



PRESS RELEASE

BPU BANCA

Consolidated results for 2006 (reclassified statement)

Net profit of 641 million euro (681 million in 2005)

Net of non recurring items, which more than halved to 128 million net compared to 277 million net in 2005, net profit recorded growth of 27% to 512,8 million from 403,9 in 2005

Proposal to shareholders for a dividend of 0,80 euro per share (+7% compared to 2005)

Net interest income of 1.614,6 million euro (+5,4% compared to 1.531,8 in 2005)

Net commission income of 832,6 million euro (+6,8% compared to 779,5 in 2005 and +7,5% net of non recurring items)

Operating income of 2.765,4 million euro (+4,7% compared to 2.642,4 in 2005)

Operating costs of 1.572,8 million euro (+2% from 1.541,6 in 2005)

Net operating income of 1.192,6 million euro (+8,3% compared to 1.100,8 in 2005)

Net impairment losses on loans of 151,7 million euro (-31,6% compared to 222 in 2005)

Profit on continuing operations after tax of 1.100,8 million euro (+9,8% compared to 1.002,4 in 2005)

Industrial Plan 2006-2008: total synergies achieved in December 2006 of 256,8 million euro, of which 170,5 on costs and 86,3 on revenues, higher than Industrial Plan objectives by 10%, 13% and 4% respectively.

Lending to customers of 52,7 billion euro, (+11,4% compared to 47,3 as at 31/12/2005)

Total funding (direct + indirect) of 111,6 billion euro (+9,1% compared to 102,3 as at 31/12/2005)

Direct funding of 55,3 billion euro (+11,4% compared to 49,6 as at 31/12/2005)

Indirect funding from customers of 56,4 billion euro (+7% compared to 52,7 as at 31/12/2005)

Assets under management of 33,3 billion euro (+8,6% compared to 30,6 as at 31/12/2005)

Of which: insurance policies of 5,6 billion euro (+18,9% compared to 4,7 as at 31/12/2005)

UBI BANCA

First pro-forma Consolidated results (reclassified statements)

Net profit of 951 million euro (+3,4% compared to 920 in 2005)

Net profit net of non recurring items of 823 million euro (+27,9% compared to 643 in 2005)

Operating income of 4.363 million euro (+6,5% compared to 4.096 in 2005)

Operating costs of 2.454 million euro (+2,3% compared to 2.398 in 2005)

Net operating income of 1.909 million euro (+12,4% compared to 1.698 in 2005)

Net impairment losses on loans of 245 million euro (-17,6% compared to 297 in 2005)

Profit on continuing operations after tax of 1.698 million euro (+14,6% compared to 1.482 in 2005)

Lending to customers of 83,1 billion euro, (+10,2% compared to 75,4 as at 31/12/2005)
Total funding (direct + indirect) of 180,5 billion euro (+6,9% compared to 168,9 as at 31/12/2005)
 Direct funding of 85,9 billion euro (+9,3% compared to 78,6 as at 31/12/2005)
Indirect funding from ordinary customers of 94,6 billion euro (+4,8% compared to 90,3 as at 31/12/2005)
 Assets under management of 55,4 billion euro (+6,1% compared to 52,2 as at 31/12/2005)
 Of which: insurance policies of 12,2 billion euro (+10,3% compared to 11,1 as at 31/12/2005)

Estimated pro-forma capital ratios: core tier 1 of approx. 6,4%, tier 1 > 7% and total capital ratio >10%

Commitments of BPU Banca and Banca Lombarda with regard to the *Autorità Garante della Concorrenza e del Mercato* (Antitrust Authority) defined

Bergamo, 20th March 2007 – The Board of Directors of Banche Popolari Unite Scrl (BPU Banca) has approved the draft Annual Report for the year of BPU Banca and the Consolidated Annual Report for the Group for the year ended 31st December 2006 and has decided to propose to a shareholders' meeting, that will be held indicatively in the first half of May, the distribution of a dividend of 0.80 euro per share on shares with dividend entitlement from 1st January 2006.

THE BPU BANCA GROUP

The income statement

The income statement figures commented on are based on the reclassified statements (annual income statement, quarterly income statements, annual income statement net of non recurring items) contained in the annexes of this press release.

The BPU Banca Group recorded *consolidated net profit* for the year ended 31st December 2006 of close to 641 million euro inclusive of non recurring items amounting to 127 million euro, to be compared with a net profit for 2005 of approximately 681 million, which benefited from non recurring items amounting to 277 million.

Net of those items, which consisted mainly of equity investments and financial assets, the result for 2006 improved by 27% to 512,8 million (403,9 in 2005), the result above all of strong growth in volumes of business with customers, for both lending and funding, the continued positive performance for assets under management and insurance investment policies, growth in net interest income and net commission income and reduced impairment losses on loans.

As compared to Industrial Plan forecasts, operations during the year benefited from higher than forecast total synergies amounting to 256,8 million euro (+10% compared to 233,9 expected), as a result of increased performance in terms of both cost synergies amounting to 170,5 million euro (+13% compared to 150,7 expected, with respect to both administrative expenses and staff costs) and revenue synergies, amounting to 86,3 million euro (+4% compared to 83,2 expected, in relation to the sale of both existing and new products).

Total *operating income* increased by 4,7%, to 2.765,4 million in 2006 from 2.642,4 million in 2005. There was still growth of approximately 5% even net of non recurring items, which affected both financial years in almost equal measure (103 million in 2006 compared to 107 million in the previous year).

Net interest income rose to 1.614,6 million, with an increase of 5,4% compared to 1.513,8 in 2005.

The positive trend for this item relates primarily to the lively performance of traditional banking business. Average monthly volumes of lending and funding for the network bank, Centrobanca and BPU Banca aggregate increased. by 10,3% and 6,1% respectively, against basic stability of the interest rate spread (on aggregate -0,03 basis points compared to 2005 while the spread for network banks only increased by +0,04 basis points), with a contribution to consolidated net interest income of +8,5% to approximately 1.367 million euro (1.260 in 2005). This amount accounts for approximately 85% of net interest income (83% in 2005).

The contribution from capitalisation policies on the other hand reduced progressively following the increase in the relative interest rates, falling from 91,8 million euro in 2005 to 51,3 in 2006. The liquidation, decided at the beginning of 2007 in relation, amongst other things, to higher interest rates, is currently in progress of approximately 1,5 billion euro of capitalisation policies, which, given the good performance of the economy, can be progressively destined to lending to customers.

Dividends received on equities held in portfolio and *profits form participations valued at net worth* totalled 24 million (a little more than 15 million in the previous year).

Net commissions amounted to approximately 833 million, an increase of 6,8% compared to 779,6 million in 2005. The amount includes the adjustment (-4,7 million euro) of some intra-company eliminations performed when consolidating the accounts for the year ended 31st December 2005, charged directly to the income statement in the third quarter of 2006. Net of that effect, net commissions increased by 7,5%.

The improvement is to a large extent attributable to “management, brokering and advisory services” in the securities area, which further increased as a percentage of net commission income from 54% to 56% with a net contribution of approximately 468,6 million, an increase of 11,2% compared to 421,4 million in 2005.

Growth was seen in particular in net commissions on assets under management for the network bank and BPU Pramerica aggregate, which recorded an increase of 16,6% to approximately 267 million euro from around 229 in 2005. Net of BPU Pramerica performance commissions (30,1 million in 2006 and 23,6 million in 2005), this growth was still high at 15,3%.

“Up front” commissions relating to insurance products only remained low and accounted for 1,9% of total commissions in 2006 compared to 2,3% in 2005.

Among “other commissions” and with regard to network banks only, it is worth mentioning the positive trend of commissions on current accounts (+8% to 181,6 million euro from 167,9 in 2005), achieved as a result of the continuous success of the Duetto and Utilio bundled accounts, which generated more than 63 million in commissions compared to 36 million received in 2005. In terms of stock, the number of Duetto accounts increased from 269.693 in December 2005 to 382.882 in December 2006 (+42%), while Utilio accounts increased from 52.232 in December 2005 to 79.786 in December 2006 (+53%).

The *net result on trading, hedging and disposal/repurchase activity* amounted to 170 million (175,7 million in the comparison year).

The item benefited from non recurring income in both periods (108 million in 2006 compared to 85 in 2005), generated by disposals without recourse of loans (30,6 million in 2006 compared to 58 in 2005), disposals of non strategic equity investments (77,4 million in 2006 compared to 9,7 in 2005) and, in 2005 only, from the sale of securities previously held as fixed assets (12,6 million euro).

Net of non recurring income, the item decreased by approximately 30 million euro, the result of the absence in 2006 of items recognised in 2005 only (sale of private equity funds and write ups of equity investments held by Centrobanca for a total of approximately 18 million) and of the negative result on the disposal of debt securities by BPU, penalised by progressive expectations of interest rate rises (-13 million).

Net income on insurance operations (which includes net interest, net premiums, profit on trading activity and the balance on other income/expenses of insurance business and other, relating to BPU Assicurazioni and BPU Assicurazioni Vita, amounted to 67,7 million, practically the same as the amount of 66,9 million in the previous year.

Other net operating income/expense amounted to 56,6 million, compared to 73 million in 2005. However the latter figure included 22 million net from the settlement with Banca Intesa and the resolution of the litigation with IBM. If these are excluded, the item recorded growth of 10,7%.

Operating costs, which include staff costs, other administrative expenses and net impairment losses on property, plant and equipment and intangible assets recorded an increase in line with the rate of inflation (+2%) to stand at 1.572,8 million compared to 1.541,6 in 2005.

In detail, staff costs remained steady at 1.021 million (+0,3% compared to 1017,9 in 2005) and included non recurring items amounting to 15,2 million (30 million in 2005).

Net of those non recurring items, staff costs increased by 1,8% primarily because of higher provision charges made in relation to contract renewals and normal remuneration increases.

Other administrative expenses which recorded year-on-year growth to 429 million (410,1 million in 2005) and were lower by 2,5% on aggregate than budgeted in the Industrial Plan.

There were practically no changes in the item over the first three quarters of the year, while in the fourth quarter, in addition to the normal seasonal end of year expenses, increased expenses were also incurred for communication and marketing, postal expenses, increased outsourcing of services and legal fees connected, amongst other things, with debt collection.

Net impairment losses on property, plant and equipment and intangible assets rose to approximately 123 million from 113,6 in 2005. These related entirely to depreciation connected with investments in IT hardware (27 million) and software (30 million) made by BPU Banca.

The cost/income ratio to 31st December 2006 was 56,9% (58,3% at the end of 2005). Net of non recurring items the ratio was 58,5% (59,6% in 2005).

As a result of the good revenue performance, which more than compensated for the contained growth in costs, *net operating income* increased by 8,3% to approximately 1.193 million euro compared to 1.101 million in 2005. Net of non recurring cost and revenue items, growth was nevertheless still close to 8%.

The high credit quality was reflected in less need to recognise *net impairment losses on loans*, which fell to 151,7 million from 221,9 in 2005, with a decrease of 70,2 million connected with a reduction at Group level in the rate of deterioration (calculated as the passage from performing loan, past due and/or in arrears continuously for more than 180 days and restructured status, to impaired and/or non performing loan status) to 1,42% in 2006 from 1,64% in 2005. Net impairment losses as a percentage of net lending to customers stood at 0,29% (0,47% in 2005).

Finally, the income statement benefited from *profits on the disposal of equity investments* amounting to approximately 61 million, more than half the amount of 126 million recorded in 2005.

The item included, in 2006, the part of the increase in the price (earn-out) paid by Prudential USA for the interest in BPU Pramerica SGR, while the figure for 2005 included profits on the sale of a minority interest in BPCI to Aviva Spa (56,8 million), of Immobiliare Serico (38,6 million) and of other minor equity interests totalling 8,5 million, as well as the earn-out relating to BPU Pramerica (22 million).

Considering the good growth in net operating income and the lower cost of credit risk, *profit on continuing operations before tax* recorded growth of close to 10%, to 1.100,8 million, compared to 1.002,4 million in 2005. Net of non recurring items, profit on continuing operations increased by 19%.

The income statement recorded taxation of 421 million, to give a tax rate of 38,2%; in 2005 the tax levied amounted to 393,5 million, with a tax rate of 39,3%. This indicator benefited in both periods from special tax treatment for some capital gains on the disposal of equity investments.

If non recurring items are excluded, the tax rate for 2006 was 41,3% (44,7% in 2005).

Finally in application of IFRS 5 and the provisions of Bank of Italy circular No. 262/2005, the effects in the income statement of the disposal of the tax collection companies (5,5 million in 2006) and the disposal of Carifano (107 million in 2005) were reclassified under the item "Profit (loss) on non current assets held for disposal net of taxes".

ROE (profit for the period attributable to the Parent Bank/shareholders' equity excluding profit) stood at 14,6%, compared to 16,9% in 2005. Net of non recurring items, ROE was 11,7% (10% in 2005).

Assets and liabilities

As at 31st December 2006, **total funding** came to a total of 111,6 billion euro, an increase of 9,1% compared to 102,3 billion in December 2005.

In detail, **direct funding** recorded year-on-year growth of 11,4% to 55,3 billion euro compared to 49,6 in December 2005. This positive growth was attributable both to an increase in the aggregate amounts due to customers, up by 8,3% to 31,1 billion euro, driven by the performance of current accounts amounting to 27,8 billion euro, with an increase of 6,1% compared to the figure for the end of 2005 and also by the aggregate securities in issue, which grew by 15,6% to 24,2 billion (which included an increase of 2,7 billion from issues made by the Parent Bank on international markets as part of the EMTN-Euro Medium Term Notes programme, which rose from 3,7 to 6,4 billion euro).

Total indirect funding from private customers rose by 7% to 56,4 billion euro from 52,7 in December 2005. It included an increase of 8,6% in total assets under management to 33,3 billion euro and an increase of 4,7% in assets

under custody, which amounted to 23,1 billion euro. Assets under management accounted for 59,02% of indirect funding (58,15% in December 2005).

In detail, assets under management recorded strong growth in insurance policies up by approximately 19% to 5,6 billion euro from 4,7 in December 2005, while assets under management in the strict sense of the term (net of insurance products) increased by 6,7% to approximately 27,7 billion at the end of 2006 from approximately 26 billion at the end of 2005 and this was despite the unfavourable market conditions.

As at 31st December 2006, **loans to customers** totalled 52,7 billion euro, an increase of 11,4% compared to 47,3 billion as at December 2005.

As concerns the network banks, the positive performance in strategic business areas continued: in terms of average monthly balances the retail segment grew by 12,3% to 21,9 billion euro and the “core corporate” segment grew by 9,3% to 9,7 billion euro.

The positive growth in lending by other companies in the Group also continued: Centrobanca (+6,6% and +8,7% net of NPLs), BPU Esaleasing (+11,4%) and Banca 24/7 (+47,7%).

The quality of the lending portfolio, as at 31st December 2006 recorded a ratio of net non performing loans to net lending of 0,66% (0,95% as at 31st December 2005), while the ratio of net impaired loans to net lending was 0,86% (1,08% as at 31st December 2005). The sale of loans without recourse continued again in 2006 for a total of 195 million euro, which together with attentive management policies in the approval of new loans contributed to the improvement reported.

The **shareholders' equity** of the Group, excluding profit for the year, amounted to 4.392 million euro as at 31st December 2006 (4.028 million euro as at 31st December 2005).

Capital ratios as at 31st December 2006 consisted of a core tier 1 ratio of 5,87%, a tier 1 ratio of 6,58% and a total capital ratio of 9,85%. A decision was taken in February and March 2007 to liquidate approximately 1,5 billion of capitalisation certificates, which will help to progressively realign the core tier 1 and total capital ratios on 6% and 10%.

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Foreseeable evolution of operations

The assessments of the foreseeable evolution for consolidated operations relate to the BPU Banca Group only and concern the first quarter of 2007 only, while waiting for the Industrial Plan of UBI Banca to be presented within the end of the current first half.

The figures available indicate that the positive trend for net interest income will strengthen, continuing to benefit from increased volumes of business with customers on the lending side in particular on the one hand and from the improvement of the interest rate spread compared to the last quarter of 2006.

The favourable performance of commissions - considered net of the performance fees received by BPU Pramerica, amounting to more than 15 million in the first quarter of 2006 and which are not expected to be earned in the period in question - is continuing, while the contribution from the Finance Area, although positive, is affected by higher short term market rates and increased volatility on equity markets.

Operating costs, in line with the Industrial Plan, are expected to increase slightly with respect to the first months of 2006.

Finally, as concerns credit quality, no particular critical developments have been encountered and the positive trend recorded in 2006 is continuing.

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BPU BANCA S.c.p.A.

The Board of Directors has approved the individual annual report for BPU Banca, which ended the year with a profit of 497 million euro, an increase of 27% compared to 391,4 million euro achieved in 2005.

Following the approval of the project to merge Banca Lombarda e Piemontese into BPU Banca by the shareholders' meetings of the two banks, the number of shares of BPU Banca, which will adopt the new name of Unione di Banche Italiane Scpa (UBI Banca), will be increased on the date on which the merger becomes effective, planned for 1st April 2007, by approximately 295 million shares, which will be added to the 344 million outstanding shares of BPU Banca, for a total of approximately 639 million shares with dividend entitlement 1st January 2006.

If approved by the shareholders' meeting, the dividend proposed of 0,80 euro per share will be paid starting from 21st May 2007 with value date 24th May 2007. The total dividend payment will amount to maximum 511,3 million euro of which 275,1 million drawn on the profit of the Parent Bank after legal and by-law allocations, approximately 1 million drawn on the item "profit brought forward" and 235,4 million through the use of the issue premiums reserve (which amounted to 1,5 billion as at 31st December 2006).

In this respect, the profit for the year 2006 of Banca Lombarda (270,2 million euro at individual company level) will be included in shareholders' equity of UBI Banca when the merger takes place.

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UBI BANCA

Pro-forma reclassified consolidated results

The first pro-forma figures prepared for the UBI Banca Group, which naturally do not take account of the effect of recognising merger differences, registered a net profit for the year of 951 million euro, an increase of 3,4% compared to 920 million euro in 2005. Net of non recurring items (consisting mainly of the disposal of equity investments and financial assets), profit nevertheless recorded an increase of approximately 28% to 823 million euro compared to 643 in 2005 and represents a summary of the performance by ordinary operations which is improving strongly.

Net operating income amounted to 1.909 million euro, up by 12,4% on 2005, as a result of good operating income performance, amounting to 4.363 million euro (+6,5% compared to 4.096 in 2005) and contained trends for operating costs, which amounted to 2.454 million euro (+2,3% compared to 2.398 in 2005).

Net impairment losses on loans were down significantly from 297 to 245 million euro (-17,6%) amounting to 29 basis points in 2006 compared to 39 recorded in 2005.

Profit on continuing operations before tax, which includes profit on the disposal of equity investments amounting to 63 million euro, significantly lower than the 127 million recorded in 2005, totalled 1.698 million euro with an increase of 14,6% compared to 2005.

Finally, the income statement benefited less than in 2005 from profit on non current assets held for disposal, which amounted to 12 million euro (123 in 2005).

Asset and liability aggregates all performed positively:

- lending to customers increased by 10,2% to 83,1 billion euro compared to 75,4 in 2005
- direct funding increased by 9,3% to 85,9 billion euro, compared to 78,6 in 2005
- total indirect funding from ordinary customers increased by 4,8% to 94,6 billion euro compared to 90,3 in 2005. The aggregate included assets under management, up by +6,1% to 55,4 billion euro compared to 52,2 in 2005 and it included growth in insurance investment policies up by 10,3% to 12,2 billion from 11,1 in 2005.

Pro-forma capital ratios estimated without considering the allocation of part of the merger differences to assets as at 31st December 2006 were as follows: core tier 1 of approximately 6,4%, a tier 1 >7% and a total capital ratio >10%.

Commitments with regard to the Autorità Garante della Concorrenza e del Mercato (Antitrust Authority)

On 22nd January 2007, BPU Banca presented the prescribed application to the *Autorità Garante della Concorrenza e del Mercato* (Antitrust Authority) in accordance with articles 16 *et seq.* of Law No. 287/1990, in relation to the merger with Banca Lombarda e Piemontese. On 6th February 2007 that authority officially started its investigation of the transaction.

During the course of that investigation, on 16th March 2007 both BPU Banca and Banca Lombarda e Piemontese made a commitment to the Antitrust Authority that UBI Banca would take the following corrective action, summarised below, which it is trusted will be of an appropriate nature to enable the required authorisation to be granted:

- 1) UBI Banca agrees to transfer to one or more independent third parties, who are not shareholders of the new bank, a number of branches comprised of between 11 and 22 in the province of Brescia and a number of branches comprised of between 6 and 12 in the province of Bergamo.
The concrete manner in which the actual number of branches to be disposed of will be determined will be such as to guarantee that the market share of UBI Banca will be brought below the threshold of 35% of the funding markets of Bergamo and Brescia. The contracts to transfer the relative lines of business will be signed within 7 months of the date of notification of transaction being authorised, while execution of the contracts will occur within 10 months of that same notification date;
- 2) UBI Banca agrees not to sign shareholders' voting or consultation agreements which might be concluded on Intesa SanPaolo S.p.A.;
- 3) UBI Banca agrees not to reconstitute the *Gruppo Lombardo* (Lombardo Group), or not to join it, if it should be reformed by former members of the group and in any case not to stipulate any sub-shareholders' agreement that might be concluded in relation to Intesa SanPaolo S.p.A., having participants and/or aims and/or contents similar to those of the agreement which bound the shareholders brought together in the *Gruppo Lombardo*;
- 4) UBI Banca agrees to ensure that, if Carlo Tassara S.p.A. and/or Mittel Partecipazioni Stabili s.r.l. should sign a shareholders' voting or consultation agreement on Intesa SanPaolo S.p.A., physical persons who, either directly or indirectly control those companies and/or occupy senior management posts in them, are not appointed to UBI Banca's governing bodies (and, where already present, are dismissed from them).

For further information:

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Copy of this press release is also available on the web site www.bpubanca.it

Annexes

The BPU Banca Group:

- **Reclassified consolidated income statement**
- **Reclassified consolidated income statement net of main non recurring items**
- **Reclassified consolidated quarterly income statements**
- **Reclassified consolidated balance sheet**
- **Consolidated income statement – mandatory schemes**
- **Consolidated balance sheet – mandatory schemes**

BPU Banca ScpA:

- **Reclassified income statement**
- **Reclassified balance sheet**

UBI Banca Group (pro-forma figures):

- **Reclassified consolidated income statement**
- **Reclassified consolidated quarterly income statements**
- **Reclassified consolidated balance sheet**

Notes to the attached statements:

BPU Banca Group:

2006 and 2005 figures take into account the reclassifications deriving from the application of Bank of Italy's circular No.262 of 22 December 2005 and some following interpretative adjustments.

In order to give an homogeneous comparison with 2006 figures, balance sheet and economic data related to 2005 have been reclassified and restated to take into account the inclusion of tax collection companies (Bergamo Esattorie and Ancona Tributi) respectively among "non current assets/liabilities held for sale" and "profit/loss on non current assets held for sale and discontinued operations net of taxes".

According to the application of IFRS 5 and of Bank of Italy's circular no.262 of 22 December 2005, profit deriving from the sale of Carifano in 2005 has been reclassified from item "profit/loss from disposal of equity and other investments" to item "profit/loss on non current assets held for sale and discontinued operations net of taxes".

UBI Banca Group:

2006 and 2005 are pro-forma.

Banca Lombarda's statements have been reclassified according to the methodology used by the BPU Group, therefore the pro-forma attached statements referred to the UBI Banca Group are compliant with the reclassification criteria described under the BPU Banca Group's reclassified income statement.

BPU Banca Group: reclassified consolidated income statement

| Figures in thousands of euro | | 31.12.2006 | 31.12.2005 pro-forma | Changes | |
|------------------------------|--|--------------------|-------------------------|-----------------|---------------|
| | | | | absolute | % |
| 10-20 | Net interest income | 1.614.604 | 1.531.797 | 82.807 | 5,4% |
| 70 | Dividends and similar income | 14.869 | 10.183 | 4.686 | 46,0% |
| | Profit (loss) of equity investments valued using the equity method | 9.194 | 5.060 | 4.134 | 81,7% |
| 40-50 | Net commission income | 832.565 | 779.541 | 53.024 | 6,8% |
| 80+90 +100 +110 | Net profit (loss) on trading, hedging and disposal/repurchase activities | 169.874 | 175.743 | (5.869) | (3,3%) |
| 150-160 | Net income on insurance operations | 67.680 | 66.910 | 770 | 1,2% |
| 220 | Other net operating income / (expense) | 56.612 | 73.126 | (16.514) | (22,6%) |
| | Operating income | 2.765.398 | 2.642.360 | 123.038 | 4,7% |
| 180a | Staff costs | (1.021.027) | (1.017.923) | 3.104 | 0,3% |
| 180b | Other administrative expenses | (428.971) | (410.111) | 18.860 | 4,6% |
| 200+210 | Net impairment losses on property, plant and equipment and intangible assets | (122.841) | (113.565) | 9.276 | 8,2% |
| | Operating costs | (1.572.839) | (1.541.599) | 31.240 | 2,0% |
| | Net operating income | 1.192.559 | 1.100.761 | 91.798 | 8,3% |
| 130a | Net impairment losses on loans | (151.691) | (221.904) | (70.213) | (31,6%) |
| 130b +c+d | Net impairment losses on other assets/liabilities | 4.444 | (1.352) | 5.796 | n.s. |
| 190 | Net provisions for liabilities and charges | (5.328) | (959) | 4.369 | n.s. |
| 240+270 | Profit (loss) from disposal of equity and other investments | 60.794 | 125.895 | (65.101) | (51,7%) |
| | Profit (loss) on continuing operations before tax | 1.100.778 | 1.002.441 | 98.337 | 9,8% |
| 290 | Taxes on income for the year for continuing operations | (420.872) | (393.487) | 27.385 | 7,0% |
| 310 | Profit (loss) on non current assets held for sale and discontinued operations net of taxes | 5.453 | 115.640 | (110.187) | (95,3%) |
| 330 | Profit for the year attributable to minority interests | (44.580) | (43.734) | 846 | 1,9% |
| | Profit for the year attributable to the Parent Bank | 640.779 | 680.860 | (40.081) | (5,9%) |

Method used in the construction of the reclassified consolidated income statement

- net income from insurance companies comprises all the revenues of the insurance companies: net interest, premiums (item 150), profit from trading activities and net profit/loss from insurance operations and other (items 160 and 220 in the accounts);
- the tax recoveries recognised under item 220 of the accounts (other operating income/expenses) were reclassified as a reduction in indirect taxes included in other administrative expenses;
- the item profit (loss) of equity investments valued using the equity method includes the profit (loss) of equity investments valued using the equity method included under item 240 in the accounts;
- the item representing the net result for trading, hedging and disposal/repurchase activities includes items 80, 90, 100 and 110 in the accounts;
- the item net impairment losses on property, plant and equipment and intangible assets includes items 200 and 210 in the accounts and the instalments relating to the depreciation of costs incurred for improvements to third party assets classified under item 220 of the accounts;
- the item profit (loss) on the disposal of equity investments includes the item 240, net of profits (losses) of equity investments valued using the equity method and item 270 in the accounts;
- the item other net operating income/expense includes item 220, net of the reclassifications mentioned above;
- the uses of provisions for liabilities and charges, where the provisions are normally recognised under specific items, are offset against the item "net provisions for liabilities and charges" (in order to provide a uniform comparison, the figures for the 2005 periods have been reclassified as follows: where possible, provisions have been attributed to specific items; in cases of previous recognition under a generic item, uses made during the year have been recognised under specific items, against the item "net provisions for liabilities and charges")

BPU Banca Group: Reclassified consolidated income statement net of the main non recurring items

| Figures in thousands of euro | 31.12.2006 <i>net of non recurring items</i> | 31.12.2005 <i>net of non recurring items</i> | Changes 2006/2005 <i>net of non recurring items</i> | % changes <i>net of non recurring items</i> |
|---|--|--|---|---|
| Net interest income | 1.614.604 | 1.531.797 | 82.807 | 5,4% |
| Dividends and similar income | 14.869 | 10.183 | 4.686 | 46,0% |
| Profits/(losses) on equity investments valued using the equity method | 9.194 | 5.060 | 4.134 | 81,7% |
| Net commission income (1) | 837.270 | 778.876 | 58.394 | 7,5% |
| Net profit (loss) on trading, hedging and disposal/repurchase activities | 61.905 | 91.042 | (29.137) | -32,0% |
| Net income on insurance operations | 67.680 | 66.910 | 770 | 1,2% |
| Other net operating income / (expense) (2) | 56.612 | 51.146 | 5.466 | 10,7% |
| OPERATING INCOME | 2.662.134 | 2.535.014 | 127.120 | 5,0% |
| Staff costs (3) | (1.005.790) | (987.934) | 17.856 | 1,8% |
| Other administrative expenses | (428.971) | (408.611) | 20.360 | 5,0% |
| Net impairment losses on property, plant and equipment and intangible assets | (122.841) | (113.565) | 9.276 | 8,2% |
| OPERATING COSTS | (1.557.602) | (1.510.110) | 47.492 | 3,1% |
| NET OPERATING INCOME | 1.104.532 | 1.024.904 | 79.628 | 7,8% |
| Net impairment losses on loans | (151.691) | (221.904) | (70.213) | -31,6% |
| Net impairment losses on other assets/liabilities | 4.444 | (1.352) | 5.796 | -428,7% |
| Net provisions for liabilities and charges | (5.328) | (959) | (4.369) | 455,6% |
| Profit/(loss) on disposal of equity investments | (399) | (267) | (132) | 49,4% |
| PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX | 951.558 | 800.422 | 151.136 | 18,9% |
| Taxes on income for the year for continuing operations (4) | (392.598) | (357.695) | 34.903 | 9,8% |
| Profit (loss) on non current assets held for sale and discontinued operations net of taxes | - | (17) | 17 | -100,0% |
| Profit/(loss) for the year attributable to minority interests | (46.203) | (38.855) | 7.348 | 18,9% |
| PROFIT FOR THE YEAR ATTRIBUTABLE TO THE PARENT BANK | 512.757 | 403.855 | 108.902 | 27,0% |
| ROE | 11,7% | 10,0% | | |
| Cost / Income ratio | 58,5% | 59,6% | | |

(1) The figure to 31st December 2006 includes adjustments of prior year items amounting to -4,7 million.

(2) The item "Other operating income/ (expense) " to 31st December 2005 includes proceeds relating to the IBM litigation (2003 blackout) and to the settlement agreement with Banca Intesa for the disposal of Banca Carime for a total of 22 million.

(3) The item "Staff costs " for 2006, includes non recurring costs relating to the IW Bank stock option plan 2008 amounting to 5,5 million and costs connected with the liquidation of the Banca Carime pension fund amounting to 5,1 million, while for 2005 it includes, amongst other things, costs relating to Group leaving incentive schemes amounting to 14,4 million and to adjustments to the mathematical reserve for the Banca Carime pension fund amounting to 13,5 million.

(4) The item "Taxes on income for the year for continuing operations" to 31st December 2006 includes, amongst other things, the effects of recalculating the taxation on the income statement for Centrobanca to 31st December 2005 amounting to 7,1 million and resulting from the application of IRAP (local production tax) legislation (Art. 2, paragraph.2, Decree Law No. 168/2004, exclusion of loan component from taxable amount) amounting to -1,9 million.

Reclassified consolidated quarterly income statements

| Figures in thousands of euro | | 2006 | | | | 2005 pro-forma | | | |
|------------------------------|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | 4 th Quarter | 3 rd Quarter | 2 nd Quarter | 1 st Quarter | 4 th Quarter | 3 rd Quarter | 2 nd Quarter | 1 st Quarter |
| 10-20 | Net interest income | 414.613 | 404.352 | 397.516 | 398.123 | 389.715 | 380.321 | 376.485 | 385.276 |
| 70 | 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 |
| 40-50 | Net commission income | 222.780 | 185.673 | 208.326 | 215.786 | 200.223 | 200.046 | 190.480 | 188.792 |
| 80+90+100+110 | 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 |
| 150-160 | Net income on insurance operations | 22.298 | 11.252 | 16.222 | 17.908 | 17.485 | 15.395 | 20.828 | 13.202 |
| 220 | 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 |
| 180a | Staff costs | (266.615) | (239.786) | (261.132) | (253.494) | (262.909) | (255.263) | (246.577) | (253.174) |
| 180b | Other administrative expenses | (128.968) | (97.463) | (103.236) | (99.304) | (102.763) | (96.875) | (111.066) | (99.407) |
| 200+210 | 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 |
| 130a | Net impairment losses on loans | (35.457) | (45.911) | (46.380) | (23.943) | (90.384) | (34.101) | (72.334) | (25.085) |
| 130b+c+d | Net impairment losses on other assets/liabilities | 3.839 | (455) | 939 | 121 | (2.295) | 107 | 4.012 | (3.176) |
| 190 | Provisions for liabilities and charges | (2.232) | (2.929) | 14 | (181) | (1.947) | (2.681) | 217 | 3.452 |
| 240+270 | 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 |
| 290 | 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) |
| 310 | 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 |
| 330 | 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 |

Reclassified consolidated balance sheet

| Figures in thousands of euro | | 31.12.2006 | 31.12.2005 pro-forma | Changes | |
|------------------------------|---|-------------------|-------------------------|------------------|-------------|
| | | | | absolute | % |
| ASSETS | | | | | |
| 10 | Cash and cash equivalents | 405.097 | 373.697 | 31.400 | 8,4% |
| 20+30 | Financial assets held for trading at fair value | 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 | Property, plant and equipment | 1.347.577 | 1.377.393 | -29.816 | -2,2% |
| 130 | Intangible assets | 1.273.086 | 1.237.046 | 36.040 | 2,9% |
| | <i>of which: goodwill</i> | <i>1.209.843</i> | <i>1.195.299</i> | <i>14.544</i> | <i>1,2%</i> |
| 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 in issue | 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 | Share capital, 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 for the year | 640.779 | 680.860 | -40.081 | -5,9% |
| Total liabilities | | 74.275.026 | 68.863.634 | 5.411.392 | 7,9% |

**Mandatory schemes (Bank of Italy Resolution dd 22/12/2005)
Consolidated income statement**

| Figures in thousands of euro | 2006 | 2005 |
|--|-------------------|-------------------|
| 10. Interest and similar income | 2.921.223 | 2.508.452 |
| 20. Interest expense and similar | -1.216.796 | -890.010 |
| 30. NET INTEREST INCOME | 1.704.427 | 1.618.442 |
| 40. Commission income | 966.961 | 945.610 |
| 50. Commission expenses | -134.396 | -127.486 |
| 60. NET COMMISSION INCOME | 832.565 | 818.124 |
| 70. Dividend and similar income | 14.869 | 10.183 |
| 80. Net profit (loss) on trading | 40.619 | 90.445 |
| 90. Net profit (loss) from hedging activity | 6.959 | 3.613 |
| 100. Net profit (loss) from sale or the repurchase of: | 116.653 | 91.301 |
| a) loans | 30.582 | 57.908 |
| b) available-for-sale financial assets | 83.852 | 33.224 |
| c) held-to-maturity financial assets | - | - |
| d) financial liabilities | 2.219 | 169 |
| 110. Net profit (loss) on financial assets/liabilities held at fair value | - | - |
| 120. GROSS INCOME | 2.716.092 | 2.632.108 |
| 130. Net impairment losses on: | -151.505 | -213.503 |
| a) loans | -155.949 | -212.148 |
| b) available-for-sale financial assets | -1.059 | -75 |
| c) held-to-maturity financial assets | - | - |
| d) other financial transactions | 5.503 | -1.280 |
| 140. NET FINANCIAL OPERATING INCOME | 2.564.587 | 2.418.605 |
| 150. Net premiums | 482.451 | 476.359 |
| 160. Other net profit (loss) on insurance operations | -509.906 | -494.679 |
| 170. NET INCOME FROM FINANCIAL AND INSURANCE OPERATIONS | 2.537.132 | 2.400.285 |
| 180. Administrative expenses | -1.556.482 | -1.544.188 |
| a) staff costs | -1.022.078 | -1.027.757 |
| b) altre spese amministrative | -534.404 | -516.431 |
| 190. Net provisions for liabilities and charges | 12.641 | -34.603 |
| 200. Net impairment losses on tangible assets | -81.605 | -76.941 |
| 210. Net impairment losses on intangible assets | -31.626 | -26.296 |
| 220. Other operating income (expense) | 150.730 | 166.114 |
| 230. OPERATING COSTS | -1.506.342 | -1.515.914 |
| 240. Profits (losses) on equity investments | 8.866 | 12.015 |
| 250. Net result of fair valuation of tangible and intangible assets | - | - |
| 260. Net impairment losses on goodwill | - | - |
| 270. Profits (losses) on disposal of investments | 61.122 | 118.941 |
| 280. PROFIT (LOSS) ON CONTINUING OPERATIONS BEFORE TAX | 1.100.778 | 1.015.327 |
| 290. Taxes on income for the period for continuing operations | -420.872 | -397.797 |
| 300. AFTER TAX PROFIT (LOSS) ON CONTINUING OPERATIONS | 679.906 | 617.530 |
| 310. Profit (loss) after tax on non current assets held for sale and discontinued operations | 5.453 | 107.064 |
| 320. PROFIT (LOSS) FOR THE PERIOD | 685.359 | 724.594 |
| 330. Profit (loss) for the period attributable to minority interests | -44.580 | -43.734 |
| 340. PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT BANK | 640.779 | 680.860 |

Mandatory schemes (Bank of Italy Resolution dd 22/12/2005)
Consolidated balance sheet

| Figures in thousands of euro | 31.12.2006 | 31.12.2005 |
|---|-------------------|-------------------|
| ASSETS | | |
| 10. Cash and cash equivalents | 405.097 | 373.734 |
| 20. Financial assets held for trading | 3.121.981 | 2.208.420 |
| 30. Financial assets at fair value | 5.352.617 | 5.158.686 |
| 40. Available-for-sale financial assets | 3.603.586 | 3.721.162 |
| 50. Held-to-maturity financial assets | 1.247.629 | 1.061.634 |
| 60. Loans to banks | 2.340.674 | 3.331.015 |
| 70. Loans to customers | 52.673.941 | 47.460.761 |
| 80. Hedging derivatives | 82.879 | 205.256 |
| 90. Fair value change of hedged financial assets (+/-) | 2.044 | 29.331 |
| 100. Equity investments | 60.043 | 32.859 |
| 110. Technical reserves of reinsurers | 105.726 | 104.146 |
| 120. Tangible assets | 1.347.577 | 1.377.538 |
| 130. Intangible assets | 1.273.086 | 1.238.995 |
| - goodwill | 1.209.843 | 1.197.147 |
| 140. Tax assets | 779.903 | 706.822 |
| a) current | 377.507 | 294.217 |
| b) deferred | 402.396 | 412.605 |
| 150. Non current assets and disposal groups held for sale | 85.678 | 298 |
| 160. Other assets | 1.792.565 | 1.852.977 |
| TOTAL ASSETS | 74.275.026 | 68.863.634 |

Mandatory schemes (Bank of Italy Resolution dd 22/12/2005)
Consolidated balance sheet

| Figures in thousands of euro | 31.12.2006 | 31.12.2005 |
|--|-------------------|-------------------|
| LIABILITIES E SHAREHOLDERS' EQUITY | | |
| 10. Due to banks | 6.278.330 | 6.366.914 |
| 20. Due to customers | 31.707.288 | 29.443.712 |
| 30. Securities in issue | 24.190.085 | 20.925.250 |
| 40. Financial liabilities held for trading | 495.114 | 348.941 |
| 50. Financial liabilities at fair value | - | - |
| 60. Hedging derivatives | 357.625 | 321.093 |
| 70. Fair value change in hedged financial liabilities subject to macro hedge (+/-) | - | - |
| 80. Tax liabilities | 637.975 | 622.277 |
| a) current | 361.181 | 388.078 |
| b) deferred | 276.794 | 234.199 |
| 90. Liabilities associated with disposal groups held for sale | 119.648 | 8 |
| 100. Other liabilities | 1.931.176 | 2.780.199 |
| 110. Staff severance payments | 342.506 | 350.052 |
| 120. Provisions for liabilities and charges: | 231.736 | 331.781 |
| a) pension and similar obligations | 64.036 | 163.138 |
| b) other provisions | 167.700 | 168.643 |
| 130. Technical reserves | 2.532.321 | 2.247.693 |
| 140. Valuation reserves | 118.820 | 241.838 |
| 150. Reimbursable shares | - | - |
| 160. Capital instruments | 0 | 0 |
| 170. Reserves | 1.866.531 | 983.031 |
| 180. Issue premiums | 1.545.611 | 1.943.203 |
| 190. Share capital | 861.207 | 860.124 |
| 200. Own shares (-) | 0 | 0 |
| 210. Minority interests (+/-) | 418.274 | 416.658 |
| 220. Profit (loss) for the period (+/-) | 640.779 | 680.860 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 74.275.026 | 68.863.634 |

BPU Banca Scpa: reclassified income statement

| Figures in thousands of euro | 31.12.2006 | 31.12.2005 | Changes | % changes |
|--|------------------|------------------|----------------|--------------|
| 10.-20. Net interest income | (86.050) | (39.867) | (46.183) | (115,8%) |
| 70. Dividends and similar income | 509.395 | 340.610 | 168.785 | 49,6% |
| 40.-50. Net commission income | (5.566) | (9.581) | 4.015 | 41,9% |
| 80.+90.+ 100.+110. Net profit (loss) on trading, hedging and disposal/repurchase activities | 86.651 | 69.595 | 17.056 | 24,5% |
| 190. Other net operating income / (expense) | 293.632 | 285.382 | 8.250 | 2,9% |
| Operating income | 798.062 | 646.139 | 151.923 | 23,5% |
| 150.a Staff costs | (196.332) | (174.609) | 21.723 | 12,4% |
| 150.b Other administrative expenses | (145.843) | (139.578) | 6.265 | 4,5% |
| 170.+180. Net impairment losses on property, plant and equipment and intangible assets | (67.966) | (56.496) | 11.470 | 20,3% |
| Operating costs | (410.141) | (370.683) | 39.458 | 10,6% |
| Net operating income | 387.921 | 275.456 | 112.465 | 40,8% |
| 130.a Net impairment losses on loans | (448) | (376) | 72 | 19,1% |
| 130.b+c+d Net impairment losses on other assets/liabilities | (93) | (370) | (277) | (74,9%) |
| 160. Net provisions for liabilities and charges | 181 | 434 | (253) | (58,3%) |
| 210.+240. Profit (loss) from disposal of equity and other investments | 57.140 | 98.393 | (41.253) | (41,9%) |
| 250. Profit (loss) on continuing operations before tax | 444.701 | 373.537 | 71.164 | 19,1% |
| 260. Taxes on income for the year for continuing operations | 52.286 | 17.820 | 34.466 | 193,4% |
| 280. Profit (loss) on non current assets held for sale and discontinued operations | - | - | - | - |
| 290. Profit for the year | 496.987 | 391.357 | 105.630 | 27,0% |

BPU Banca Scpa: reclassified balance sheet

| Figures in thousands of euro | 31.12.2006 | 31.12.2005 | Changes | % changes |
|---|-------------------|-------------------|------------------|-------------|
| ASSETS | | | | |
| 10. Cash and cash equivalents | 69 | 39 | 30 | 76,9% |
| 20.+30. Financial assets held for trading at fair value | 4.674.922 | 4.381.683 | 293.239 | 6,7% |
| 40. Available-for-sale financial assets | 401.517 | 1.000.407 | -598.890 | -59,9% |
| 50. Held-to-maturity financial assets | 1.247.629 | 1.061.634 | 185.995 | 17,5% |
| 60. Loans to banks | 12.204.930 | 10.856.799 | 1.348.131 | 12,4% |
| 70. Loans to customers | 2.670.908 | 2.308.461 | 362.447 | 15,7% |
| 80. Hedging derivatives | 7.429 | 24.905 | -17.476 | -70,2% |
| 100. Equity investments | 5.511.788 | 5.442.230 | 69.558 | 1,3% |
| 110. Property, plant and equipment | 656.866 | 664.523 | -7.657 | -1,2% |
| 120. Intangible assets | 49.834 | 23.549 | 26.285 | 111,6% |
| <i>of which: goodwill</i> | - | - | - | - |
| 130. Tax assets | 306.304 | 275.996 | 30.308 | 11,0% |
| 140. Non current assets and disposal groups held for sale | - | 10 | -10 | 100,0% |
| 150. Other assets | 627.492 | 793.677 | -166.185 | -20,9% |
| Total assets | 28.359.688 | 26.833.913 | 1.525.775 | 5,7% |
| LIABILITIES | | | | |
| 10. Due to banks | 14.394.415 | 15.631.113 | -1.236.698 | -7,9% |
| 20. Due to customers | 1.067.138 | 841.149 | 225.989 | 26,9% |
| 30. Securities in issue | 7.452.511 | 4.784.848 | 2.667.663 | 55,8% |
| 40. Financial liabilities held for trading | 166.083 | 63.100 | 102.983 | 163,2% |
| 60. Hedging derivatives | 36.100 | 10.771 | 25.329 | 235,2% |
| 80. Tax liabilities | 258.788 | 284.149 | -25.361 | -8,9% |
| 100. Other liabilities | 763.803 | 1.201.646 | -437.843 | -36,4% |
| 110. Staff severance payments | 47.202 | 48.750 | -1.548 | -3,2% |
| 120. Provisions for liabilities and charges: | 7.083 | 6.793 | 290 | 4,3% |
| <i>a) pension and similar obligations</i> | - | - | - | - |
| <i>b) other provisions</i> | 7.083 | 6.793 | 290 | 4,3% |
| 160.+170. Share capital, issue premiums and reserves | 3.669.578 | 3.570.237 | 99.341 | 2,8% |
| .+180. | | | | |
| 200. Profit for the year | 496.987 | 391.357 | 105.630 | 27,0% |
| Total liabilities | 28.359.688 | 26.833.913 | 1.525.775 | 5,7% |

UBI Banca Group: reclassified consolidated income statement

| RECLASSIFIED INCOME STATEMENT | 31/12/2006 PF | 31/12/2005 PF | Change on an annual basis | % change on an annual basis |
|--|--------------------|--------------------|------------------------------|--------------------------------|
| Net interest income | 2.509.510 | 2.333.946 | 175.564 | 7,52% |
| Dividend and similar income | 50.674 | 29.873 | 20.801 | 69,63% |
| Profit / (loss) on equity investments valued using the equity method | 17.332 | 13.599 | 3.733 | 27,45% |
| Net commission income | 1.315.734 | 1.256.790 | 58.944 | 4,69% |
| Net profit (loss) from trading and hedging activity | 240.974 | 246.589 | (5.615) | -2,28% |
| Net income on insurance operations | 67.680 | 66.910 | 770 | 1,15% |
| Other net operating income / (expense) | 161.219 | 148.519 | 12.700 | 8,55% |
| Operating income | 4.363.123 | 4.096.226 | 266.897 | 6,52% |
| Staff costs | (1.528.768) | (1.523.906) | (4.862) | 0,32% |
| Other administrative expenses | (741.696) | (689.428) | (52.268) | 7,58% |
| Net impairment losses on property, plant and equipment and intangible assets | (183.550) | (184.697) | 1.147 | -0,62% |
| Operating costs | (2.454.014) | (2.398.031) | (55.983) | 2,33% |
| Net operating income | 1.909.109 | 1.698.195 | 210.914 | 12,42% |
| Net impairment losses on loans | (244.774) | (297.129) | 52.355 | -17,62% |
| Net impairment losses on other assets/liabilities | 1.523 | (29.168) | 30.691 | -105,22% |
| Net provisions for liabilities and charges | (30.649) | (16.615) | (14.034) | 84,47% |
| Profits /(losses) on disposal of equity investments | 62.889 | 126.748 | (63.859) | -50,38% |
| Profit / (loss) on continuing operations before tax | 1.698.098 | 1.482.031 | 216.067 | 14,58% |
| Taxes on income for the year for continuing operations | (669.972) | (596.569) | (73.403) | 12,30% |
| Profit/loss on non current assets held for sale and discontinued operations net of taxes | 11.531 | 123.441 | (111.910) | -90,66% |
| Net profit for the period attributable to minority interests | (88.811) | (89.059) | 248 | -0,28% |
| Profit for the period attributable to the parent bank | 950.846 | 919.844 | 31.002 | 3,37% |

UBI Banca Group: reclassified consolidated 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 |

UBI Banca Group: 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% |
| Merger difference (*) | 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% |
| a) pension and similar obligations | 89.867 | 191.315 | (101.448) | -53,03% |
| b) other provisions | 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 cited.