



***Investor Presentation
Debut Italian OBG Programme***

1st – 8th February 2010

Executive summary

Banco Popolare is delighted to present its Aaa/AAA (Moody's/Fitch) rated Obbligazioni Bancarie Garantite (OBG) Programme

Banco Popolare Group

- Banco Popolare Group is the 4th Italian Banking group by total assets (€138 billion, Sep 09) with a leading position in the Northern and Central regions of Italy
- The Group's business is focused on Retail Banking, with deep local roots in the North regions of Italy. Banking business is mainly focused on households, small businesses and medium-sized corporates (SMEs)
- Banco Popolare Group has a very solid deposit base, with a loan/deposit ratio of 0.97 as of 30th September 2009
- The Group is rated A2/A-/A- (Moody's/S&P/Fitch), with outlook stable for Moody's and watch negative for S&P and Fitch

The OBG programme

- The Italian legislation provides a strong framework for investors, fully in line with the most advanced European market standards
- All the bonds issued under the Programme fully benefit from the provisions and protection granted under the *Obbligazioni Bancarie Garantite* Legislation ("**Law**") framework, which is based on the Law 130/1999 Italian Securitisation Framework

Italian banking sector overview

- Significantly less leveraged than the rest of Europe
- The Northern part of Italy is traditionally the wealthiest area and provides the largest deposit pools

The Initial Cover Pool

- 100% prime Italian, first lien, performing residential mortgages
- Assets have been legally segregated according to the Law
- Only fully performing loans added to the Cover Pool (no loan in arrears)
- WA Current LTV: 49.3%, with a WA OLTV of 57.6%
- Regional Distribution: 64.4% North, 26.6% Center, 9% South

Source: Banco Popolare Q3 Report



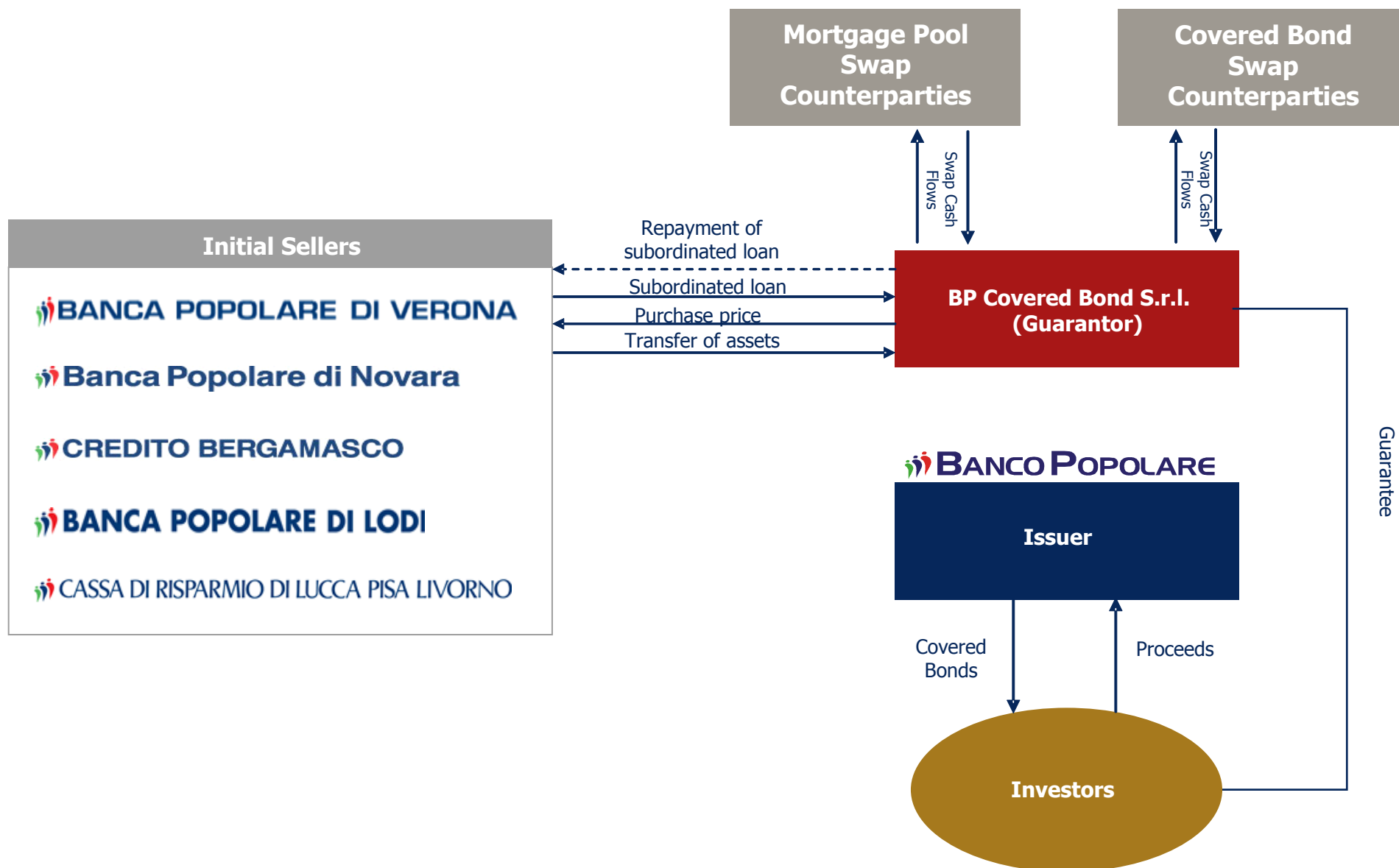
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Summary of the Banco Popolare Programme

Issuer	Banco Popolare Società Cooperativa
Originator	Banca Popolare di Verona, Banca Popolare di Novara, Credito Bergamasco, Banca Popolare di Lodi, Cassa di Risparmio di Lucca Pisa Livorno
Guarantor	BP Covered Bond S.r.l. a bankruptcy remote, special purpose entity which benefits from segregation principals well established under law 130/1999
Security Structure	Italian Law-based Covered Bonds (OBG)
Cover Pool	Exclusively Italian prime residential mortgages
Maximum LTV	80% at inclusion and capped by the Asset Coverage Test (ACT)
Substitute Assets	Up to 15%
Listing/Denomination	Luxembourg Stock Exchange; EUR 50,000
Over-collateralisation	Dynamically adjusted via ACT/Interest Coverage Test
Expected Ratings	Aaa / AAA (Moody's / Fitch)
Asset Monitor	Mazars S.p.A.
Type of Issuance	Jumbo benchmark size
Governing law	Italian
Arrangers	RBS, UBS Investment Bank
Bondholders Trustee	BNP Paribas
Risk Weighting	10%

Overview of Covered Bond issuance structure



Italian Covered Bond Legal Framework

Name of the instruments	Obbligazioni Bancarie Garantite
Legislation	Article 7-bis of law 130/1999, Ministry of Economy & Finance decree 310 dated 14 December 2006 and Bank of Italy instructions issued on 17 may 2007
Special banking principle	No: any Italian bank fulfilling specific criteria for transfer of Assets and issuance of Covered Bonds
Restriction on business activity	N/A
Asset Allocation	Cover assets are segregated by Law through the transfer to a separate entity
Inclusion of hedge positions	Hedge position are part of the structural enhancements intended to protect bondholders
Integration Assets	Up to 15%
Geographical scope for public assets	EEA states and Switzerland, subject to a maximum risk weighting of 20% Non-EEA states or local authorities subject to a maximum risk weighting of 20% and up to 10% of the pool
Geographical scope for mortgage assets	EEA and Switzerland
LTV barrier residential / commercials	80% / 60%
Special Supervision	Bank of Italy
Protection against ALM	Yes – Mandatory Test and Voluntary Tests
Protection against credit risk	Seller may replace, non-eligible, defaulted or non-performing loans
Mandatory over- collateralisation	To be subject to an asset coverage test on a contractual basis
Voluntary over-collateralisation	Yes
Outstanding OBG to regulatory capital	Depending on Tier 1 and total capital ratios. There is no limit as long as the respective bank maintains a total capital ratio above 9% and a tier 1 ratio above 6%
1st claim in the event of insolvency	All payments are received from the special entity's assets. These payments are expected to be collected in a separate account. Investors continue to receive scheduled payments, as if the issuer had not defaulted
External support mechanisms	In the event of insufficient pool assets proceeds to cover their claim, investors rank pari passu with senior debt holders. There is a simultaneous unsecured dual claim against the issuer and secured against the portfolio held by the specially separated entity
Compliance with CRD	Yes
Compliant with UCITS Art. 22 par. 4	Yes

Bank of Italy OBG requirements

- Pursuant to Bank of Italy supervisory regulation (dated 15 May 2007), OBG may only be issued by banks with:
 - minimum consolidated regulatory capital of € 500mn
 - minimum Total Capital Ratio of 9%
 - minimum Tier 1 Ratio of 6%
- In addition the assignment of assets to the cover pool is subject to certain limits based on the bank's total capital and Tier 1 ratios:

Total Capital Ratio (TCR) $\geq 11\%$	No limits
Tier 1 Ratio (T1R) $\geq 7\%$	
$10\% \leq \text{TCR} < 11\%$	Up to 60% of the available eligible assets
$\text{T1R} \geq 6.5\%$	
$9\% \leq \text{TCR} < 10\%$	Up to 25% of the available eligible assets
$\text{T1R} \geq 6\%$	

Source: Bank of Italy, Banco Popolare

"OC" and ALM Matching Requirements

Asset Coverage Test (ACT)

Minimum 7.5% "OC"(93% Asset Percentage) adjusted dynamically to protect AAA/Aaa ratings

"OC" Test

The aggregate outstanding amount of the Cover Pool must be at least equal to the Outstanding Amount of all the OBG issued under the Programme

Net Present Value Test

The Net Present Value of the cover pool (net of the SPV general and administrative expenses) including derivatives must be at least equal to the NPV of the outstanding Obbligazioni Bancarie Garantite

Interest Coverage Test

Interests generated by the cover pool (including derivatives) must be sufficient to cover interest payments under the Obbligazioni Bancarie Garantite

Mandatory Test (by Law)


Note: These pages contain a summary/overview of the Priority of Payments and Tests. For the official wording please refer to the Base Prospectus



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Banco Popolare Group at a glance

 Banco Popolare was established on 1st July 2007 from the merger between Banco Popolare di Verona e Novara and Banca Popolare Italiana


 Today, Banco Popolare is the 1st Italian popolare bank per branch number (2,291) and the 4th largest Italian bank by total assets¹

 Excellent geographical position, with an average branch market share of 10% in the main regions in northern Italy and a deeply rooted network with more than 3 million customers

 Core business focused on retail and SME clients (~86% of total revenues)

 Total assets: **€138.9bn**, net customer loans: **€101.1bn**, direct customer deposits: **€104.6bn** and indirect customer funds: **€78.4bn** (of which **€30.8bn** AuM)¹

 Pro-forma Tier 1: 8.9%, RWAs: **€92.0bn**²

 Strengthening of the capital position through the sale of non-core assets, "Tremonti" bond issuance and approval of the issuance of a "soft mandatory" convertible bond

¹ Data as of 30/09/2009

² Capital ratios estimated on a pro-forma basis include Tremonti Bonds, the disposal of Factorit, and also the full effect of the Soft Mandatory Convertible Notes (€1.0bn). They don't include dividend distribution and Banca Italease 2009 balance sheet figures.

Solid ratings



Moody's Investors Service

Short term credit rating: P-1
Long term credit rating: A2

Outlook: Stable

The rating reflects the bank's strong franchise value and acceptable financial factors. It also factors in the challenge of restructuring BP's loss-making subsidiary, Banca Italease (Italease).

The group's strong franchise in the wealthy northern Italian regions continues to support pre-provision profitability at adequate levels with stable, retail-related business lines contributing more than 60% of the bank's profits, resulting in good earnings stability.

FitchRatings

Short term credit rating: F-2
Long term credit rating: A-

Watch: Negative

Banco Popolare's (BP) ratings are based on its position as the fourth-largest bank in Italy, its strong franchise in some of Italy's wealthiest regions and its good potential to improve core operating revenue and efficiency.

BP benefits from sound market shares of 7%-9% through branches in the wealthy northern Italian regions and also has a respectable foothold in Tuscany with a branch market share of more than 10%.

**STANDARD
& POOR'S**

Short term credit rating: A2
Long term credit rating: A-

Watch: Negative

The ratings on Italy-based Banco Popolare Società Cooperativa Scarl reflect Standard & Poor's Ratings Services' expectation of the bank's weaker credit and financial performance balanced against its solid franchise in its core retail and small and midsize enterprise (SME) businesses in wealthy north and central Italy.

BP has a strong market position in its core retail and SME banking businesses in the healthy northern regions of Italy. More than two-thirds of BP's total branches are located there, where the group has a 10% market share and ranks No 3.

Source: Moody's Credit Analysis 30 Sep 2009; Fitch Credit Analysis 6 Nov 2009; S&P Full Analysis 24 Apr 2009

Banco Popolare 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 corporates
- Core business accounts for about 93% of total revenues

Sound Balance Sheet Structure and Liquidity Pos.

- Loan/Deposit ratio of 0.97 as of 30 Sept. 2009
- Funding needs are structurally covered well beyond 2012
- Low leverage

Low risks of assets

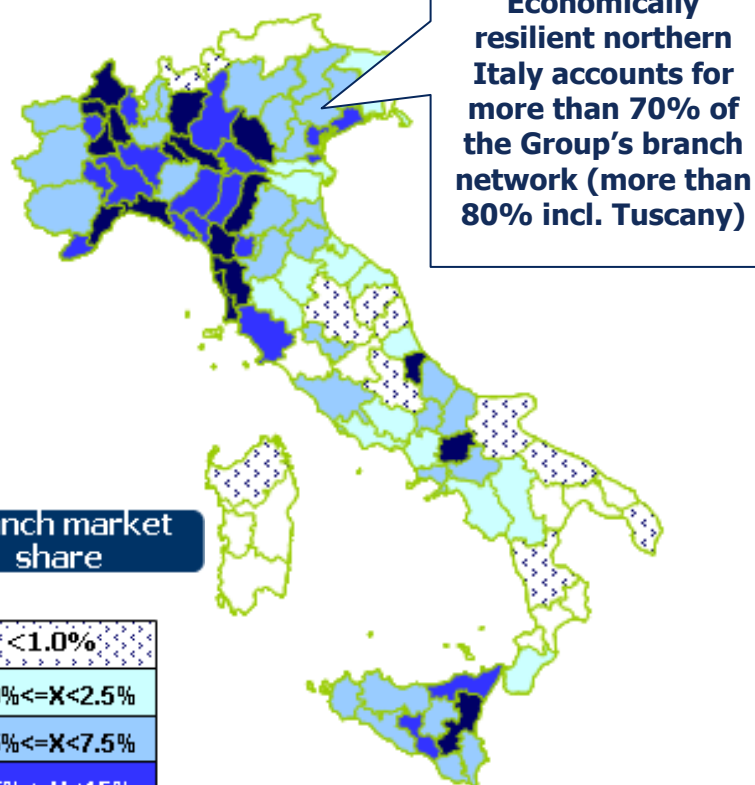
- 97% of the core business is domestic
- Strong diversification of the loan portfolio, which was subject to strict valuation rigor and provisioning in 2008
- Alignment of all participations in the merchant banking portfolio to market values

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 €14m in 9m 2009 (holding period = 1 day; confidence interval = 99%) – about €4m on 30th September 2009

Banco Popolare – Group franchise at a glance

Branch market share



Branch market share

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

Key figures

Domestic market shares

	National	North-West	North-East	Center	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:

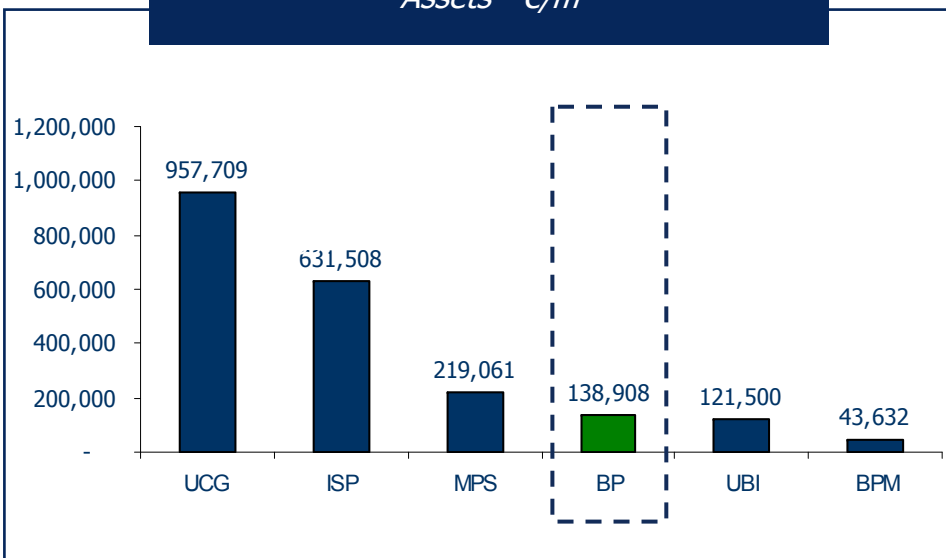
- average branch market share of 10% in the main regions in northern Italy:
 - Liguria: 14.1%
 - Tuscany: 10.7%
 - Veneto: 8.9%
 - Piedmont: 8.9%
 - Lombardy: 8.7%
 - Emilia Romagna: 7.3%
- market share of more than 10% in 20 provinces

■ Franchise quality

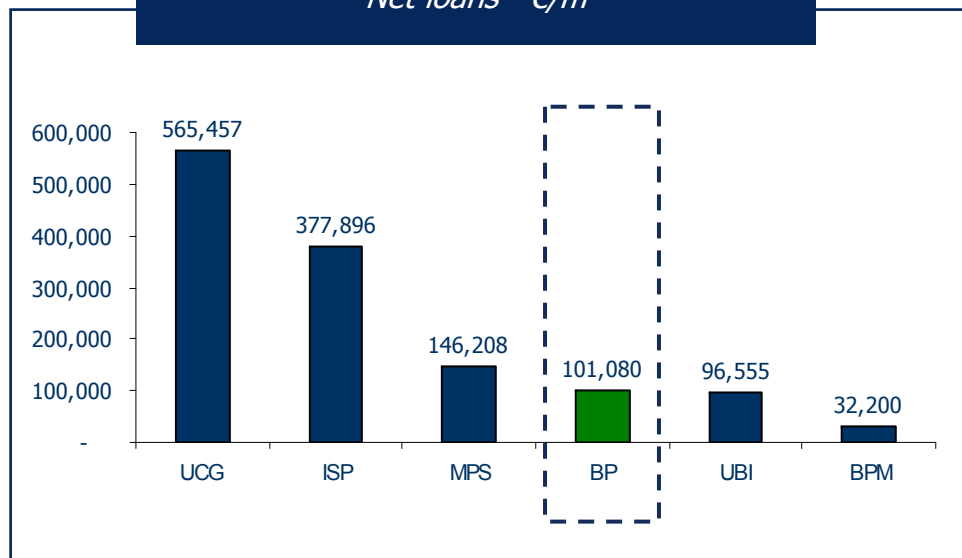
■ Well recognised brands in core market regions

Benchmarking – Banco Popolare vs. Italian peers

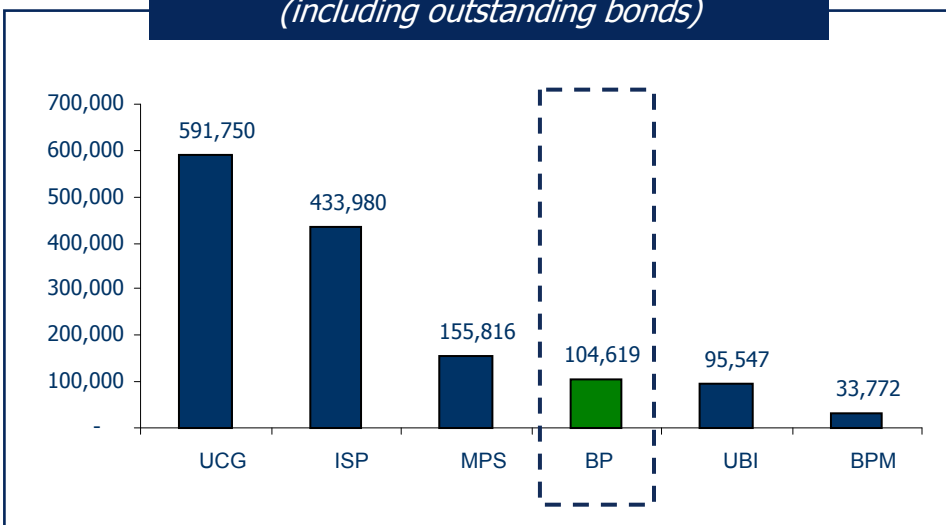
Assets - €/m



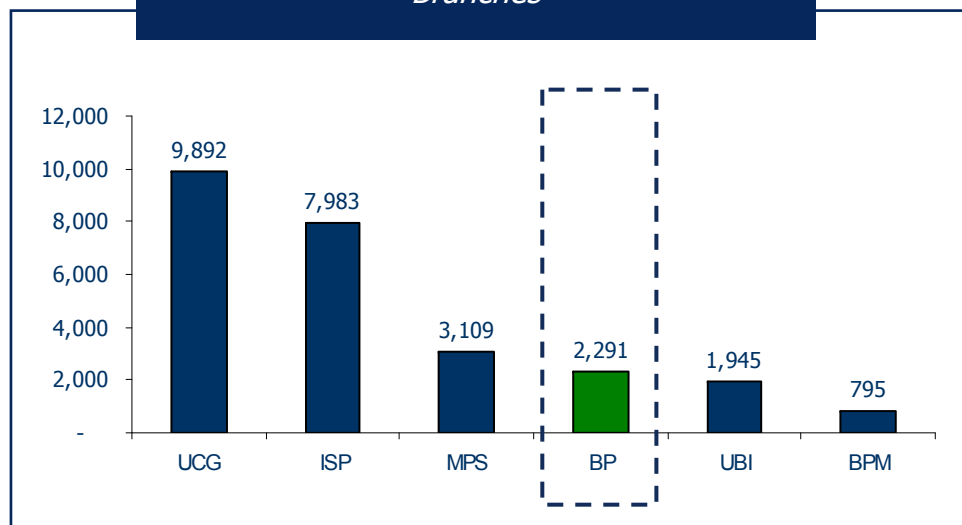
Net loans - €/m



*Direct customer funds - €/m
(including outstanding bonds)*



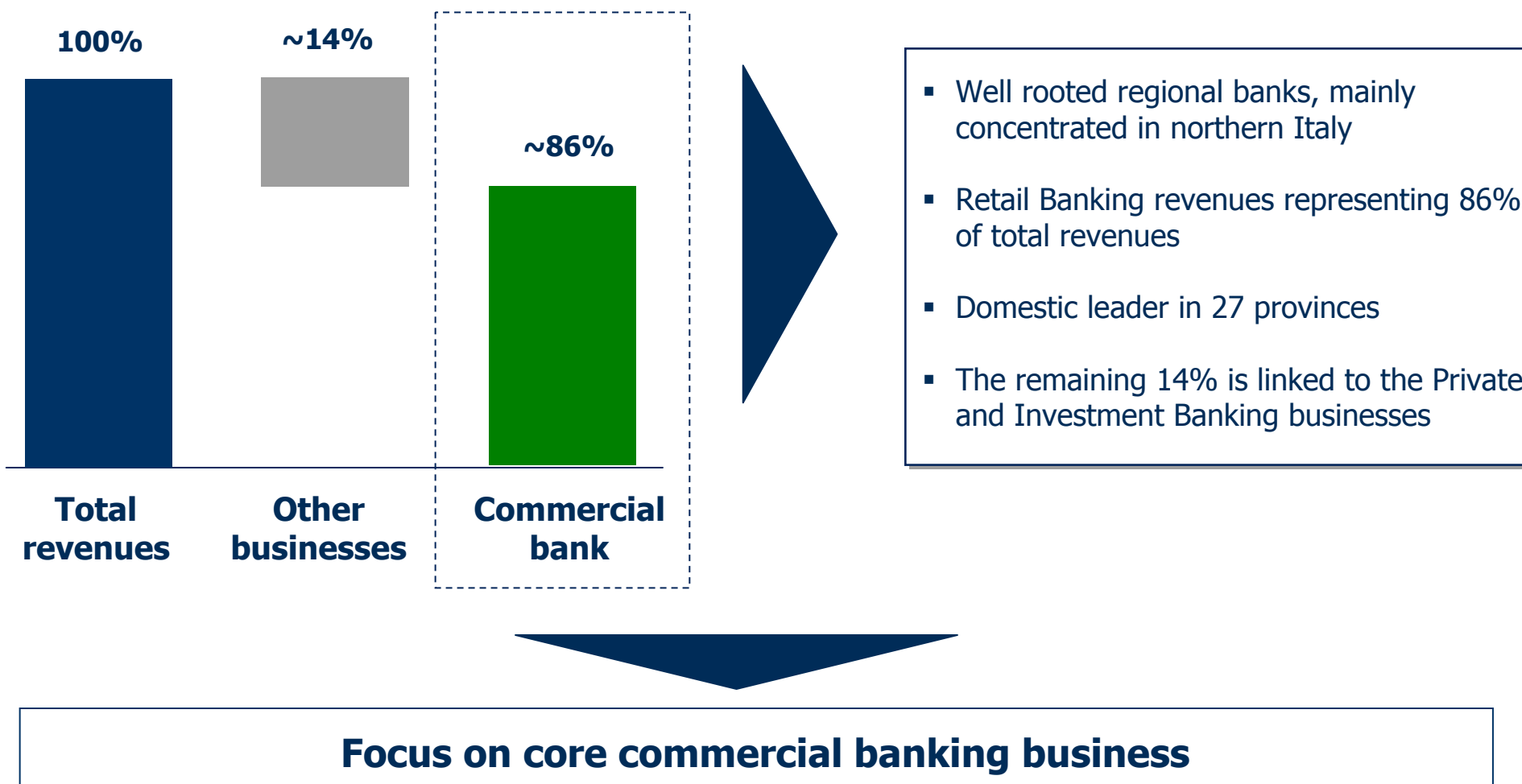
Branches



Data as of 30/09/2009

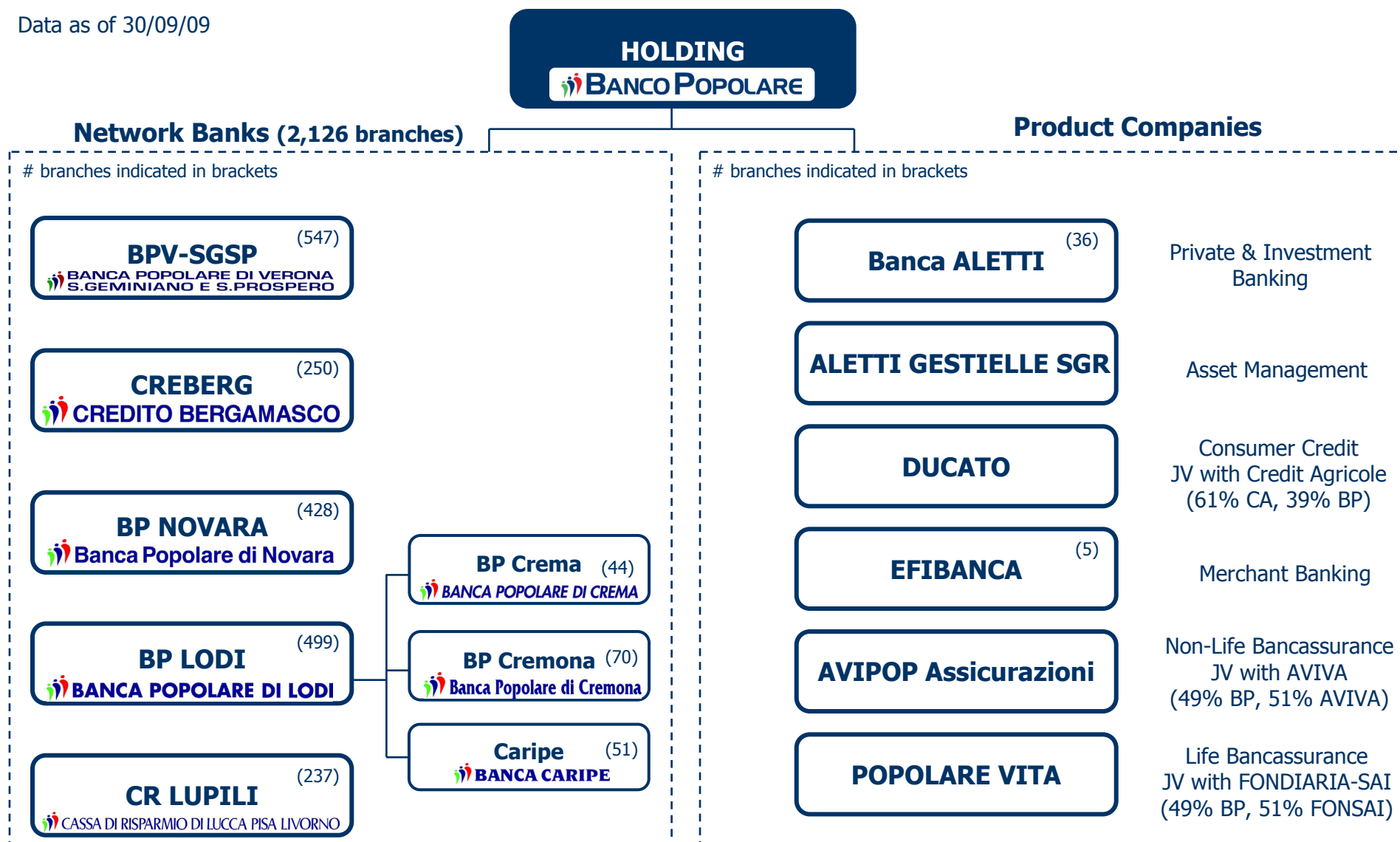
Commercial model based on core banking business

Breakdown of Group total revenues



Banco Popolare Group structure

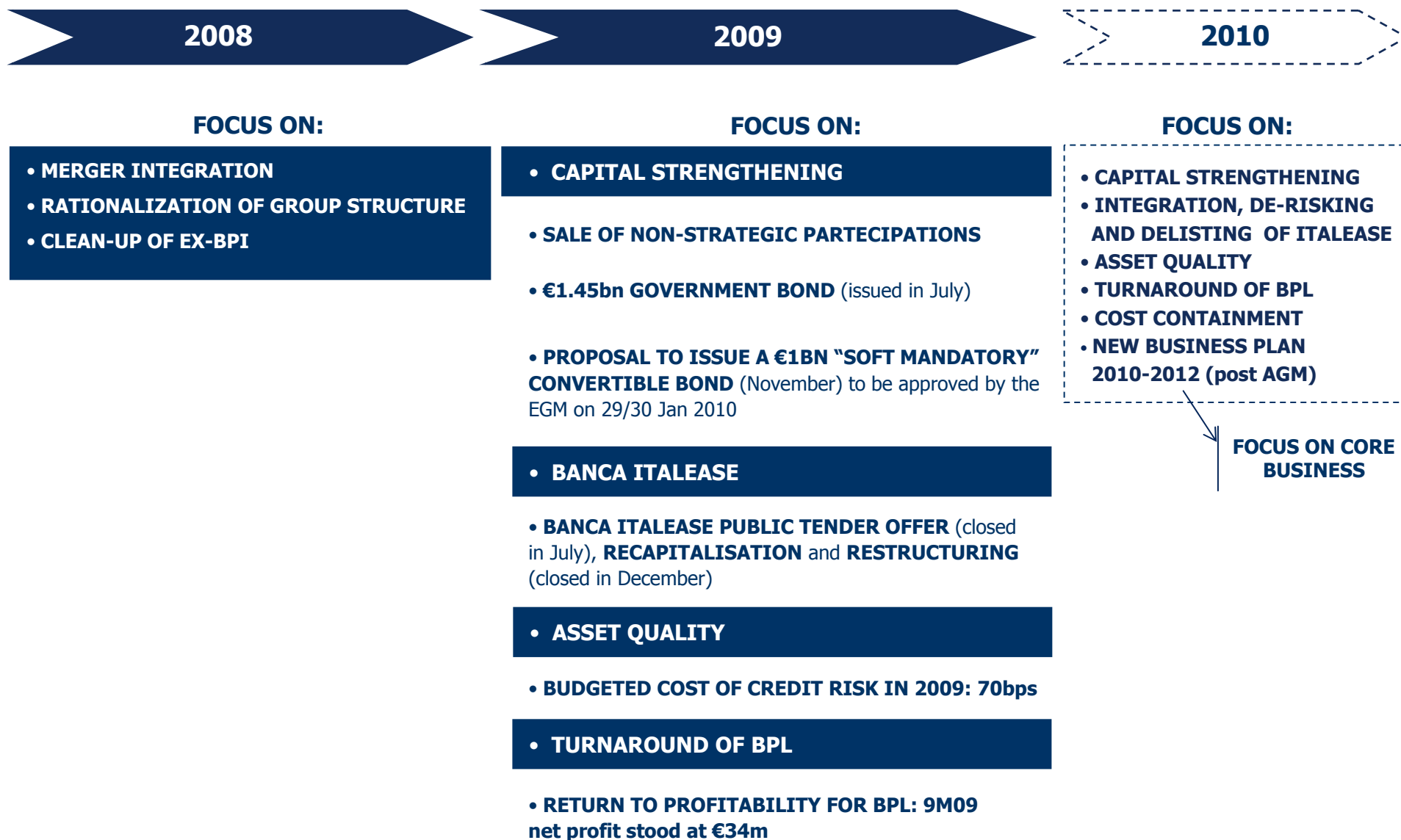
Data as of 30/09/09



Foreign banks in Croatia (35 branches), Hungary (10 branches) e Czech Rep. (7 branches)

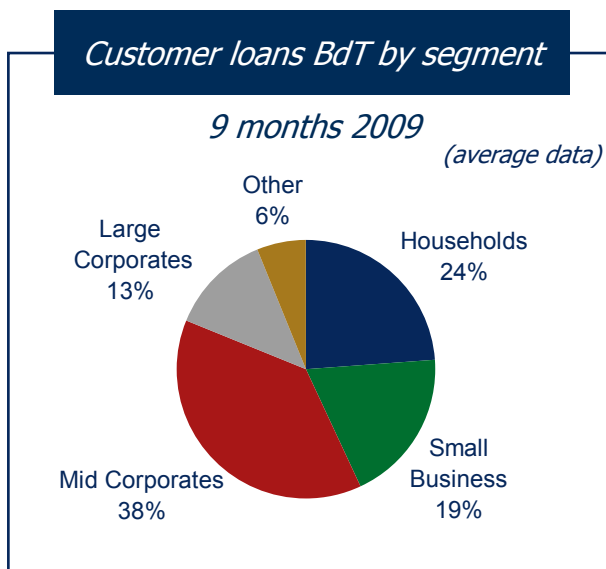
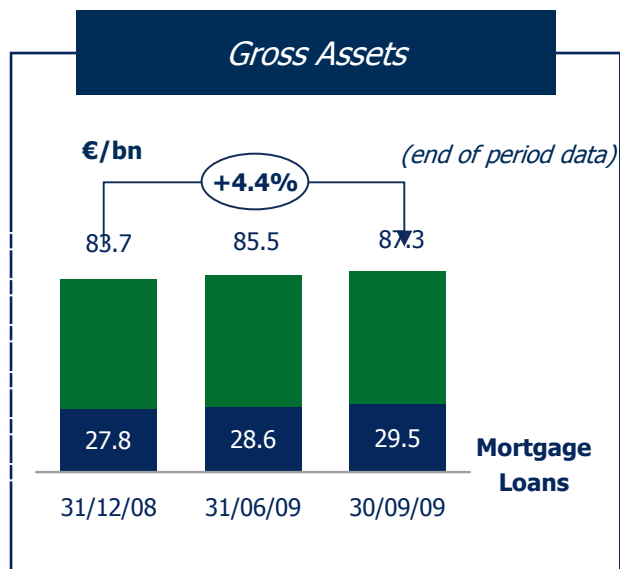
1. Excluding Banca Italease, which is in the process of reorganisation

Banco Popolare overview of key development steps

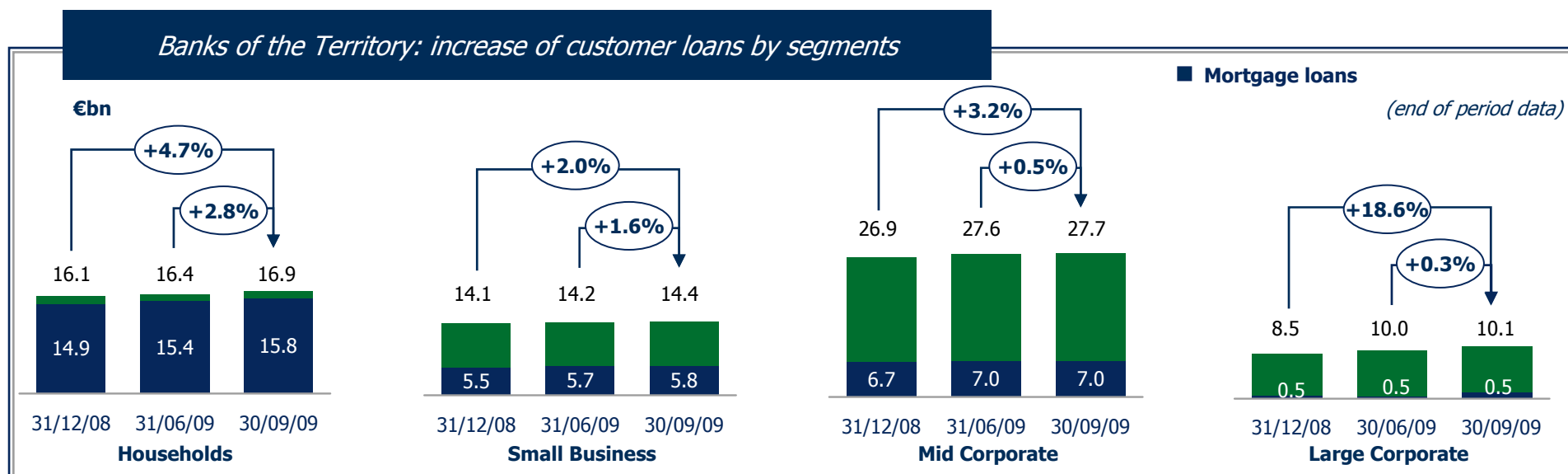


Customer loans: focus on Retail and SMEs

Banco Popolare 'standalone'

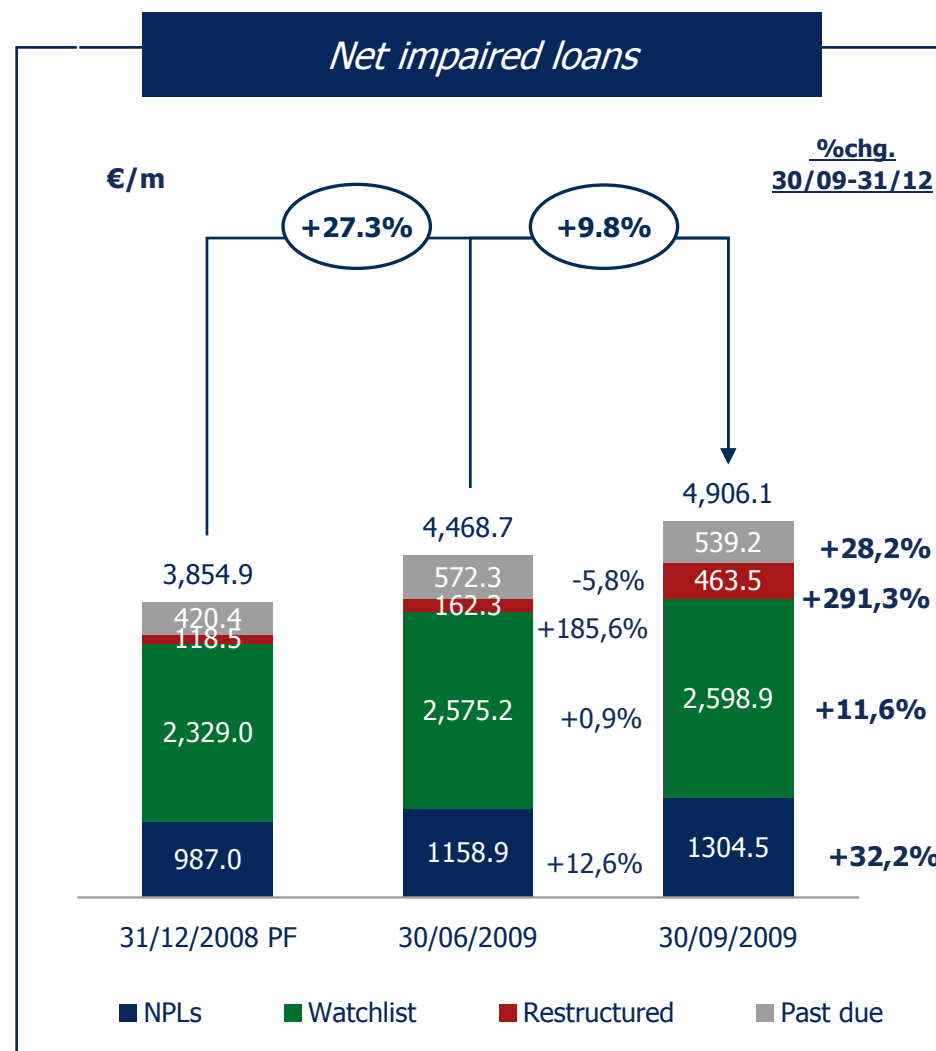
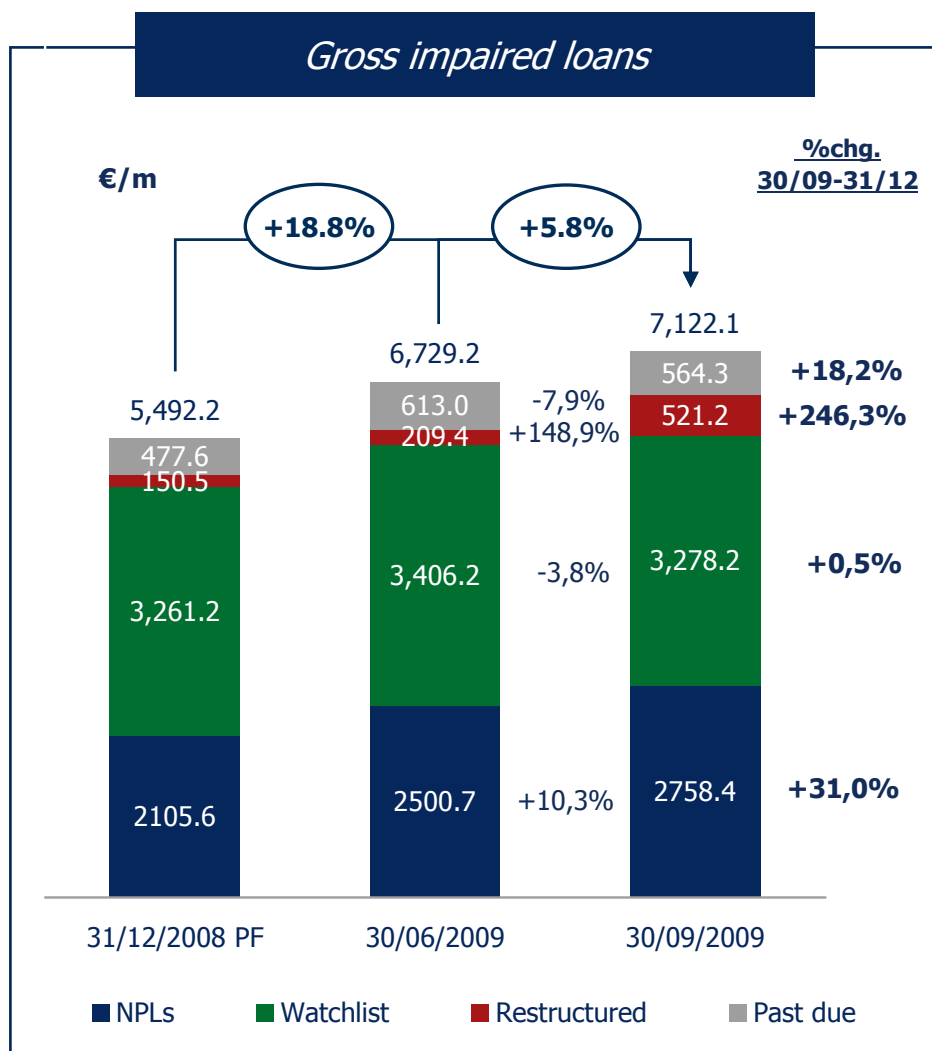


- Comments**
- In the first 9 months 2009, Group gross customer loans rose 4.4% year to date
 - In Q3 2009, the increase was focused on the Household and Small Business segments (+2.8% and +1.6% q/q, respectively)
 - Large Corporate loans stabilize at a historic level of about €10bn



Credit quality: impaired loans

Banco Popolare 'standalone'



* 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.

Credit quality: coverage ratios

Banco Popolare 'standalone'

Coverage of impaired loans

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

About **92%** including real estate collateral

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

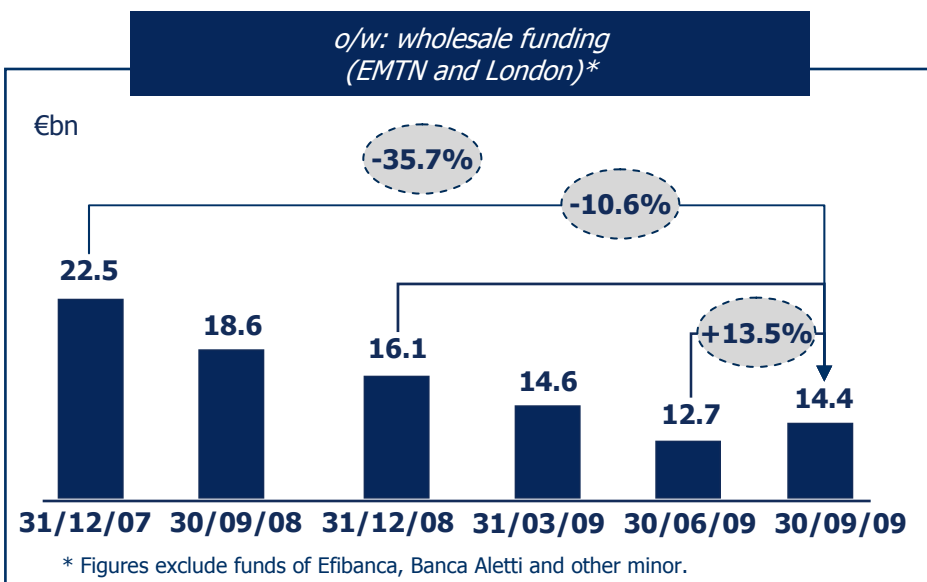
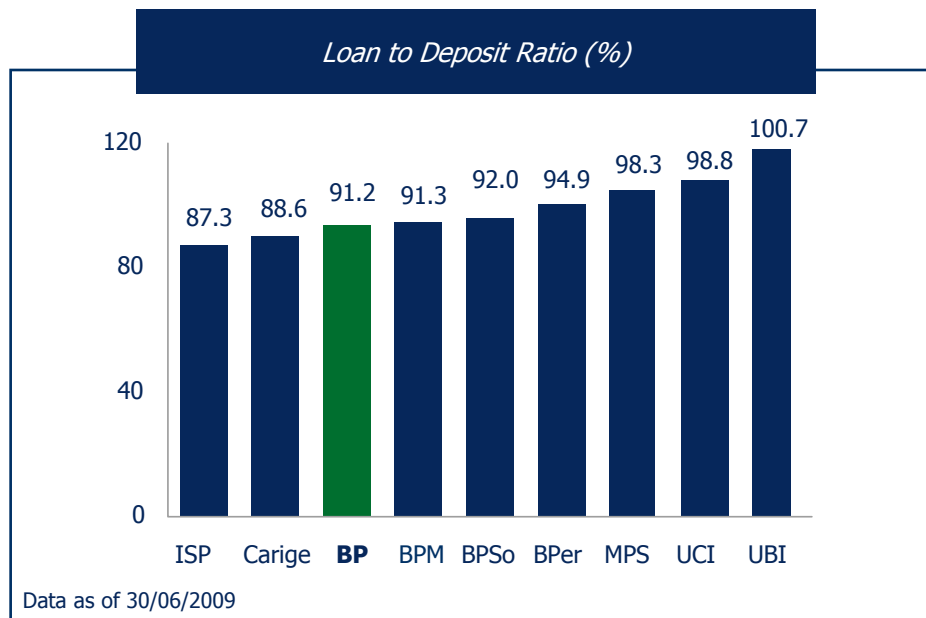
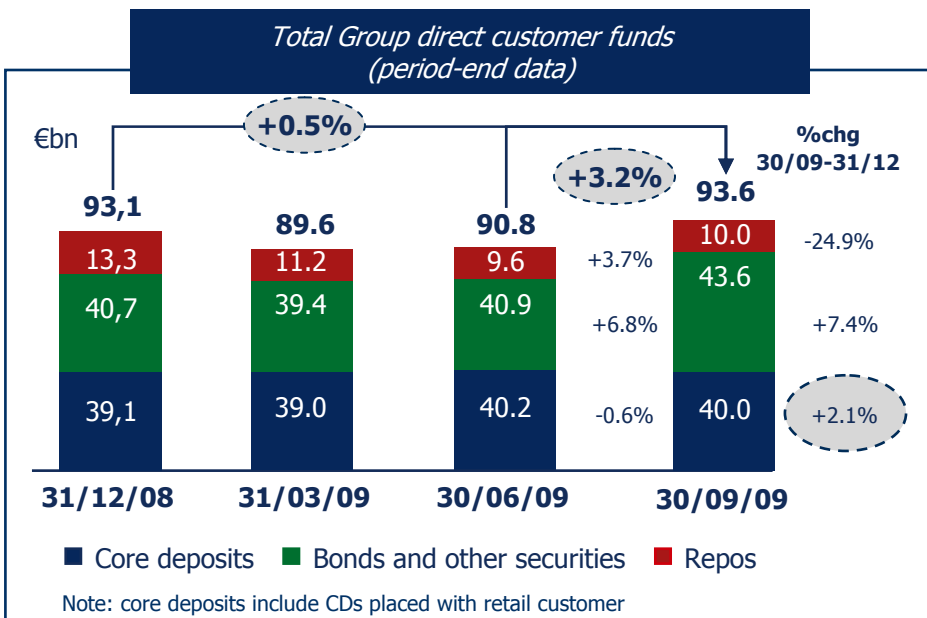


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Banco Popolare funding structure: a solid deposit base

Banco Popolare 'standalone'

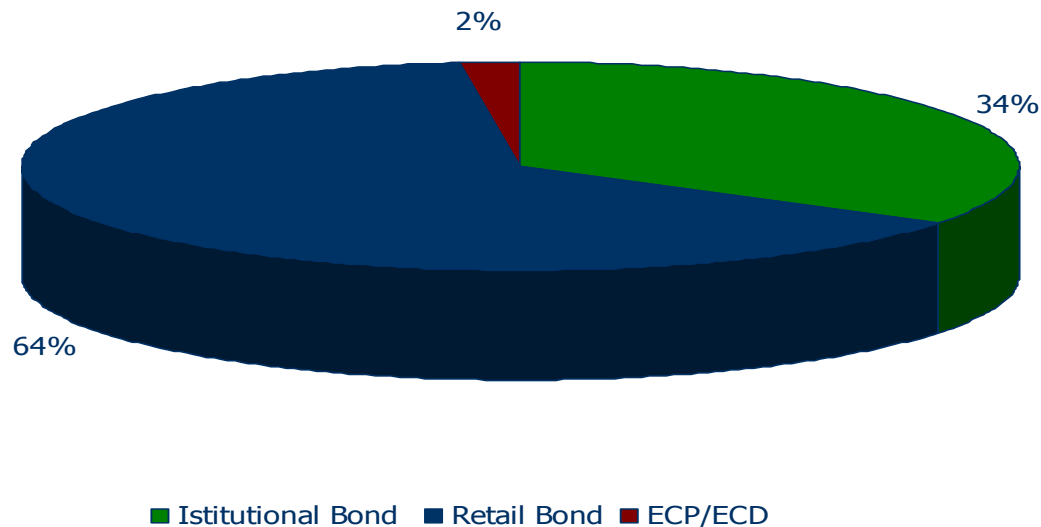


- Comments**
- Group total direct customer funds increased slightly with respect to year-end 2008 (+0.5%) and registered a strong growth with respect to 30/06/09 (+3.2%).
 - Increases in core deposits (households and small business segments) of 2.1% since year-end 2008.
 - From Q3 2009, following the 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.

Group liquidity profile

Banco Popolare 'standalone'

Breakdown of funding sources



Total Amount: €40.6bn

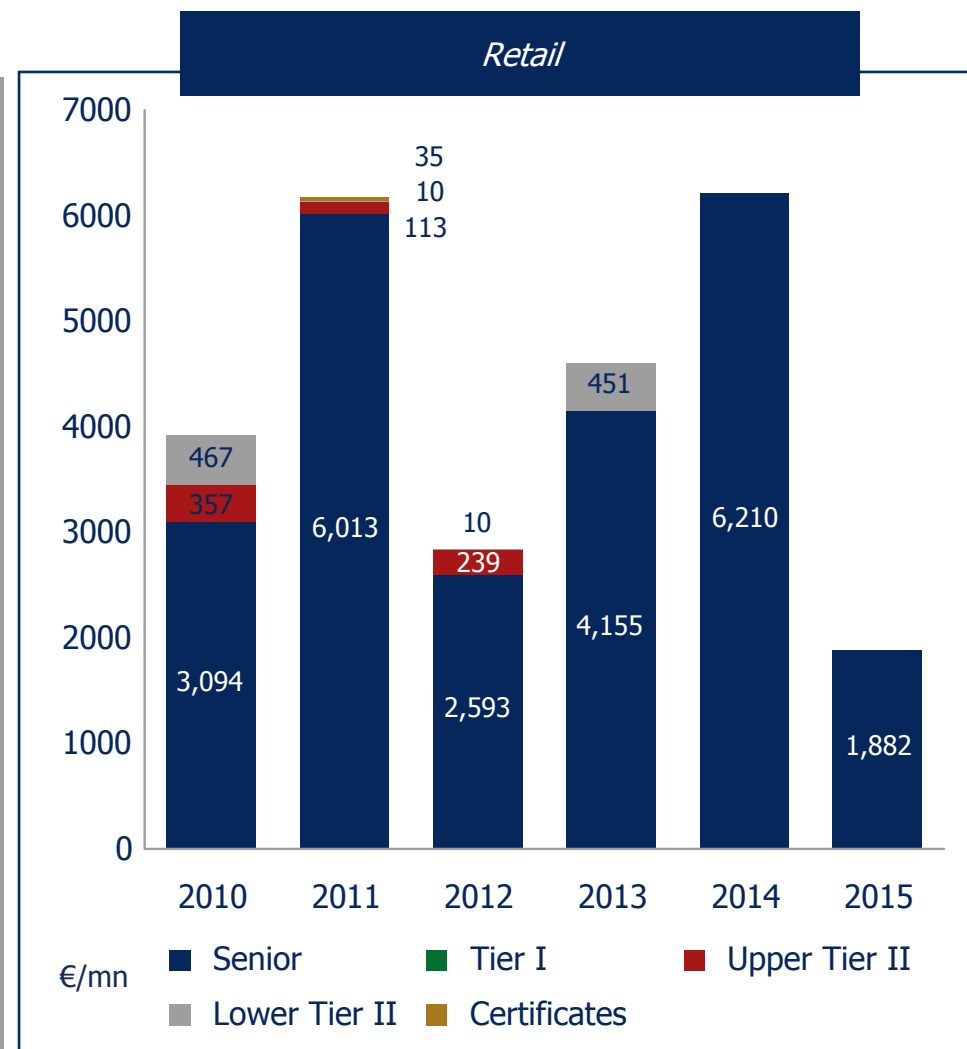
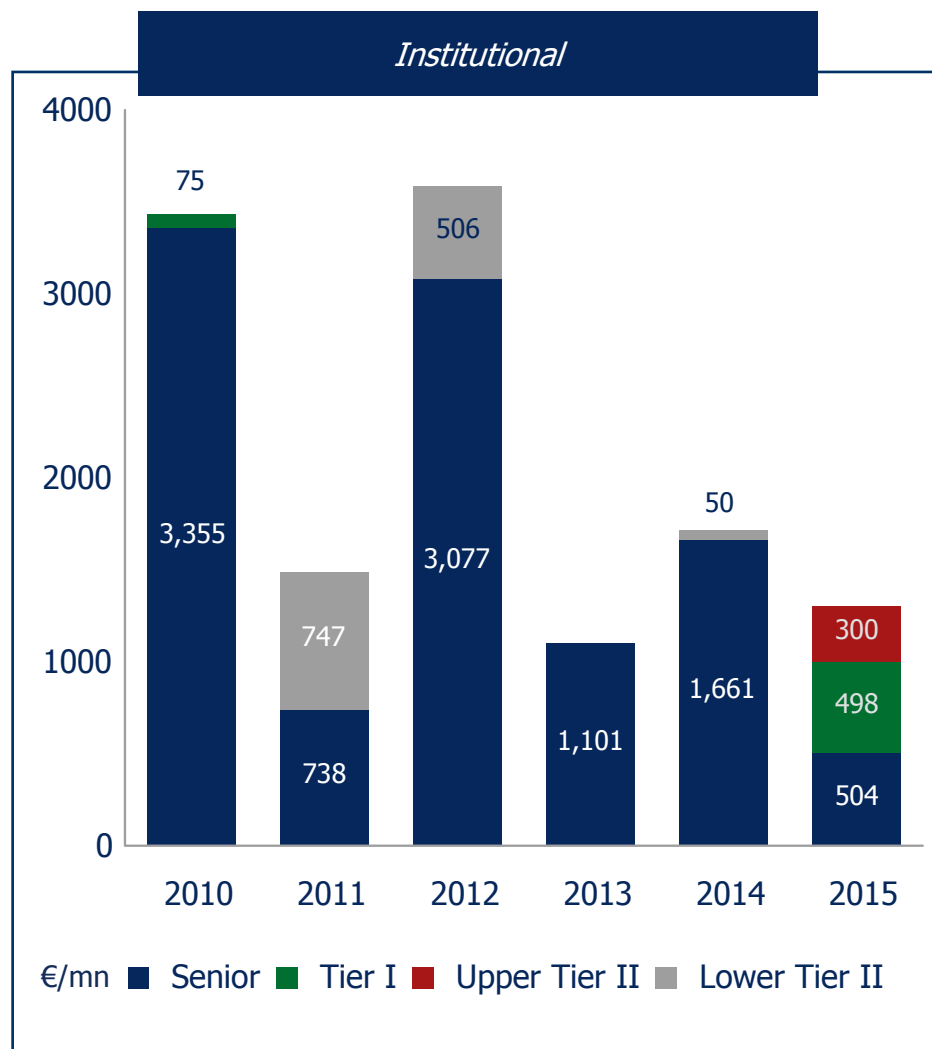
Funding sources

- Loan to Deposit Ratio historically below 1.
- €5bn OBG Issuance under new OBG Programme.
- €25bn EMTN Program in support of medium / long-term lending strategy.

Source: ALM 10 January 2010

Group debt maturity profile

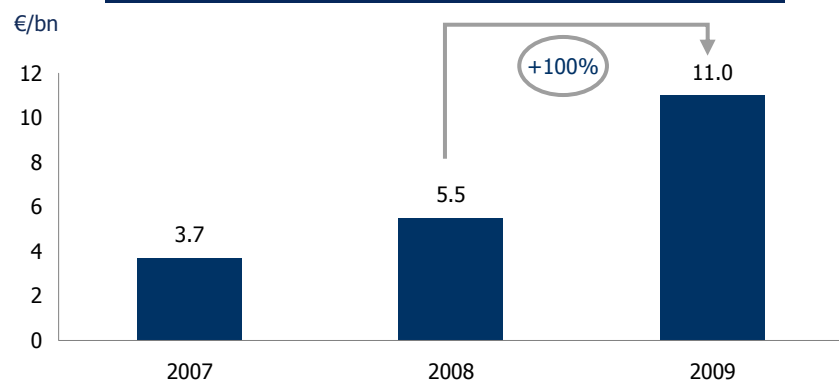
Banco Popolare 'standalone'



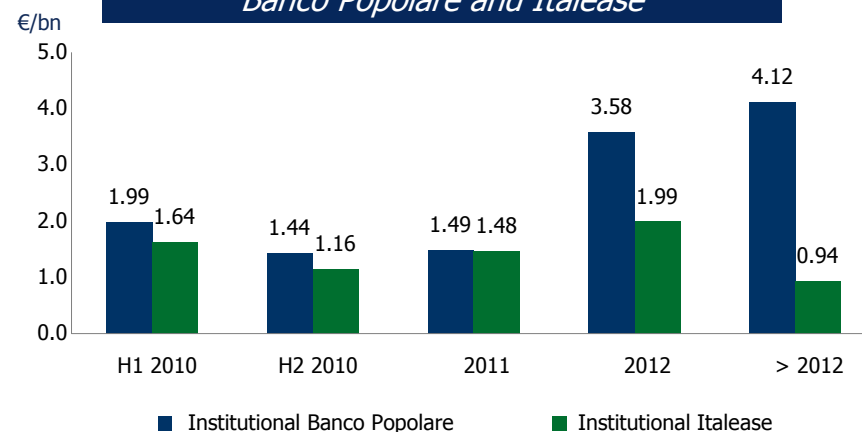
Source: Internal management report

Group liquidity profile

Portfolio of eligible securities



Next EMTN maturities of Banco Popolare and Italease



Comments

- The increase in 2009 of the stock of eligible and available securities derives mainly from the issues of own securitizations
- Banco Popolare EMTN plus Italease bond maturing in 2010 are equal to €6.2 billion
- In July 2009, Government "Tremonti" bonds were issued for a total amount of €1.45 billion

2009 /2010 EMTN bond issues

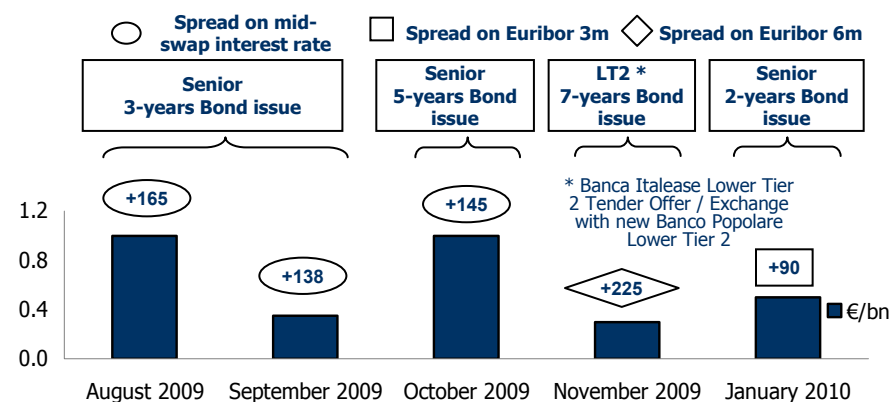




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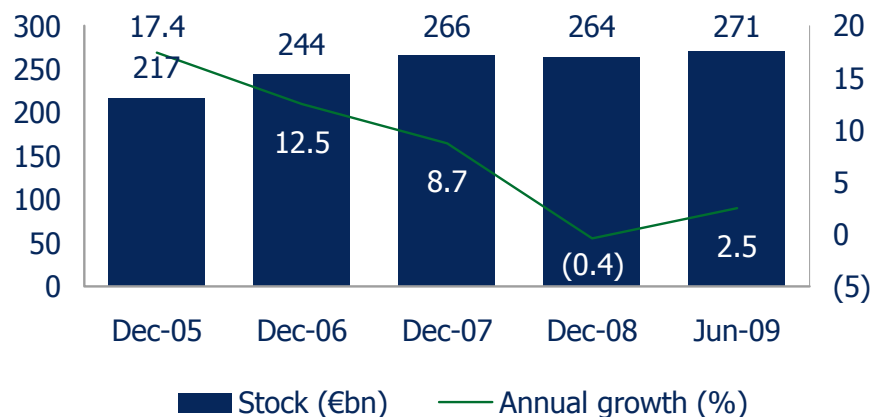
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The mortgage profile

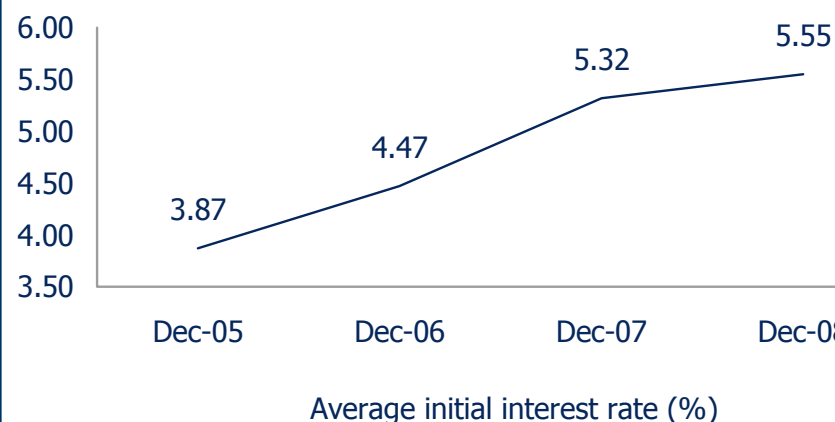
- The Italian mortgage market remains among the smallest in Western Europe; with the ratio of residential mortgage debt to GDP amounting to only 16.8% (UEM 12: 37.9%) in 2008
- The limited size of the Italian mortgage market reflects the generally low tendency of households to incur debt; households' indebtedness remains much lower than international standards
- Growth prospects in the mortgage market might well be limited, as the home possession rate amounts to a relatively high level of 73% of all Italian households, thereby putting Italy among the countries with the highest owner-occupier ratio in Europe, according to Bank of Italy data
- Italian growth in the stock of residential mortgages has decelerated since the end of 2005
- The increase in interest rates in the period between end-2005 and end-2008, is the main cause of the slowdown in mortgage growth in Italy
- Over the last decade, the growth of the Italian residential housing market has been regular without any significant spikes

The mortgage market in Italy

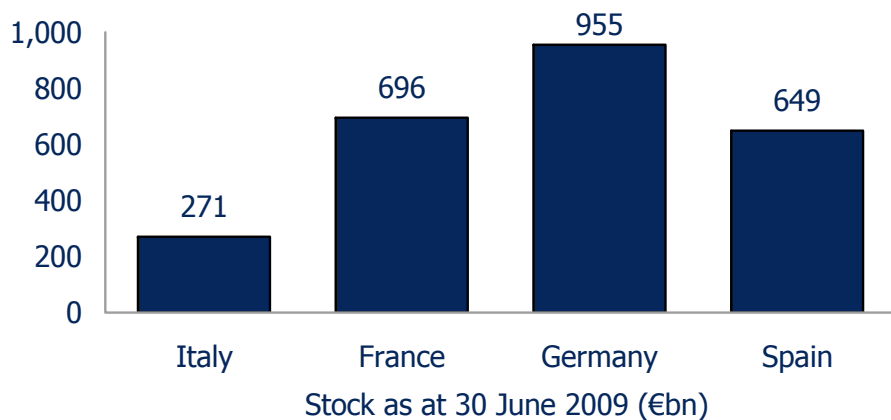
In recent years the rapid growth in the mortgage market has slowed down ...



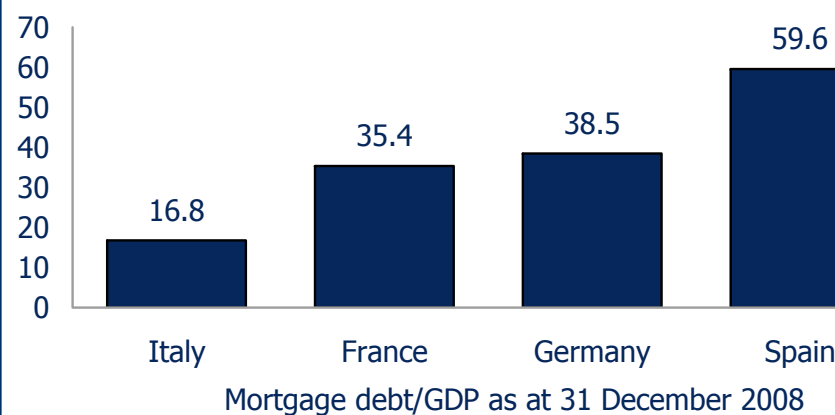
... partly in response to rising interest rates in the period end-2005 to end-2008



The Italian mortgage market has a limited size ...

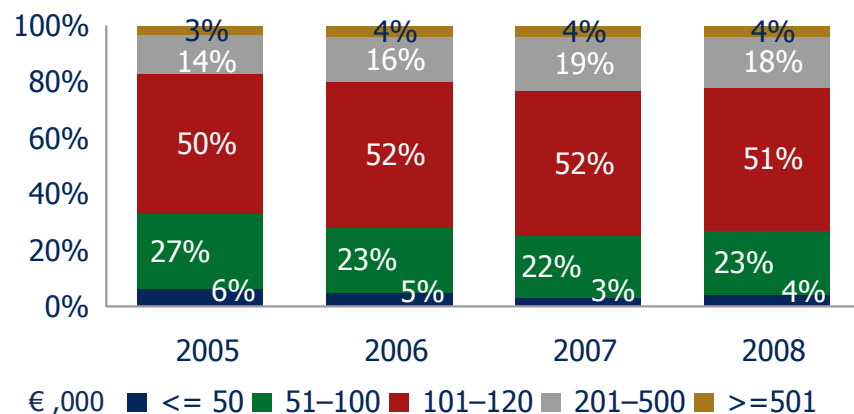


... and Italy shows the lowest mortgage debt-to-GDP ratio of any major Western European nation

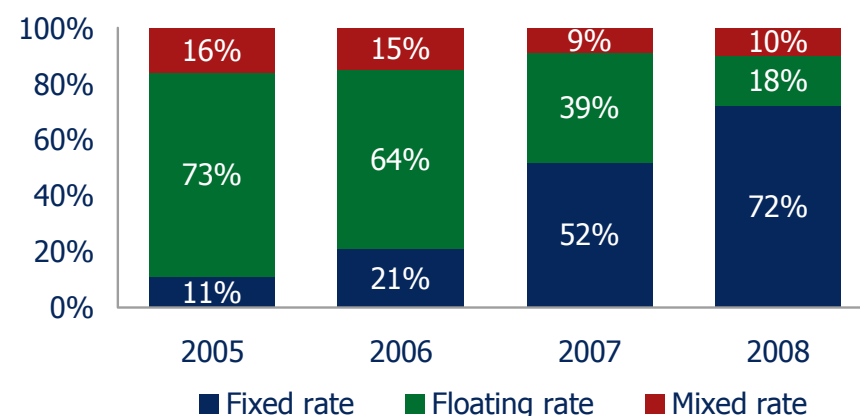


The mortgage profile

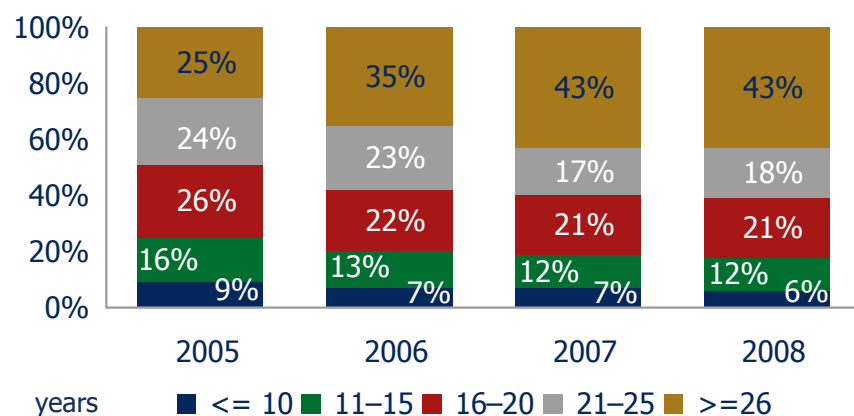
The size of mortgage loans has been moderately rising over the years



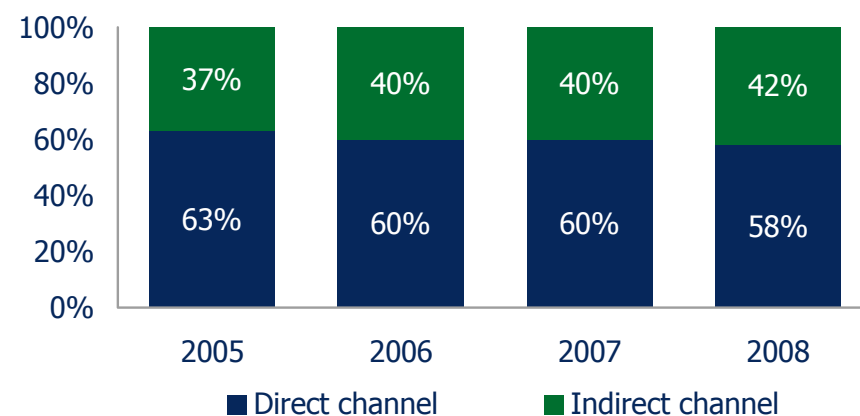
Until very recently, most mortgages were floaters: only during the past year has the uptake of fixed rate mortgages increased dramatically



Because of the larger loan sizes and rising interest rates, lenders have gradually raised the mortgage tenor



Indirect channel has gradually gained importance

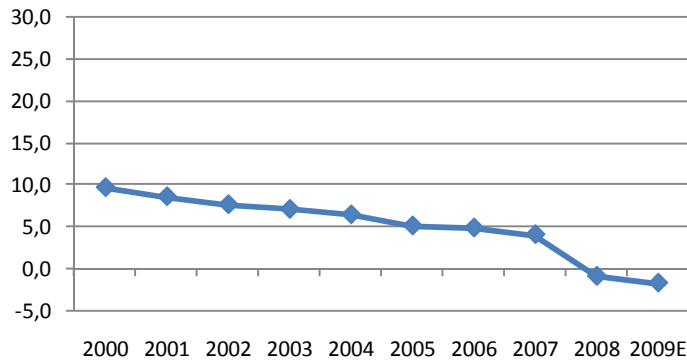


Source: Osservatorio Assofin, Data represent mortgage flows, not mortgage stocks

House prices in Italy

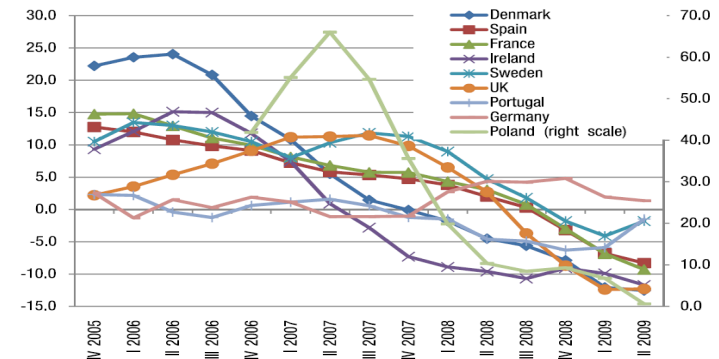
Over the years house prices in Italy show a more stable trend in comparison to other European countries

Italy: Nominal house prices yoy growth rates



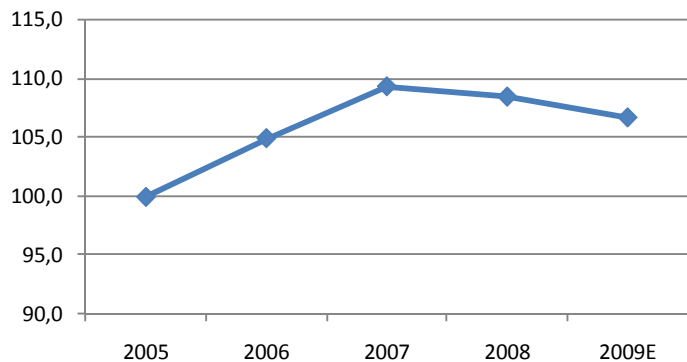
Source: Scenari Immobiliari

Europe: Nominal house prices yoy growth rates



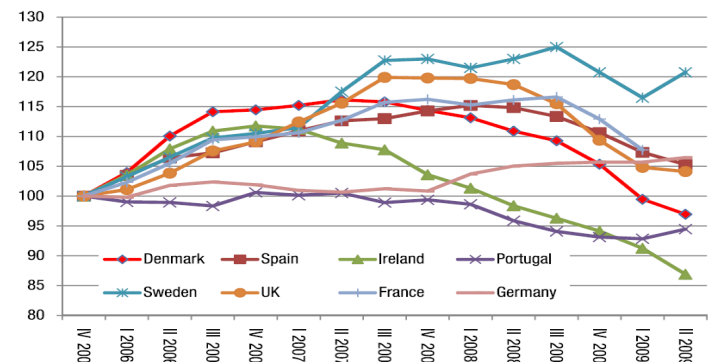
Source: EMF

Italy: Nominal house price index



Source: Scenari Immobiliari

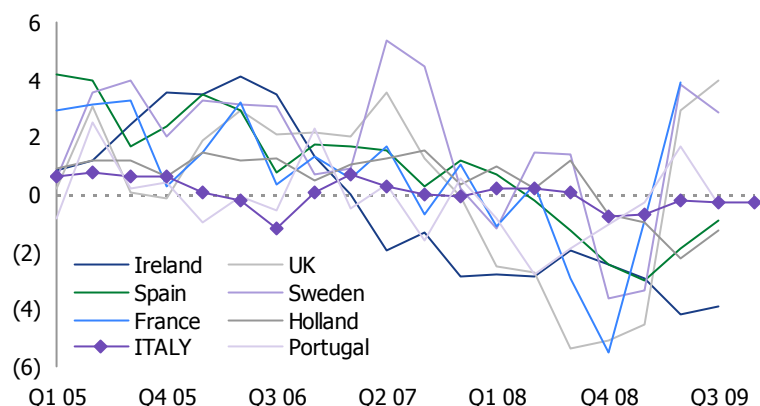
Europe: Nominal house price index



Source: EMF

The Housing Market in Italy

Housing price indexes (% change Q/Q)*



- Since the late 90's, property units on the Italian property markets have **increased** constantly but **without any significant volatility**
- **Since 2004** there have been **some signs of deceleration** in the dynamic of **prices** per square meter. A fall in prices for property units is improbable according to the majority of operators in the sector because:
 - although there has been a significant **increase in property values** in Italy since 1997, it is **among the lowest in the international context** and this would seem to exclude the existence of prices artificially inflated by speculation;
 - there is **no excess of supply over demand** partly because of the scarcity of public sector social housing;
 - the ANCE (national association of property builders) signals an **increase in refurbishment work**, which confirms the need to capitalise on the existing supply
- Italy's housing market has remained **resilient**, despite falling markets in most other developed countries. The market has been shielded from the credit crunch. **Conservative loan practices** prevented the development of housing bubbles similar to Spain, Ireland or the UK
- House prices remained generally unchanged MoM for most of **2009**, according to the index published by Scenari Immobiliari on the Italian real-estate market

	% change in housing prices (2007–1997)
Ireland	240%
Great Britain	213%
Spain	190%
Sweden	149%
France	144%
Belgium	131%
Denmark	128%
USA	116%
Holland	102%
Italy	102%

Source: World Bank, Nomisma

* Sources: European Mortgage Federation, Nomisma, Bank of Italy

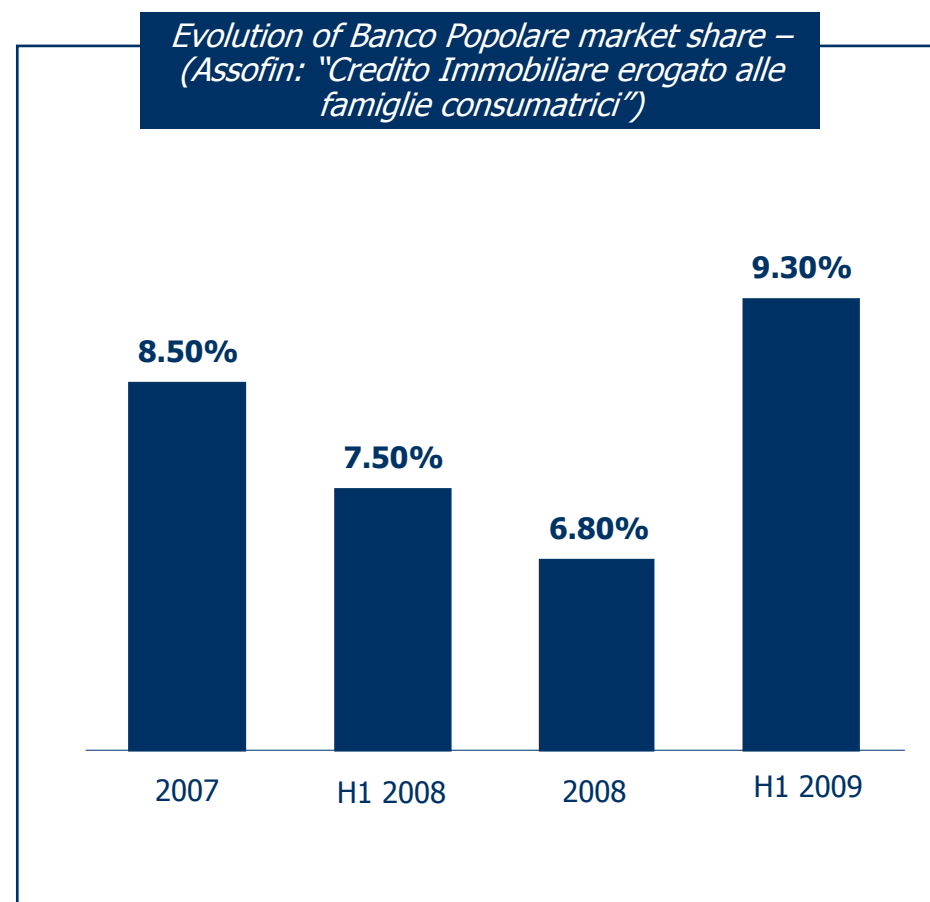
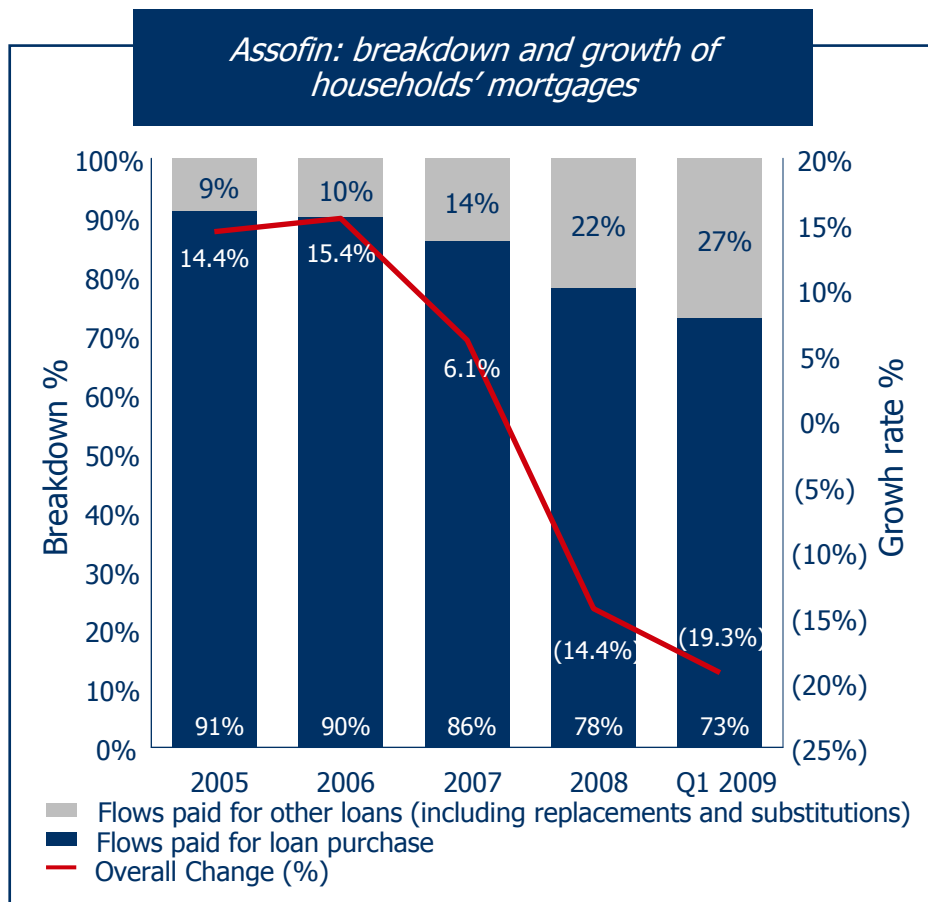
** The increase in value over the decade 1997-2007 of 102% is greater than shown by the first graph (top left): the difference is explained by the different perimeter on which prices were surveyed.



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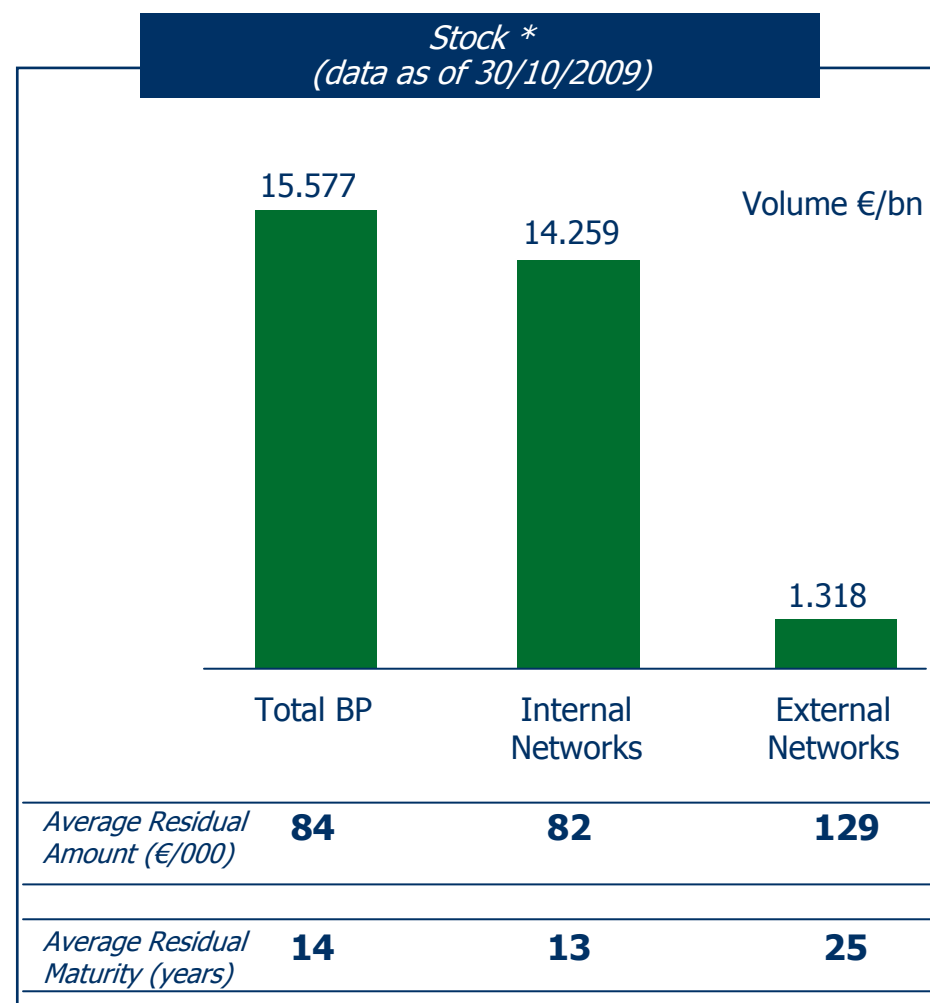
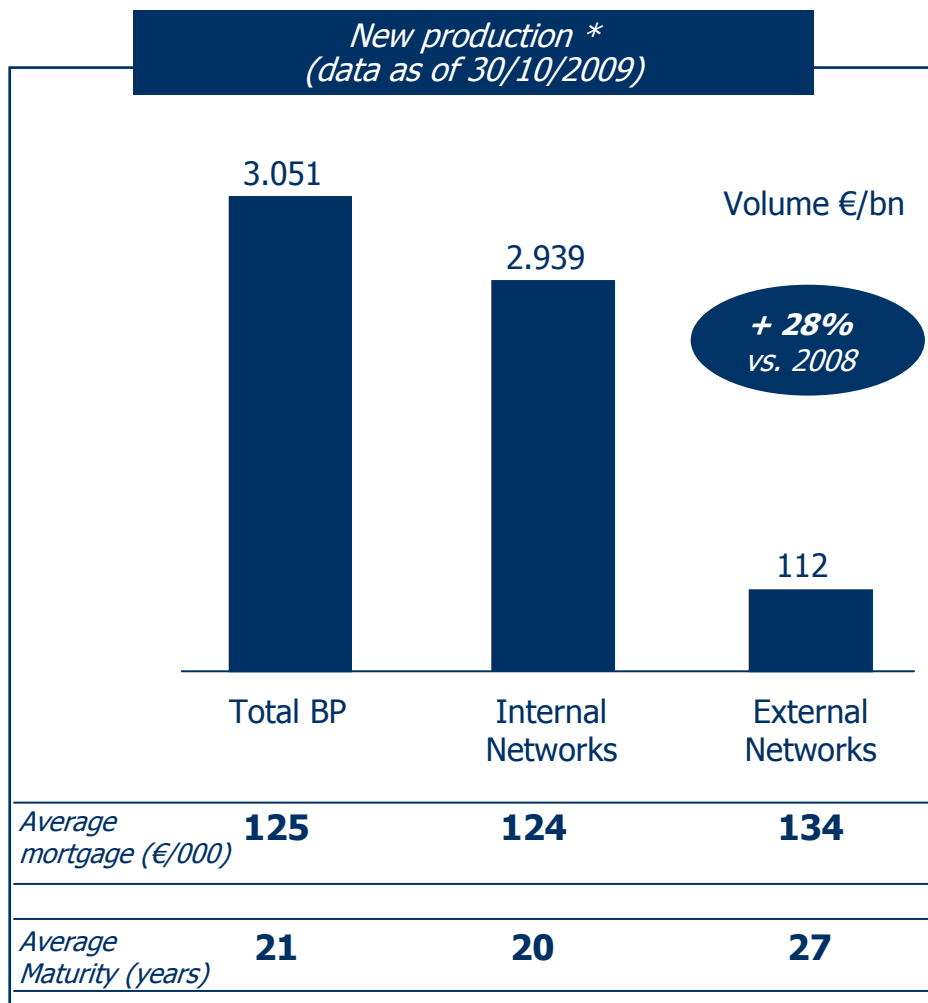
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First 2009 results : market share of Banco Popolare



Notwithstanding the fact that market has been contracting in the first half of 2009 (-19.3%), Banco Popolare's market share has increased considerably by careful origination of conservative residential mortgages

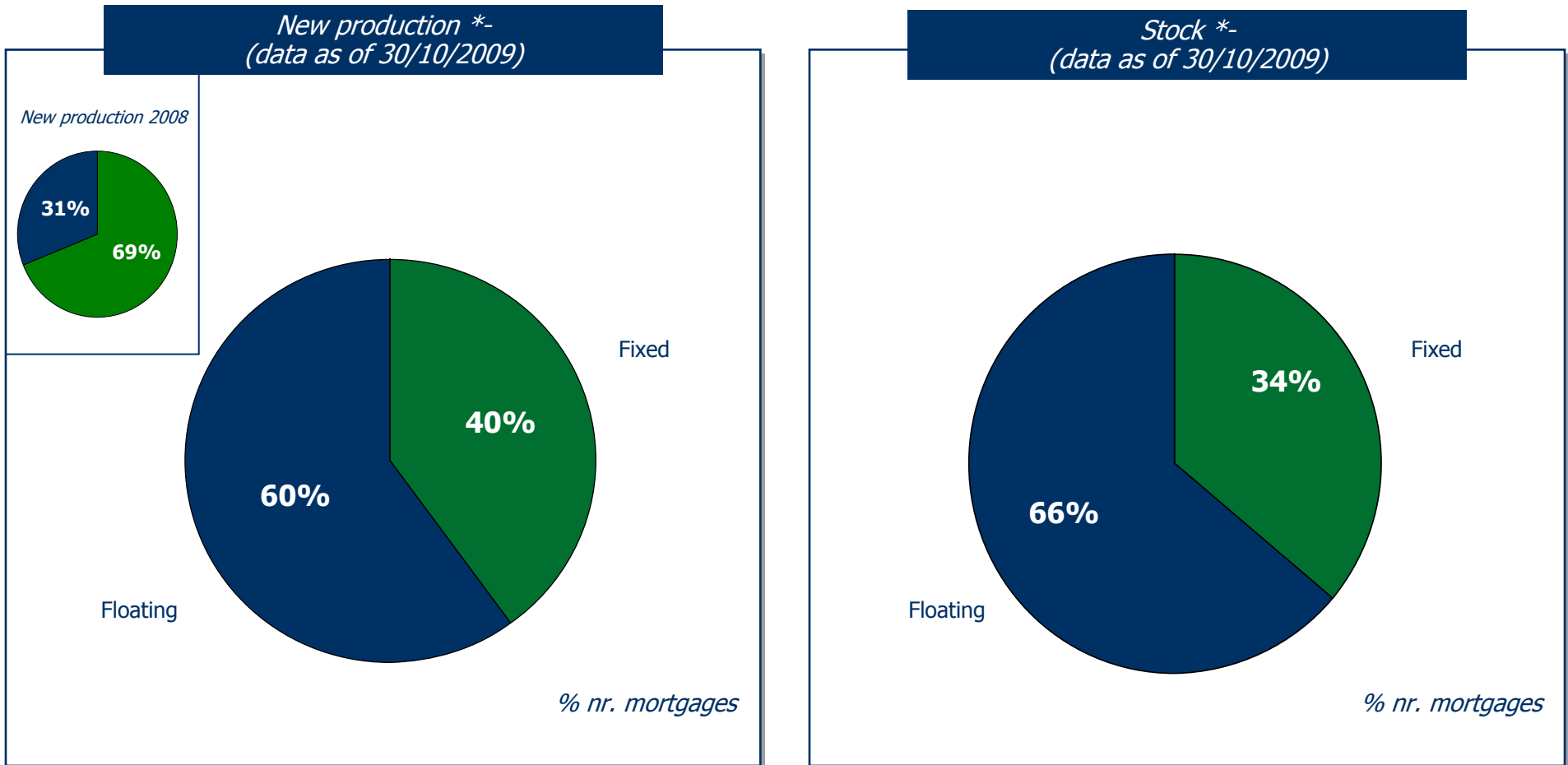
Mortgage: new production and stock



In 2009 Banco Popolare new production is mainly derived from the "internal networks" (96%), which also represent approx 92% of total stock

* Real Estate and Land Mortgages to private individuals

Breakdown of new production and stock by type



Mortgages mainly with floating rates on stock (66% of the total). New production (mainly floating rate products) in 2009 (60% of the total), as a consequence of the declining interest rate environment in that year

* Real Estate and Land Mortgages (excluding External Networks)



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Origination and underwriting

Sales force

- All mortgages are originated mainly through banking branches distributed across Italy. A small percentage is originated through a network of primary real estate agents. The initial Cover Pool includes only mortgages originated through the direct channel

Underwriting

- All mortgages are underwritten at branch level
- The authority that approves the mortgage loan depends mainly on amount requested, length of the loan and evaluation of the automatic valuation tool "Sco.Pri"
- Underwriting criteria involve scoring and customer limits, with the final decision always being made by a credit officer

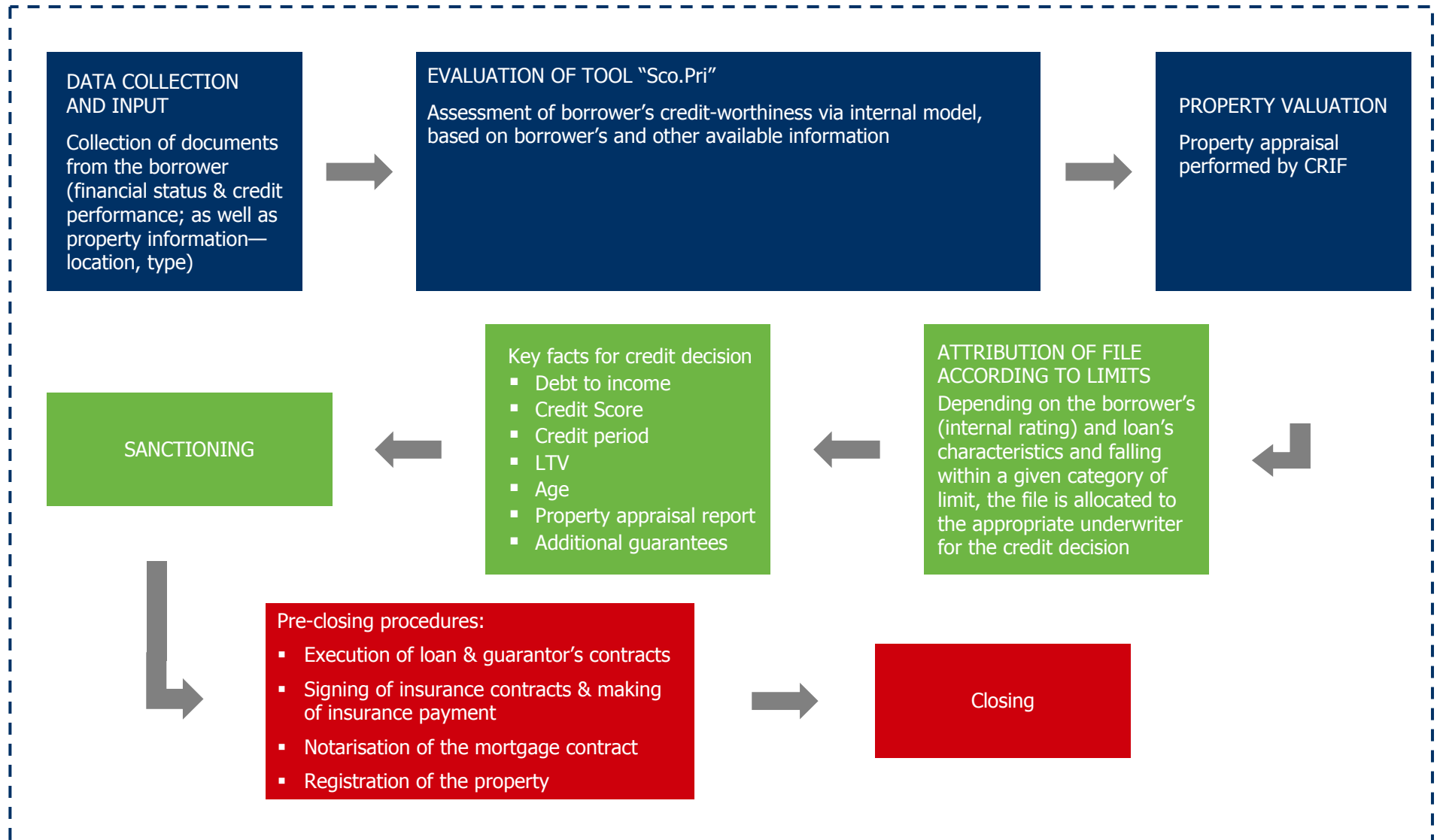
Property Valuation

- All mortgage properties are assessed by independent appraisers performed by CRIF
- All evaluations are based on full physical inspection
- Mortgage properties involve an insurance policy in favour of Banco Popolare

Servicing

- Banco Popolare performs all of its own servicing through:
 - constant dialogue with clients
 - advanced monitoring system to supervise the performance of the pool
 - dedicated subsidiary to carry out the recovery process of the defaulted loans

Summary of the underwriting process



Source: Banco Popolare

The "Sco.Pri" system

"Sco.pri" valuation methodology: high level scheme of the automatic valuation steps

Preliminary checks	Other checks	Financial sustainability checks	Downgrading factors	Upgrading factors	Valuation CPC (internal model) Rating (or CBS Score) Expected Loss (PD x LGD)
"Adverse credit charges" (*) NPL on Bank or System database (*) Arrear (incaglio) on Bank or System database (*) Past due on Bank or System database (*) Cancelled cheque (*) Underage requestor Inhibited requestor Bankrupted requestor "Not to entrust" marked requestor	Sever prejudicial elements (*) Under observation positions (*) Called positions (*) (*) check performed on requestor and guarantors	Existence of minimum wage based on Istat poverty threshold Final total indebtedness below 50% of wage "mortgage instalment/ disposable income" ratio below internal threshold	Requestor age + mortgage duration equal or above 80 years Lien > 2	Requestor's total net financial assets >= 50% of mortgage Value of pledged securities (**) >= 50% of mortgage (**) if pledged securities >= 100% of mortgage, final result always positive	Check of monthly value (internal model) Checking of counterparty rating Check of expected loss (%) resulting from counterparty PD and weighted average for all credit lines LGD

NOTE the disposable income used for all financial checks takes into consideration the cumulated income of requestor and potential loan guarantor. Loan guarantor income not considered if there are prejudicial elements, negative rating (or negative CBS Score if without rating), or it's not a relative of the requestor

FINAL RESULT: 4 potential valuations

- | | | |
|---|---|------------------------------------|
| 1 – VALID APPLICATION (GREEN) | → | Ordinary sanctioning powers |
| 2 – FURTHER ANALYSIS REQUIRED (YELLOW) | → | |
| 3 – HIGH RISK APPLICATION (ORANGE) | → | |
| 4 – APPLICATION WITH SEVERE PREJUDICIAL ELEMENTS (RED) | → | |

Appraisal process of mortgage properties

- **Appraisal process before 2008:** for mortgages of over €175,000, properties were assessed by independent appraisers, managed by the Special Purpose Loans Group – Appraisals Office
- The external appraiser sent a copy of the valuation to the Appraisals Office and to the proposing branch. The branch sent the valuation together with the notary report to the Special Purpose Loans Group to complete the appraisal process
- Appraisal of mortgage properties were required regardless of the amount if property were located outside the territorial competencies of the branch, or other's mortgage were already in place or for multiple properties
- **Appraisal process after January 2008:** obligation to perform an appraisal process regardless of the amount
- All real estate appraisal are assigned to the "Evaluation Building" department of CRIF, which comprises independent appraisers which use standardised and certified evaluation criteria. Key data and information from the appraisal are also used to perform periodic revaluation of the collateral
- CRIF guarantees the appraisal values and is economically responsible for the evaluations provided
- The report received from CRIF is sent to the Special Purpose Loans Group to complete the mortgage request process

Approving powers in the underwriting process

- The authority that approves the mortgage loan depends mainly on the amount requested, length of the loan and evaluation of the automatic valuation tool "Sco.Pri"
- In the following table an example with the approving powers of the different competent bodies for one Bank of the Group

Committees and Management	(EUR)
Board of Directors	Over 100,000,000
Executive Committee	Up to 100,000,000 (or 1/5 assets)
Credit Committee	Up to 30,000,000
Chief Executive Officer	Up to 8,000,000
General Manager	Up to 8,000,000
Credit	Up to 8,000,000
Business Area	Up to 3,000,000
Branches (excluding the London Branch)	Up to 275,000

Servicing and delinquency management process

	Actions	Timing	Performed by
First unpaid (0 – 30 dd)	1 st reminder letter	3 rd day before the end of the month of the missed payment	<i>Automatic procedure</i>
	Branch contact	During the month from the missed payment	Branch
2nd missed payments (30 – 60 dd)	2 nd reminder letter	3 rd day before the end of the month of the missed payment	<i>Automatic procedure</i>
	Telephone contact	During the following 15 days after the second missed payment	Internal call centre
	3 rd reminder letter	In the last 10 days of the calendar month of the 3 rd missed payment	Branch
3rd missed payments (60 – 90 dd)	Branch contact	For 30 days from the missed payment	Branch
4th missed payment (90 – 120 dd)	Direct contact domicile	For 60 days from the missed payment	External recovery company 1
Partial promise to pay (150 – 180 dd)	Returning to performing or transfer to Arrear/NPL	From 150 days to 180 days from the first missed payment	Head of Credit Dpt.
6th missed payment (150 – 180 dd)	Status to arrear (<i>incaglio</i>)	At the missed payment for 15 dd	<i>Automatic procedure</i>
	Direct contact at domicile	Following the Arrear Department valuation for 75 dd	External recovery company 2
9th missed payment (240 dd)	Proposal to NPL status	At the missed payment	Arrears dpt (<i>incagli</i>) -centralised (Area or head office)

Source: Banco Popolare



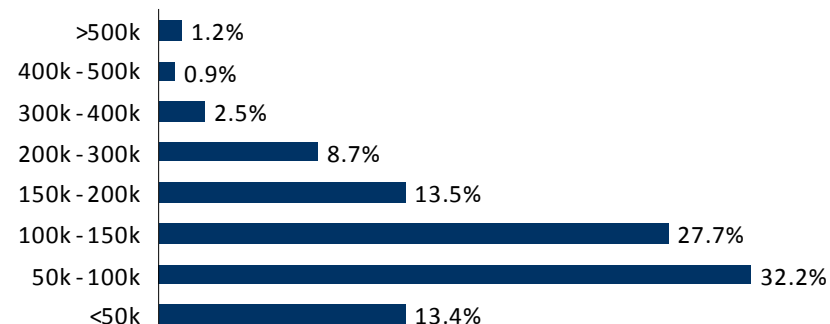
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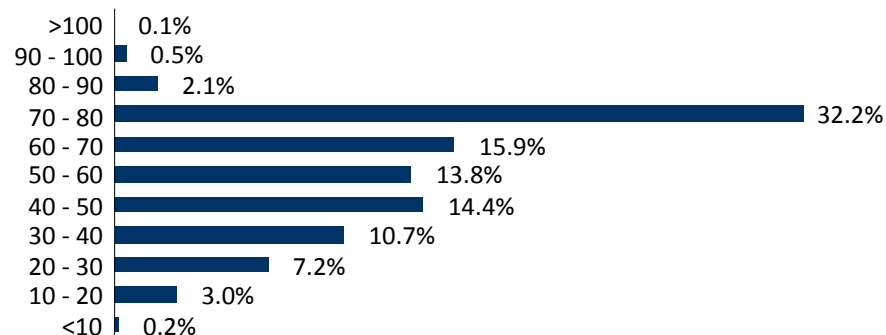
Cover Pool Highlights

Balance (€)	1,431,283,398
Number of loans	17,354
Average loan balance (€)	82,595
WA seasoning (years)	3.48
WA remaining term (years)	17.1
Number of borrowers	17,329
WA CLTV	49.39%
Percentage of floating rate mortgages	63.61%
WA interest rate on floating rate loans (%)	2.07%
WA margin on floating rate loans (bps)	127.3
WA interest rate on fixed rate loans (%)	5.64%

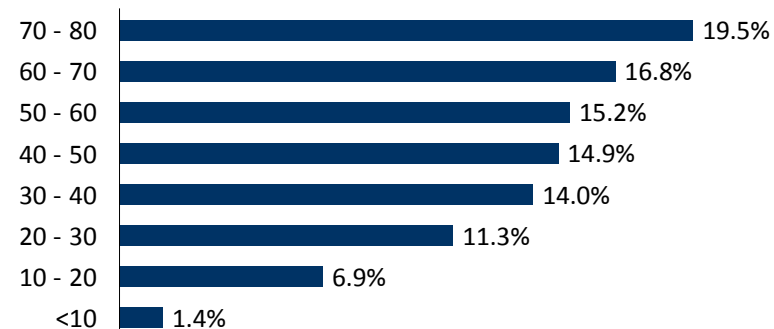
Current loan balance (EUR)



Original LTV (%)



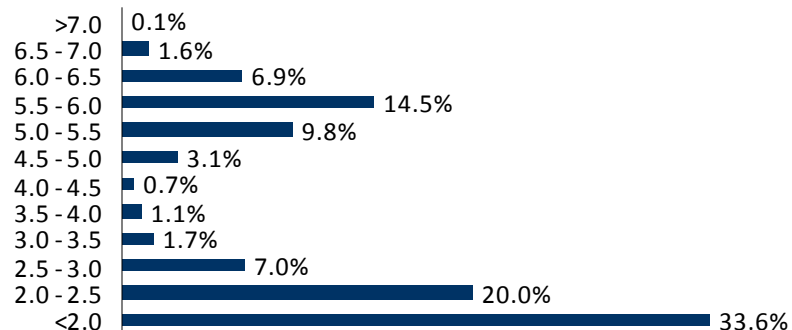
Current LTV (%)



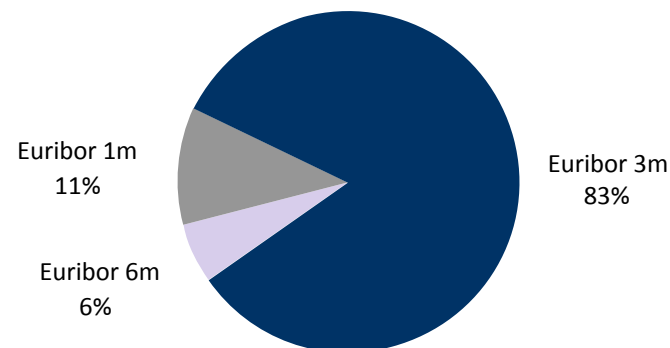
Figures refer to volume of outstanding mortgages - Data as at 18th January 2010

Cover Pool Highlights

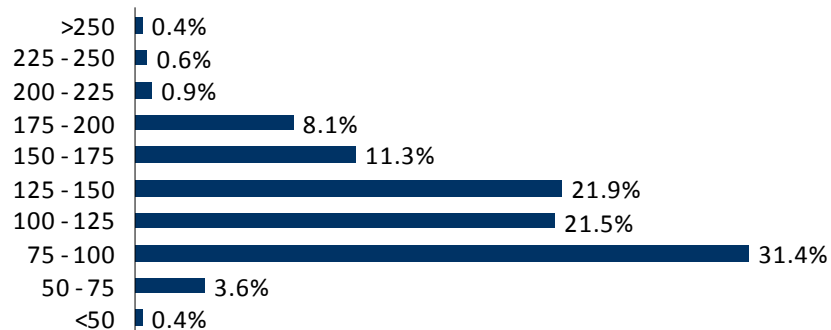
Current interest rates (%)



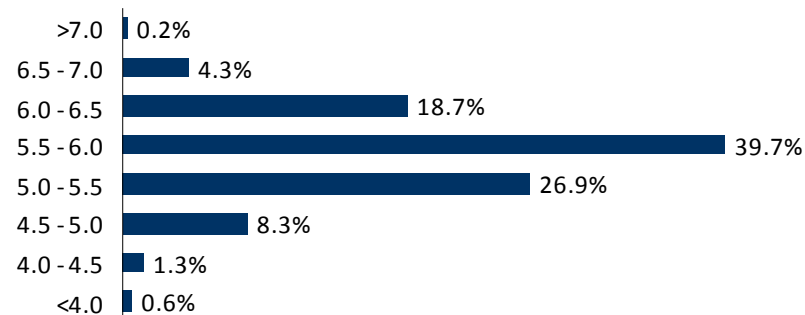
Base index for floating rate loans (%)



Margin on floating rate loans (bp)



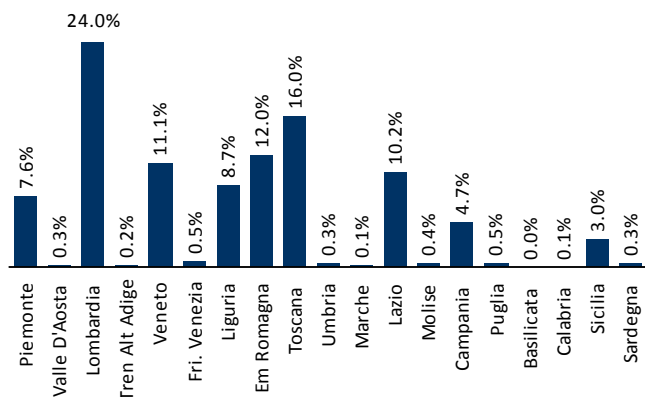
Interest rate on fixed rate loans (%)



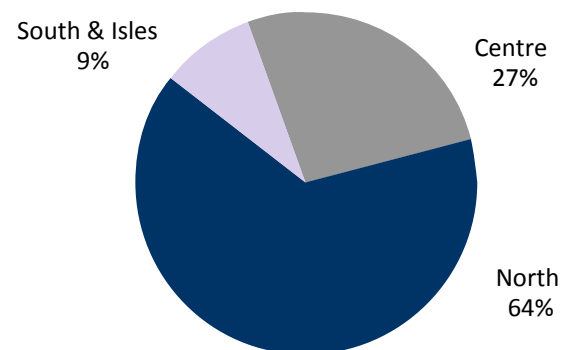
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Cover Pool Highlights

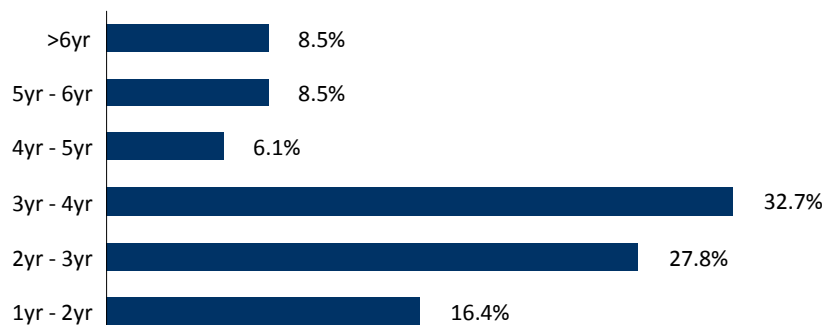
Regional distribution (%)



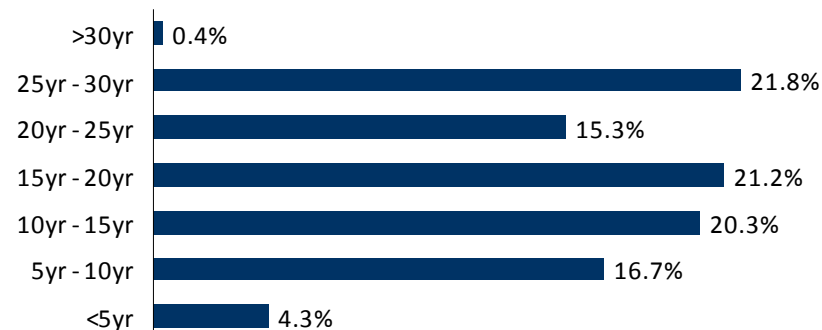
Geographical distribution (%)



Loan seasoning (months)



Remaining term (years)



Figures refer to volume of outstanding mortgages - Data as at 18th January 2010



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Summary of the inaugural issue

Instrument:	Obbligazioni Bancarie Garantite ("OBG")
Issuer:	Banco Popolare Società Cooperativa
Sellers:	Banca Popolare di Verona, Banca Popolare di Novara, Credito Bergamasco, Banca Popolare di Lodi, Cassa di Risparmio di Lucca Pisa Livorno
Guarantor:	BP Covered Bond S.r.l. a bankruptcy remote, special purpose entity which benefits from segregations principals well established under law 130/1999
Expected Ratings:	Aaa / AAA (Moody's / Fitch)
Status/Ranking of the Notes:	Direct, unconditional, unsecured and unsubordinated
Cover Pool:	EUR 1.43bn
Initial Issue size:	Jumbo benchmark size
Currency:	Euro
Coupon:	Fixed, Annually
Documentation:	Off Banco Popolare's OBG Programme
Listing:	Luxembourg Stock Exchange
Denominations:	EUR 50,000
Joint Lead Managers:	Banca Aletti / LBBW / Natixis / RBS / UBS Investment Bank
Marketing:	European roadshow



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Issuer Event of Default

Issuer event of default

- Failure for a period of 7 days or more to pay any principal or redemption amount or any interest on the Covered Bond of any series or tranche when due for a period of more of 14 days
- Breach of any material obligations under or in respect of the covered bonds or any of the transaction documents to which it is a party and such failure remains unremedied for 30 days after the representative of the covered bondholders has given written notice
- Following the delivery of a breach of test notice, the tests are not cured within 30 days
- The pre-maturity test is breached on a pre-maturity test date falling within 12 months prior to the maturity date and the breach has not been cured before the earlier of (i) 15 business days from the date that the issuer is notified of the breach of the pre-maturity test and (ii) the maturity date
- An insolvency event of the issuer
- An article 74 (Italian banking act) event

Enforcement of the CB Guarantee

- The representative of the covered bondholders will serve a notice to pay on the issuer and guarantor stating that an issuer event of default has occurred
- Upon the service of a notice to pay:
 - each series or tranche of covered bonds will accelerate against the issuer and they will rank pari passu amongst themselves against the issuer
 - the guarantor will pay any amounts due under the covered bonds on the due for payment date in accordance with the provisions of the covered bond guarantee
 - the mandatory tests shall continue to be applied and the amortisation test shall be also applied
 - The Guarantor shall (only if necessary in order to effect timely due payments under the Covered Bonds), direct each Servicer to sell the Receivables respectively assigned by in accordance with the provisions of the Cover Pool Administration Agreement

Note: These pages contain a summary/overview of the Priority of Payments and Tests. For the official wording please refer to the Base Prospectus

Guarantor Event of Default

Guarantor event of default

- Failure by the guarantor for a period of 7 days or more to pay any principal or redemption amounts of principal, and/or for a period of 14 days or more to pay any amounts of interest, due for payment in respect of the covered bonds
- Breach of the amortisation test
- Breach by the guarantor of any material obligations under or in respect of the covered bonds or any of the transaction documents to which it is a party, with such failure remaining unremedied for 30 days after the Representative of the Covered Bondholders has given written notice thereof to the issuer
- An insolvency event of the guarantor

Acceleration notice

- The Representative of the Covered Bondholders shall serve a notice on the guarantor that a guarantor event of default has occurred, unless an extraordinary resolution is passed resolving otherwise
- Upon the service of the acceleration notice, all covered bonds will become immediately due and payable by the guarantor at their early redemption amount, together with any accrued interest and they will rank pari passu amongst themselves

Note: These pages contain a summary/overview of the Priority of Payments and Tests. For the official wording please refer to the Base Prospectus



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European Overview on Covered Bond Framework

	Name of debt Instrument	Special Banking Principle	Supervision	Substitute Collateral	Protection Against Mismatching	Mandatory over-collateralisation	Voluntary over-collateralisation is protected	Fulfil UCITS 22(4)
Italy	Obbligazioni bancarie garantite (OBG)	No	Bank of Italy	Up to 15%	Net-present value cover required	No	Yes	Yes
Germany	Hypothekenpfand-briefe, Öffentliche Pfandbriefe, Schiffspfandbriefe	No	Bundesanstalt für Finanzdienstleistungsaufsicht and independent trustee	Up to 10%	Net-present value cover required	102%	Yes	Yes
Spain	Cédulas Hipotecarias (CH)	No	Banco de Espana	Not applicable	Coverage by nominal value	125% (CH)	Yes	Yes
	Cédulas Territoriales (CT)					143% (CT)		
France	Obligations Foncières (OF)	Yes	Commission Bancaire and special supervisor	Up to 15%	Not compulsory; but all OFs benefit from additional contractual features	No	Yes	Yes
	French Structured Covered Bond	No	Commission Bancaire and special supervisor	Up to 15%	Contractual obligation to neutralise interest and currency risk. Also, downgrade triggers for swap counterparties and different tests to ensure adequate cash flows	Subject to asset coverage test	Yes	T.b.d.
Netherlands	Dutch Covered Bonds	No	De Nederlandsche Bank and independent auditor	Up to 10%	Exposure to interest rate and currency risk is neutralised. In addition, downgrade triggers for swap counterparties, and various tests ensure cash-flow adequacy	Subject to asset coverage test	Yes	From 1 July 2008 onwards
Portugal	Obrigações Hipotecárias , Obrigações sector público	Optional	Banco de Portugal	Up to 20%	Net-present value cover required; in addition, limitation of liquidity risk	105%	Yes	Yes



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Banco Popolare Group: main consolidated P&L items*

Banco Popolare Group

€/m	30/09/09		30/09/08
	Accounting	Recurring	Recurring
TOTAL REVENUES:	2,724.7	3,048.0	2,706.1
<i>o/w net interest income</i>	1,525.5	1,525.5	1,700.4
<i>o/w net commissions</i>	755.6	755.6	822.1
<i>o/w net financial result</i>	278.6	602.2	25.0
OPERATING COSTS	(1,825.9)	(1,825.9)	(1,754.7)
PROFIT FROM OPERATIONS	898.8	1,221.1	951.4
<i>Net Write-downs on impairment of loans</i>	(492.9)	(493.5)	(205.8)
INCOME BEFORE TAXES	464.8	675.6	713.8
<i>Taxes on income</i>	(259.3)	(283.6)	(327.3)
NET INCOME OF THE GROUP	177.9	382.2	371.4

Comments

- Recurring total revenues: **+26%** yoy
- Recurring profit from operations: **+28%** yoy
- Strong growth of the recurring net financial result
- The increase in the recurring operating costs is due to:
 - the sale and lease-back contract on operating RE assets finalized in 2008 with a pre-tax profit of +€500m
 - the elimination of the exemption for the invoicing of intragroup services, which impacted for about +€45m

* 9 months 2009 Banco Popolare + Q3 2009 Banca Italease

** The consolidated income statement as at 30/09/09 includes for the first time Banca Italease figures solely for the Q309, following the PTO closed successfully in July 2009.

*** The difference between accounting and recurring 2009 data is mainly due to the results of the fair value option of own liabilities (-€333.3m pre-tax as at 30/09/09), which is a non-cash item

Public Tender Offer on Banca Italease: outcome

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
	96,675,955	57.4%	€ 145,013,932.5

Banco Popolare position

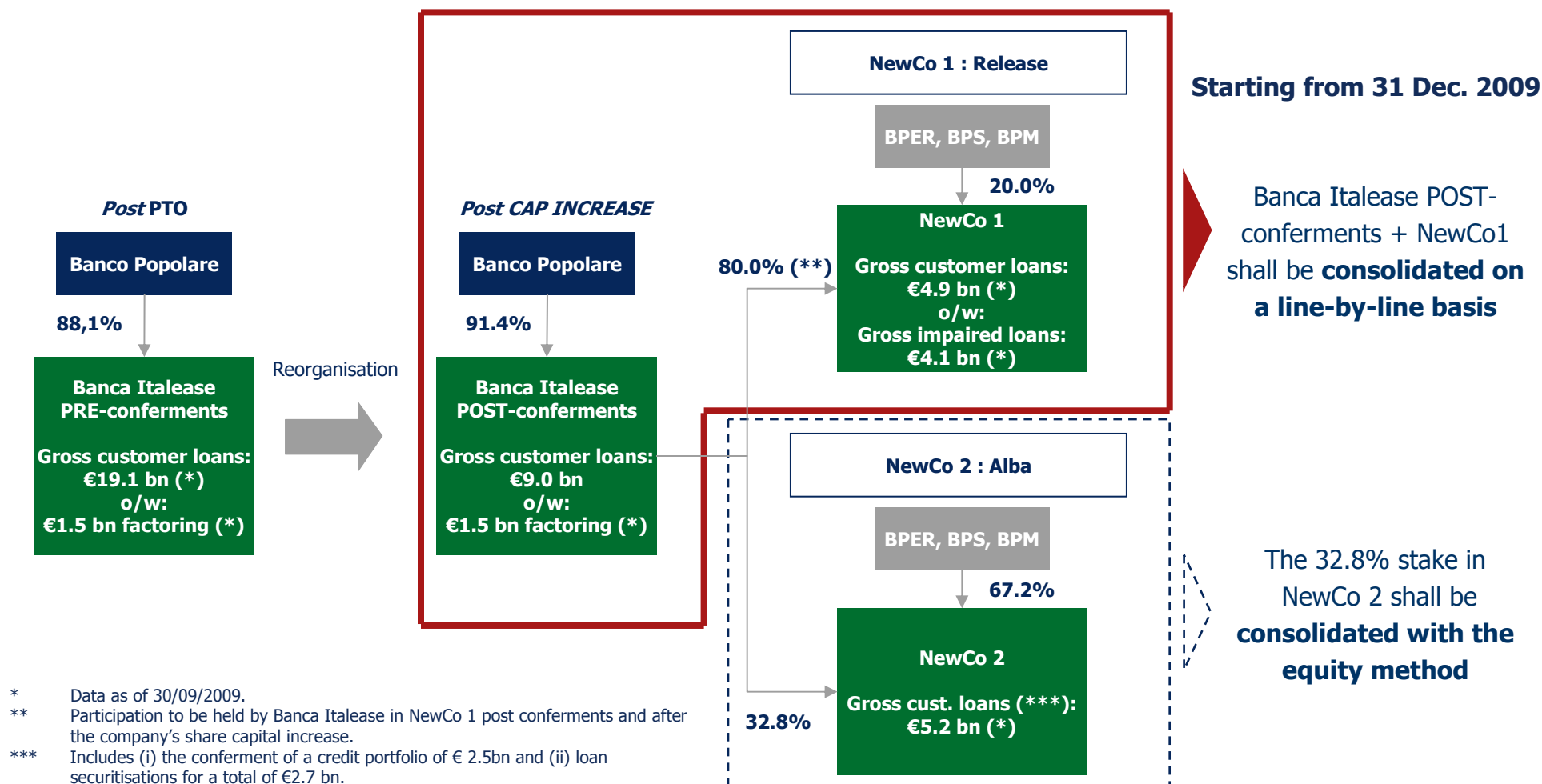
	# OF SHARES HELD BY BANCO POPOLARE	AS A % OF THE SHARE CAPITAL OF BANCA ITALEASE
▪ PRE-PTO	51,732,957	30.7%
▪ PTO	96,675,955	57.4%
▪ POST-PTO	148,408,912	88.1%

After the closure of the Public Tender Offer, Banco Popolare increased its stake in Banca Italease to a total of 148,408,912 shares, corresponding to 88.1% of the bank's share capital.

Subsequently, following the exercise of option rights that were bought on the market on 30 December 2009, the total stake was increased further to the current level of 91.397%.

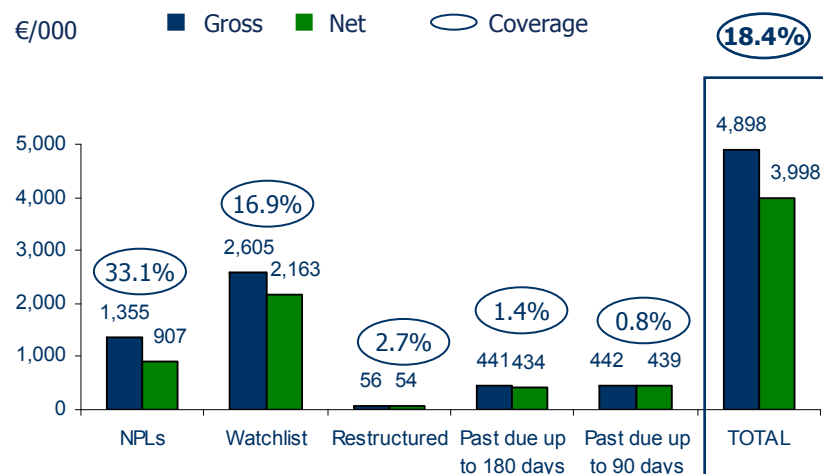
Banca Italease: reorganisation completed

- **08 July 2009:** closure of the Public Tender Offer on Banca Italease with a 88.127% stake held by Banco Popolare; since 30 September 2009 Banca Italease is **consolidated on a line-by-line basis**.
- **31 December 2009:** **legal effectiveness** of the Banca Italease reorganisation.
- **08 January 2010:** **€1.2bn capital increase finalised. Banco Popolare increased its stake in Banca Italease from 88.127% to 91.397%**, following the exercise of option rights on 30 December 2009.

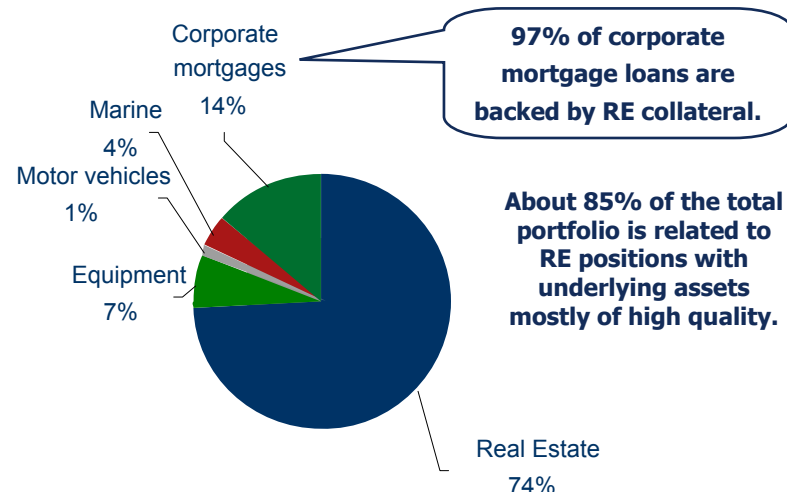


Banca Italease: focus on NewCo 1 (Release) loan portfolio

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



Loan breakdown by type of business



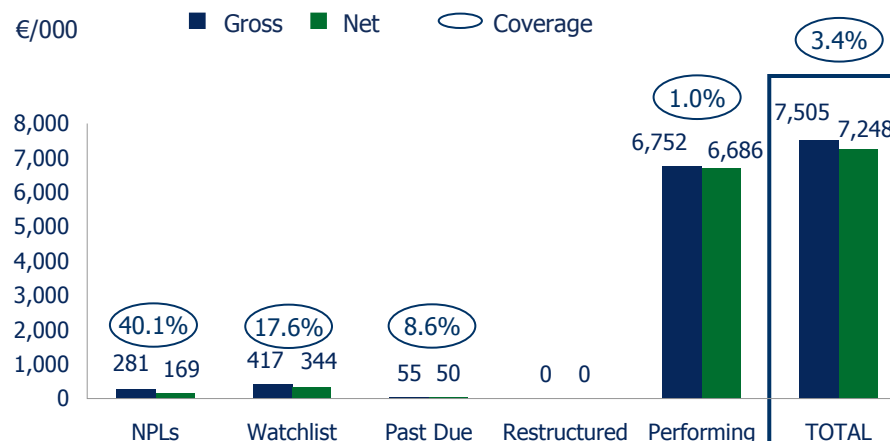
Comments

- NewCo 1 (Release) is a company with a level of capital that is about €400m, with a total capital ratio expected to be around 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 (~-1.5/-2.0bn) have in large part already been formally agreed

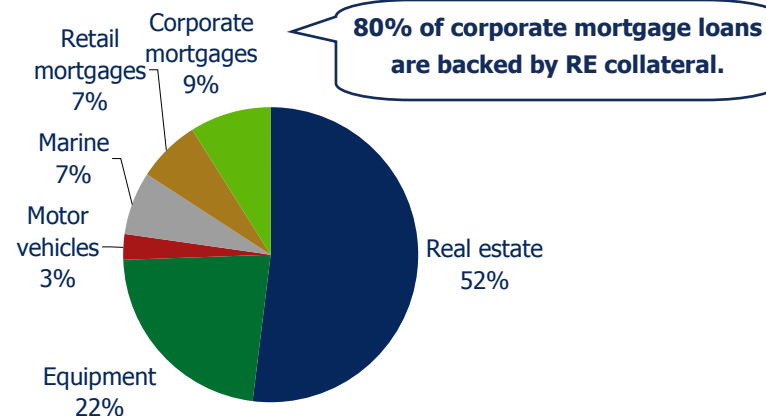
* Remaining loan portfolio of Banca Italease, ie. after the conferments of loans into NewCo 1 and NewCo2, excluding Factorit.

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 completed on 8 Jan. 2010, through a share capital increase of almost €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 – reaches 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

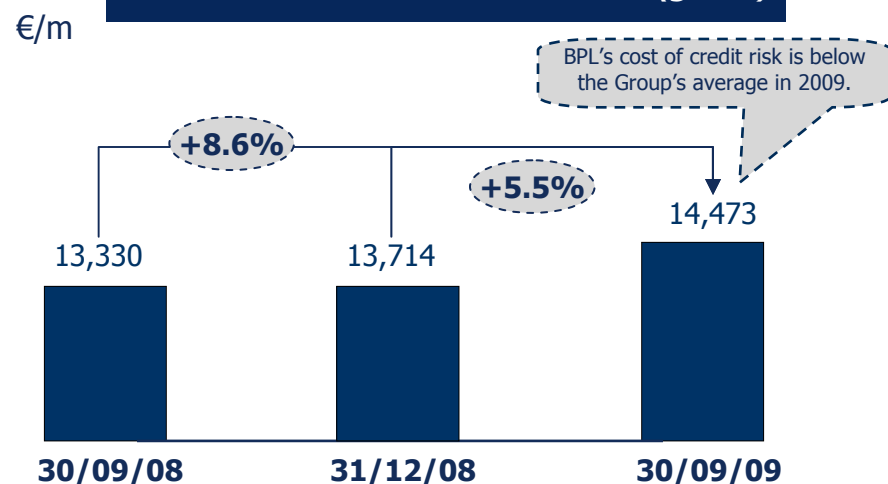
* Remaining loan portfolio of Banca Italease, ie. after the conferments of loans into NewCo 1 and NewCo2, excluding Factorit.

Turnaround of Banca Popolare di Lodi

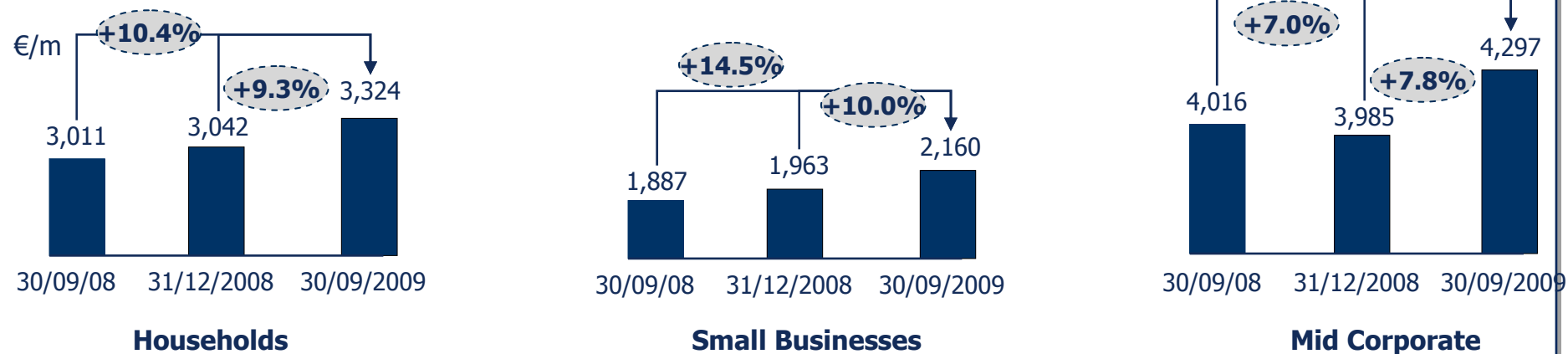
Nine-month 2009 profitability highlights

€/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
	Net recurring income*	50.9

Trend in the loans to customers (gross)



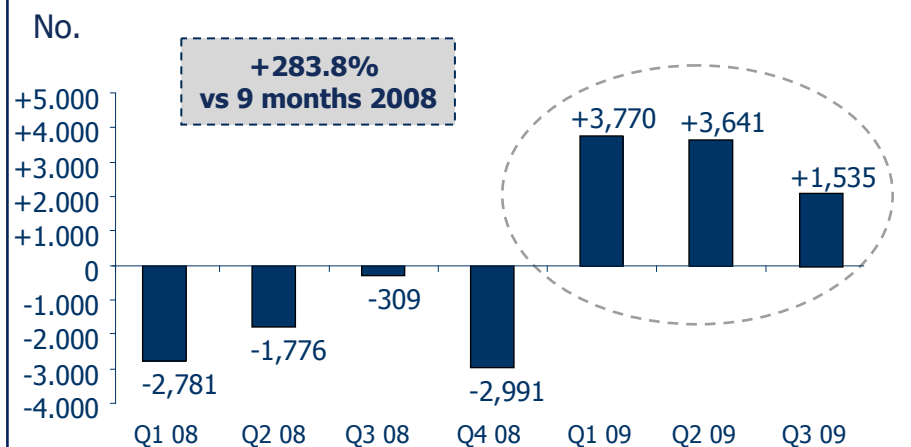
Loans to customers: focus on core business segments



* 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

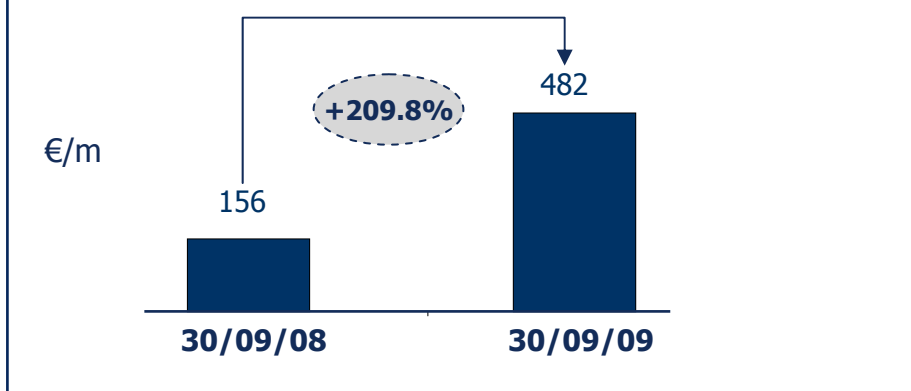
Trend in the net opening of current accounts



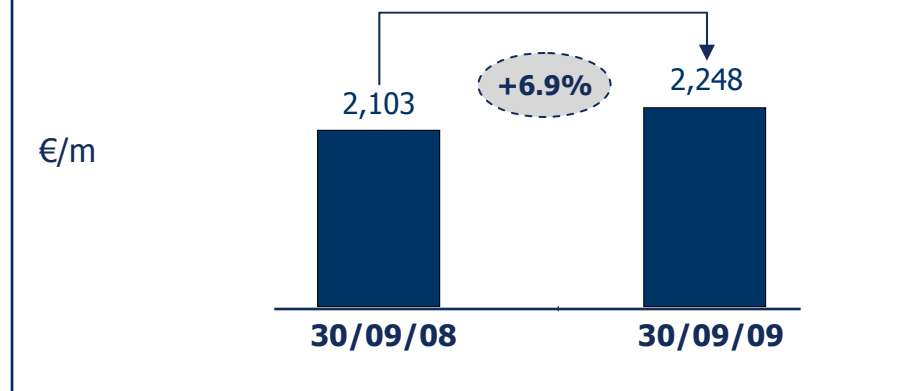
Comments

- BPL's business performance shows a clear recovery in 2009:
- Net balance of new current accounts 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**.

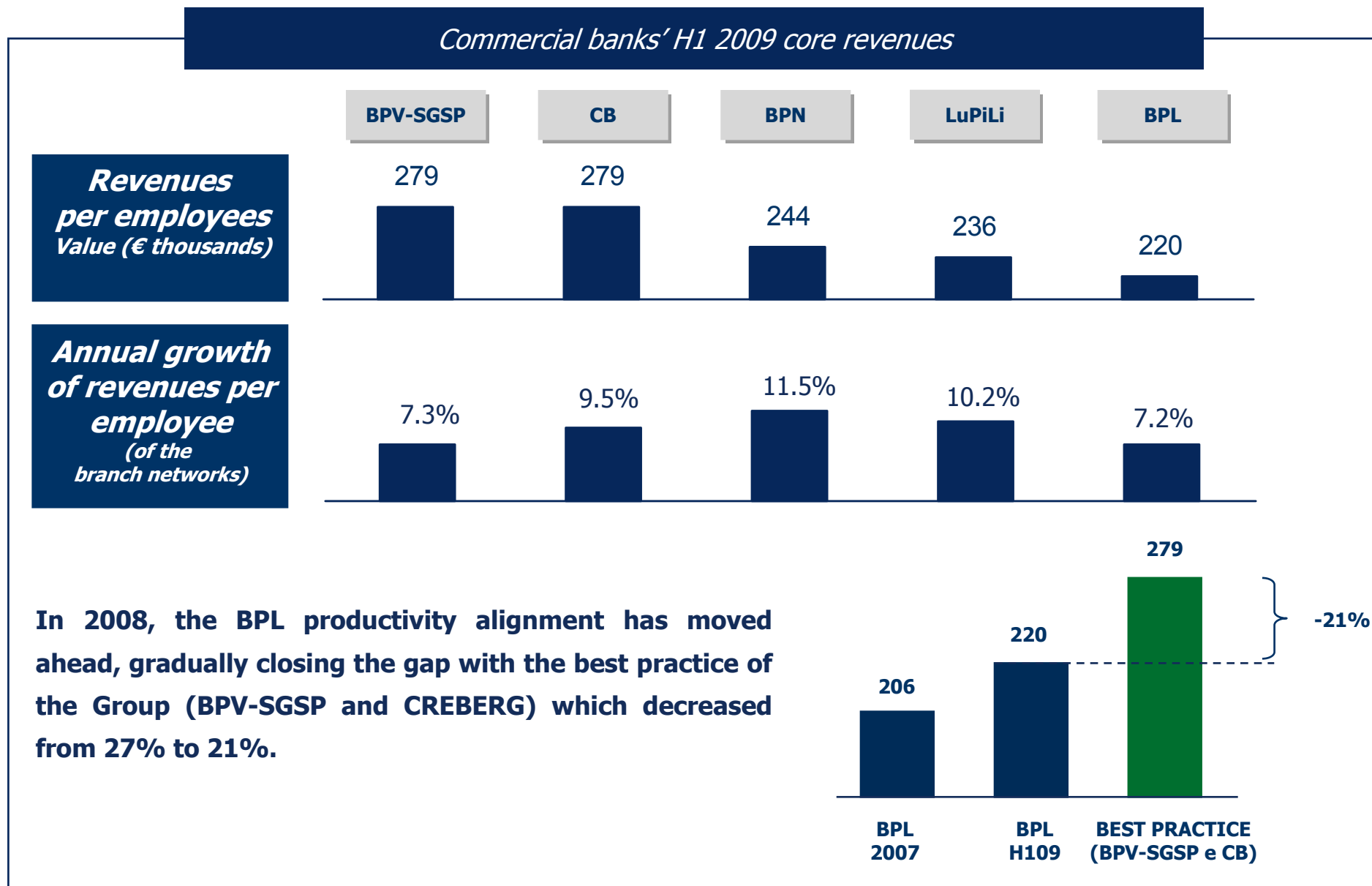
Bancassurance + specialised managed accounts



Total investment products



Internal benchmarking: productivity of retail banks



Internal benchmarking: productivity of retail banks

Group capital ratios

	Accounting ratios	Pro-forma ratios	
	30/06/2009	Pro-forma ratios post Government bond (Tremonti), Italease and disposal of Factorit	Including also "soft mandatory convertible notes"
Core Tier 1	€4.02bn 5.2%	6.3%	7.3%
Tier 1	€5.13bn 6.6%	7.8%	8.9%
Total capital	€7.96bn 10.2%	10.9%	12.0%
RWAs	€77.9bn	€92.0bn	€92.0bn

Note: Capital ratios estimated on a pro-forma basis include Tremonti bonds, the disposal of Factorit, and also the full effect of the SoftMandatory Convertible Notes (€1.0bn). They don't include dividend distribution and Banca Italease 2009 balance sheet figures.

Update on capital initiatives

		Realized	Next steps
Accelerate MEF instrument	<ul style="list-style-type: none"> ■ €1.45bn of hybrid convertible bonds issued to the Italian Ministry of Economy and Finance. ■ In accordance with Bank of Italy guidelines, the full amount is eligible as Core Tier 1 capital. ■ Redeemable at par before June 2013 (premium thereafter). ■ 8.5% flat coupon non tax deductible (accounted after net income). 	<ul style="list-style-type: none"> ■ Issued to the MEF on 31th July 2009 	
Soft Mandatory Convertible bond	<ul style="list-style-type: none"> ■ Up to €1,000m of 'Soft Mandatory' convertible notes in up to €1,0bn capital including premium offered with pre-emptive rights to all existing shareholders. ■ Conversion not before 18 months by bondholders and early redemption after 18 months by the issuer. 	<ul style="list-style-type: none"> ■ Approved by the EGM on 30 Jan 2010 	<ul style="list-style-type: none"> ■ Underwriting period – indicatively March 2010
Banca Italease Lower Tier 2 Tender Offer	<ul style="list-style-type: none"> ■ Tender offer on up to €275m Lower Tier 2 instruments / Exchange with new Banco Popolare Lower Tier 2. 	<ul style="list-style-type: none"> ■ Tender offer completed on the 4 Nov 2009 	

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The manager responsible for preparing the company's financial reports Dott Gianpietro Val Director in charge of Accounting of Banco Popolare, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting periods.



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