist loans <€25K, for a total effect of ~€30m), includes the following **one-off effects**:

- ~€13m due to provisions on the portfolio received from Alba Leasing
- ~€6m impact coming from the disposal of non RE-related NPLs with an amount of <€250K.

Includes +€285.8m of deferred tax assets recognized following the entry, starting from 2010, of Banca Italease and its subsidiaries into the scope of consolidated tax accounting of Banco Popolare Group.

Banca Italease: breakdown of 9M 2010 results

		Of which:	
Reclassified income statement - €/m	30/09/2010	Italease Residual	Release
Net interest income	59.4	38.4	21.0
Profit (loss) on equity investments carried at equity	(4.4)	(4.4)	-
Net interest, dividend and similar income	54.9	34.0	21.0
Net commissions	9.2	9.7	(0.5)
Other revenues	23.6	23.6	(0.1)
Net financial income	4.4	5.0	(0.6)
Other operating income	37.1	38.3	(1.2)
Total income	92.1	72.3	19.8
Personnel expenses	(26.2)	(24.0)	(2.2)
Other administrative expenses	(30.2)	(23.1)	(7.1)
Amortization and depreciation	(8.2)	(5.4)	(2.8)
Operating costs	(64.6)	(52.5)	(12.1)
Profit from operations	27.5	19.8	7.7
Net write-downs on impairment of loans, guarantees and commitments	(88.3)	(88.0)	(0.3)
Net write-downs on impairment of other financial transactions	0.7	0.7	-
Net provisions for risks and charges	(11.3)	(9.6)	(1.7)
Impairment of goodwill and equity investments	(0.0)	(0.0)	-
Profit (loss) on disposal of equity and other investments	33.8	31.6	2.2
Income before tax from continuing operations	(37.6)	(45.5)	7.9
Tax on income from continuing operations	296.2	295.5	0.7
Income (Loss) after tax from non-current assets held for sale	21.8	21.8	-
Minority interest	(3.7)	(3.7)	-
Net income for the period	276.7	268.1	8.7

Conclusions: structural solutions and focus on profitability

Capital:

- Launch of resolving capital management actions: (SMCN, disposal of Factorit/Caripe, capital increase).
- Pro-forma capital ratios as of 30/06/2010 prior to SMCN conversion: 7.0% Core Tier 1; 8.5% Tier 1.

Banca Italease:

- Banca Italease under control, with a strong derisking already achieved and with results in line with expectations.
- Launch of a various actions aimed at achieving a further reduction in outstanding risk exposures.

Group profitability:

- Bottom-line profitability is satisfactory in light of the current environment and in line with the plans: Group and 'standalone' normalized net income stand at €260.3m and €269.5m, respectively, in the nine months of 2010.
- Cost reduction: operating costs decrease 2.0% y/y; discussions with trade unions are well under way aimed at achieving a further headcount reduction of about 500 resources in 2011.
- Credit quality under control: the annualised cost of credit risk stands at 76 bps 'standalone', in line with the level registered in FY 2009, and at 80 bps for the Group including Banca Italease.
- Banca Popolare di Lodi: consolidated turnaround progress.

Pipeline of IR events in 2010

work in
progress

Date	Place	Events
January 21, 2010	Milan	UBS Italian Financial Services Conference
February 16, 2010	London	HSBC South European Banks Conference
March 23, 2010	London	Morgan Stanley - 2010 European Financials Conference
March 30, 2010	Verona	Press Release on FY 2009 results
March 30, 2010	Verona	Banco Popolare: Conference call on FY 2009 results
April 24, 2010	Verona	Annual Meeting of Shareholders (2nd call)
May 14, 2010	Verona	Press release on Q1 2010 results
May 14, 2010	Verona	Banco Popolare: Conference call on Q1 2010 results
May 20, 2010	Milan	Unicredit XIII Italian Conference
May 25, 2010	Milan	Deutsche Bank Italian Conference
June 10, 2010	Madrid	Goldman Sachs European Financial Conference
August 27, 2010	Verona	Press release on H1 2010 results
August 27, 2010	Verona	Banco Popolare: Conference call on H1 2010 results
September 2, 2010	London	Nomura Financial Services Conference (investor meetings)
September 15, 2010	London	KBW UK & European Financials Conference 2010
September 29, 2010	London	BoA Merrill Lynch Banking and Insurance CEO Conference
November 12, 2010	Verona	Press release on Q3 2010 results
November 12, 2010	Verona	Banco Popolare: Conference call on Q3 2010 results
November 19, 2010	Stresa	Banca Leonardo Italian Financial Conference
December 11, 2010	Verona	Special Shareholders' Meeting (2nd call - Capital Increase)

N.B. The above pipeline does not include ongoing roadshows, meetings and possible other Investor Conferences.



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