



BANCA POPOLARE DI MANTOVA

 GRUPPO BPIEMME

PRESS RELEASE

**BANCA POPOLARE DI MANTOVA SPA:
BOARD OF DIRECTORS APPROVES THE FIRST HALF 2010 RESULTS**

Operating profit: 1.94 million euro (+3.1% on 30.06.2009)

Pre-tax profit: 1.47 million euro (+45.7% on 30.06.2009)

Net profit: 0.9 million euro (+48.5% on 30.06.2009)

The Board of Directors of Banca Popolare di Mantova, met today and approved the Bank's results for the first half of 2010.

The principal aggregates are reported below with comparative figures at 31 December 2009:

- Loans and advances to customers amount to Euro 365 million, slightly down (-0.3%) on the figure at 31.12.2009 but up on 30.06.2009 (+1.7%);
- Direct deposits – made up of amounts due to customers, debt securities in issue and financial liabilities designated at fair value through profit and loss – amount to Euro 202 million, in line with 31.12.2009 and but up on 30.06.2009 (+23.9%) mainly because of the positive trend in amounts due to customers;
- Indirect deposits, expressed at market values, come to Euro 144 million, with a slight decline (-4.5%) due to a contraction in assets under administration (-6.9% on 31.12.2009 and -2.4% on 30.06.2009) as a result of the drop in financial markets. Assets under management rises by 21.3% on 31.12.2009 and by 146.8% on 30.06.2009;
- Shareholders' equity (including net profit) amounts to Euro 22.5 million; together, share capital and reserves amount to Euro 21.6 million.

As regards the Bank's economic results, net profit for the six months ended 30 June 2010 comes to Euro 0.9 million, compared with Euro 0.6 million at 30 June 2009 (+48.5%), mainly due to the stability of operating revenues, lower loan impairment adjustments and tight control over operating costs.

In particular, operating income amounts to Euro 5.75 million (+0.6% on 30.06.2009), mainly thanks to higher net fees and commission (+25.9% on 30.06.2009) and income from financial activities.

Operating costs at 30 June 2010 (Euro 3.81 million) show a slight decrease (-0.6%) because of administrative expenses which amount to Euro 2 million, 11.9% lower than in first half 2009; payroll is 18.1% up on 30.06.2009 because of staff hired for the two new branches opened in 2010.

Operating profit therefore comes to Euro 1.94 million (+3.1% on 30.06.2009).

The profit from current operations before tax comes to Euro 1.47 million, compared with Euro 1.01 million (+45.7%) at 30 June 2009.

After booking income taxes of Euro 0.56 million (with an effective tax rate of 38.3%), the net profit for the period comes to Euro 0.9 million.

The Bank's reclassified balance sheet and income statement are attached below in order to provide full information on its results for the first half of 2010.

Mantua, 24 August 2010

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Banca Popolare di Milano - Reclassified balance sheet

(Euro/000)

| Compulsory format codes | Assets | 30.06.2010 | 31.12.2009 | 30.06.2009 | Change | A-B | Change | A-C |
|-------------------------------|---|----------------|----------------|----------------|--------------|------------|---------------|------------|
| | | A | B | C | amount | % | amount | % |
| 10. | Cash and balances with central banks | 2,361 | 1,985 | 2,010 | 376 | 18.9 | 351 | 17.5 |
| | Financial assets at fair value and hedging derivatives: | 2,066 | 1,909 | 2,029 | 157 | 8.2 | 37 | 1.8 |
| 20. | - Financial assets held for trading | 777 | 602 | 1,028 | 175 | 29.1 | (251) | (24.4) |
| 30. | - Financial assets designated at fair value through profit and loss | 0 | 0 | 0 | 0 | n.s. | 0 | n.s. |
| 40. | - Financial assets available for sale | 1,289 | 1,307 | 1,001 | (18) | (1.4) | 288 | 28.8 |
| 80. | - Hedging derivatives | 0 | 0 | 0 | 0 | 0.0 | 0 | 0.0 |
| 60. | Loans and advances to banks | 5,047 | 2,829 | 6,540 | 2,218 | 78.4 | (1,493) | (22.8) |
| 70. | Loans and advances to customers | 365,174 | 366,345 | 359,224 | (1,171) | (0.3) | 5,950 | 1.7 |
| 100. 110. 120. | Fixed assets | 1,173 | 955 | 439 | 218 | 22.8 | 734 | 167.2 |
| 130. 150. | Other assets | 10,398 | 5,942 | 5,010 | 4,456 | 75.0 | 5,388 | 107.5 |
| | Total assets | 386,219 | 379,965 | 375,252 | 6,254 | 1.6 | 10,967 | 2.9 |

| Compulsory format codes | Liabilities and shareholders' equity | 30.06.2010 | 31.12.2009 | 30.06.2009 | Change | A-B | Change | A-C |
|-------------------------------|--|----------------|----------------|----------------|--------------|------------|---------------|------------|
| | | A | B | A | amount | % | amount | % |
| 10. | Due to banks | 152,651 | 147,150 | 181,298 | 5,501 | 3.7 | (28,647) | (15.8) |
| 20. | Due to customers | 113,661 | 118,083 | 81,150 | (4,422) | (3.7) | 32,511 | 40.1 |
| 30. | Debt securities in issue | 74,873 | 69,375 | 69,277 | 5,498 | 7.9 | 5,596 | 8.1 |
| | Financial liabilities and hedging derivatives: | 13,843 | 15,046 | 13,124 | (1,203) | (8.0) | 719 | 5.5 |
| 40. | - Financial liabilities held for trading | 310 | 197 | 434 | 113 | 57.4 | (124) | (28.6) |
| 50. | - Financial liabilities designated at fair value through profit and loss | 13,533 | 14,849 | 12,690 | (1,316) | (8.9) | 843 | 6.6 |
| 60 | - Hedging derivatives | 0 | 0 | 0 | 0 | 0.0 | 0 | 0.0 |
| 80. 100. | Other liabilities | 8,457 | 8,475 | 7,438 | (18) | (0.2) | 1,019 | 13.7 |
| 110. 120. | Provisions for specific use | 197 | 191 | 186 | 6 | 3.1 | 11 | 5.9 |
| 130. 150. 160. | Capital and reserves | 21,628 | 22,238 | 22,167 | (610) | (2.7) | (539) | (2.4) |
| 170. 180. 190. | | | | | | | | |
| 200. | Net profit (loss) for the period (+ / -) | 909 | -593 | 612 | 1,502 | n.s. | 297 | 48.5 |
| | Total liabilities and shareholders' equity | 386,219 | 379,965 | 375,252 | 6,254 | 1.6 | 10,967 | 2.9 |

Banca Popolare di Mantova - Reclassified income statement

(Euro/000)

| Compulsory format codes | Line items | First half | First half | Change | |
|----------------------------------|--|----------------|----------------|------------|-------------|
| | | 2010 | 2009 | amount | % |
| 10-20 | Net interest income | 4,344 | 4,951 | (607) | (12.3) |
| 40-50 | Net fees and commission | 1,253 | 995 | 258 | 25.9 |
| 70. | Dividend and similar income | 0 | 0 | 0 | |
| 80-90-100-110 | Net income from financial activities | 81 | (386) | 467 | n.s. |
| 190. | Other operating charges/income | 79 | 160 | (81) | (50.6) |
| | Operating income | 5,757 | 5,720 | 37 | 0.6 |
| 150. | Administrative expenses: | (3,700) | (3,714) | 14 | 0.4 |
| | a) payroll | (1,685) | (1,427) | (258) | (18.1) |
| | b) other administrative expenses | (2,015) | (2,287) | 272 | 11.9 |
| 170 -180 | Net adjustments to property, plant and equipment and intangible assets | (116) | (124) | 8 | 6.5 |
| | Operating costs | (3,816) | (3,838) | 22 | 0.6 |
| | Operating profit | 1,941 | 1,882 | 59 | 3.1 |
| 130. | Net impairment adjustments to loans and financial assets | (461) | (905) | 444 | 49.1 |
| 160. | Net charges to provisions for risks and charges | (6) | 35 | (41) | n.s. |
| 210-240 | Profits (losses) from equity and other investments | 0 | 0 | 0 | 0.0 |
| 250. | Profit (loss) from current operations before tax | 1,474 | 1,012 | 462 | 45.7 |
| 260. | Income taxes on current operations | (565) | (400) | (165) | (41.3) |
| 290. | Net profit (loss) for the period | 909 | 612 | 297 | 48.5 |
| Earnings per share (Euro) | | 1.284 | 0.864 | | |

Method of preparing the reclassified income statement

For management reporting purposes the results at 30 June 2010 have been presented in a reclassified format, in which line items have been aggregated and reclassified in accordance with market practice in such a way as to provide a clearer picture of performance.

To ease reconciliation between the reclassified income statement and the compulsory format, the code numbers from the compulsory format are shown beside each item in the reclassified statement. The following reclassifications have been made:

1. **Other operating charges/income" (line item 190)** recorded as part of "Operating costs" in the official reporting format have been adjusted to exclude "Recoverable indirect taxes" (Euro 202 thousand at 30.06.2010 and Euro 222 thousand at 30.06.2009) and to include the "Depreciation of leasehold improvements" (Euro 35 thousand at 30.06.2010 and Euro 13 thousand at 30.06.2009). "Other operating charges/income", reclassified in this way, have been included in "Operating income" in the reclassified income statement;

2. **Other administrative expenses" (line item 150 b)** have been adjusted to exclude the "recoverable indirect taxes" mentioned in point 1) above;

3. **Net adjustments to property, plant and equipment and intangible assets"** have been increased in the reclassified income statement by the "depreciation of leasehold improvements" mentioned in point 1) above;

4. **"Net impairment adjustments to loans and financial assets"** (Euro 461 thousand at 30.06.2010 and Euro 905 thousand at 30.06.2009) reported in line item 130 have been booked after "Operating profit" in the reclassified format.

Banca Popolare di Mantova – Quarterly evolution of the reclassified income statement

(Euro/000)

| Compulsory format codes | Line items | 2010 | | 2009 | | | |
|----------------------------|--|-------------------|------------------|-------------------|------------------|-------------------|------------------|
| | | Second quarter | First quarter | Fourth quarter | Third quarter | Second quarter | First quarter |
| 10-20 | Net interest income | 2,042 | 2,302 | 2,176 | 2,720 | 2,705 | 2,246 |
| 40-50 | Net fees and commission | 630 | 623 | 654 | 702 | 515 | 480 |
| 70. | Dividend and similar income | 0 | 0 | 0 | 0 | 0 | 0 |
| 80-90-100- 110 | Net income from financial activities | 50 | 31 | (21) | 12 | (36) | (350) |
| 190. | Other operating charges/income | 35 | 44 | 10 | 20 | 154 | 6 |
| | Operating income | 2,757 | 3,000 | 2,819 | 3,454 | 3,338 | 2,382 |
| 150. | Administrative expenses: | (1,734) | (1,966) | (1,029) | (1,839) | (1,916) | (1,798) |
| | a) payroll | (841) | (844) | (761) | (780) | (670) | (757) |
| | b) other administrative expenses | (893) | (1,122) | (268) | (1,059) | (1,246) | (1,041) |
| 170 -180 | Net adjustments to property, plant and equipment and intangible assets | (68) | (48) | (67) | (55) | (72) | (52) |
| | Operating costs | (1,802) | (2,014) | (1,096) | (1,894) | (1,988) | (1,850) |
| | Operating profit | 955 | 986 | 1,723 | 1,560 | 1,350 | 532 |
| 130. | Net impairment adjustments to loans and financial assets | 239 | (700) | (3,602) | (944) | (507) | (398) |
| 160. | Net charges to provisions for risks and charges | (6) | 0 | (1) | (1) | 37 | (2) |
| 210-240 | Profits (losses) from equity and other investments | 0 | 0 | 0 | 0 | 0 | 0 |
| 250. | Profit (loss) from current operations before tax | 1,188 | 286 | (1,880) | 615 | 880 | 132 |
| 260. | Income taxes on current operations | (400) | (165) | 380 | (320) | (274) | (126) |
| 290. | Net profit (loss) for the period | 788 | 121 | (1,500) | 295 | 606 | 6 |