BANCO POPOLARE
GRUPPO BANCARIO

FY 2008 Results Presentation





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Agenda

BANCO POPOLARE
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Section 1

Group consolidated Q4 and FY 2008 Results

- *Income statement analysis*
- *Banking volumes*
- *Asset quality and cost of risk*

Key messages

- **Good operating performance of the Group’s regional commercial banks.**

- **Net income impacted by extraordinary items:**

  on the negative:

  - **rigorous loan provisioning policy**
  - **value adjustments on partecipations**
  - **impairment of goodwill**

  on the positive:

  - **capital gains on asset disposals**
  - **tax benefit from fiscal deduction of goodwill**

- **Solid liquidity profile and absence of any major financial market risks.**

- **Adequate capital base with strengthening of related capital ratios.**

Income statement with PPA line-by-line

€/m

	31/12/2008	31 /12/2008 (*)	2007 (**) homogeneous
Net interest income	2,243.7	2,442.9	2,165.2
Profit (loss) on equity investments carried at equity	(13.6)	(13.6)	(126.2)
Net interest, dividend and similar income	**2,230.1**	**2,429.2**	**2,039.0**
Net commissions	1,061.5	1,061.5	1,210.5
Other revenues	255.9	302.7	206.8
Net financial income	196.8	233.0	610.7
Other operating income	**1,514.2**	**1,597.2**	**2,028.0**
Total income	**3,744.3**	**4,026.4**	**4,067.0**
Personnel expenses	(1,487.2)	(1,487.2)	(1,456.1)
Other administrative expenses	(675.4)	(675.4)	(713.2)
Amortization and depreciation	(170.6)	(163.7)	(171.2)
Operating costs	**(2,333.2)**	**(2,326.3)**	**(2,340.5)**
Profit from operations	**1,411.0**	**1,700.1**	**1,726.4**
Net write-downs on impairment of loans, guarantees and commitments	(1,170.4)	(1,170.4)	(479.0)
Net write-downs on impairment of other assets	(199.5)	(198.6)	(111.6)
Net provisions for risks and charges	(200.9)	(200.9)	(138.1)
Impairment of goodwill and equity investments	(873.8)	(402.1)	(171.5)
Profit (loss) on disposal of equity and other investments	501.2	519.5	781.9
Income before tax from continuing operations	**(532.3)**	**247.7**	**1,608.3**
Tax on income from continuing operations	140.5	44.9	(710.2)
Income after tax from continuing operations	**(391.9)**	**292.6**	**898.1**
Income (Loss) after tax from non-current assets held for sale (***)	125.9	139.0	24.4
Integration charges after tax	*(36.2)*	*(36.2)*	*(148.3)*
Net income for the period	**(302.2)**	**395.3**	**774.2**
Minority interest	(31.2)	(43.7)	(42.3)
Income for the period excluding PPA impacts	**(333.4)**	**351.7**	**731.9**
PPA impacts after tax		(685.0)	(96.8)
Net income for the period attributable to the Parent company	**(333.4)**	**(333.4)**	**635.1**

(*) Data with PPA impacts reclassified in a specific item.

(**) Inclusive of 1H 2007 contribution from Gruppo Banca Popolare Italiana with PPA impacts reclassified in a specific item, adjusted for comparison to account for changes in the consolidation scope.

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

Income statement: revenues and costs

P&L – pre PPA **€/m**

	31/12/'08	31/12/'07*	chg %
Total income:	**4,026.4**	**4,067.0**	**-1.0%**
• Net interest income	2,442.9	2,165.2	12.8%
• Profit (loss) on equity investments carried at equity	(13.6)	(126.2)	n.s.
• Other operating income:	1,597.2	2,028.0	-21.2%
- Net commissions	*1,061.5*	*1,210.5*	*-12.3%*
- Other revenues	*302.7*	*206.8*	*46.4%*
- Net financial income	*233.0*	*610.7*	*-61.8%*
Operating costs:	**(2,326.3)**	**(2,340.5)**	**-0.6%**
• Personnel expenses	(1,487.2)	(1,456.1)	2.1%
• Other administrative expenses	(675.4)	(713.2)	-5.3%
• Amortization and depreciation	(163.7)	(171.2)	-4.4%
Profit from operations	**1,700.1**	**1,726.4**	**-1.5%**

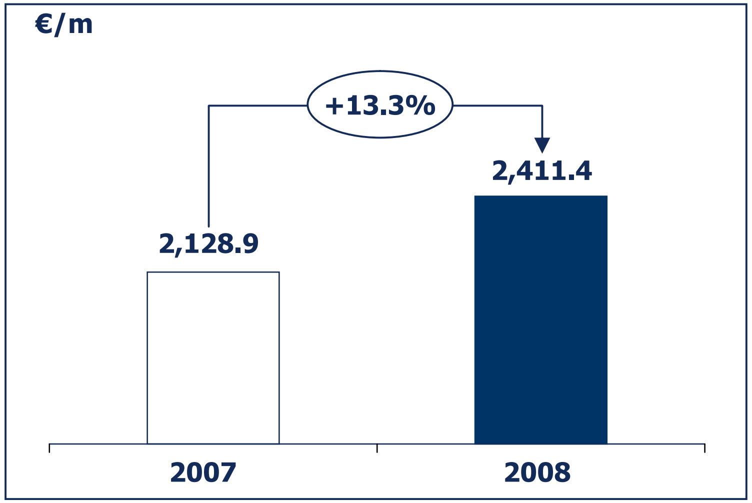
Comments:

- ‘Core banking’ revenues: the net interest income growth substantially offsets the reduction in the net commissions.
- Net financial income negatively impacted by the situation on the financial markets.
- Costs under control.

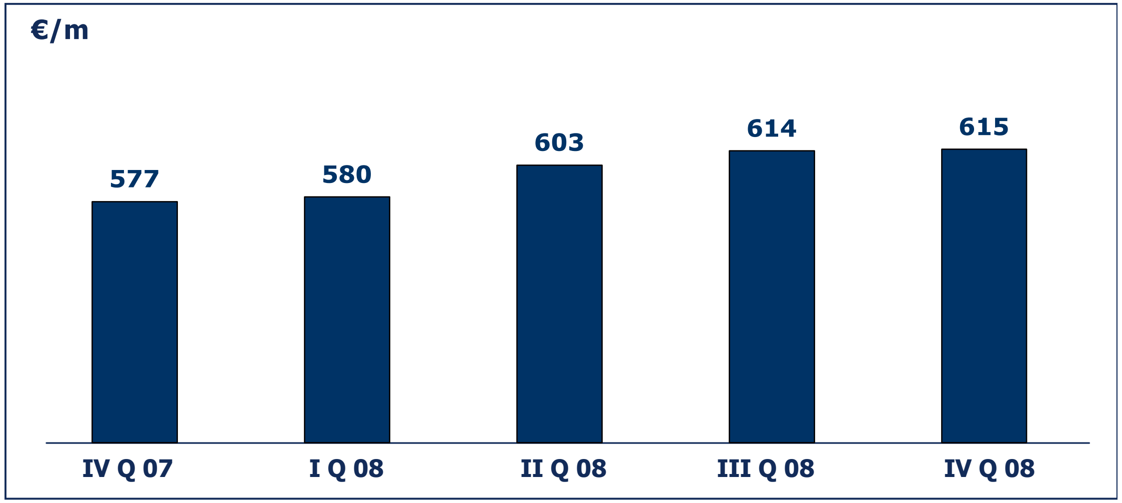
(*) Inclusive of 1H 2007 contribution from Gruppo Banca Popolare Italiana with PPA impacts reclassified in a specific item, adjusted for comparison to account for changes in the consolidation scope..

Commercial banks: trend in net interest income & spread

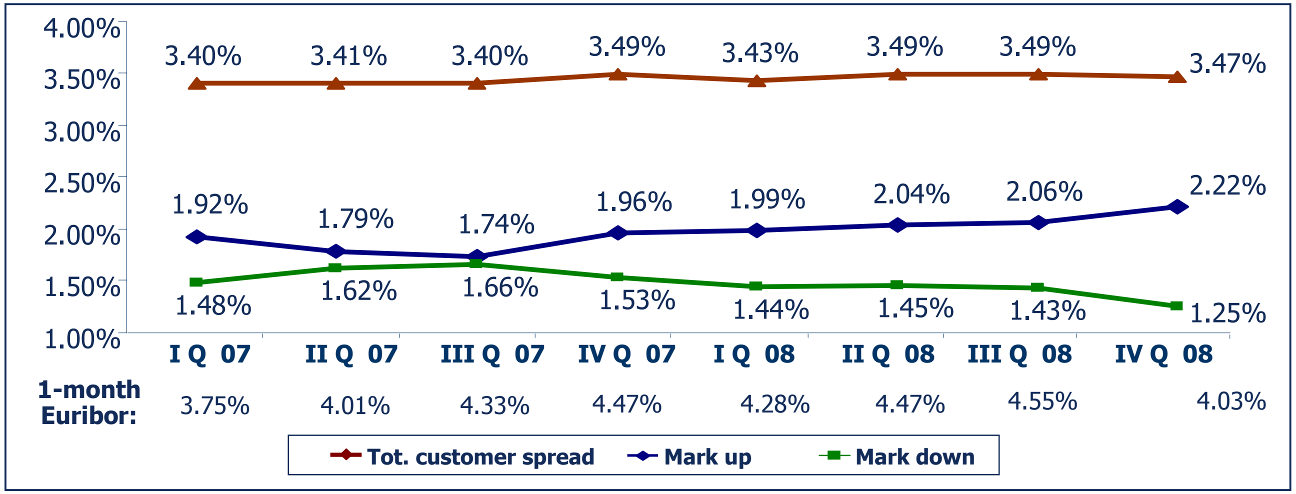
Net interest income: y/y



Net interest income: quarterly trend



Quarterly customer spreads



Growth Drivers

Customer net interest income of the "Banks of the Territory" recorded a growth of **13%** y/y, corresponding to **+€282m**, of which:

- **+€222m** volume effect related to increased lending and funding volumes.
- **+€60m** spread effect, driven by the increase in the asset spread.

Note: Pro-forma figures exclude the disposal of Tuscany-based branches , BP Mantova and Banca Valori

Commercial banks: analysis of net interest inc. & spread

Growth in 2008 net interest income:

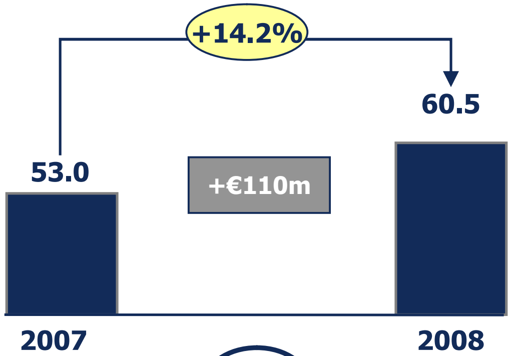
+ €282m (+13% y/y)

Drivers

Volumes: +€222m (net interest income)

€/bn

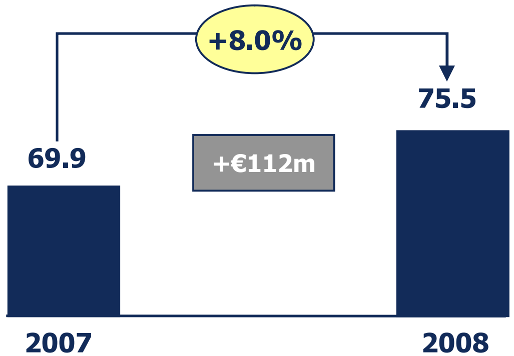
Direct customer funds (avg.)



+

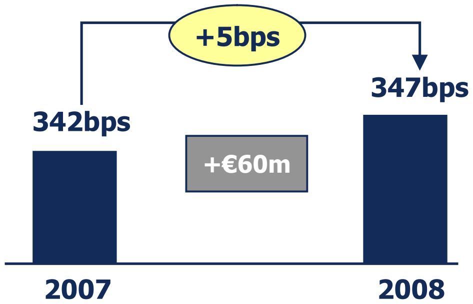
€/bn

Gross domestic customer loans (avg.)

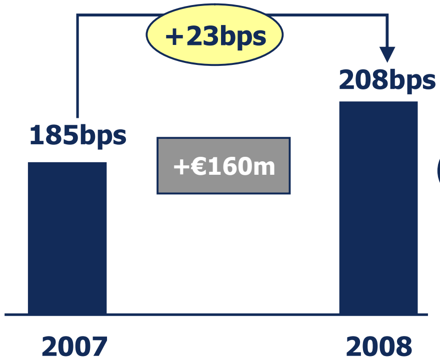


Customer spread: +€60m (net interest income)

Total customer spread (avg.)

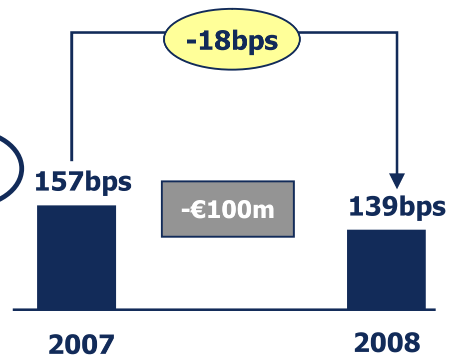


Mark up (avg.)



+

Mark down (avg.)



Other operating income: net commissions

€/m

Analysis of Net commission income

	31/12/2008	31/12/2007	Chg %
Management, brokerage and advisory services	653.7	775.3	-15.7%
Expense recovery on checking accounts and other	170.7	171.2	-0.3%
Loan to retail customers	120.8	124.2	-2.7%
Guarantees given	53.2	47.3	12.5%
Other services	63.1	92.5	-31.9%
Net commission income	**1.061.5**	**1.210.5**	**-12.3%**

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

	31/12/2008	31/12/2007	Chg %
Assets administration	226.4	394.7	-42.6%
Bancassurance, consumer credit and other	280.0	236.7	18.3%
Securities sale and distribution	67.2	43.8	53.4%
Custodian bank	22.7	30.7	-26.0%
Trading activity of the branches' customers	37.0	39.8	-7.0%
Others	20.3	29.6	-31.3%
Total	**653.7**	**775.3**	**-15.7%**

Comments:

- The net commission income has been affected by the strong reduction of the assets under management volumes, in favour of direct customer funds and bancassurance products. The latter have registered a slowdown of the inflows in Q4 2008, which is expected to be recovered during the year 2009.
- Growth in commissions related to consumer credit products.

Other revenues

€/m

	31/12/2008	31/12/2007	Var %
Charges attributable to third parties debited on receivable deposits and checking accounts	196.5	207.5	-5.3%
Profits from the sale of branches	118.4	-	n.s
Contingent liability on prescribed bank drafts	-24.3	-	-
Penalty on advance closure of Aviva contracts	-	-18.3	n.s
Rent income from property	11.9	13.3	-10.4%
Other	0.2	4.2	-94.5%
Total	**302.7**	**206.8**	**46.4%**

Other operating income: net financial income

€/m

Net financial income

	2008	2007	chg %
• Net result of financial liabilities (assets) designed at FV	308.5	156.0	97.8%
• Hedging activity	(3.6)	2.4	
• Dividends from partecipations	34.5	42.5	-18.8%
• Net result of prop portfolio and trading activity	(190.6)	178.3	
of which: Banca Aletti	*122.3*	*185.8*	
• Profit (Loss) from disposal of 'non core' equity stakes	84.2	231.4	-63.6%
Net financial income	**233.0**	**610.6**	**-61.8%**

Comments:

- The net financial income was strongly affected by the global market crisis in the year 2008.
- The proprietary securities portfolio (about €10.4bn) – although mostly composed of Treasury securities and senior investment grade bonds – was affected by the widening in spreads, both with respect to the Italian Treasury and the bank issuers which represent a large part of the 'corporate portfolio'.
- The 'mark-to-market' loss on the securities portfolio was kept in the order of 3% of the outstanding stock (hence below the yield of the underlying portfolio), thereby confirming the good quality of the asset portfolio.

€/m

Focus on the proprietary securities portfolio as of 31/12/2008

Assets	Amount (€/bn)	Comp. (%)
- Treasury securities	4.7	45.0%
- Senior investment grade bonds (i)	2.4	23.5%
- Subprime. CLOs. CDOs and CBOs	0	0%
- Monoliners	0	0%
- Emerging markets: bonds and equity sec.	0	0%
- ABS (AAA rating)	0.1	1.4%
- Shares in investment management comp.	0.8	7.3%
- Equity securities	0.1	1.1%
- Group securities	1.8	17.7%
- Other securities	0.4	4.0%
Total	**10.4**	**100%**

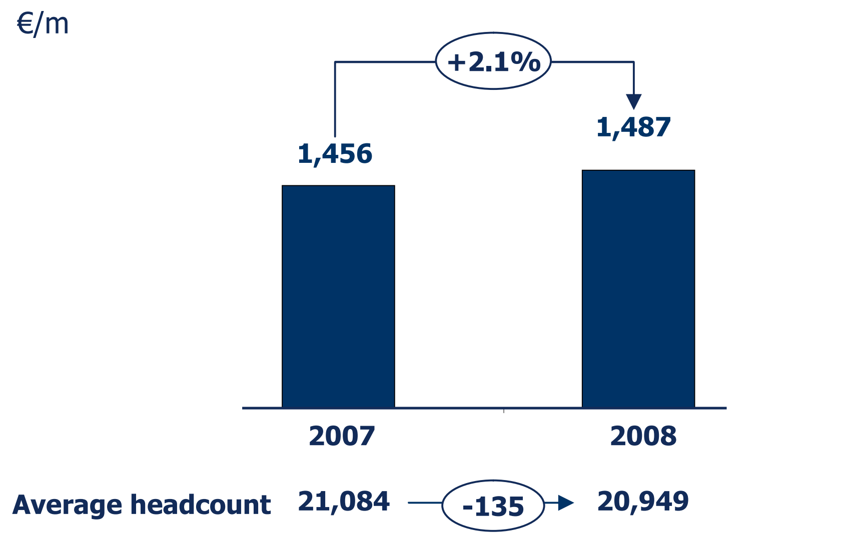
(i) Of which: €1.1bn Italian-based issuers

Source: Finance Department, including Group securities

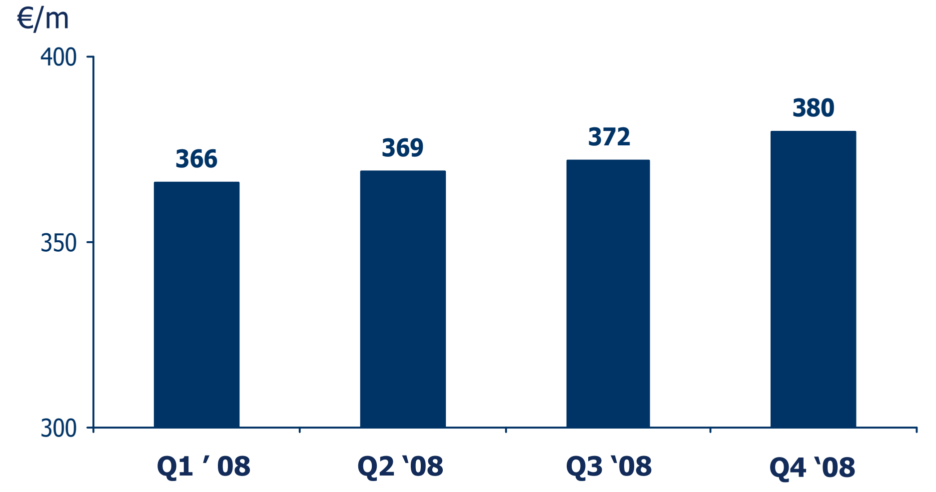
- Absence of risks related to securities in connection with the SUBPRIME mortgage sector.
- Absence of major financial market risks.

Operating costs: personnel expenses

Personnel expenses



... quarterly evolution



Staff by category and employment contract

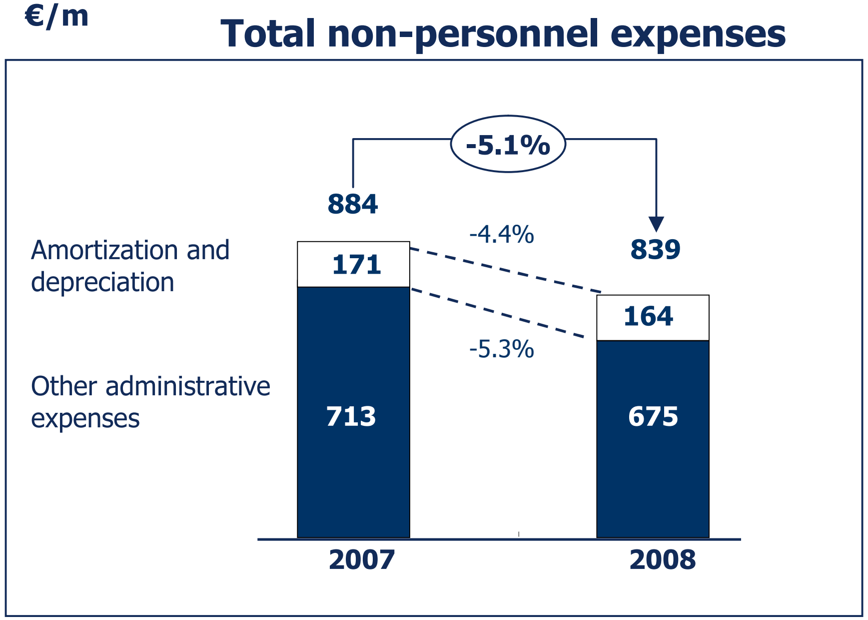
	31/12/08	31/12/07
Total headcount (end-of-period)	20,704	21,260
- Executive managers	342	363
- Managers	7,355	7,465
- Clerks	12,001	12,309
- Other	1,006	1,123
- Internship contracts	445	309
- Training and similar contracts	411	230
- Temporary employment contracts	165	278

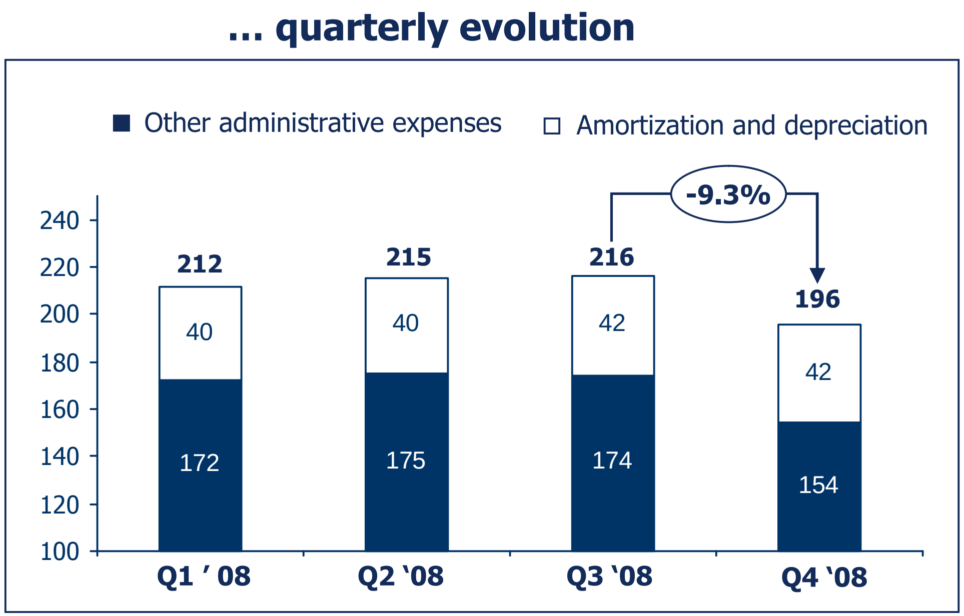
Comments

- The year 2007 had benefited from an adjustment of the interest rate used for the calculation of the net present value of the severance fund, for a total amount of €27.4m; excluding this benefit, personnel expenses registered an increase of just +**0.2%**.
- The increase in personnel expenses in any case includes the rise due to the renewal of the national labour contract (roughly +€39m).
- Average headcount shows a decrease of 135 employees, while period-end headcount has registered a decrease of 556 resources.
- Contracts allowing a higher degree of employment flexibility increased (from 817 to 1,021).

Operating costs: non-personnel expenses

€/m



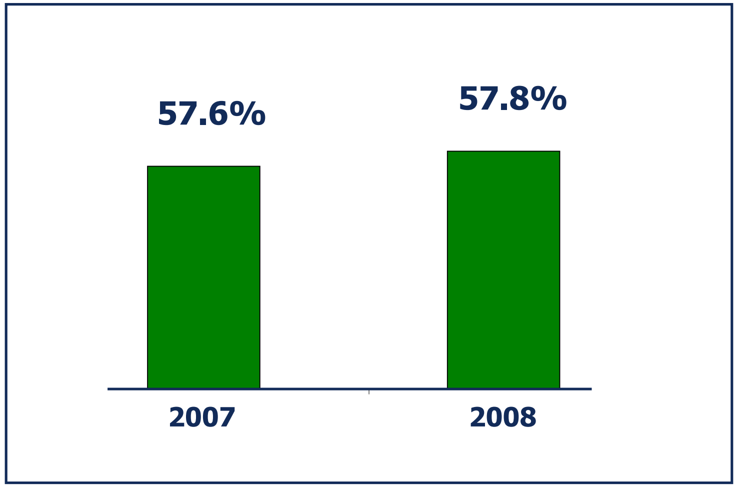


Comments

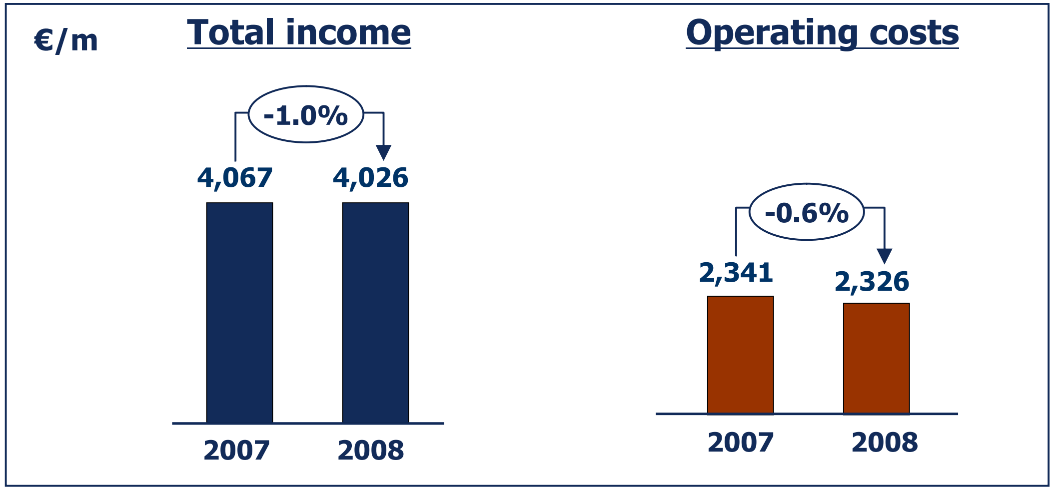
- The fall in other administrative expenses confirms the Group's rigorous cost containment policy and cost management.
- Including also the effect of inflation, the cost decrease in about **8%**.
- The cost reduction, following also the integration process (which was initiated in 2006), has mainly involved the IT area as well as the rationalization of the technical support area; including also the year 2006, the overall decline is indeed above **10%**.

Efficiency: Cost/Income ratio

Cost/Income Ratio



Total income and operating costs



- Operating costs decrease 0.6% in 2008, due to the reduction in other administrative expenses (-5.3%) and amortization (-4.4%), which made it possible to more than compensate the increase in personnel expenses (+2.1%); total income decreased by 1.0%, including a decline of 61.8% in the net financial income.

- Consequently, the Cost/Income Ratio is almost stable (from 57.6% in 2007 to 57.8% in 2008).

Income statement: Post operating profit

P&L – pre PPA **€/m**

	31/12/'08	31/12/'07*
Profit from operations	**1,700.1**	**1,726.4**
Net write-downs on impairment of loans, guarantees and commitments	(1,170.4)	(479.0)
Net write-downs on impairment of other assets	(198.6)	(111.6)
Net provisions for risks and charges	(200.9)	(138.1)
Impairment of goodwill and equity investments	(402.1)	(171.5)
Profit (loss) on disposal of equity and other investments	519.5	781.9
Income before tax from continuing operations	**247.7**	**1,608.3**
Tax on income from continuing operations	44.9	(710.2)
Integration charges after tax	(36.2)	(148.3)
Income (loss) after tax fron non-current assets held for sale	139.0	24.4
Income of the period	**351.7**	**731.9**

PPA impact	(685.1)	(96.8)
Income of the period - post PPA	**(333.4)**	**635.1**

In 2008, PPA includes the impairment on goodwill for a total amount of **€472m.**

(*) Inclusive of 1H 2007 contribution from Gruppo Banca Popolare Italiana with PPA impacts reclassified in a specific item, adjusted for comparison to account for changes in the consolidation scope.

Major negative extraordinary items in FY 2008

updated

Gross amounts in €/m		2008	o/w: Q4 2008
	• PROFIT (LOSS) ON EQUITY INVESTMENTS CARRIED AT EQUITY	**-€48**	**-€48**
o/w:	*- Index policies of Popolare Vita, with Lehman Brothers' securities as underlying*	*-€48*	*-€48*
	• NET WRITE-DOWNS ON IMPAIRMENT OF LOANS, GUARANTEES & COMMITMTS.	**-€850**	**-€702**
o/w:	*- Real estate sector*	*-€300*	*-€300*
	- Other commercial loans	*-€276*	*-€267*
	- Gruppo IT Holding	*-€128*	*-€128*
	- Lehman Brothers and Icelandic banks	*-€91*	*-€1*
	- Gruppo HOPA/FINGRUPPO	*-€55*	*-€6*
	• NET WRITE-DOWNS ON IMPAIRMENT OF OTHER FINANCIAL TRANSACTIONS	**-€162**	**-€116**
o/w:	*- London Stock Exchange*	*-€66*	*-€66*
	- Merchant Banking	*-€35*	*-€35*
	- Lehman Brothers	*-€24*	*-*
	- HOPA/Fingruppo	*-€13*	*-€1*
	• NET PROVISIONS FOR RISKS AND CHARGES	**-€147**	**-€132**
o/w:	*- Real estate sector*	*-€90*	*-€90*
	- Index policies of Eurovita, with Icelandic banks as underlying	*-€30*	*-€30*
	- HOPA/Fingruppo	*-€15*	*-*
	• IMPAIRMENT OF GOODWILL AND EQUITY INVESTMENTS	**-€402**	**-€402**
o/w:	*- Banca Italease*	*-€326*	*-€326*
	• INTEGRATION CHARGES (gross):	**-€50**	**-€6**
	SUB TOTAL	**-€1,659**	**-€1,406**
	Impairment of goodwill (accounted for under the PPA effect)	*-€472*	*-€472*
	TOTAL MAJOR NEGATIVE EXTRAORDINARY ITEMS	**-€2,131**	**-€1,878**

Major positive extraordinary items in FY 2008

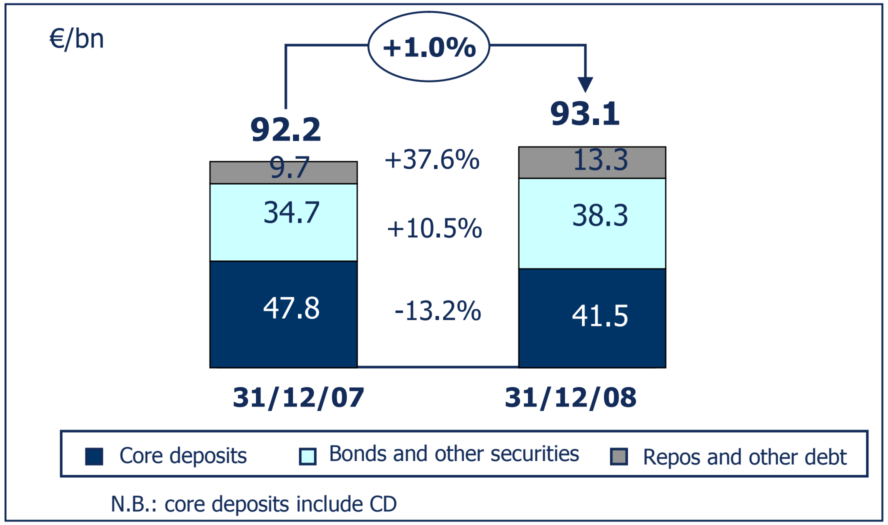
Gross amounts in €/m

		2008	o/w: Q4 2008
	• OTHER REVENUES	**+€118**	**-**
o/w:	*- Disposal of 33 Tuscany-based branches*	*+€118*	
	• PROFIT (LOSS) ON THE DISPOSAL OF EQUITY AND OTHER INVESTMENTS	**+€501**	**+€361**
o/w:	*- Real Estate fund (ERACLE) (i)*	*+€358*	*+€358*
	- Linea	*+€97*	*-*
	• TAX ON INCOME FROM CONTINUING OPERATIONS	**+€482**	**+€502**
o/w:	*- Tax benefit from goodwill deduction*	*+€381*	*+€381*
	- Fiscal effect of extraordinary items	*+€101*	*+€121*
	• INCOME FROM NON-CURRENT ASSETS HELD FOR SALE	**+€126**	**+€107**
o/w:	*- Ducato*	*+€133*	*+€110*

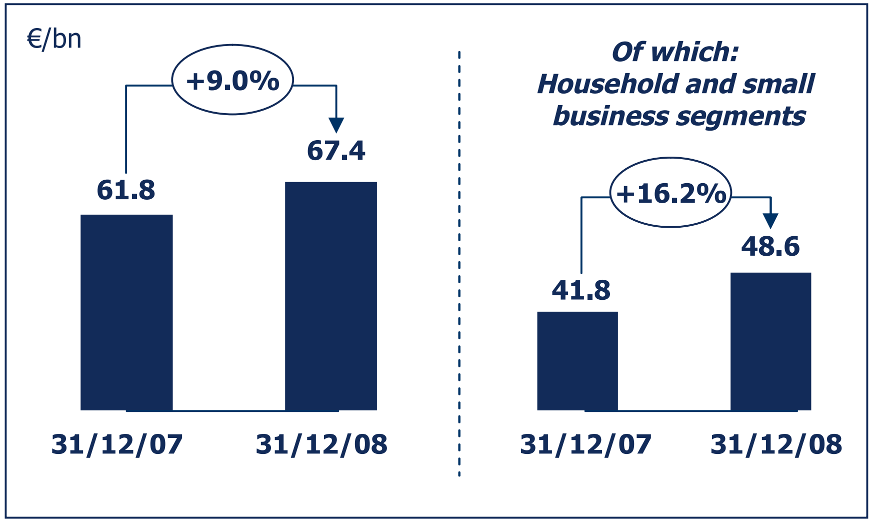
(i) Net of the cost of the operation and of the portion of capital gain which remains to be booked in 2009.

Direct customer funds: growth in the retail segment

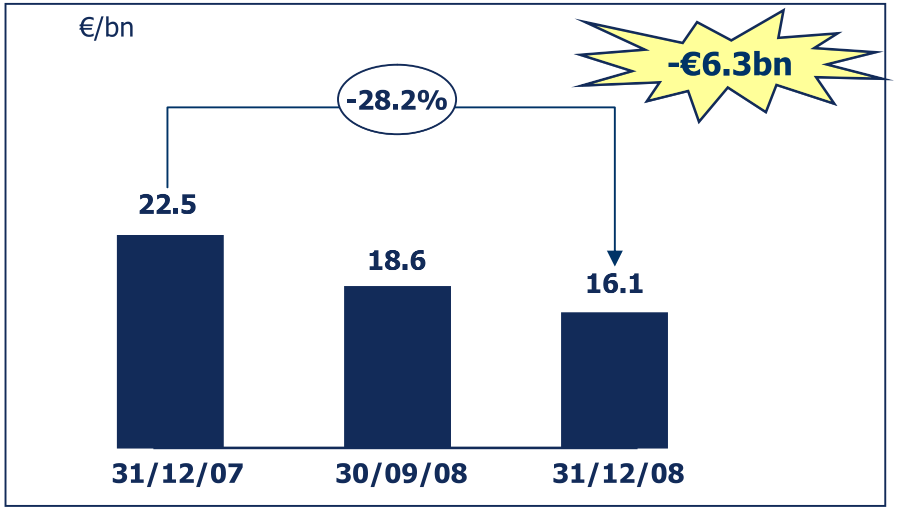
Group direct customer funds



Direct customer funds of commercial banks



Wholesale funding (EMTN and London)

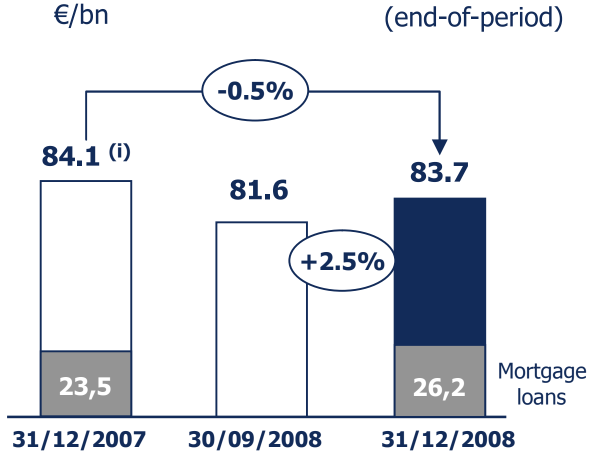


Comments:

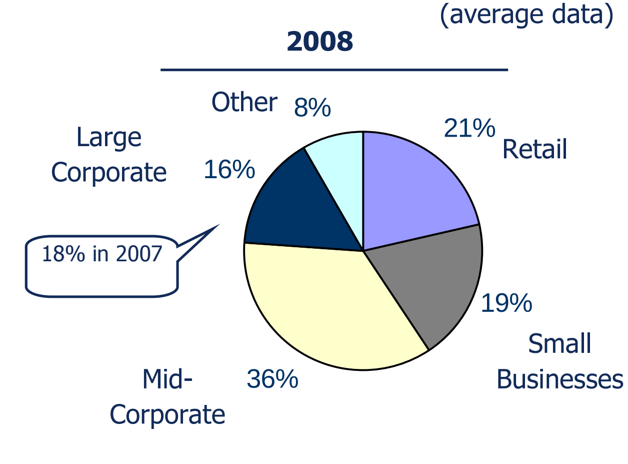
- The strong growth of direct customer funds of the commercial banks has more than offset the decline in the wholesale funding through EMTN/ECP/ECD.
- At the same time, the bank proceeded with a strategy of lengthening maturities through the issue of bonds placed with retail customers.
- About 59% of the Group's direct customer funds are short-term.

Customer loans: focus Retail and SME's

Group gross customer loans



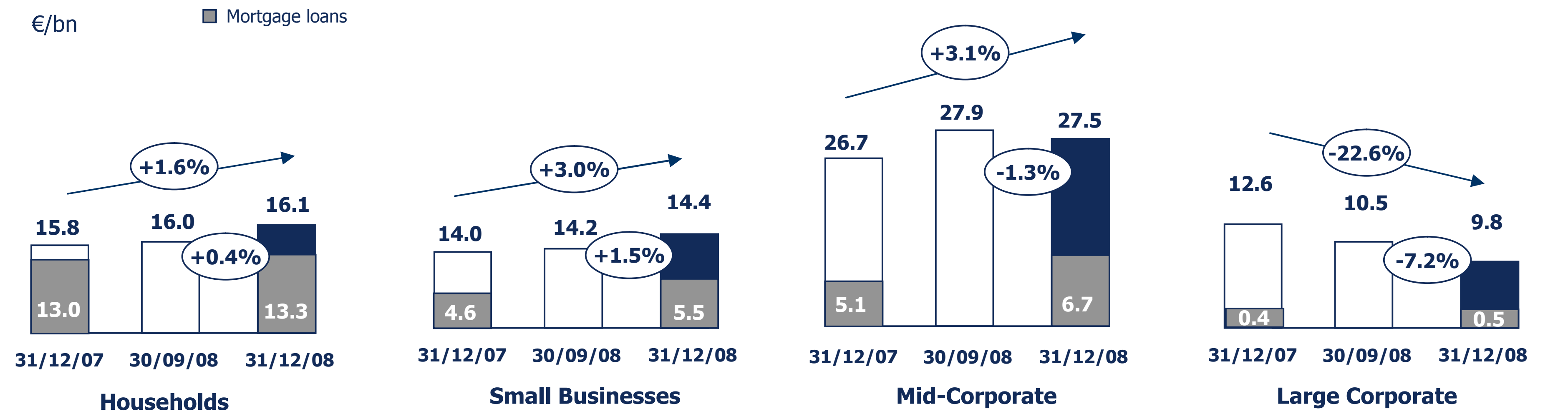
Loans by customer segment



Comments

- Loan growth in the retail segments (households and small business).
- Reduction in lending to the Large Corporate sector, with a reduction in the share of total customer loans (from 18 in 2007 to 16% in 2008).
- 60% of customer loans has a maturity below 18 months.

Commercial banks: loan growth by customer segment (ii) (end-of-period)



(i) Restated data, excluding Ducato customer loans, following the consumer credit JV.

(ii) Data on a pro-forma basis, excluding the disposal of 33 Tuscany-based branches and BPMantova.

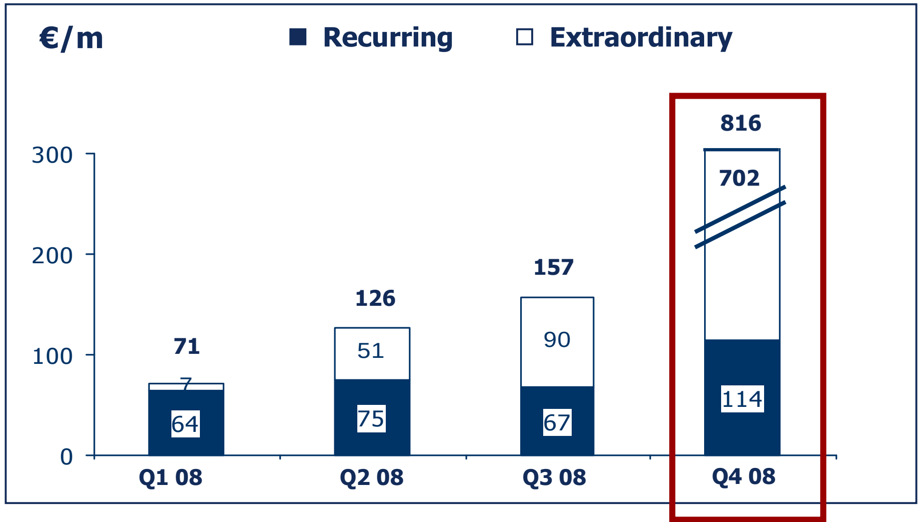
Cost of credit risk

updated

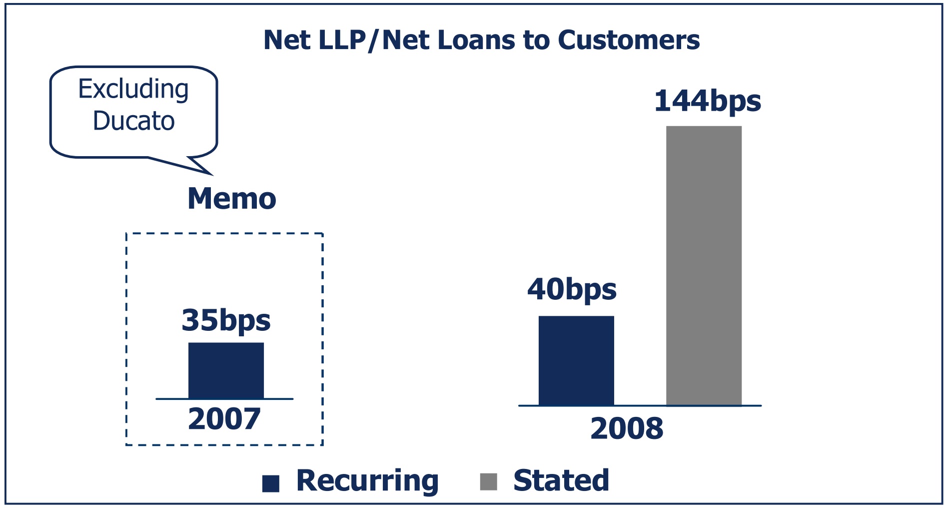
Loan Loss provisions

€/m	31/12/2008
Total gross provisions	1,501.3
Write-backs	330.9
Total net provisions	**1,170.4**
Net customer loans	81,026

Loans loss provisions: quarterly evolution



Cost of credit risk



Comments

- In 2008, the cost of credit risk stands at 144bps due to about €700m extraordinary provisions made in Q4 2008 as a result of a rigorous loan book clean-up. Most of the provisions are concentrated in a few single exposures related to real estate sector.

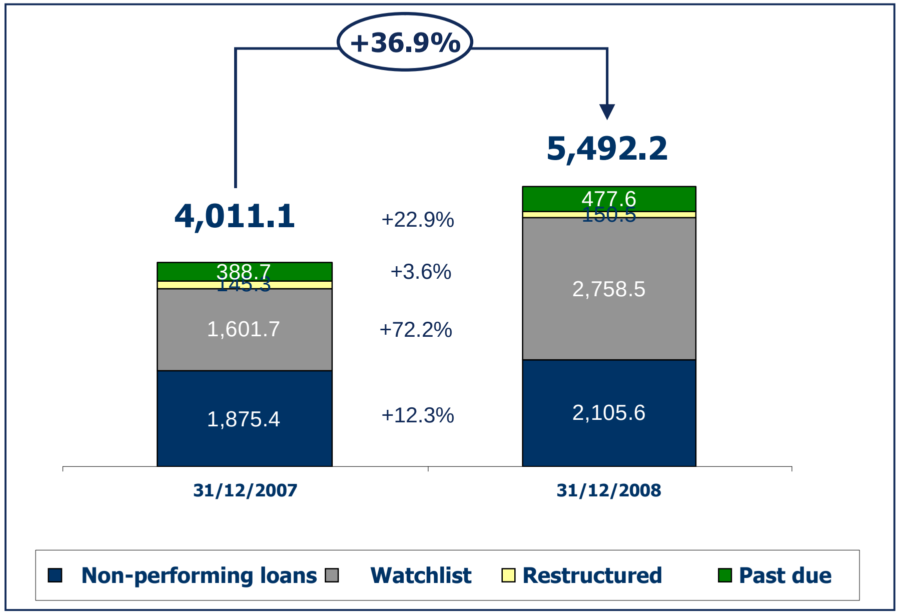
- The recurring cost of credit risk, excluding 2008 extraordinary provisions (of €850m), stands at **40bps,** with a slight increase vs. 2007 value (35bps), mirroring the worsening of macroeconomic scenario.

Nota: FY 2007 data have been adjusted for comparison, to account for the change in the consolidation scope (JV between Agos and Ducato finalized in December 2008).

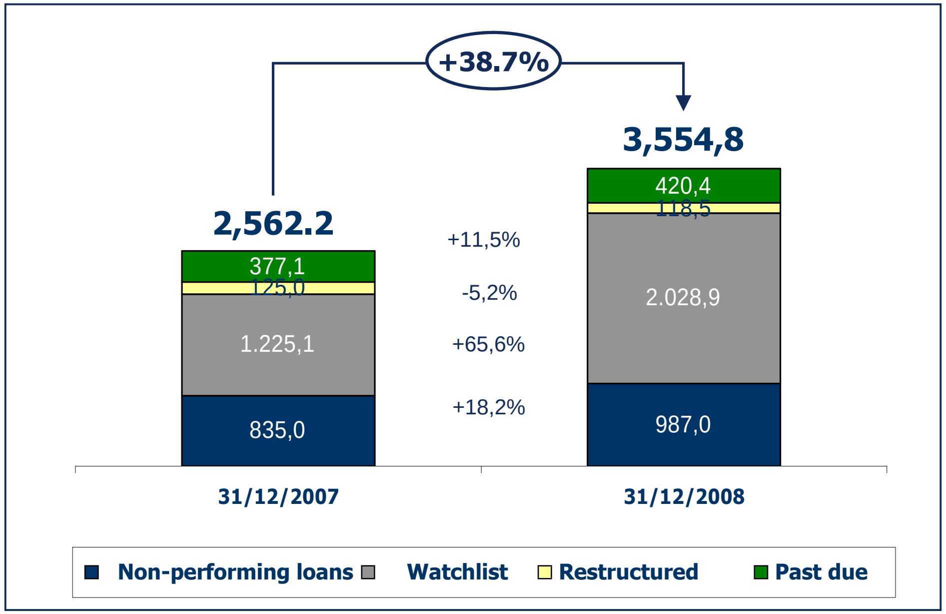
The increase in impaired loans very largely reflects a different classification of previously existing positions in relation to the worsened economic environment.

Asset quality: impaired loans and coverage ratios

€/m **Gross impaired loans**



€/m **Net impaired loans**



	31/12/08	31/12/07
• **NPL coverage:**	**73.1%**	**74.0%**
• **Watchlist loan cov.**	**26.4%**	**23.5%**
• **'Past Due' coverage**:	**12.0%**	**2.9%**

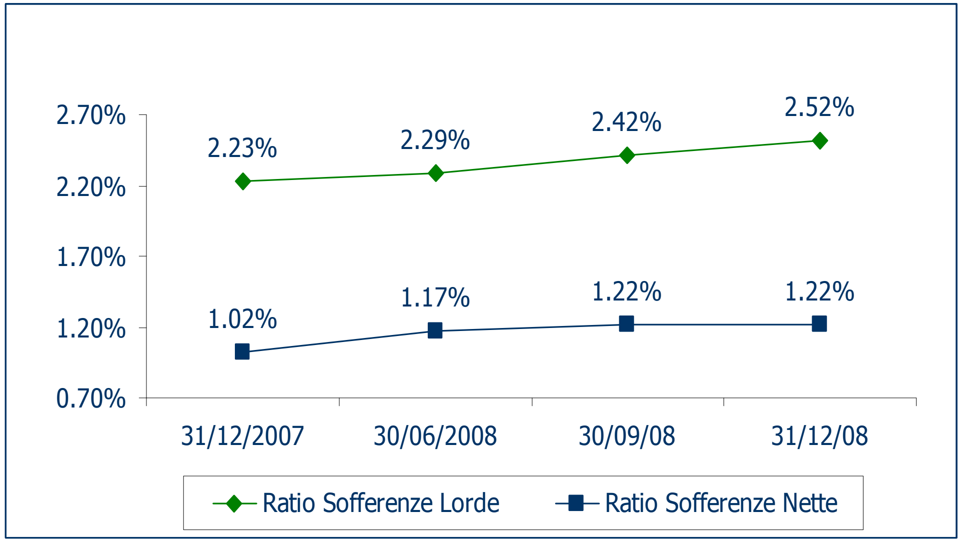
▪ The coverage of non-performing loans includes in addition to value adjustments also write-offs of expected losses with resulting utilization of the related loan loss reserves. Including also collateral, almost entirely represented by real estate, the total coverage reaches more than **93%** at year-end 2008.
The coverage of watchlist loans, including also real estate collateral, increases to about **60%.**
These coverage ratios do not factor in any personal guarantees.
▪ It was deemed appropriate to increase also the coverage of past due positions.

N.B.: Past Due positions are those with payment delay of more than 180 days.

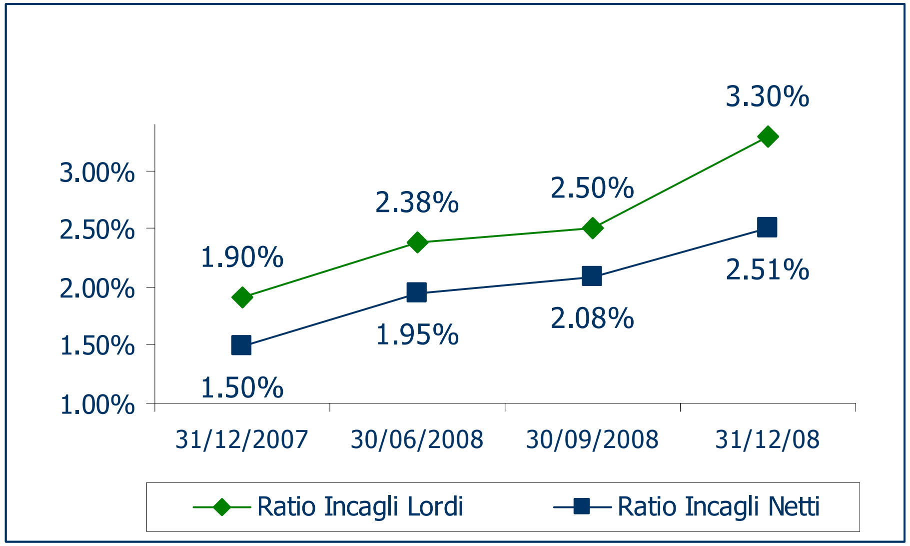
BANCO POPOLARE GRUPPO BANCARIO

Asset quality: ratio analysis

NON-PERFORMING LOAN RATIOS



WATCHLIST LOAN RATIOS



The increase in the gross NPL ratio (gross NPLs/gross loans to customers) reflects the heightened rigor in the valuation criteria, together with a deterioration of the economic environment.

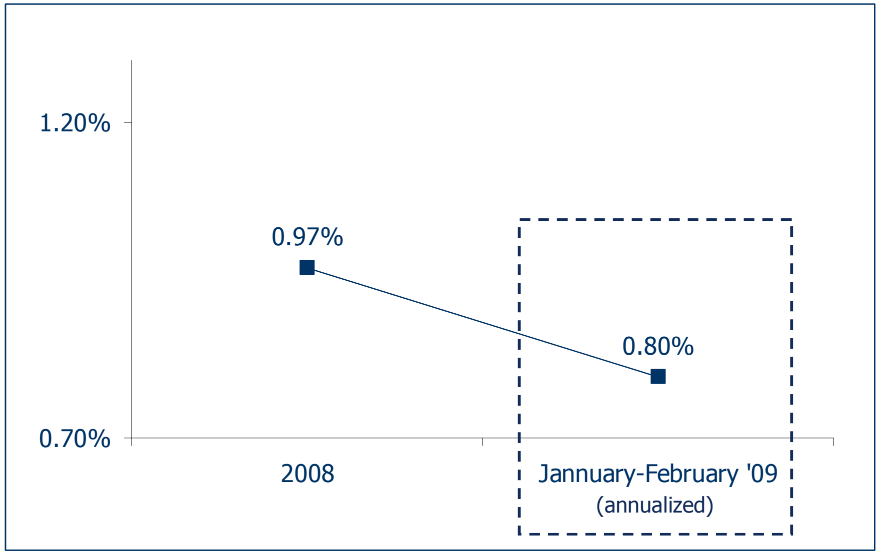
The increase in the watchlist loan ratio over year-end 2007 is essentially related to a more prudent classification of previously existing positions.

Among other, the following positions entered into the watchlist loan category:

- Hopa/Fingruppo (€146m)
- IT Holding (€141m)
- Some positions related to the real estate sector (€537m)

Asset quality: new flows of NPLs

Flow of new NPLs/Gross customer loans



Comments

• The flow of new NPLs, compared to gross customer loans, decreased steadily in 2008, confirming the rigorous credit risk management policy carried out by the Group in terms of control, monitoring and loan granting.

• First indictors in 2009 show a slowdown in the inflow of new non-performing loans.

• The provisions made for NPLs in the first two months of 2009, taking into account also the write-backs, lead to think that the actual loan losses may be lower than those currently expected for the full year 2009.

Trend in "adjusted" profitability

€/m	2008	2007	% change	Memo: % change (pre-PPA accounting data)
Total income	3,755	3,639	+3.2%	- 1.0%
Profit from operations	1,429	1,289	+10.8%	- 1.5%
Income before tax from continuing operations	1,018	931	+9.3%	- 84.6%
Net income for the period (pre-PPA)	433	491	-11.7%	- 51.9%

On an "adjusted" basis, the Group has confirmed a positive operating performance in 2008.

"Adjusted" data exclude the net financial income, the extraordinary part of the provisioning policy and other extraordinary items specified in slides 17 and 18.

Section 2

Special Focus Areas

- Banco Popolare risk profile

- Capital adequacy

- Liquidity position

- Guidelines for 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 93% of total revenues.

Sound Balance Sheet Structure and Liquidity Pos.

- Loan/Deposit ratio improves from 0.92 at year-end 2007 to 0.87 at year-end 2008.
- Funding needs are structurally covered until 2011.
- Low leverage, with Total Tangible Assets/Tangible Net Equity equal to **26 times.**

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 (see slide 12).
- No investment in structured credit products.
- No investment in structured investment products on market variables.
- Low VAR of the trading book: max. about **€16m** (holding period = 1 day; confidence interval = 99%).

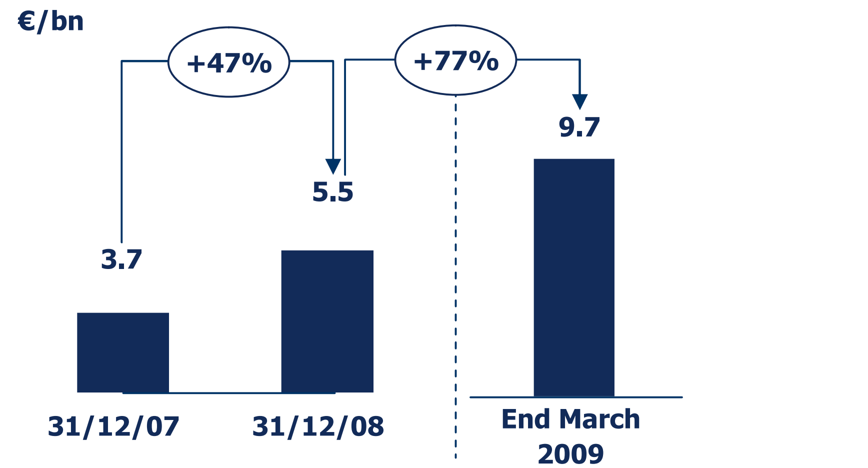
Capital adequacy ratios

Capital ratios of the Group

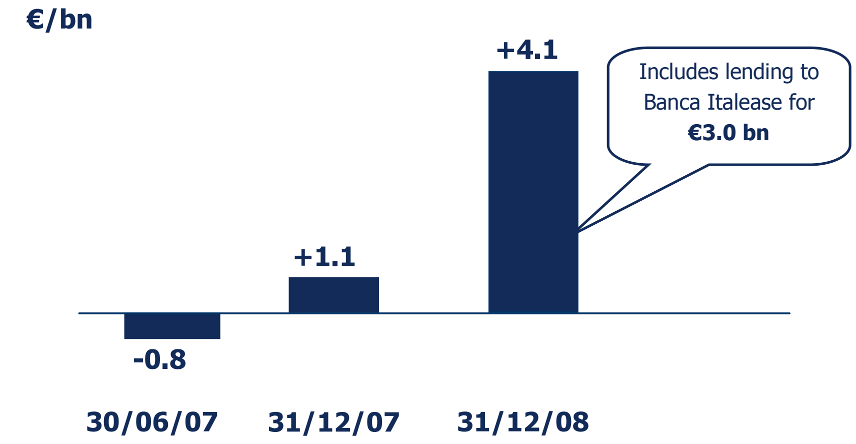
	Pro-forma Ratios	Pro-forma Ratios post Government Bond, Banca Italease and disposal of Factorit
Core Tier 1 Ratio	5.68%	6.55%
Tier 1 Ratio	7.22%	8.03%
Total capital ratio	11.18%	11.62%

Group liquidity profile (1/2)

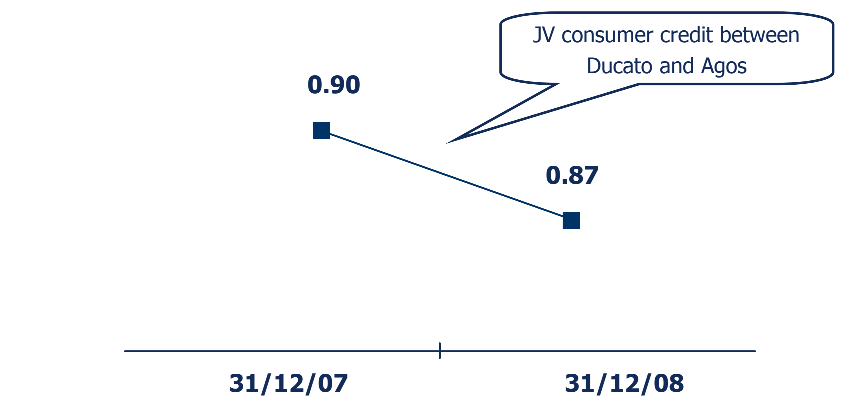
Portfolio of eligible securities



Net interbank position



Loan/Deposit Ratio (i)

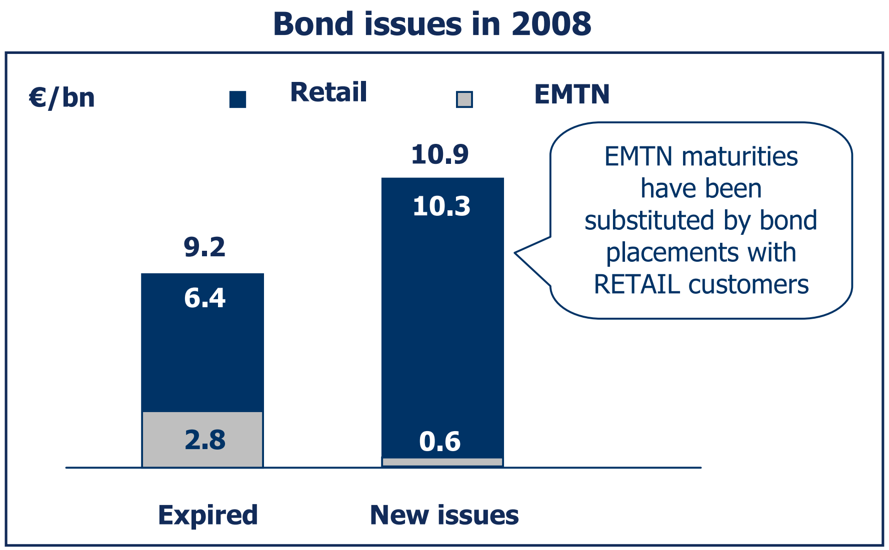


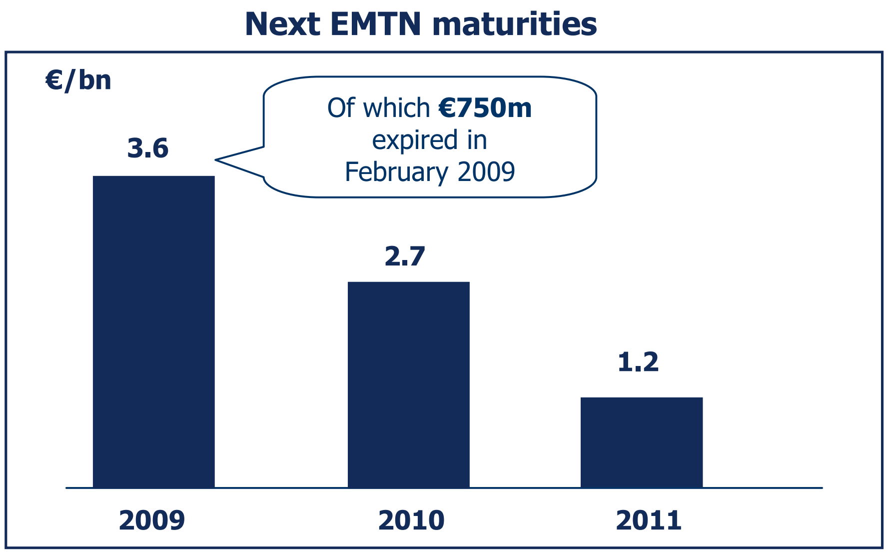
(i) Deposits include: due to customers, bonds and financial liabilities measured at fair value.

Comments

- Historically, the Group has enjoyed a balanced liquidity position, thanks to a Loan/Deposit ratio well below 1; this position further strengthened through the increase in the stock of securities deemed eligible by the ECB.
- The increase in the stock of eligible securities derives from use of other securities from repo transactions and, in part, from own securitizations.
- The net interbank position remains positive.

Group liquidity profile (2/2)





Comments:

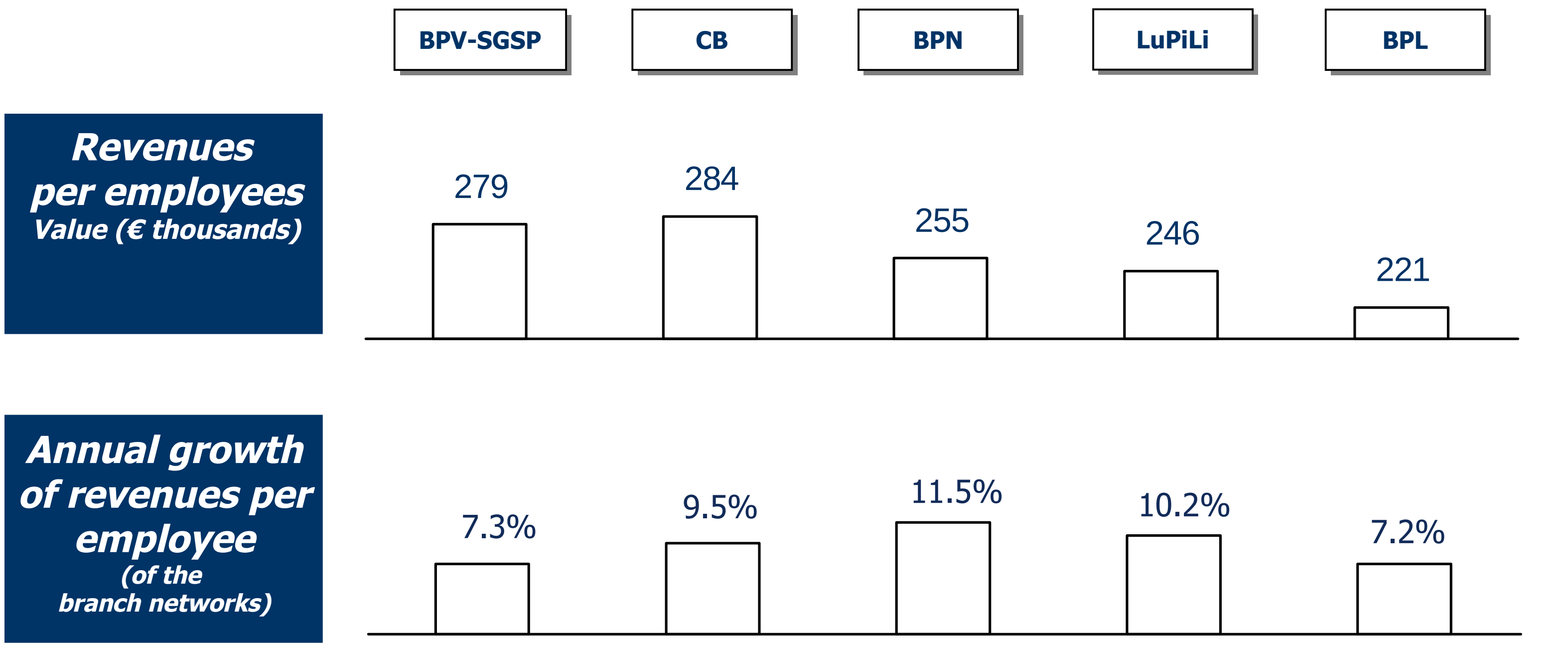
The Group, thanks to the its positive liquidity position and the significant amount of eligible securities, is able to face both all the next EMTN maturities and all potential liquidity needs arising from the expiration of Banca Italease bonds, while maintaining a long liquidity position through to 2011.

Guidelines for 2009

- Consolidate the positive results achieved in terms of strengthening of the liquidity profile.
- Maintain a strict focus on cost control in an environment characterized by strong pressure on revenues.
- Manage credit risks with utmost attention in a weak operating environment.
- Move ahead with initiatives aimed at strengthening the Group’s capital position.
- Defend the Net Interest Income in an environment characterized by a sharp decline in interest rates (about -300 bps over 2008), through an adequate repricing of loans.
- Compensate lower commissions from asset management through an increase in commissions from consumer credit and traditional banking business.

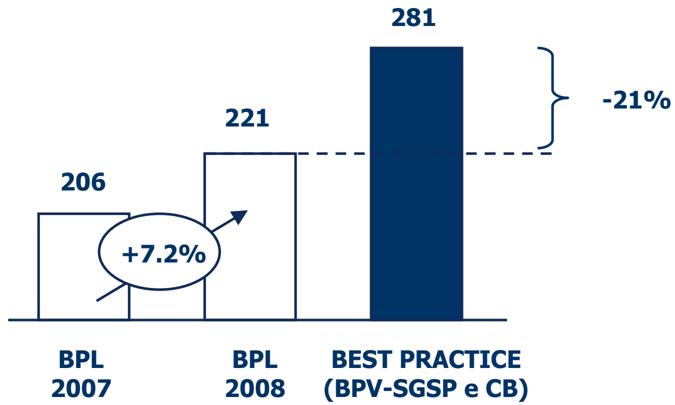
Internal benchmarking: productivity of retail banks

Commercial banks’ 2008 core revenues - YoY % change



- In 2008, the BPL productivity alignment has moved ahead, gradually closing the gap with the best practice of the Group (BPV-SGSP and CREBERG) which decreased from 27% to 21%.

- BPN and CR LUPILI confirm their excellent operating performance, positioning themselves among the best performers of the Group in terms of productivity growth per employee.



Appendix

Premise: PPA and accounting reclassification

In application of the pertinent international accounting principle (IFRS 3), the merger operation is considered as an acquisition by Banco Popolare di Verona e Novara Group of Banca Popolare Italiana Group. Consequently, the income statement of Banco Popolare Group includes the contribution of Banca Popolare Italiana Group and the economic impact deriving from the allocation of the merger difference deriving from the operation in accordance with **IFRS 3 (Purchase Price Allocation)** only starting from 1 July 2007. For a homogenous comparison, the Group's 2007 and 2008 results, for 6 months and 12 months, respectively, should be considered excluding the effect deriving from the PPA.

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

- **Ducato:** the disposal of Ducato was finalized in Q4 2008 (i).
- **Banca Popolare di Mantova:** the disposal of the bank was finalized in Q4 2008.
- **Minor shareholdings:** Other minor shareholdings due to be disposed are treated in accounting terms as indicated below.

P&L:

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

Balance sheet:

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

(i) CaRiLucca Foundation shall acquire a stake of 8% in the JV from Banco Popolare.

Evolution of Group quarterly P&L - pre PPA

€/m	Q4 08	Q3 08	Q2 08	Q1 08	Q4 07
Total operating revenues:	**841.4**	**1,070.3**	**933.1**	**1,181.6**	**1,201.4**
• Net interest income	604.2	612.8	627.1	598.8	578.8
• Dividends and profit (loss) from equity investments	-51.8	5.7	21.7	10.7	(10.3)
• Other operating income	289.0	451.8	284.3	572.1	632.8
Operating costs	**(575.8)**	**(588.0)**	**(584.1)**	**(578.4)**	**(588.2)**
Operating profit	**265.6**	**482.3**	**349.0**	**603.2**	**613.2**
Net value adjustments for loans	(816.2)	(157.2)	(126.5)	(70.5)	(239.1)
Net impairment of other financial assets	(145.6)	(27.3)	(24.4)	(1.3)	(106.3)
Net provisions for risks and charges	(159.2)	(8.2)	(21.0)	(12.5)	(89.9)
Impairment of goodwill and equity invest.	(402.1)	0.0	0.0	0.0	(135.2)
Inc. from disposal of equity and other investments	379.2	20.0	118.9	1.5	268.7
Income before tax from contin. operat.	**(878.3)**	**309.6**	**296.0**	**520.3**	**311.4**
Tax on income from continuing operations	455.1	(132.9)	(98.1)	(179.3)	(284.1)
Net Integration costs	(4.6)	(7.4)	(21.3)	(3.0)	(6.3)
Profit (loss) after tax from discontinued operations	120.0	1.4	5.3	12.2	10.8
Net income of the period - pre PPA	**(307.8)**	**165.2**	**162.3**	**331.8**	**18.9**
PPA impact	(547.5)	(34.7)	(31.2)	(71.5)	64.8
Net income of the period - Post PPA	**(855.3)**	**130.5**	**131.1**	**260.3**	**83.8**

FY 2008 quarterly income statement: PPA impact line-by-line

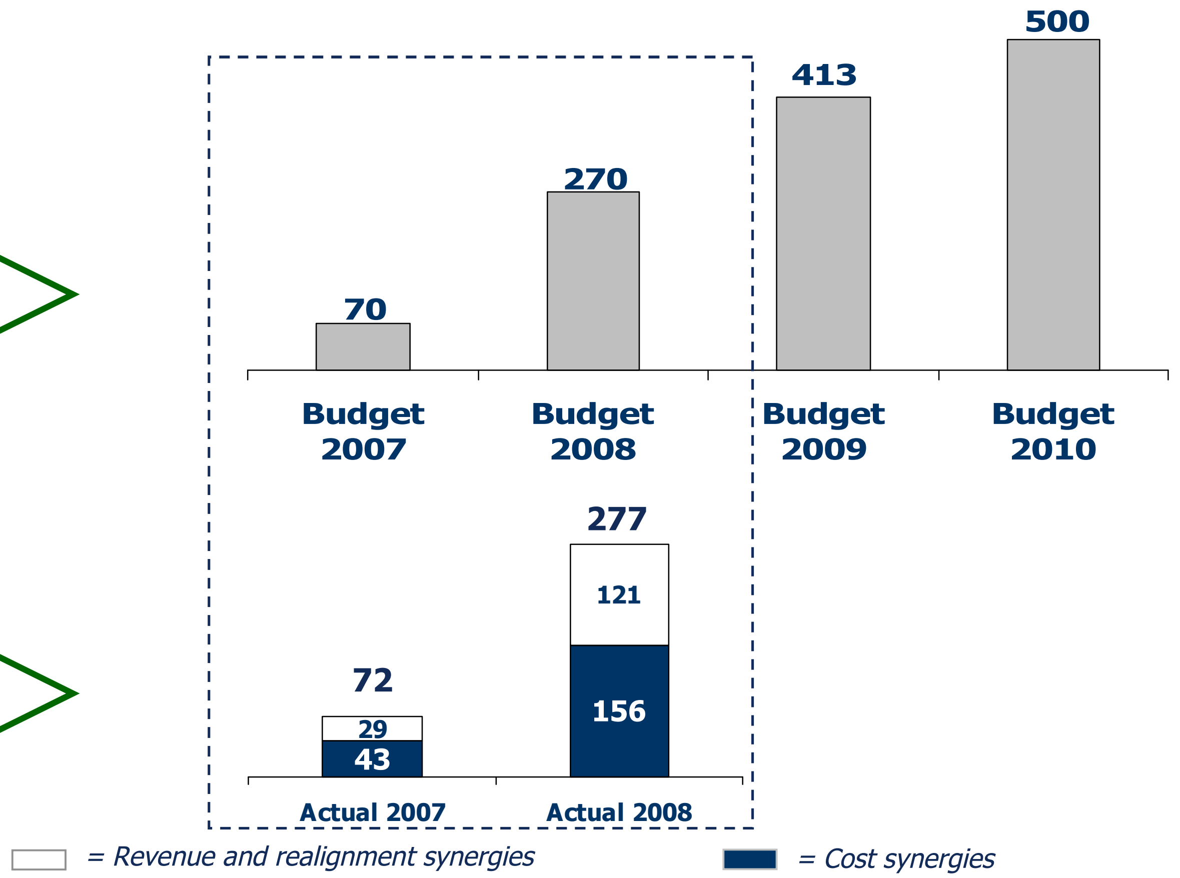
€/m	2008 Pre PPA	2008 Post PPA	PPA impact	Q4 PPA	Q3 PPA	Q2 PPA	Q1 PPA
Total operating revenues:	**4,026.4**	**3,744.3**	**(282.2)**	**(74.5)**	**(54.7)**	**(58.2)**	**(94.7)**
• Net interest income	2,442.9	2,243.7	(199.1)	(61.3)	(42.9)	(47.7)	(47.2)
• Dividends and profit (loss) from eq. inv.	(13.6)	(13.6)					
• Other operating income	1,597.2	1,514.2	(83.0)	(13.2)	(12.2)	(10.2)	(47.5)
Operating costs:	**(2,326.3)**	**(2,333.2)**	**(6.9)**	**(2.8)**	**(1.4)**	**(1.4)**	**(1.4)**
• Personnel expenses	(1,487.2)	(1,487.2)					
• Other administrative expenses	(675.4)	(675.4)					
• Depreciation and amortization	(163.7)	(170.6)	(6.9)	(2.8)	(1.4)	(1.4)	(1.4)
Operating profit	**1,700.1**	**1,411.0**	**(289.1)**	**(77.3)**	**(56.2)**	**(59.6)**	**(96.1)**
Net value adjustment for loans	(1,170.4)	(1,170.4)					
Net impairments of other financial assets	(198.6)	(199.5)	(0.9)	(2.2)	1.3		
Net provisions for risks and charges	(200.9)	(200.9)					
Impairment of goodwill and equity invest.	(402.1)	(873.8)	(472)	(472)			
Inc. from disposal of equity and other invest.	519.5	501.2	(18.4)	(21.0)	(1.1)	3.7	
Income before tax from contin. operat.	**247.7**	**(532.3)**	**(780.1)**	**(572.2)**	**(56.3)**	**(55.6)**	**(96.1)**
Tax on income from continuing operations	44.9	140.5	95.6	32.8	18.5	22.4	21.9
Income after tax from continuing operations	**292.6**	**(391.9)**	**(684.5)**	**(539.3)**	**(37.8)**	**(33.2)**	**(74.2)**
Net Integration costs	(36.2)	(36.2)					
Profit (loss) after tax from discontinued operations	139.0	125.9	(13.0)	(10.0)	0.1	(3.3)	0.2
Minority interests	(43.7)	(31.2)	12.4	1.9	2.9	5.2	2.5
Net income of the period	**351.7**	**(333.4)**	**(685.1)**	**(547.5)**	**(34.7)**	**(31.3)**	**(71.5)**

Synergies: targets and delivery

€/m

Targeted synergies

Delivery of synergies



- **Total synergies reached in 2008 are in line with the budget plan.**
- **In particular, cost synergies are higher than the plan, thanks to a significant containment in other administrative expenses.**
- **Future synergy targets are confirmed.**

Preliminary programme of IR events in 2009

work in progress

Date	Place	Event
24 March 2009	Verona	Press release on FY 2008 results
25 March 2009	Verona	Banco Popolare: Conference call on FY2008 results
1 April 2009	London	Morgan Stanley - European Financials Conference
25 April 2009	Verona	Annual General Meeting of Shareholders (2nd call)
14 May 2009	Verona	Press release on Q1 2009 results
15 May 2009	Verona	Banco Popolare: Conference call on Q1 2009 results
21-22 May 2009 TBC	Rome	Unicredit - XII Italian Conference
28 May 2009	Milan	Deutsche Bank - Italian Conference
28 August 2009	Verona	Press release on H1 2009 results
29 August 2009	Verona	Banco Popolare: Conference call on H1 2009 results
3-4 September 2009 TBC	London	Nomura - Euro Banks Conference
13 November 2009	Verona	Press release on Q3 2009 results
14 November 2009	Verona	Banco Popolare: Conference call on Q3 2009 results

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