



**BPU BANCA AND BANCA LOMBARDA RESULTS AS AT 31
DECEMBER 2006**

UBI BANCA: PRO-FORMA RESULTS AS AT 31 DECEMBER 2006

21 March 2007

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I. Executive summary

Executive summary : 2006/2005 comparison

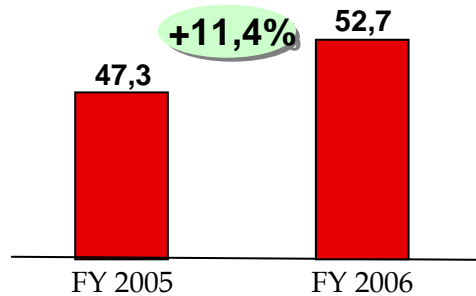
	<p>Strong growth in all traditional banking activities:</p> <ul style="list-style-type: none"> - loans to customers : +11,4% to 52,7 billion euro. Net NPLS/ net loans down to 0,66% in 2006 from 0,95% in 2005. - total funding up by 9,1% to 111,6 billion euro (direct funding, +11,4% to 55,3 billion euro and indirect funding +7% to 56,4 billion euro). AUM +8,6% to 33,3 billion euro (of which insurance policies +18,9% to 5,6 billion euro) <p>⇒ Loans to customers/ direct funding: stable at 95,3% AUM/ indirect funding to 59,02% from 58,15%.</p> <p>Net profit of 641 million euro, benefiting from 128 million of net non recurring items, vs. net profit of 681 in 2005, benefiting from 277 million of net non recurring items. Net of non recurring items, net profit is up by 27% to 512,8 from 403,9 million euro.</p> <p>⇒ Cost/ income to 56,9% from 58,3%, normalised cost/ income to 58,5% from 59,6%; ROE to 14,6% from 16,9%, normalised ROE to 11,7% from 10%.</p> <p>Industrial Plan: total synergies of 256,8 million euro as at Dec2006, of which 170,5 million euro of cost synergies and 86,3 million euro of revenue synergies, respectively +10%, +13% and 4% vs Ind. Plan targets</p>
	<p>Strong growth in all traditional banking activities:</p> <ul style="list-style-type: none"> - loans to customers : +8,3% to 30,6 billion euro. Net NPLS/ net loans down to 0,73% in 2006 from 0,80% in 2005 . - total funding up by 3,5% to 68,9 billion euro (direct funding, +5,8% to 30,6 billion euro and indirect funding +1,7% to 38,3 billion euro). AUM +2,7% to 22,2 billion euro (of which insurance policies +4% to 6,7 billion euro) <p>⇒ Loans to customers/ direct funding to 99,9% from 97,6% AUM/ indirect funding to 57,9% from 57,3%.</p> <p>Net profit of 308 million euro, substantially the same level as the net profit net of non recurring items, vs. net profit of 239 in 2005.</p> <p>⇒ Cost/ income to 55,4% from 58,9%, normalised cost/ income to 54,8% from 59,7%; ROE to 12,2% from 12,0%, just at the same levels as the normalized ROE for both years.</p>
	<p>Combination of two strong Groups, with sustained growth trends, sound economic results and top risk profile, already showing positive evolution</p> <ul style="list-style-type: none"> - loans to customers : +10,2% to 83,1 billion euro. Net NPLs/ net loans down to 0,69% in 2006 from 0,90% in 2005. - total funding up by 6,9% to 180,5 billion euro (direct funding, +9,3% to 85,9 billion euro and indirect funding +4,8% to 94,6 billion euro) of which AUM +6,1% to 55,4 billion euro (of which insurance policies +10,3% to 12,2 billion euro) <p>⇒ Loans to customers/ direct funding: to 96,7% from 96% AUM/ indirect funding to 58,57% from 57,81%</p> <p>Net pro-forma profit of 951 million euro, +3,4% vs 920 in 2005. Net of non recurring items (128 million in 2006 vs 277 in 2005), net profit is up by 28% to 823 from 643 million euro.</p> <p>⇒ Cost/ income to 56,2% from 58,5%, normalised cost/ income to 57% from 59,6%; ROE net of merger differences to 13,8% from 15,3%, normalised ROE to 11,9% from 10,7%</p>

II. Assets and Liabilities

UBI Banca: Lending up by 10,2% to 83,1 billion euro (75,4 at 31/12/2005)

BPU Banca

Bln €

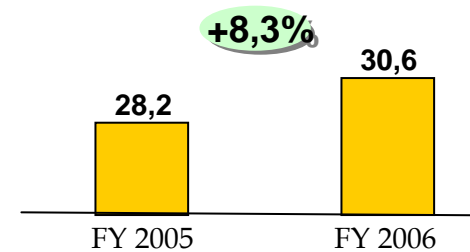


- NPLs disposals in 2006 of approx. 195 million euro
- Net of NPLs, loans to customers grow by 11,7%
- Growth by type of lending: mortgages to 10,2 billion (+17%), current accounts to 10,9 billion (+17,7%), consumer credit to 1,4 billion (+29,8%) and leasing to 3,4 billion (+9,7%).
- At network banks' level (Retail, Corporate and Private markets), yoy growth is 12,8% to 37,5 billion euro in terms of average monthly balances:
 - retail market: +13,4% to 21 billion euro
of which: SMEs +14,6% to 10,5 billion euro
 - corporate market: +11,9% to 16,2 billion euro
of which; Core Corporate +9,3% to 9,7 billion euro
 - private market: +27,5% to 0,3 billion euro
- Acceleration in 4Q06: +5,8% compared to 3Q06, from 49,8 to 52,7 billion euro

Retail includes: Mass Market (total wealth up to 50.000€), Affluent (total wealth from 50.000€ to 500.000€) and Small Business (turnover up to 5.mln€). Corporate: turnover from 5 mln€. Core Corporate: turnover from 5 mln€ to 150 mln€. Large corporate: turnover over 150 mln€. Private: total wealth over 500.000€.

Banca Lombarda e Piemontese

Bln €



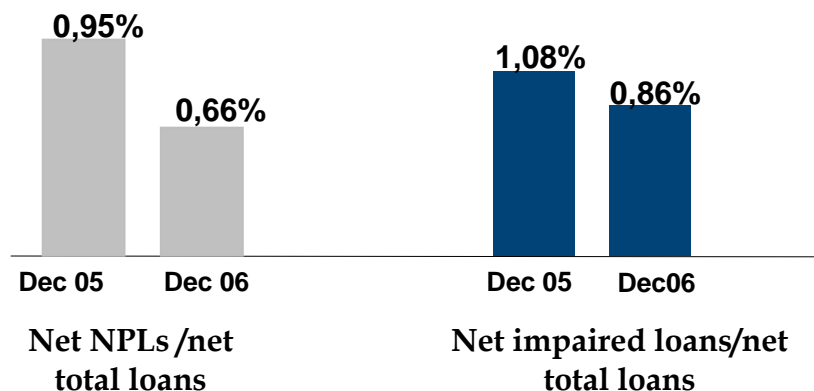
- Net of NPLs, loans to customers grow by 8,4%
- Mortgages grow to 4,2 billion euro (+15%)
- Current accounts up to 4,5 billion euro (+11,2%)
- Increase in leasing (+12,7% to 2,6 bln €) and consumer credit (+15,7% to 1,6 bln €)
- At network banks' level (Retail, Corporate and Private segments), yoy growth is 8,7% to 23,2 billion euro:
 - retail segment: +10,5% to 10 billion euro
 - corporate segment: 7,2% to 13,1 billion euro
 - private segment: 30,4% to 80 million euro

Retail/individuals: total wealth up to 500.000€, Retail/Small Business: turnover up to 1,5 mln€, Corporate: turnover over 1,5 mln€ and Private: total wealth over 500.000€

UBI Banca: very good credit quality: NPLs/net loans down to 0,69% in 2006 from 0,90% in 2005

BPU Banca

CREDIT QUALITY INDICATORS

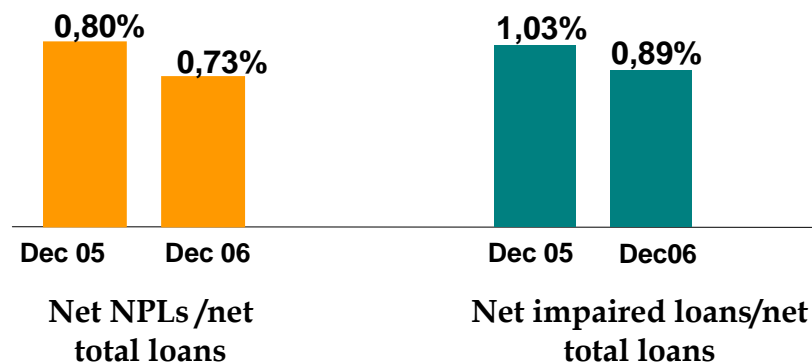


NEW INFLOWS from performing to impaired and non performing loans: down from 1,64% in 2005 to 1,42% in 2006

Figures in million euro	2005	2006	% Change
Gross NPLs	1.058	826	-21,9%
Net NPLs	452	348	-23,0%
Gross impaired loans	667	560	-16,0%
Net impaired loans	509	453	-11,0%
Gross past due loans	373	135	-63,8%
Net past due loans	368	129	-64,9%
Gross performing loans	46.062	51.827	12,5%
Net performing loans	45.932	51.702	12,6%
Gross total loans	48.213	53.405	10,8%
Net total loans	47.301	52.674	11,4%

Banca Lombarda e Piemontese

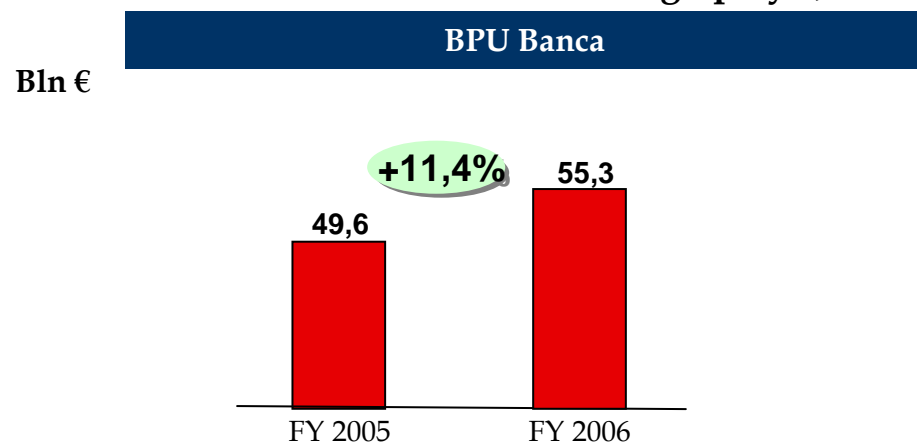
CREDIT QUALITY INDICATORS



Figures in million euro	2005	2006	% Change
Gross NPLs	484	506	4,6%
Net NPLs	225	225	-0,4%
Gross impaired loans	353	327	-7,4%
Net impaired loans	290	272	-6,1%
Gross restructured loans	55	45	-19,1%
Net restructured loans	50	41	-18,6%
Gross past due loans	26	21	-18,1%
Net past due loans	25	18	-30,9%
Gross performing loans	27.763	30.142	8,6%
Net performing loans	27.639	30.021	8,6%
Gross total loans	28.681	31.041	8,2%
Net total loans	28.229	30.576	8,3%

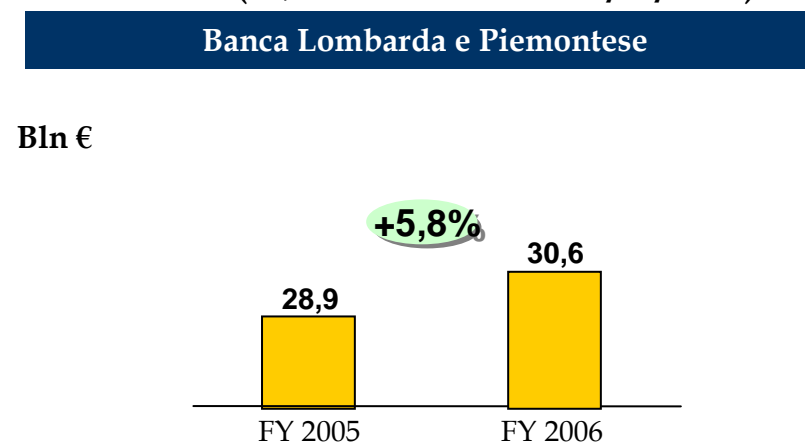
UBI Banca: Total funding: up by 6,9% to 180,5 billion euro (168,9 billion euro at 31/12/2005)

Of which : Direct funding up by 9,3% to 85,9 billion euro (78,6 billion euro at 31/12/2005)



Direct funding

- Positive evolution of all components:
 - "due to customers", up by 8,3% to 31,1 bln € (28,7 in 2005)
 - "bonds issued" up by 15,6% to 24,2 bln € (20,9 in 2005) thanks to the contribution from new issues on international markets as part of the EMTN programme: 6,4 billion compared to 3,6 in 2005.



Direct funding

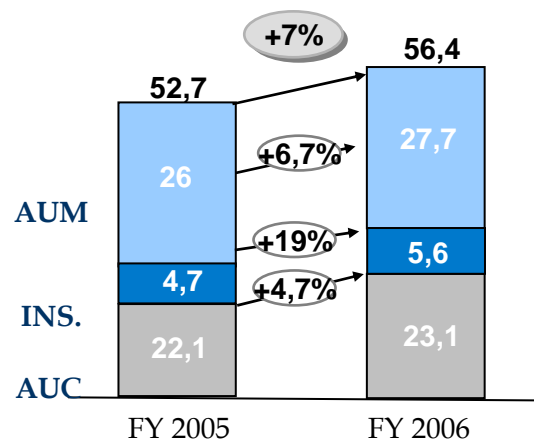
- Positive evolution of all components:
 - "due to customers", up by 4,9% to 16,7 bln € (15,9 in 2005)
 - "bonds issued" up by 6,9% to 13,9 bln € (13 in 2005) thanks to the contribution from new issues on international markets as part of the EMTN programme: 1,7 billion compared to 1 billion in 2005.

UBI Banca: Total funding: up by 6,9% to 180,5 billion euro (168,9 billion euro at 31/12/2005)

Of which : Indirect funding up by 4,8% to 94,6 billion euro (90,3 billion euro at 31/12/2005)

BPU Banca

Bln €



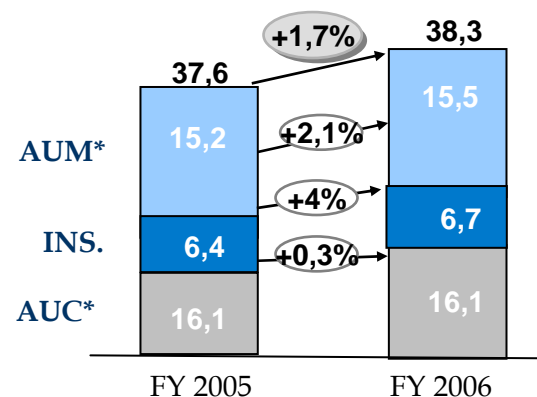
- Growth in total AUM (including insurance products) of 8,6%.
- BPU Pramerica's mutual funds composition*:

Type	2005	2006
BONDS	56%	44%
BALANCED	12%	15%
EQUITY	18%	19%
MONETARY	11%	15%
FLEXIBLE	3%	7%

- Insurance products: in 2006, new inflows for 959 million €: 39% traditional, 44% Index-linked, 5% unit -linked, 12% capitalization products. Recurring premium products to 6,35% of new inflows from 1,48% in 2005.

Banca Lombarda e Piemontese

Bln €



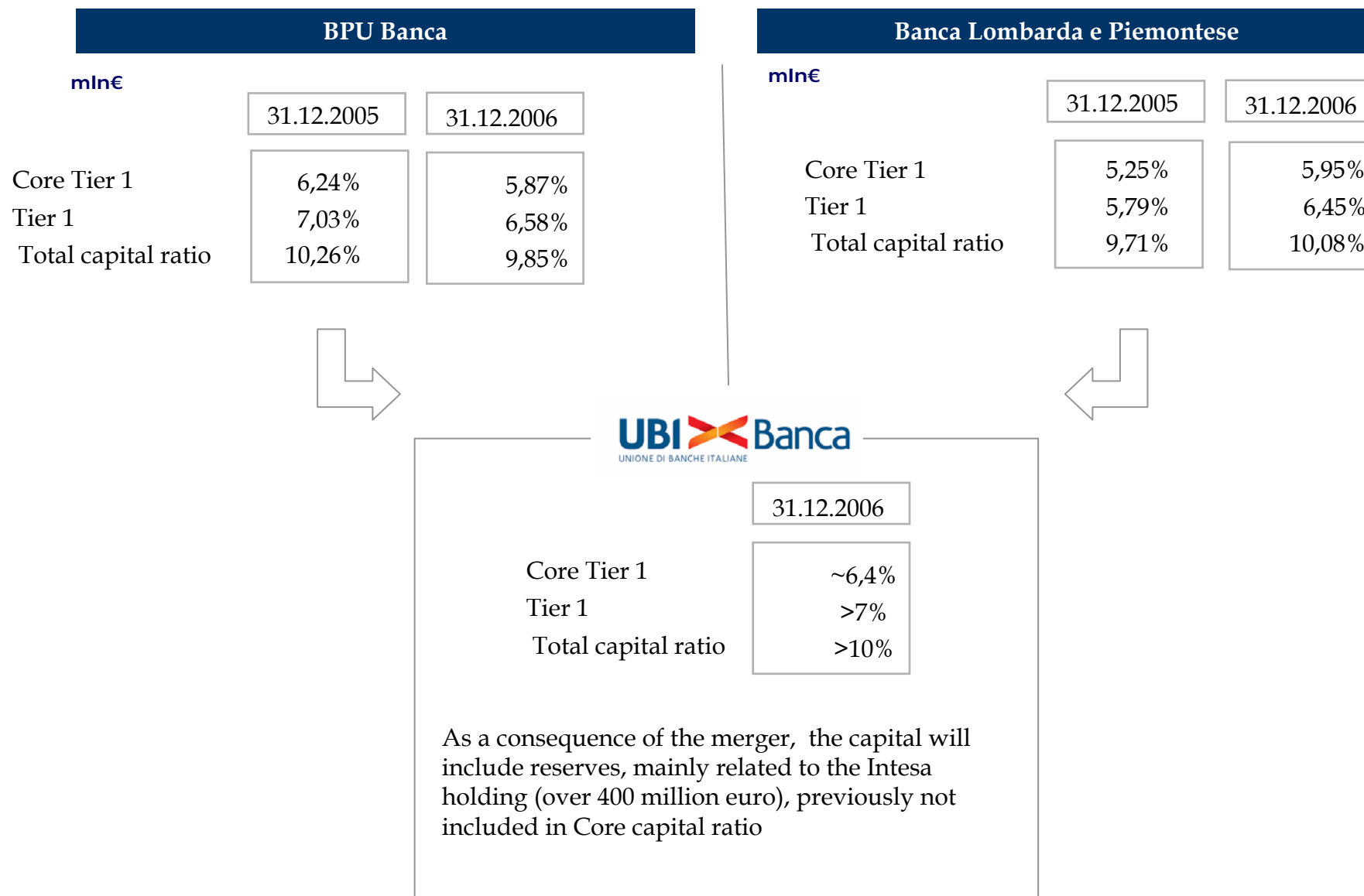
- Growth in total AUM (including insurance products) of 2,7%.
- Continued increase recorded by insurance products (+4%) after years of double-digit growth since 1998

- Mutual funds composition:

Type	2005	2006
BONDS	47%	35%
BALANCED	3%	3%
EQUITY	19%	18%
MONETARY	25%	31%
FLEXIBLE	3%	9%
HEDGE	3%	5%

- Insurance products: in 2006, new inflows for 1,5 billion €: 41% traditional, 37% Index-linked, 6% unit -linked and 15% capitalization products. Non recurring premium products represent 99,7% of new inflows.

UBI Banca : estimate of capital ratios as at 31/12/06: Core tier 1 >6%, Tier 1 >7%, TCR >10%



III. Economic results

UBI Banca: reclassified income statement

mln €	BPU Banca Group			Banca Lombarda e Piemontese Group			UBI Banca Group pro-forma aggregate**		
	2006	2005*	% change	2006	2005	% change	2006	2005	% change
Net interest income	1.615	1.532	5,4%	895	802	11,6%	2.510	2.334	7,5%
Dividend and similar income	15	10	46,0%	36	20	81,8%	51	30	69,6%
Profit/(loss) on equity investments valued using the equity method	9	5	81,7%	8	9	-4,7%	17	14	27,5%
Net commission income	833	780	6,8%	483	477	1,2%	1.316	1.257	4,7%
Net profit/(loss) from trading and hedging activity	56	91	-38,1%	67	65	2,5%	123	156	-21,1%
Net profit/(loss) from sale/buyback of financial assets/liabilities	114	85	33,7%	4	6	-24,5%	118	91	30,1%
Other net operating income/(expense)	57	73	-22,6%	105	76	38,1%	161	149	8,6%
Net income on insurance operations	68	67	1,2%	0	0		68	67	1,2%
Operating income	2.765	2.642	4,7%	1.598	1.454	9,9%	4.363	4.096	6,5%
Administrative expenses	(1.450)	(1.428)	1,5%	(820)	(785)	4,5%	(2.270)	(2.213)	2,6%
a) Staff costs	(1.021)	(1.018)	0,3%	(508)	(506)	0,3%	(1.529)	(1.524)	0,3%
b) Other administrative expenses	(429)	(410)	4,6%	(313)	(279)	12,0%	(742)	(689)	7,6%
Net impairment losses on tangible and intangible assets	(123)	(114)	8,2%	(64)	(71)	-9,5%	(184)	(185)	-0,6%
Operating costs	(1.573)	(1.542)	2,0%	(885)	(856)	3,3%	(2.454)	(2.398)	2,3%
Net operating income	1.193	1.101	8,3%	713	597	19,3%	1.909	1.698	12,4%
Net impairment losses on loans	(152)	(222)	-31,6%	(93)	(75)	23,7%	(245)	(297)	-17,6%
Net impairment losses on other assets/liabilities	4	(1)		(3)	(28)	-89,5%	2	(29)	
Net provisions for liabilities and charges	(5)	(1)	455,6%	(25)	(16)	61,7%	(31)	(17)	84,5%
Profits/(losses) on disposal of equity investments	61	126	-51,7%	2	1	145,6%	63	127	-50,4%
Profit/(loss) on continuing operations before tax	1.101	1.002	9,8%	594	480	23,8%	1.698	1.482	14,6%
Taxes on income for the year for continuing operations	(421)	(393)	7,0%	(248)	(203)	22,0%	(670)	(597)	12,3%
Profit/(loss) on non current assets held for sale and discontinued operations net of taxes	5	116	-95,3%	6	8	-22,1%	12	123	-90,7%
Net profit for the period attributable to minority interests	(45)	(44)	1,9%	(44)	(45)	-3,3%	(89)	(89)	-0,3%
Profit/(loss) for the period	641	681	-5,9%	308	239	29,0%	951	920	3,4%

Income statement reclassified according to the BPU Group's criteria

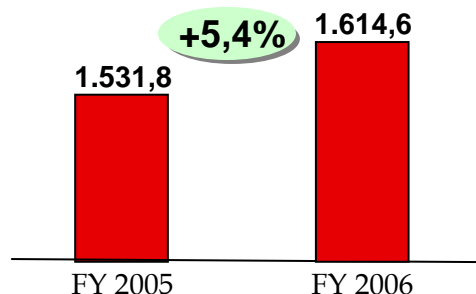
(*) 2005 data on a pro-forma basis to take into account the sale of the tax collection companies

(**) In 2007, the 2006 result will be restated pro-forma to take into account the allocation of the merger differences

UBI Banca: Net interest margin up by 7,5% to 2.509,5 million euro (2.333,9 in 2005)

BPU Banca

Mln €



- Net interest margin from banking activities (BPB+BPCI+Carime+BPA+BPU+Centrobanca) up by 8,5% from 1.260 to 1.367 million euro. (from 83% to 85% of total net interest margin)
- In the financial area, lower contribution from capitalization policies (from 91,8 to 51,3 million euro) ⁽¹⁾.

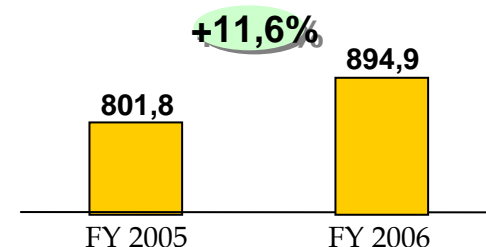
— Average mark-up, mark down and spreads for the year at banking perimeter level⁽²⁾ —

	2006	2005	change
Mark up	2,04	2,48	-0,44 bp
Mark down	1,45	0,97	+0,48bp
Spread	3,49	3,45	+0,04bp

(1) Capitalization policies amount to 5,3 bln € at 31/12/06, to be lowered by approx. 1,5 bln in 1H2007. (2) Referred to the network banks only

Banca Lombarda e Piemontese

Mln €



- Net interest margin from banking activities (BBS+BRE+BVC+BSG+BLPI) up by 13,3% from 721 to 818 million euro.

— Average mark-up, mark down and spreads for the year at banking perimeter level⁽³⁾ —

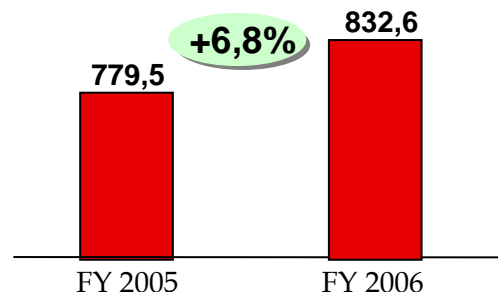
	2006	2005	change
Mark up	1,91	2,11	-0,20 bp
Mark down	1,38	1,01	+0,37bp
Spread	3,29	3,12	+0,17bp

(3) Referred to the commercial banks.

UBI Banca: Net commissions up by 4,7% to 1.315,7 million euro (1.256,8 in 2005)

BPU Banca

Mln €



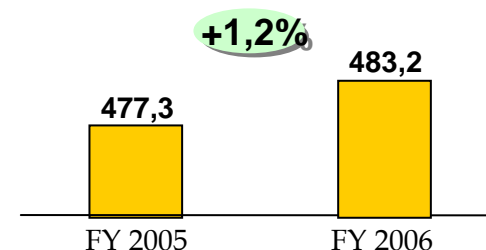
- Normalised growth: +7,5% (excluding 5 mln € of consolidation adjustments booked in the nine months of 2006)
- Main increases

	2005	2006	Change
AUM Network banks + BPU Pramerica	229	267	16,6%
<i>of which performance fees</i>	23,6	30,1	27,5%
<i>AUM+BPU Pramerica net of perf. fees</i>	205,4	236,9	15,3%
Current accounts	167,9	181,6	8,2%
<i>of which Bundle accounts*</i>	35,9	63,3	76,3%

- Up front fees represent 1,9% of total commissions or 15,7 million euro (2,3% or 18 million euro in 2005)
- 4Q06/3Q06: increase from 193 million euro in 3Q2006 (taking into account the consolidation differences booked in the quarter amounting to approx 7,7 million euro) to approx. 224 million euro : +13%

Banca Lombarda e Piemontese

Mln €

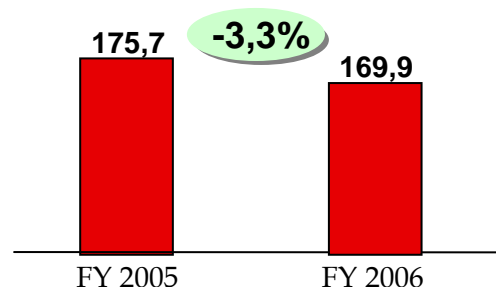


- Main increases
 - Management and dealing services fees to 292 million euro (+2,7%)
of which: insurance products fees to 60 million euro (+12,4%) and placement of securities & acceptance of trading instruction fees to 48 million euro (+10%);
 - Factoring related fees to 23 million euro (6,9%)
 - Other services to 119 million euro (-2%)
- 4Q06/3Q06: net commission increase from 111 million euro in 3Q2006 to 125 million euro : +13,2%

UBI Banca: Net result from trading and hedging activity: -2,3% to 241 million euro (246,6 in 2005)

BPU Banca

Mln €



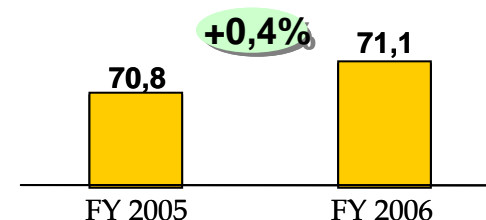
- Both years include non recurring items:

	2005	2006
Sale of securities previously held as fixed assets	13	
Profits on disposal of NPLS	58	30,6
Sale of stake in Banca Italease	9,7	70
Sale of minority stakes in non strategic companies		7,4
TOTAL NON RECURRING ITEMS	80,7	108

- Net of non recurring items, the 2006 result (62 mln €) shows a decrease compared to the 2005 result (95 mln €) mainly due to:
 - sale of private equity participations in 2005 not present in 2006, amounting to approx. 11 mln €
 - revaluation of Centrobanca's participations for 7 mln € effected only in 2005
 - losses on debt securities due to market conditions for 13 mln € in 2006

Banca Lombarda e Piemontese

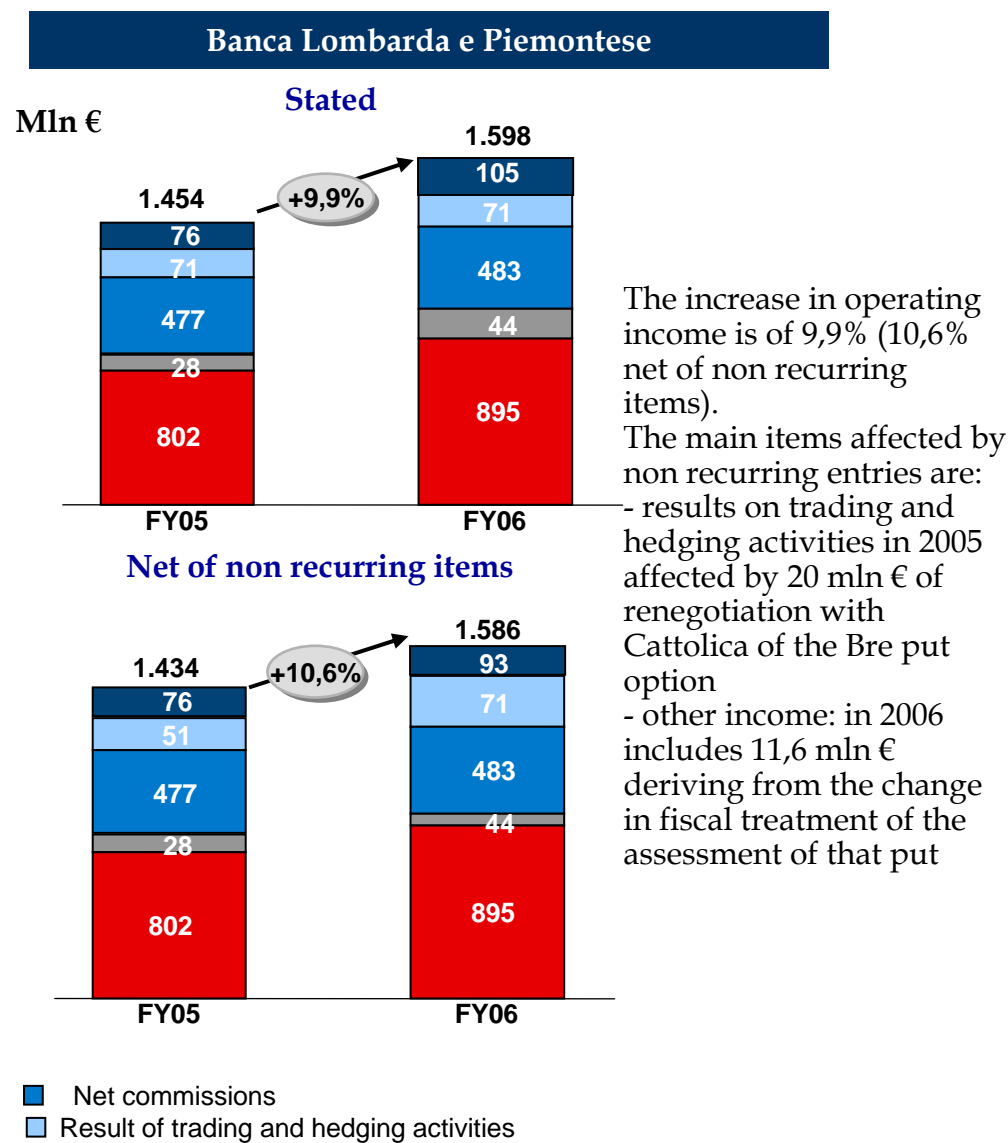
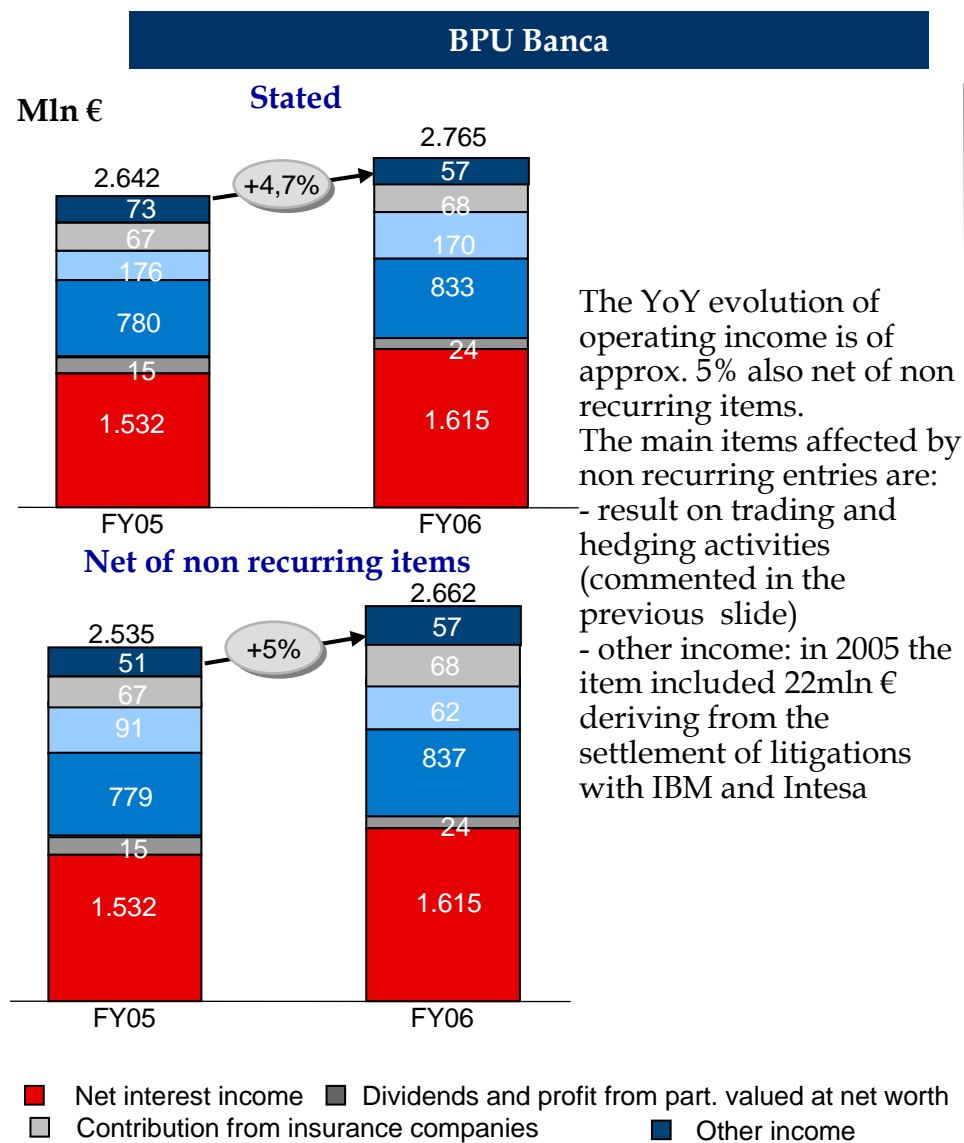
Mln €



	2005	2006
Trading	64,0	64,3
Hedging	1,2	2,6
Gains on disposal of loans	-0,6	-0,4
Gains on disposal of AFS assets	7,1	1,2
Gains on transfer of financial liabilities	-1,0	3,3
Net result from trading & hedging activity	70,8	71,1

- Net of non recurring items (in 2005 20 mln€ due to BRE put option renegotiation with Cattolica) the item grows by +39,8%.
- the 2006 result (71,1 mln €) shows a strong increase compared to 2005 (50,8 mln € net of non recurring items) mainly due to:
 - evaluation of HF stakes for 26 mln € (vs.19 in 2005)
 - net results on financial derivatives for 28 mln € in 2006 (vs. 21 mln in 2005)

UBI Banca: Operating income: +6,5% to 4.363 million euro (4.096 in 2005)

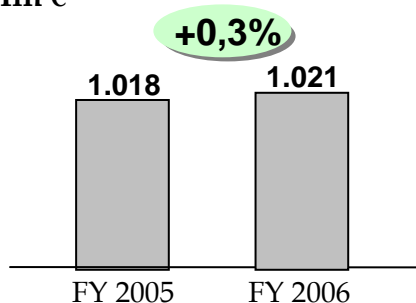


UBI Banca: Total operating costs: +2,3% to 2.454 million euro (2.398 in 2005)

BPU Banca

Total operating costs: +2% to 1.573 mln€ (1.542 in 2005)

Mln €



Staff costs

Both years include non recurring items: 15,2 mln in 2006 and 30 mln in 2005. Net of these impacts, the item grows by 1,8% mainly due to the provisioning related to the renewal of the national labour contract and to the evolution of wages.

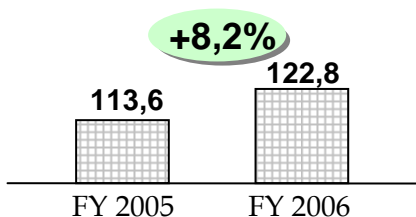
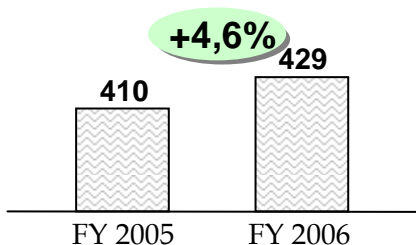
Overall staff reduction 06/05: -185 with a reduction in permanent staff of almost 300 people

Other administrative expenses

YoY increase mainly due to:
 - costs for strategic consultancies (+15mln €)
 - logistics costs (+5mln €) related to the opening of new branches (23 branches opened in the course of 2005 -15 in 4Q - with full cost impact in 2006)

Value adjustments on tangible and intangible assets

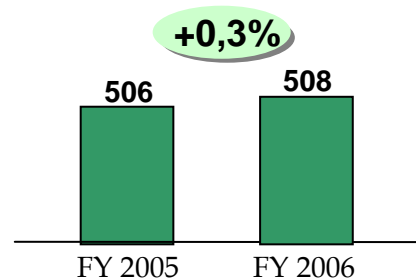
YoY increase due to:
 additional technological plants (27 mln) and software (30 mln related to: Business continuity, CRM platforms evolution and IT applications upgrade) investments done in 2006



Banca Lombarda e Piemontese

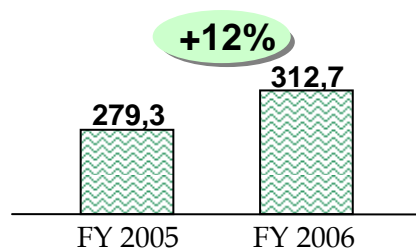
Total operating costs: +3,3% to 885 mln€ (856 in 2005)

Mln €



Staff costs

Include provisioning related to national labour contract renewal forecast for 2006 (approx. -1% without it);
 Staff reduction 06/05: - 72



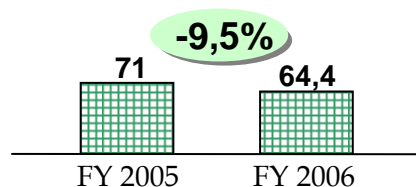
Other administrative expenses

YoY increase mainly due to integration charges from the merger project with BPU (15,3 million euro) +6,5% without them.

BL' admin expenses also include 1,2 million euro referred to CRT-BRE merger and acquisition of Etruria's financial advisers

Value adjustments on tangible and intangible assets

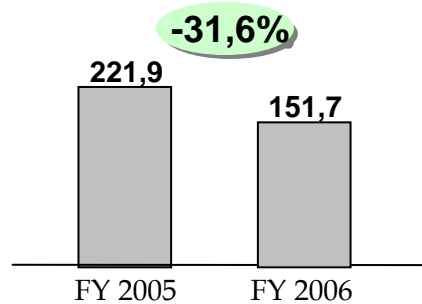
YoY decrease mainly due to some software depreciations completion, related to heavy IT investments done in the past years



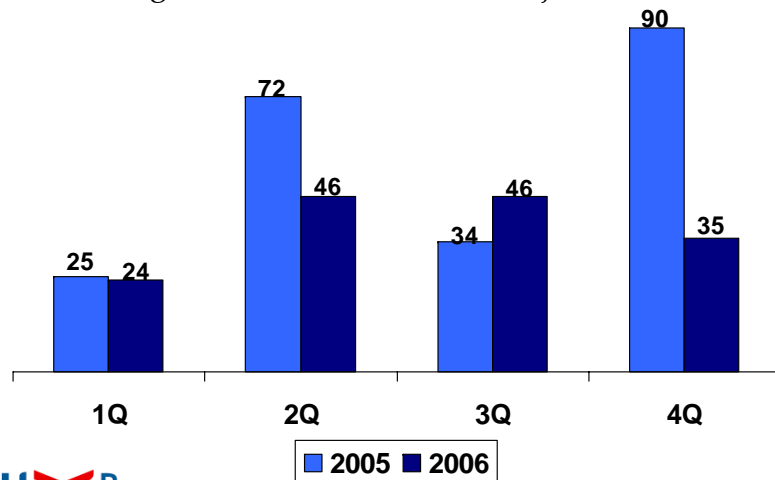
UBI Banca: Net impairment losses on loans: -17,6% to 244,8 million euro (297,1 in 2005)

BPU Banca

Mln €

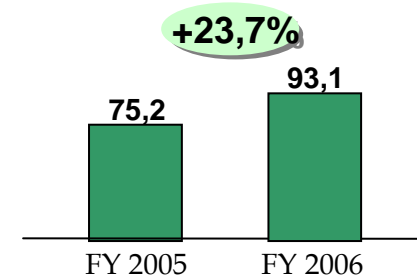


- Value adjustments/total loans equal to 29bp in 2006 (vs. 47bp in 2005), lower than Industrial Plan targets (36-40 basis points)
- Time reversal accounts for 17,5 million euro in 2006, vs. 25,6 in 2005.
- QoQ evolution: notwithstanding growing trend in lending, more stable and lower adjustments in 2006

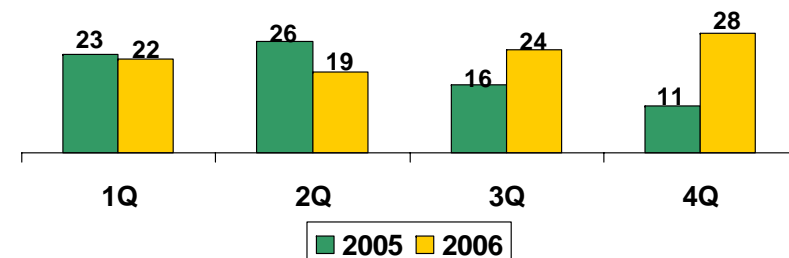


Banca Lombarda e Piemontese

Mln €



- Value adjustments/total loans equal to 30bp in 2006 (vs. 28bp excluding one single position and vs. 27bp in 2005), lower than Industrial Plan targets (about 40 basis points)



Consolidated reclassified income statement net of main non recurring items

mln €	BPU Banca Group			Banca Lombarda e Piemontese Group			UBI Banca Group pro-forma aggregate**		
	2006	2005 (*)	% change	2006	2005	% change	2006	2005	% change
Net interest income	1.615	1.532	5,4%	895	802	11,6%	2.510	2.334	7,5%
Dividend and similar income	15	10	46,0%	36	20	81,8%	51	30	69,6%
Profit/(loss) on equity investments valued using the equity method	9	5	81,7%	8	9	-4,7%	17	14	27,5%
Net commission income	837	779	7,5%	483	477	1,2%	1.320	1.256	5,1%
Net profit/(loss) from trading and hedging activity	56	87	-35,2%	67	45	47,8%	123	132	-6,7%
Net profit/(loss) from sale/buyback of financial assets/liabilities	6	4	30,1%	4	6	-24,5%	10	10	-0,1%
Other net operating income/(expense)	57	51	10,7%	93	76	22,8%	150	127	18,2%
Net income on insurance operations	68	67	1,2%	0	0		68	67	1,2%
Operating income	2.662	2.535	5,0%	1.586	1.434	10,6%	4.248	3.969	7,0%
Administrative expenses	(1.435)	(1.397)	2,7%	(805)	(785)	2,5%	(2.240)	(2.182)	2,7%
a) Staff costs	(1.006)	(988)	1,8%	(508)	(506)	0,3%	(1.514)	(1.494)	1,3%
b) Other administrative expenses	(429)	(409)	5,0%	(297)	(279)	6,5%	(726)	(688)	5,6%
Net impairment losses on tangible and intangible assets	(123)	(114)	8,2%	(64)	(71)	-9,5%	(184)	(185)	-0,6%
Operating costs	(1.558)	(1.510)	3,1%	(870)	(856)	1,5%	(2.423)	(2.367)	2,4%
Net operating income	1.105	1.025	7,8%	717	577	24,1%	1.825	1.602	13,9%
Net impairment losses on loans	(152)	(222)	-31,6%	(93)	(75)	23,7%	(245)	(297)	-17,6%
Net impairment losses on other assets/liabilities	4	(1)		(3)	(7)	-60,6%	2	(9)	
Net provisions for liabilities and charges	(5)	(1)	455,6%	(21)	(16)	36,2%	(27)	(17)	60,4%
Profits/(losses) on disposal of equity investments	(0)	(0)	49,4%	2	1	145,6%	2	1	189,4%
Profit/(loss) on continuing operations before tax	952	800	18,9%	601	480	25,3%	1.557	1.280	21,6%
Taxes on income for the year for continuing operations	(393)	(358)	9,8%	(254)	(203)	25,1%	(648)	(561)	15,6%
Profit/(loss) on non current assets held for sale and discontinued operations net of taxes	0	(0)		6	8	-22,1%	6	8	-21,9%
Net profit for the period attributable to minority interests	(46)	(39)	18,9%	(45)	(45)	-0,5%	(92)	(84)	8,9%
Profit/(loss) for the period	513	404	27,0%	308	239	28,8%	823	643	27,9%

Reclassified according to BPU Banca's reclassification criteria

(*) BPU Banca Group: 2005 restated to take into account the sale of tax collection companies

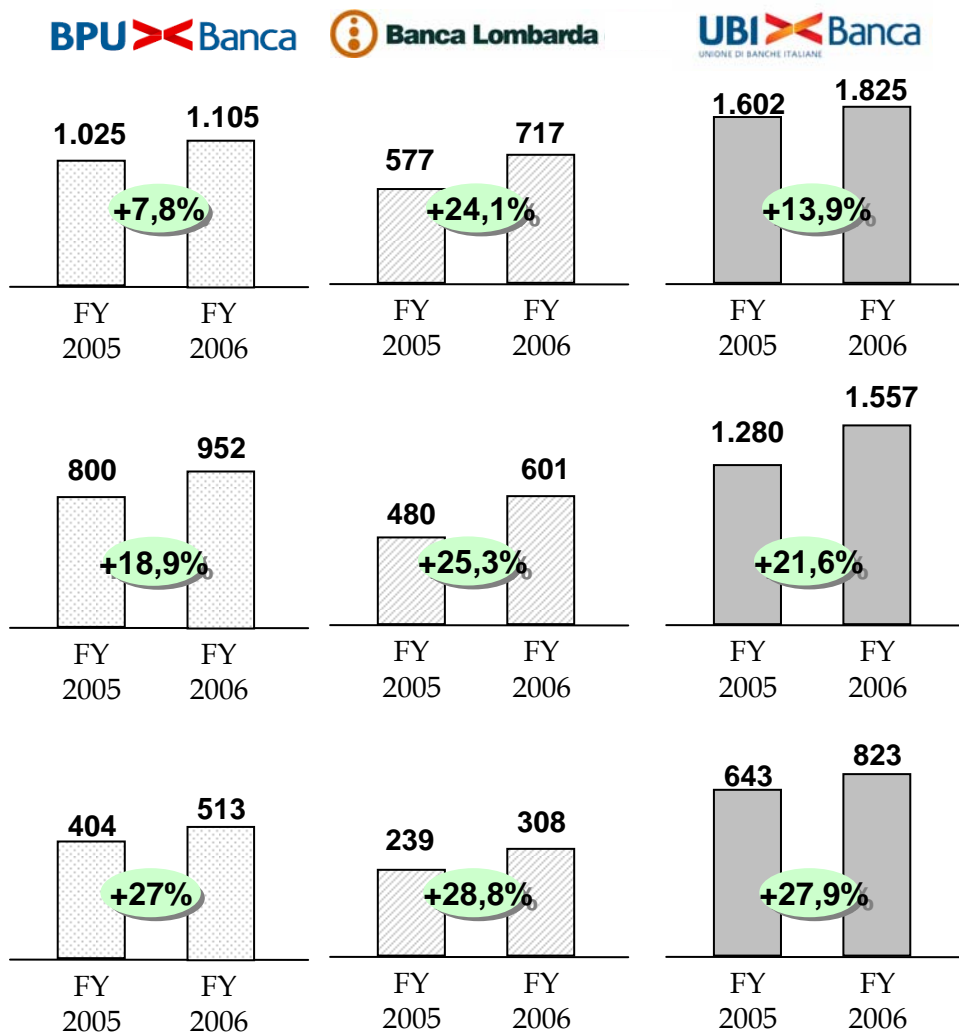
(**) In 2007, 2006 result will be restated to take into account the effects deriving from the allocation of the merger differences.

UBI Banca: All margins show significant growth, especially net of non-recurring items

Net of non recurring items, net profit, +28% to approx. 823 million euro (643 in 2005)

Mln €

Net of non recurring items



Net operating income (operating income-operating costs)

- Good quality of ordinary profitability, with growing recurring income (interest margin and commissions) and moderate growth in costs. Operating revenues: approx.+7% and operating costs +2%

Profit on continuing operations before tax (net operating income-value adjustments and provisions+ profit on disposal of participations)

- Lower adjustments on loans reflect top lending quality: -17,6%

Net profit (profit on continuing operations before tax-tax-minorities+net profit on non current assets and discontinued operations held for sale)

- Strong growth +28% , virtually homogeneous for the two banking groups of origin.

Stated net profit up by 3,4% to 951 million euro (920 in 2005)

UBI Banca: Integration and Industrial Plan elaboration

BPU Banca: Solid starting base

-BPU Banca's industrial plan activities completed as follows as at 31/12/2006:

Industrial Plan 2003-2006: fully completed in 2005

Industrial Plan 2005-2007: completed by 84%

Industrial Plan 2006-2008: completed by 48%

-2006-2008 Industrial Plan: total synergies of 256,8 million euro as at Dec2006, of which 170,5 million euro of cost synergies and 86,3 million euro of revenue synergies, respectively +10%, +13% and 4% vs Industrial Plan targets

UBI Banca: Strong potential already in place

-Integration activities for the new parent company (operational from 1st April 2007) already completed by 90% with the involvement and support of almost 200 people

-2007-2010 Industrial Plan launched on 13 March last, fully in line with the expected schedule, with 17 "Cantieri" (workgroups) involving more than 500 people

- Main steps forward:

- by 10 May : choice of IT system

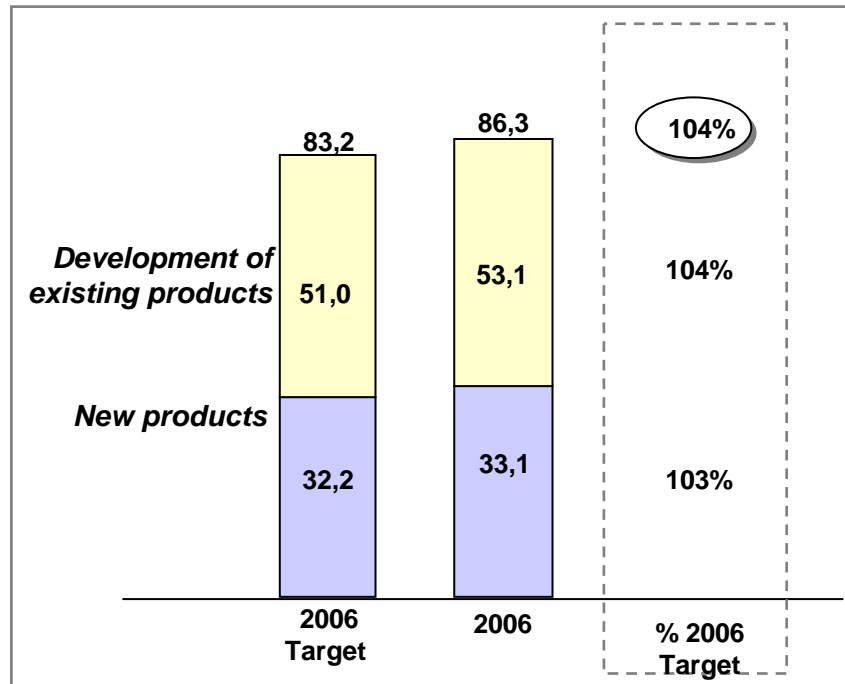
- 15 June: approval of UBI Banca Industrial Plan to be then presented to the market

- preliminary total synergies expected of 365 million euro in 2010, with a net present value of 2,3 billion euro.

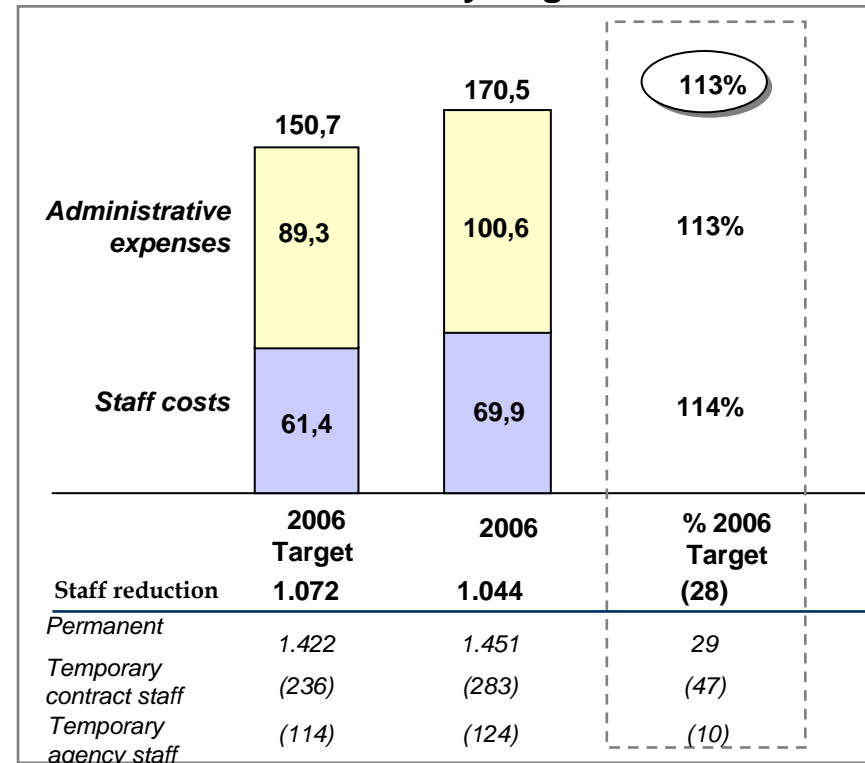
IV. Annexes

BPU Banca: in 2006 total synergies amount to 256,8 million euro, +10% compared to Industrial Plan forecasts (233,9 million euro)

Revenue synergies



Cost synergies



BPU Banca: Consolidated reclassified income statement- quarterly evolution

Importi in migliaia di euro	2006				2005 pro-forma			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Net interest income	414.613	404.352	397.516	398.123	389.715	380.321	376.485	385.276
Dividends and similar income	4.514	867	7.337	2.151	1.151	443	5.940	2.649
Profit (loss) of equity investments valued using the equity method	3.223	2.743	1.829	1.399	(277)	1.024	2.273	2.040
Net commission income	222.780	185.673	208.326	215.786	200.223	200.046	190.480	188.792
Net profit (loss) on trading, hedging and disposal/repurchase activities	15.307	22.877	23.654	108.036	57.867	35.950	46.347	35.579
Net income on insurance operations	22.298	11.252	16.222	17.908	17.485	15.395	20.828	13.202
Other net operating income / (expense)	13.589	12.927	16.627	13.469	12.985	12.482	34.706	12.953
Operating income	696.324	640.691	671.511	756.872	679.149	645.661	677.059	640.491
Staff costs	(266.615)	(239.786)	(261.132)	(253.494)	(262.909)	(255.263)	(246.577)	(253.174)
Other administrative expenses	(128.968)	(97.463)	(103.236)	(99.304)	(102.763)	(96.875)	(111.066)	(99.407)
Net impairment losses on property, plant and equipment and intangible assets	(34.346)	(32.500)	(29.004)	(26.991)	(35.076)	(27.435)	(24.744)	(26.310)
Operating costs	(429.929)	(369.749)	(393.372)	(379.789)	(400.748)	(379.573)	(382.387)	(378.891)
Net operating income	266.395	270.942	278.139	377.083	278.401	266.088	294.672	261.600
Net impairment losses on loans	(35.457)	(45.911)	(46.380)	(23.943)	(90.384)	(34.101)	(72.334)	(25.085)
Net impairment losses on other assets/liabilities	3.839	(455)	939	121	(2.295)	107	4.012	(3.176)
Provisions for liabilities and charges	(2.232)	(2.929)	14	(181)	(1.947)	(2.681)	217	3.452
Profit (loss) from disposal of equity and other investments	13.853	15.962	15.258	15.721	6.062	7.181	49.179	63.473
Profit (loss) on continuing operations before tax	246.398	237.609	247.970	368.801	189.837	236.594	275.746	300.264
Taxes on income for the year for continuing operations	(103.303)	(98.412)	(90.504)	(128.653)	(95.397)	(103.263)	(95.024)	(99.803)
Profit (loss) on non current assets held for sale and discontinued operations net of taxes (*)	(188)	(198)	3.688	2.151	5.152	107.929	1.876	683
Profit for the period attributable to minority interests	(11.205)	(10.268)	(10.654)	(12.453)	(12.412)	(11.901)	(8.880)	(10.541)
Profit for the period attributable to the Parent Bank	131.702	128.731	150.500	229.846	87.180	229.359	173.718	190.603

Banca Lombarda: Consolidated reclassified income statement- quarterly evolution

	2006			
	1Q	2Q	3Q	4Q
<i>(figures in thousands of euro)</i>				
Net interest income	212.809	219.174	227.008	235.915
Dividend and similar income	126	35.233	113	333
Profit / (loss) on equity investments valued using the equity method	3.587	100	4.419	32
Net commission income	124.559	122.303	110.839	125.468
Net profit (loss) from trading and hedging activity	22.584	4.683	15.611	28.222
Other net operating income/expenses	21.978	22.175	22.280	38.174
Net income on insurance operations	0	0	0	0
OPERATING PROFIT	385.643	403.668	380.270	428.144
Staff costs	(127.878)	(125.867)	(123.598)	(130.398)
Other administrative expenses	(68.594)	(73.874)	(70.396)	(99.861)
TOTAL ADMINISTRATIVE COSTS	(196.472)	(199.741)	(193.994)	(230.259)
Value adjustments on tangible assets	(8.918)	(8.088)	(8.648)	(11.488)
Value adjustments on intangible assets	(6.315)	(6.468)	(6.760)	(7.676)
OPERATING COSTS	(211.705)	(214.297)	(209.402)	(249.423)
NET OPERATING INCOME	173.938	189.371	170.868	178.721
Net impairment losses on loans	(22.150)	(18.602)	(23.554)	(28.777)
Net impairment losses on other assets/liabilities	(586)	(569)	(1.620)	(146)
Net provisions for liabilities and charges	(2.734)	(4.216)	(3.898)	(14.473)
Profits /(losses) on disposal of equity investments	236	49	621	1.189
Profit / (loss) on continuing operations before tax	148.704	166.033	142.417	136.514
Taxes on income for the year for continuing operations	(66.052)	(60.799)	(62.598)	(58.263)
Profit/loss on non current assets held for sale and discontinued operations net of taxes	0	4.703	120	1.255
Net profit for the period attributable to minority interests	(12.175)	(11.220)	(12.484)	(7.968)
Profit for the period attributable to the parent bank	70.477	98.717	67.455	71.538

UBI Banca: Consolidated reclassified income statement- quarterly evolution

RECLASSIFIED INCOME STATEMENT	4TH QUARTER 2006	3RD QUARTER 2006	2ND QUARTER 2006	1ST QUARTER 2006
Net interest income	650.528	631.360	616.690	610.932
Dividend and similar income	4.847	980	42.570	2.277
Profit/(loss) on equity investments valued using the equity method	3.255	7.162	1.929	4.986
Net commission income	348.248	296.512	330.629	340.345
Net profit/(loss) from trading and hedging activity	43.529	38.488	28.337	130.620
Net income on insurance operations	22.298	11.252	16.222	17.908
Other net operating income/(expense)	51.763	35.207	38.802	35.447
Operating income	1.124.468	1.020.961	1.075.179	1.142.515
Staff costs	(397.013)	(363.384)	(386.999)	(381.372)
Other administrative expenses	(228.829)	(167.859)	(177.110)	(167.898)
Net impairment losses on property, plant and equipment and intangible assets	(52.597)	(46.995)	(42.647)	(41.311)
Operating costs	(678.439)	(578.238)	(606.756)	(590.581)
Net operating income	446.029	442.723	468.423	551.934
Net impairment losses on loans	(64.234)	(69.465)	(64.982)	(46.093)
Net impairment losses on other assets/liabilities	3.693	(2.075)	370	(465)
Net provisions for liabilities and charges	(16.705)	(6.827)	(4.202)	(2.915)
Profits/(losses) on disposal of equity investments	15.042	16.583	15.307	15.957
Profit/(loss) on continuing operations before tax	383.825	380.939	414.916	518.418
Taxes on income for the year for continuing operations	(161.913)	(161.357)	(151.650)	(195.052)
Profit/(loss) on non current assets held for sale and discontinued operations net of taxes	1.067	(78)	8.391	2.151
Net profit for the period attributable to minority interests	(19.269)	(22.848)	(21.970)	(24.724)
Profit /(loss) for the period	203.710	196.656	249.687	300.793

BPU Banca: Consolidated reclassified balance sheet

figures in thousands of euro		31.12.2006	31.12.2005 pro-forma	Changes	
				absolute	in %
ASSETS					
10	Cash and cash equivalents	405.097	373.697	31.400	8,4%
20+30	Financial assets held for trading	8.474.598	7.367.106	1.107.492	15,0%
40	Available-for-sale financial assets	3.603.586	3.721.162	-117.576	-3,2%
50	Held-to-maturity financial assets	1.247.629	1.061.634	185.995	17,5%
60	Loans to banks	2.340.674	3.321.395	-980.721	-29,5%
70	Loans to customers	52.673.941	47.300.815	5.373.126	11,4%
80	Hedging derivatives	82.879	205.256	-122.377	-59,6%
90	Fair value change of hedged financial assets	2.044	29.331	-27.287	-93,0%
100	Equity investments	60.043	32.859	27.184	82,7%
110	Technical reserves of reinsurers	105.726	104.146	1.580	1,5%
120	Tangible assets	1.347.577	1.377.393	-29.816	-2,2%
130	Intangible assets	1.273.086	1.237.046	36.040	2,9%
	of which: goodwill	1.209.843	1.195.299	14.544	1,2%
140	Tax assets	779.903	704.660	75.243	10,7%
150	Non current assets and disposal groups held for sale	85.678	174.430	-88.752	-50,9%
160	Other assets	1.792.565	1.852.704	-60.139	-3,2%
	Total assets	74.275.026	68.863.634	5.411.392	7,9%
LIABILITIES					
10	Due to banks	6.278.330	6.366.914	-88.584	-1,4%
20	Due to customers	31.707.288	29.370.331	2.336.957	8,0%
30	Securities issued	24.190.085	20.925.250	3.264.835	15,6%
40+50	Financial liabilities held for trading and valued at fair value	495.114	348.941	146.173	41,9%
60	Hedging derivatives	357.625	321.093	36.532	11,4%
80	Tax liabilities	637.975	620.861	17.114	2,8%
90	Liabilities associated with disposal groups held for sale	119.648	83.019	36.629	44,1%
100	Other liabilities	1.931.176	2.772.170	-840.994	-30,3%
110	Staff severance payments	342.506	350.052	-7.546	-2,2%
120	Provisions for liabilities and charges:	231.736	331.439	-99.703	-30,1%
	a) pension and similar obligations	64.036	163.138	-99.102	-60,7%
	b) other provisions	167.700	168.301	-601	-0,4%
130	Technical reserves	2.532.321	2.247.693	284.628	12,7%
170+180+190	Capitale, issue premiums and reserves	4.392.169	4.028.353	363.816	9,0%
210	Minority interests	418.274	416.658	1.616	0,4%
220	Profit (loss) for the year	640.779	680.860	-40.081	-5,9%
	Total liabilities	28 74.275.026	68.863.634	5.411.392	7,9%

Banca Lombarda: Consolidated reclassified balance sheet

Assets	2006	2005	Change absolute	Change %
Cash and cash equivalents	181.702	146.839	34.863	23,7%
Financial assets held for trading	3.070.064	3.015.182	54.882	1,8%
Financial assets valued at <i>fair value</i>	0	0	0	
Available-for-sale financial assets	1.100.126	843.338	256.788	30,4%
Held-to-maturity financial assets	9.243	21.567	-12.324	-57,1%
Loans to banks	1.891.704	3.076.529	-1.184.825	-38,5%
Loans to customers	30.575.913	28.229.071	2.346.842	8,3%
Hedging derivatives	359.993	103.528	256.465	247,7%
Fair value change of hedged financial assets	0	0	0	
Equity investments	83.170	62.800	20.370	32,4%
Technical reserves of reinsurers	0	0	0	
Tangible assets	719.031	756.900	-37.869	-5,0%
Intangible assets	738.493	712.085	26.408	3,7%
of which: goodwill	0	0	0	
Tax assets	421.070	375.630	45.440	12,1%
Non current assets and disposal groups held for sale	12.723	6.921	5.802	83,8%
Other assets	585.963	996.746	-410.783	-41,2%
Total assets	39.749.195	38.347.136	1.402.059	3,7%
Liabilities	2006	2005	Change absolute	Change %
Due to banks	2.928.127	3.464.625	-536.498	-15,5%
Due to customers	16.668.824	15.792.313	876.511	5,6%
Securities issued	13.926.832	13.117.374	809.458	6,2%
Financial liabilities held for trading and valued at fair value	533.416	1.220.886	-687.470	-56,3%
Hedging derivatives	50.170	16.297	33.873	207,8%
Tax liabilities	449.919	342.210	107.709	31,5%
Liabilities associated with disposal groups held for sale	0	0	0	
Other liabilities	1.479.179	1.431.767	47.412	3,3%
Staff severance payments	177.672	195.161	-17.489	-9,0%
Provisions for liabilities and charges:	99.435	89.972	9.463	10,5%
a) pension and similar obligations	25.831	28.177	-2.346	-8,3%
b) other provisions	73.604	61.795	11.809	19,1%
Technical reserves	0	0	0	
Share capital	355.016	322.292	32.724	10,2%
Issue premiums	1.001.589	661.268	340.321	51,5%
Reserves	762.739	650.656	112.083	17,2%
Revaluation reserves	570.116	359.164	210.952	58,7%
Minority interests	437.974	444.167	-6.193	-1,4%
Profit (loss) for the year	308.187	238.984	69.203	29,0%
Total liabilities	39.749.195	38.347.136	1.402.059	3,7%

UBI Banca: Consolidated reclassified balance sheet

Assets	31/12/2006 PF	31/12/2005 PF	Change on an annual basis	% change on an annual basis
Cash and cash equivalents	586.799	520.536	66.263	12,73%
Financial assets held for trading at fair value	11.544.662	10.382.288	1.162.374	11,20%
Available-for-sale financial assets	4.703.712	4.564.500	139.212	3,05%
Held-to-maturity financial assets	1.256.872	1.083.201	173.671	16,03%
Loans to banks	4.229.219	7.159.154	(2.929.935)	-40,93%
Loans to customers	83.062.851	75.398.834	7.664.017	10,16%
Hedging derivatives	442.872	308.784	134.088	43,42%
Fair value change in hedged financial assets	2.044	29.331	(27.287)	-93,03%
Equity investments	143.213	95.659	47.554	49,71%
Technical reserves of reinsurers	105.726	104.146	1.580	1,52%
Property, plant and equipment	2.070.260	2.134.293	(64.033)	-3,00%
Intangible assets	2.011.579	1.949.131	62.448	3,20%
<i>Merger difference (*)</i>	3.079.142	3.079.142	-	-
Tax assets	1.201.759	1.080.290	121.469	11,24%
Non current assets and disposal groups held for sale	98.401	181.351	(82.950)	n.s.
Other assets	2.368.855	2.834.360	(465.505)	-16,42%
Total assets	116.907.966	110.905.000	6.002.966	5,41%
Liabilities				
Due to banks	9.016.297	9.691.530	(675.233)	-6,97%
Due to customers	48.376.110	45.162.131	3.213.979	7,12%
Securities in issue	38.116.917	34.042.624	4.074.293	11,97%
Financial liabilities held for trading at fair value	1.028.530	1.569.827	(541.297)	-34,48%
Hedging derivatives	407.795	337.390	70.405	20,87%
Fair value change in hedged financial liabilities	-	-	-	-
Tax liabilities	1.089.282	963.071	126.211	13,11%
Liabilities associated with disposal groups held for sale	119.648	83.019	36.629	n.s.
Other liabilities	3.410.355	4.203.937	(793.582)	-18,88%
Staff severance payments	522.246	545.213	(22.967)	-4,21%
Provisions for liabilities and charges:	331.171	421.411	(90.240)	-21,41%
<i>a) pension and similar obligations</i>	89.867	191.315	(101.448)	-53,03%
<i>b) other provisions</i>	241.304	230.096	11.208	4,87%
Technical reserves	2.532.321	2.247.693	284.628	12,66%
Share capital, issue premiums and reserves	10.149.816	9.856.485	293.331	2,98%
Own shares	-	-	-	-
Minority interests	856.632	860.825	(4.193)	-0,49%
Profit (loss) for the period	950.846	919.844	31.002	3,37%
Total liabilities	116.907.966	110.905.000	6.002.966	5,41%

(*) The merger difference was calculated on the basis of the market quotation of BPU shares on 15th March 2007. With regard to the pro-forma figures as at 31st December 2005, the difference in the equity of the BLP Group between 31st December 2006 and 31st December 2005 was included under the item "loans to banks". This therefore resulted in the "Merger difference" assuming the same value for both the dates quoted.

Project organizational structure

