

## Market risk

### 1. Interest rate risk – Supervisory trading portfolio

#### Quantitative information

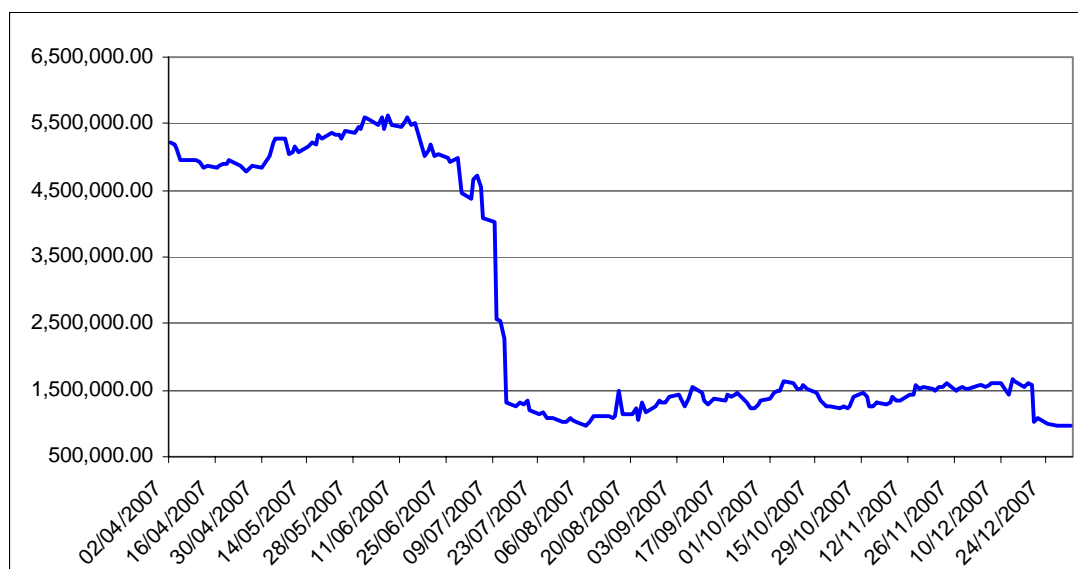
1. Supervisory trading portfolio: distribution by residual life (date of repricing) of the financial assets and liabilities and financial derivatives.

See the subsequent section which contains an analysis of sensitivity to interest rate risk.

2. Supervisory trading portfolio: internal models and other methods of sensitivity analysis.

The graph below shows the changes in daily VaR that occurred in 2007 for the trading portfolios of the UBI Group. The fall recorded at the beginning of the third quarter of 2007 is primarily attributable to the decision to sell the portfolios managed under mandate by UBI Pramerica SGR.

**Change in market risk: daily market VaR for the UBI Group in 2007**



Market VaR does not include VaR on hedge funds, instruments for which a specific investment policy is employed as detailed in section 2.3.

VaR by risk factor calculated on the entire trading book of the UBI Group as at 31<sup>st</sup> December 2007 is given below.

Trading Portfolio UBI Group	31-Dec-07	Aver	Min	Max
Exchange rate risk	138,483	204,916	106,108	361,219
Interest rate risk	365,435	1,190,583	351,043	2,657,048
Equity risk (1)	657,505	2,164,366	424,964	5,163,278
Credit risk	125,856	200,309	125,856	245,972
Volatility risk	153,456	261,112	153,385	329,987
Diversification effect (2)	(471,464)	-	-	-
<b>Total (1)</b>	<b>969,272</b>	<b>2,691,469</b>	<b>959,228</b>	<b>(3)5,623,980 (3)</b>

(1) It does not include VaR on hedge funds

(2) The diversification effect is given by the imperfect correlation between the different risk factors present in the portfolios of the two Groups;

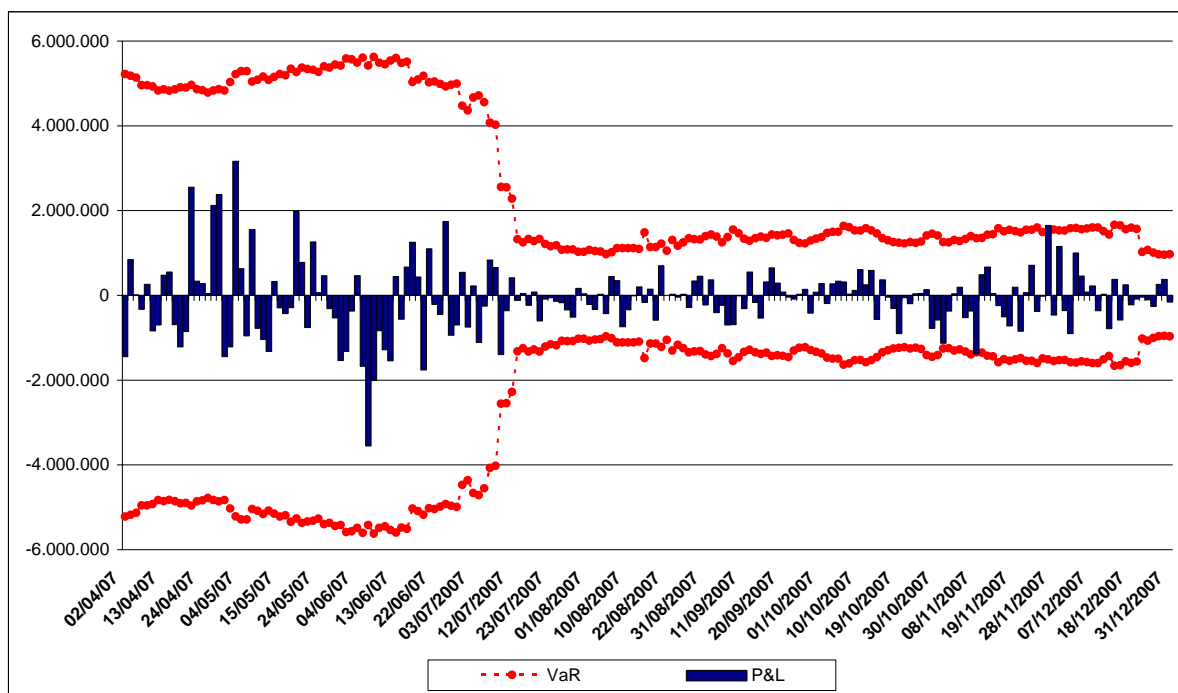
(3) The maximum VaR was measured on 7<sup>th</sup> June 2007 and the minimum on 28<sup>th</sup> December 2007

## Backtesting analysis

Backtesting analysis is designed to monitor the predictive power of the VaR model adopted. It uses a theoretical Profit & Loss calculated on the basis of hypothetical changes in the value of the portfolio, determined by revaluing at the time  $t$  the positions at the end of the day at  $t-1$  (assuming the positions are unchanged).

The backtesting analysis for the trading book of the UBI Group for 2007 is given below. The testing performed demonstrated the validity of the model adopted for the calculation of VaR.

### UBI Group Trading Book: Backtesting 2007



With respect to the portfolios on which VaR was calculated, the portfolios of the network banks of the former BL Group were excluded from backtesting.

## Stress test analyses

The Group has a stress testing programme designed to analyse the reaction of portfolios to risk factor shocks, with the objective of verifying the capacity of the supervisory capital to absorb very large potential losses and to identify possible measures needed to reduce risks and conserve the capital itself.

The stress tests performed are based on both theoretical shocks and market shocks actually observed in a predetermined historical period. The former consist of specially created extreme shifts in interest rate (short, medium and long term), credit spread, exchange rate, equity price and volatility curves. The latter are conducted on historical scenarios which have occurred since 11<sup>th</sup> September 2001.

The results of the theoretical stress tests performed on the portfolios of the UBI Group are given below.

### The effect of theoretical shocks on the trading and banking book of the UBI Group

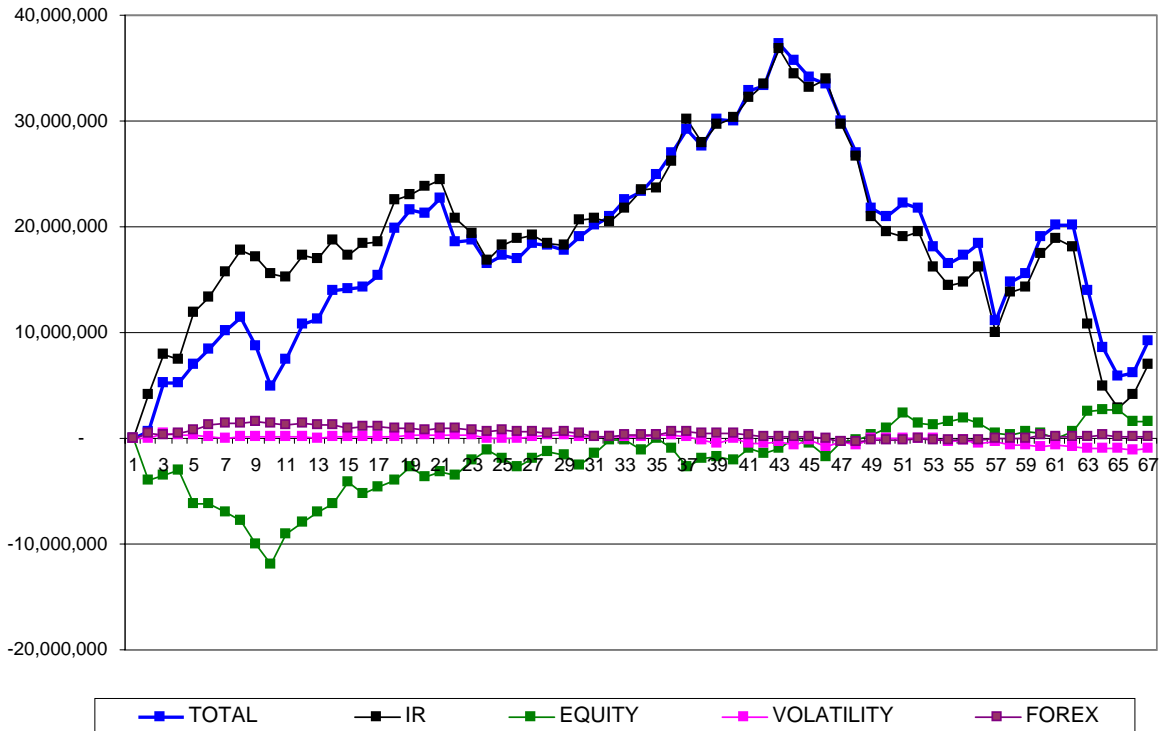
Data as at 31/12/07		UBI GROUP TRADING BOOK		UBI GROUP BANKING BOOK		TOTAL UBI GROUP	
		Change in NAV	%	Change in NAV	%	Change in NAV	%
Risk Factors Shock	IR Parallel+	331,078	0.02%	-19,570,897	-0.43%	-19,239,819	-0.32%
Risk Factors Shock	IR Parallel-	995,165	0.07%	19,244,830	0.42%	20,239,995	0.34%
Risk Factors Shock	IR Peak+	394,244	0.03%	-13,209,149	-0.29%	-12,814,905	-0.21%
Risk Factors Shock	IR Peak-	1,160,083	0.08%	13,471,186	0.29%	14,631,269	0.24%
Risk Factors Shock	IR Tilt+	-393,582	-0.03%	-31,584,982	-0.69%	-31,978,565	-0.53%
Risk Factors Shock	IR Tilt-	4,331,118	0.31%	31,290,032	0.68%	35,621,150	0.60%
Risk Factors Shock	IR +100 b.p.	922,124	0.07%	-39,795,920	-0.87%	-38,873,796	-0.65%
Risk Factors Shock	IR -100 b.p.	3,889,625	0.28%	38,567,992	0.84%	42,457,617	0.71%
Risk Factors Shock	Equity -10%	-2,279,113	-0.17%	-2,955,218	-0.06%	-5,234,331	-0.09%
Risk Factors Shock	Volatility +20%	-298,253	-0.02%	-419,381	-0.01%	-717,634	-0.01%
Risk Factors Shock	Credit Spread	-1,811,942	-0.58%	-42,434,792	-0.92%	-44,246,734	-0.90%

The analysis was performed on the trading and banking book portfolios of the UBI Group. With respect to the portfolios on which VaR was calculated, the portfolios of the network banks of the former BL Group were excluded from backtesting.

The analysis shows the greater sensitivity of the total portfolios of the UBI Group (and of the banking book portfolios) to interest rates shocks (consistent with the predominant presence of bonds and capitalisation certificates in them) compared to changes in other risk factors.

The results of the stress tests performed on the historical scenarios for 11<sup>th</sup> September 2001 complete the information reported.

**The effect of market shock (11<sup>th</sup> September 2001) on the trading and banking book of the UBI Group as at 31/12/2007**



The analysis was performed on the trading and banking book portfolios of the UBI Group. With respect to the portfolios on which VaR was calculated, the portfolios of the network banks of the former BL Group were excluded from backtesting.

	Max Change	Min Change
<b>Total</b>	37,232,050	686,955
<b>Interest Rate</b>	36,762,658	2,923,668
<b>Equity</b>	2,775,263	-11,956,180
<b>Volatility</b>	398,663	-1,169,452
<b>Forex</b>	1,562,710	-355,597

The results of the stress tests show that the increase in the value of the portfolios attributable to the fall in interest rates predominates over the loss resulting from the fall in equity prices.

**2. – Interest rate risk – Banking portfolio**

*Qualitative information*

**A. General aspects, processes for the management and methods of measurement of interest rate risk**

Interest rate risk is generated by imbalance between the maturities (repricing) of assets and liabilities in the banking book. The latter consist of all those financial instruments, assets and liabilities, not included in the trading portfolio in accordance with supervisory regulations, which are reported on in section 1.2.1.

The monitoring and management of structural interest rate risk - from fair value and from cash flow - is performed by the Risk Management Area of the Parent Bank and extends to include all interest rate sensitive banks and companies in the Group. The internal risk management process includes all activities designed to identify, measure and monitor risk at

Group level. Activities designed to ensure effective application of the model and compliance with the regulations and procedures adopted also form part of that process. The assessment is performed on a monthly basis using a static approach: in other words it is assumed that the sensitive quantities and mixes remain constant throughout the reference period (12 months).

The methods employed for measuring interest rate risk consist mainly of gap analysis and sensitivity analysis. Sensitivity analysis of economic value is flanked by sensitivity analysis of net interest income which focuses on changes in profits in the following twelve months. The two measurement approaches are integrated in a single, total return, risk indicator.

The Management Board of the Parent Bank defines, on proposal of the Finance Committee, the strategic policies and the positioning range, expressed in terms of sensitivity, for interest rate risk, for both the Group as a whole and for individual companies. A policy of basic equilibrium in terms of exposure to interest risk is defined at individual company level, although there are some specific exceptions. In addition to the exposure limits, early warning thresholds are also set. In detail:

	<b>Limits</b>	<b>Early Warning</b>
Positioning range at consolidated level	Minimum -45 million	
Sensitivity +/- 100 bp	Maximum -180 million	-130 million

For the purposes of full information, the limits defined for the trading book are also used for some of the portfolios in the banking book containing assets classified as available-for-sale for IAS purposes (Centrobanca corporate portfolio, IW Bank portfolio). At the end of December the total VaR for the banking portfolios of the UBI Group amounted to 6,79 million euro (5,78 million as at 30<sup>th</sup> June 2007) with an NAV of 8.847,78 million euro (9.467,86 million as at 30<sup>th</sup> June 2007).

## **B. Fair value hedging**

Specific and macro hedges were performed at Group level using financial derivative instruments (fair value hedges) only, in order to reduce exposure to adverse changes in fair value due to interest rate risk. More specifically, fixed interest rate and mixed loans (macro hedge), fixed rate bond issues and fixed rate deposits (specific hedging) were subject to hedging together with some securities in the AFS portfolio. The derivative contracts used were of the interest rate swap type.

Activity to test the effectiveness of hedges is performed by the Risk Management Area, which examines the conditions which make hedge accounting applicable in advance and maintains official records for each hedge.

Tests for effectiveness are performed prospectively when a hedge is first implemented and this is followed by monthly retrospective tests.

## **C. Cash flow hedging**

Another type of hedge, cash flow hedges, are used alongside fair value hedges. They are the result of the decision to cover some variable rate positions by transforming them to fixed rate in order to hedge the interest income. The Risk Management Area is responsible for testing the effectiveness of the hedges.

### *Quantitative information*

#### **1. Banking portfolio: distribution by residual life (by repricing date) of the financial assets and liabilities**

See the subsequent section which contains an analysis of sensitivity to interest rate risk.

## 2. Banking portfolio: internal models and other methods of sensitivity analysis.

The interest rate risk for the UBI Group, measured using sensitivity analysis for +100bp, recorded an average of approximately -99 million euro, (period 31/3 – 31/12/2007) and amounted at the end of the period to -144,3 million euro (-109,7 million as at 31<sup>st</sup> March 2007, pro-forma). The maximum value for the period was -144,3 million euro and the minimum -79,2 million euro. Changes in the position are monitored continuously by the Finance Committee.

The table below gives the risk measured for the periods cited for a standardised parallel shift in the curve of 200 bp, in compliance with the requirements of Basle 2, measured on the tier 1 and supervisory capital at the end of the period.

### Risk indicators - annual average March- December 2007

#### parallel shift of 200 bp

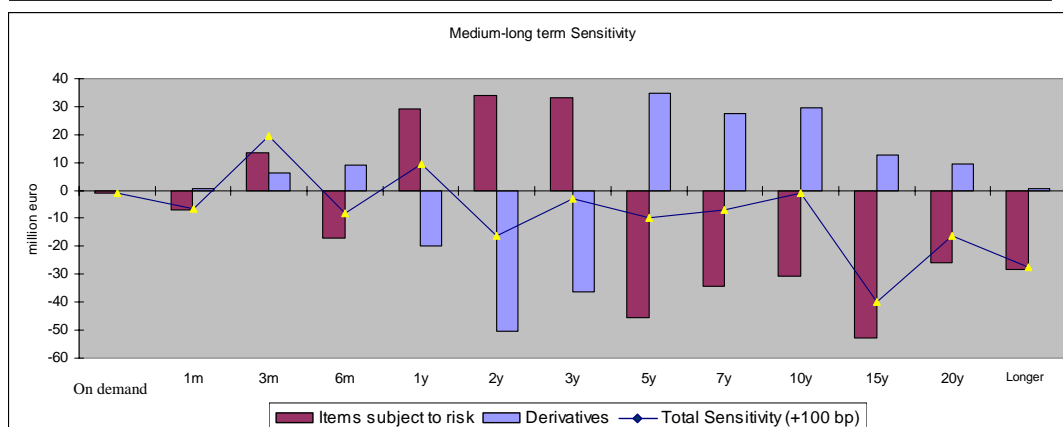
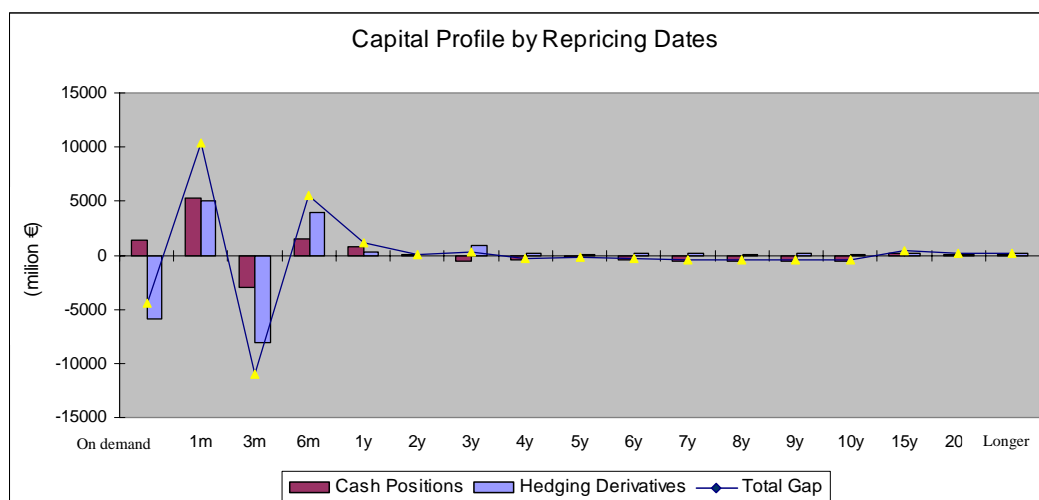
sensitivity/tier 1	2,7%
sensitivity/supervisory capital	2,0%

### Risk indicators – end of period values 31.12.2007 31.03.2007

#### parallel shift of 200 bp

sensitivity/tier 1	4,0%	3,4%
sensitivity/supervisory capital	2,9%	2,4%

Details are given below of the capital profiles by repricing date and the composition of sensitivity by time bucket.



The impact on net interest income assuming a parallel shift of +100 basis points on the yield curve was 191,9 million euro as at 31<sup>st</sup> December 2007: the result includes the effects of hypotheses of viscosity and elasticity on on-demand positions.

In the light of the changed regulatory context that hypothesis, relating to the adjustment reaction of on-demand positions to shifts of the yield curve, will shortly be tested anew and possibly revised.

### **3. - Price risk – Supervisory trading portfolio**

#### *Qualitative information*

#### **A. General aspects**

This is the risk of changes in price as a function of fluctuations in market variables and specific factors relating to issuers or counterparties.

Information on general and organisational aspects is given in the section “interest rate risk-trading portfolio”, which may be consulted.

The risk of losses caused by unfavourable changes in the price of traded financial instruments due to factors related to the issuer can be the result of daily trading activity (idiosyncratic risk) or of a sudden change in price with respect to general market trends (event risk, such as the risk of default by the issuer caused by a change in the market’s expectation that an itself issuer will default).

#### **B. Processes for the management and methods for the measurement of price risk**

The UBI model for managing specific risk for debt securities is capable of detecting the first of the two components (idiosyncratic risk) because it considers spread curves by economic sector and rating class as risk factors.

Total risk on equity instruments (and OICR – collective investment instruments) is measured by considering single shares as risk factors and includes both the generic risk component (i.e. the risk of losses caused by unfavourable trends in the prices of the financial instruments traded in general) and a specific component relating to the situation of the issuer.

As concerns hedge funds, the system of limits on investments and the method of calculating financial risks are governed by a specific policy approved by the Management Board of the UBI Group.

More specifically, qualitative and quantitative limits are defined to guarantee an adequate degree of diversification and liquidity, to set the maximum acceptable loss and to measure the risk profile implicit in the portfolio (maximum capital, limits on the composition of the portfolio, liquidity of funds, VaR, maximum cumulative loss).

The VaR on hedge funds is calculated using a “style analysis” method with a confidence interval of 99% and a holding period of 2 months (consistent with the average time required to liquidate the investment). “Style analysis” is the sensitivity of the returns on a single fund to a limited set of market factors, consisting of the performances of CSFB Tremont funds indices in relation to different strategies for managing hedge funds. A systematic VaR is calculated for each fund which identifies the risk component given by the combination of market factors, which is therefore diversifiable, and a specific VaR (idiosyncratic), linked to the behaviour of the fund manager. Total VaR is given by the combination of systematic VaR and specific VaR, assuming non correlation between the two.

At the end of December 2007, the method for calculating VaR was applied to funds amounting to approximately 721 million euro. The VaR used was approximately 41 million (against a limit of 50 million). The investments were denominated exclusively in euro (67% of NAV) and in USD (33% of NAV) and they were mainly in multi-strategy funds (more than 29% of NAV), which involve internal diversification of the management strategies, in event driven funds (16% of NAV) and in equity market neutral funds (15% of NAV).

#### **Quantitative information**

**1. Supervisory trading portfolio: on-balance sheet exposure in equity and O.I.C.R. (collective investment) instruments**

Type of exposure/Values	Carrying value	
	Listed	Unlisted
<b>A. Equity instruments</b>	<b>32.705</b>	<b>116.732</b>
A.1 Shares	32.705	112.917
A.2 Innovative capital instruments		
A.3 Other equity instruments		3.815
<b>B. O.I.C.R.</b>	<b>564.083</b>	-
B.1 Under Italian law	65.773	-
- harmonized open-ended		
- non harmonized open-ended		
- closed	1.256	
- reserved		
- speculative	64.517	
B.2 Other EU countries	138.646	-
- harmonized open-ended	80.716	
- non harmonized open-ended	39.741	
- closed	18.189	
B.3 Non EU countries	359.664	-
- open-ended	296.744	
- closed	62.920	
<b>Total</b>	<b>596.788</b>	<b>116.732</b>

**2. Supervisory trading portfolio: distribution of exposures in equity instruments and share indices by the principal markets in which they are listed**

Type of operation/Where listed	Listed					Unlisted
	Australia	Hong Kong	Italy	United States of America	Switzerland	
<b>A. Equity instruments</b>						
- long positions	-	-	32.704	-	3.815	112.918
- short positions	-	-	-	-	-	-
<b>B. Trades in equity instruments not yet settled</b>						
- long positions	-	-	155	27	-	-
- short positions	(5)	-	(718)	(27)	-	-
<b>C. Other derivatives on equity instruments</b>						
- long positions	-	-	-	-	-	27.922
- short positions	-	-	-	-	-	(57.401)
<b>D. Derivatives on share indexes</b>						
- long positions	-	3.879	-	-	-	228.211
- short positions	-	(3.879)	-	-	-	(632.713)

## 4. Price risk – Banking portfolio

### Qualitative information

#### *A. General aspects, management processes and methods of measuring price risk*

The management of price risk for the banking book forms part of the activities described in the information given for the trading book; the financial instruments other than those included in that information are not subject to price risk.

#### *B. Price risk hedging activity*

As described in the preceding sub-section, information on this activity is given in the sections on the trading portfolio.

### Quantitative information

#### *1. Banking portfolio: on-balance sheet exposure in equity and O.I.C.R. (collective investment) instruments*

Type of exposure/Values	Carrying value	
	Listed	Unlisted
<b>A. Equity instruments</b>	<b>845.325</b>	<b>93.967</b>
A.1 Shares	845.325	93.967
A.2 Innovative capital instruments		
A.3 Other equity instruments		-
<b>B. O.I.C.R.</b>	<b>182.888</b>	<b>70.393</b>
B.1 Under Italian law	24.507	58.424
- harmonized open-ended		5.050
- non harmonized open-ended		
- closed	24.507	44.696
- reserved		3.841
- speculative		4.837
B.2 Other EU countries	18.644	2.205
- harmonized open-ended	15.732	104
- non harmonized open-ended	2.912	
- closed		2.101
B.3 Non EU countries	139.737	9.764
- open-ended	134.145	5.356
- closed	5.592	4.408
<b>Total</b>	<b>1.028.213</b>	<b>164.360</b>

#### *2. Banking portfolio: internal models and other methods of sensitivity analysis*

Information on the model used to analyse price risk sensitivity for the supervisory trading portfolio is contained in section 2.1 on the analysis of interest rate risk which may be consulted.

## 5. Exchange rate risk

### Qualitative information

#### A. General aspects, management processes and methods of measuring exchange rate risk

Exchange rate risk is calculated on the basis of mismatches existing between assets and liabilities in foreign currency (spot and forward), relating to each currency other than euro. Exposure to exchange rate risk is calculated starting from the net exchange rate position using a method based on supervisory regulations.

#### B. Exchange rate risk hedging activity

Information on the analysis of hedging for exchange rate risk is contained in section 1.2.1 on the analysis of interest rate risk which may be consulted.

### Quantitative information

#### 1. Distribution of assets, liabilities and derivatives by foreign currency in which they are denominated

Items	Currencies					
	US Dollars	UK sterling	Yen	Canadian Dollars	Swiss Francs	Other currencies
<b>A. Financial assets</b>	<b>1.009.646</b>	<b>131.510</b>	<b>84.783</b>	<b>5.746</b>	<b>522.647</b>	<b>117.739</b>
A.1 Debt securities	40.428	13.573	0	0	12.175	29
A.2 Equities	2.011	44.976	0	0	3.815	0
A.3 Financing to banks	183.595	21.367	25.236	5.288	35.858	43.355
A.4 Financing to customers	694.443	51.594	59.547	458	469.451	74.355
A.5 Other financial assets	89.169	0	0	0	1.348	0
<b>B. Other assets</b>	<b>1.875</b>	<b>502</b>	<b>0</b>	<b>95</b>	<b>3.996</b>	<b>15</b>
<b>C. Financial liabilities</b>	<b>-1.059.420</b>	<b>-81.393</b>	<b>-2.607.964</b>	<b>-6.918</b>	<b>-324.698</b>	<b>-97.213</b>
C.1 Due to banks	-342.085	-15.019	-23.600	-326	-120.861	-49.018
C.2 Due to customers	-678.724	-65.247	-37.234	-6.592	-192.523	-48.195
C.3 Debt securities	-38.611	-1.127	-2.547.130	0	-11.314	0
<b>D. Other liabilities</b>	<b>-10.440</b>	<b>-3.666</b>	<b>-10</b>	<b>-216</b>	<b>-4.153</b>	<b>-2.258</b>
<b>E. Financial Derivatives</b>	<b>-222.502</b>	<b>-92.324</b>	<b>2.442.271</b>	<b>1.950</b>	<b>-136.388</b>	<b>-9.363</b>
E.1 Options	-356.437	-21.856	-22.024	0	0	0
E.1.1 Long positions	489.482	24.152	21.467	2.014	3.626	0
E.1.2 Short positions	-845.919	-46.009	-43.491	-2.014	-3.626	0
E.1 Other derivatives	133.935	-70.468	2.464.295	1.950	-136.388	-9.363
E.1.1 Long positions	1.969.050	227.967	3.515.866	21.192	49.942	66.302
E.1.2 Short positions	-1.835.115	-298.435	-1.051.571	-19.242	-186.329	-75.665
<b>Total assets</b>	<b>1.011.521</b>	<b>132.012</b>	<b>84.783</b>	<b>5.841</b>	<b>526.643</b>	<b>117.754</b>
<b>Total liabilities</b>	<b>-1.069.860</b>	<b>-85.059</b>	<b>-2.607.974</b>	<b>-7.134</b>	<b>-328.851</b>	<b>-99.471</b>
<b>Balance (+/-)</b>	<b>-280.841</b>	<b>-45.371</b>	<b>-80.920</b>	<b>657</b>	<b>61.404</b>	<b>8.920</b>

#### 2. Internal models and other methods of sensitivity analysis.

Information on the sensitivity analysis model is contained in section 1.2.1 on the analysis of interest rate risk which may be consulted.

## 6. Derivative financial instruments

### A. Financial derivatives

#### A.1 Supervisory trading portfolio: notional, end of period and average figures

Type of transaction/Underlying assets	Debt securities and interest rates		Equity instruments and share indices		Exchange rates and gold		Other values		31/12/2007		31/12/2006	
	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted
1. Forward rate agreement	-	-	-	-	-	-	-	-	-	-	-	-
2. Interest rate swap	-	34.049.501	-	-	-	-	-	-	-	34.049.501	-	12.020.345
3. Domestic currency swap	-	-	-	-	-	2.499.032	-	-	-	2.499.032	-	1.778.416
4. Currency interest rate swap	-	-	-	-	-	-	-	-	-	-	-	-
5. Basis swap	-	9.834.104	-	-	-	-	-	-	-	9.834.104	-	2.713.749
6. Share index swap	-	-	-	-	-	-	-	-	-	-	-	331.194
7. Real index swaps	-	-	-	-	-	-	-	-	-	-	-	-
8. Futures	4.126.240	-	193	-	-	-	-	-	4.126.433	-	17.190	-
9. Cap options	-	18.540.444	-	-	-	-	-	-	-	18.540.444	-	605.796
- Purchased	-	8.945.665	-	-	-	-	-	-	-	8.945.665	-	367.627
- Issued	-	9.594.779	-	-	-	-	-	-	-	9.594.779	-	238.169
10. Options floor	-	7.136.962	-	-	-	-	-	-	-	7.136.962	-	48.854
- Purchased	-	4.010.559	-	-	-	-	-	-	-	4.010.559	-	24.427
- Issued	-	3.126.403	-	-	-	-	-	-	-	3.126.403	-	24.427
11. Other options	-	715.000	-	1.917.549	-	2.421.429	-	8.472	-	5.062.450	4.201	1.767.355
- Purchased	-	200.000	-	974.150	-	1.211.142	-	4.236	-	2.389.528	660	1.332.359
- Plain vanilla	-	200.000	-	382.117	-	1.076.424	-	-	-	1.658.541	660	785.390
- Exotic	-	-	-	592.033	-	134.718	-	4.236	-	730.987	-	546.969
- Issued	-	515.000	-	943.399	-	1.210.287	-	4.236	-	2.672.922	3.541	434.996
- Plain vanilla	-	515.000	-	355.366	-	1.075.297	-	-	-	1.945.663	3.541	266.910
- Exotic	-	-	-	588.033	-	134.990	-	4.236	-	727.259	-	168.086
12. Forward contracts	-	-	-	-	-	3.958.857	-	-	-	3.958.857	-	4.022.903
- Purchases	-	-	-	-	-	2.041.405	-	-	-	2.041.405	-	1.809.425
- Sales	-	-	-	-	-	1.179.247	-	-	-	1.179.247	-	1.902.128
- Between two foreign currencies	-	-	-	-	-	738.205	-	-	-	738.205	-	311.350
13. Other derivatives contracts	-	-	-	-	-	-	-	151.520	-	151.520	-	-
<b>Total</b>	<b>4.126.240</b>	<b>70.276.011</b>	<b>193</b>	<b>1.917.549</b>	-	<b>8.879.318</b>	-	<b>159.992</b>	<b>4.126.433</b>	<b>81.232.870</b>	<b>21.391</b>	<b>23.288.612</b>
<b>Average amounts</b>	<b>3.039.224</b>	<b>41.532.983</b>	<b>5.474</b>	<b>835.041</b>	-	<b>1.887.494</b>	-	<b>88.618</b>	<b>3.044.698</b>	<b>44.344.136</b>	<b>27.475</b>	<b>26.867.709</b>

## A.2 Banking portfolio: notional, end of period and average figures

### A.2.1 For hedging

Type of derivative/Underlying assets	Debt securities and interest rates		Equity instruments and share indices		Exchange rates and gold		Other values		31/12/2007		31/12/2006	
	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted
1. Forward rate agreement	-	-	-	-	-	-	-	-	-	-	-	-
2. Interest rate swap	-	13.376.636	-	-	-	-	-	-	-	13.376.636	-	7.613.885
3. Domestic currency swap	-	-	-	-	-	-	-	-	-	-	-	-
4. Currency interest rate swap	-	-	-	-	-	-	-	-	-	-	-	-
5. Basis swap	-	916.151	-	-	-	-	-	-	-	916.151	-	1.760.662
6. Share index swap	-	-	-	-	-	-	-	-	-	-	-	-
7. Real index swaps	-	-	-	-	-	-	-	-	-	-	-	-
8. Futures	-	-	-	-	-	-	-	-	-	-	-	-
9. Cap options	-	274.300	-	-	-	-	-	-	-	274.300	-	-
- Purchased	-	-	-	-	-	-	-	-	-	-	-	-
- Issued	-	274.300	-	-	-	-	-	-	-	274.300	-	-
10. Floor options	-	51.646	-	-	-	-	-	-	-	51.646	-	600.000
- Purchased	-	51.646	-	-	-	-	-	-	-	51.646	-	600.000
- Issued	-	-	-	-	-	-	-	-	-	-	-	-
11. Other options	-	-	-	-	-	-	-	-	-	-	-	-
- Purchased	-	-	-	-	-	-	-	-	-	-	-	-
- Plain vanilla	-	-	-	-	-	-	-	-	-	-	-	-
- Exotic	-	-	-	-	-	-	-	-	-	-	-	-
- Issued	-	-	-	-	-	-	-	-	-	-	-	-
- Plain vanilla	-	-	-	-	-	-	-	-	-	-	-	-
- Exotic	-	-	-	-	-	-	-	-	-	-	-	-
12. Forward contracts	-	-	-	-	-	-	-	-	-	-	-	-
- Purchases	-	-	-	-	-	-	-	-	-	-	-	-
- Sales	-	-	-	-	-	-	-	-	-	-	-	-
- Between two foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
13. Other derivatives contracts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>14.618.733</b>	-	-	-	-	-	-	-	<b>14.618.733</b>	-	<b>9.974.547</b>
<b>Average amounts</b>	-	<b>5.991.247</b>	-	-	-	-	-	-	-	<b>5.991.247</b>	-	<b>8.293.324</b>

## A.2.2 Other derivatives

Type of derivatives/Underlying assets	Debt securities and interest rates		Equity instruments and share indices		Exchange rates and gold		Other values		31/12/2007		31/12/2006	
	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted
1. Forward rate agreement	-	-	-	-	-	-	-	-	-	-	-	-
2. Interest rate swap	-	70.889	-	-	-	-	-	-	-	70.889	-	-
3. Domestic currency swap	-	-	-	-	-	-	-	-	-	-	-	-
4. Currency interest rate swap	-	-	-	-	-	-	-	-	-	-	-	-
5. Basis swap	-	-	-	-	-	-	-	-	-	-	-	-
6. Share index swap	-	-	-	-	-	-	-	-	-	-	-	-
7. Real index swaps	-	-	-	-	-	-	-	-	-	-	-	-
8. Futures	-	-	-	-	-	-	-	-	-	-	-	-
9. Cap options	-	-	-	-	-	-	-	-	-	-	-	-
- Purchased	-	-	-	-	-	-	-	-	-	-	-	-
- Issued	-	-	-	-	-	-	-	-	-	-	-	-
10. Floor options	-	-	-	-	-	-	-	-	-	-	-	-
- Purchased	-	-	-	-	-	-	-	-	-	-	-	-
- Issued	-	-	-	-	-	-	-	-	-	-	-	-
11. Other options	-	48.616	-	4.255.827	-	79.012	-	8.370	-	4.391.825	-	4.948.872
- Purchased	-	24.525	-	2.152.302	-	39.553	-	4.236	-	2.220.616	-	1.959.651
- Plain vanilla	-	-	-	217.763	-	-	-	-	-	217.763	-	1.409.094
- Exotic	-	24.525	-	1.934.539	-	39.553	-	4.236	-	2.002.853	-	550.557
- Issued	-	24.091	-	2.103.525	-	39.459	-	4.134	-	2.171.209	-	2.989.221
- Plain vanilla	-	-	-	180.983	-	-	-	-	-	180.983	-	1.409.094
- Exotic	-	24.091	-	1.922.542	-	39.459	-	4.134	-	1.990.226	-	1.580.127
12. Forward contracts	-	-	-	-	-	-	-	-	-	-	-	-
- Purchases	-	-	-	-	-	-	-	-	-	-	-	-
- Sales	-	-	-	-	-	-	-	-	-	-	-	-
- Between two foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
13. Other derivatives contracts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>119.505</b>	-	<b>4.255.827</b>	-	<b>79.012</b>	-	<b>8.370</b>	-	<b>4.462.714</b>	-	<b>4.948.872</b>
<b>Average amounts</b>	-	<b>654.782</b>	-	<b>4.539.574</b>	-	-	-	-	-	<b>5.194.356</b>	-	<b>5.332.110</b>

### A.3 Financial derivatives: purchase and sale of underlying assets

Type of transaction/Underlying assets	Debt securities and interest rates		Equity instruments and share indices		Exchange rates and gold		Other values		31/12/2007		31/12/2006	
	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted
<b>Trading</b>	<b>4.126.240</b>	<b>60.693.230</b>	<b>193</b>	<b>1.917.550</b>	-	<b>8.879.319</b>	-	<b>159.991</b>	<b>4.126.433</b>	<b>71.650.090</b>	<b>24.766</b>	<b>20.574.863</b>
1. Transactions with exchange of principal	128.168	-	193	708.445	-	6.228.453	-	-	128.361	6.936.898	10.003	4.808.901
- Purchases	61.200	-	193	326.328	-	3.155.955	-	-	61.393	3.482.283	5.501	2.205.720
- Sales	66.968	-	-	382.117	-	2.290.657	-	-	66.968	2.672.774	4.502	2.270.982
- Between two foreign currencies	-	-	-	-	-	781.841	-	-	-	781.841	-	332.199
2. Transactions without exchange of principal	3.998.072	60.693.230	-	1.209.105	-	2.650.866	-	159.991	3.998.072	64.713.192	14.763	15.765.962
- Purchases	3.693.000	30.448.922	-	592.034	-	2.574.949	-	79.960	3.693.000	33.695.865	3.375	10.785.549
- Sales	305.072	30.244.308	-	617.071	-	75.917	-	80.031	305.072	31.017.327	11.388	4.980.413
- Between two foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
<b>B. Banking portfolio</b>	-	<b>13.822.087</b>	-	<b>4.255.827</b>	-	<b>79.012</b>	-	<b>8.370</b>	-	<b>18.165.296</b>	-	<b>13.162.757</b>
<b>B1. For hedging</b>	-	<b>13.702.582</b>	-	-	-	-	-	-	-	<b>13.702.582</b>	-	<b>8.213.885</b>
1. Transactions with exchange of principal	-	4.672	-	-	-	-	-	-	-	4.672	-	9.090
- Purchases	-	4.672	-	-	-	-	-	-	-	4.672	-	9.090
- Sales	-	-	-	-	-	-	-	-	-	-	-	-
- Between two foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
2. Transactions without exchange of principal	-	13.697.910	-	-	-	-	-	-	-	13.697.910	-	8.204.795
- Purchases	-	9.540.087	-	-	-	-	-	-	-	9.540.087	-	3.081.977
- Sales	-	4.157.823	-	-	-	-	-	-	-	4.157.823	-	5.122.818
- Between two foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
<b>B2. Other derivatives</b>	-	<b>119.505</b>	-	<b>4.255.827</b>	-	<b>79.012</b>	-	<b>8.370</b>	-	<b>4.462.714</b>	-	<b>4.948.872</b>
1. Transactions with exchange of principal	-	-	-	93.514	-	-	-	-	-	93.514	-	-
- Purchases	-	-	-	92.669	-	-	-	-	-	92.669	-	-
- Sales	-	-	-	845	-	-	-	-	-	845	-	-
- Between two foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
2. Transactions without exchange of principal	-	119.505	-	4.162.313	-	79.012	-	8.370	-	4.369.200	-	4.948.872
- Purchases	-	95.414	-	2.087.034	-	39.553	-	4.236	-	2.226.237	-	1.959.651
- Sales	-	24.091	-	2.075.279	-	39.459	-	4.134	-	2.142.963	-	2.989.221
- Between two foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-

#### A.4 "Over the counter" financial derivatives: positive fair value – counterparty risk

Counterparties/Underlying assets	Debt securities and interest rates			Equity instruments and share indices			Exchange rates and gold			Other values			Other underlying assets	
	Gross amount not settled	Gross amount settled	Future exposure	Gross amount not settled	Gross amount settled	Future exposure	Gross amount not settled	Gross amount settled	Future exposure	Gross amount not settled	Gross amount settled	Future exposure	Settled	Future exposure
<b>A. Supervisory trading portfolio</b>														
A.1 Governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Public authorities	(640)	-	275	-	-	-	-	-	-	-	-	-	-	-
A.3 Banks	(69.249)	-	113.235	(38.533)	-	(39.672)	(19.554)	-	27.886	(2.493)	-	4.958	-	-
A.4 Financial companies	(49.922)	-	12.274	(1.870)	-	14.209	2.838	-	5.499	-	-	-	-	-
A.5 Insurance companies	(37)	-	-	-	-	-	-	-	-	-	-	-	-	-
A.6 Non financial companies	57.821	-	21.422	1.875	-	11.387	(5.624)	-	3.252	1.079	-	595	-	-
A.7 Other	6.052	-	4.042	967	-	22.281	161	-	1.074	-	-	-	-	-
<b>Total A 31/12/2007</b>	<b>(55.975)</b>	-	<b>151.248</b>	<b>(37.561)</b>	-	<b>8.205</b>	<b>(22.179)</b>	-	<b>37.711</b>	<b>(1.414)</b>	-	<b>5.553</b>	-	-
<b>Total A 31/12/2006</b>	<b>312.998</b>	-	<b>22.894</b>	<b>127.549</b>	-	<b>38.904</b>	<b>103.372</b>	-	<b>4.638</b>	<b>3.724</b>	-	-	-	-
<b>B. Banking portfolio:</b>														
B.1 Governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.2 Public authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.3 Banks	59.494	-	27.918	(120.961)	-	(124.693)	(2)	-	(1.978)	(2.809)	-	(508)	-	-
B.4 Financial companies	56.890	-	3.225	(9.472)	-	(14.495)	-	-	-	-	-	-	-	-
B.5 Insurance companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.6 Non financial companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.7 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total B 31/12/2007</b>	<b>116.384</b>	-	<b>31.143</b>	<b>(130.433)</b>	-	<b>(139.188)</b>	<b>(2)</b>	-	<b>(1.978)</b>	<b>(2.809)</b>	-	<b>(508)</b>	-	-
<b>Total B 31/12/2006</b>	<b>178.916</b>	-	<b>9.823</b>	<b>341.514</b>	-	<b>71.945</b>	<b>845</b>	-	-	<b>7.447</b>	-	-	-	-

### A.5 "Over the counter" financial derivatives: negative fair value – financial risk

Counterparties/Underlying assets	Debt securities and interest rates			Equity instruments and share indices			Exchange rates and gold			Other values			Other underlying assets	
	Gross amount not settled	Gross amount settled	Future exposure	Gross amount not settled	Gross amount settled	Future exposure	Gross amount not settled	Gross amount settled	Future exposure	Gross amount not settled	Gross amount settled	Future exposure	Settled	Future exposure
<b>A. Supervisory trading portfolio</b>														
A.1 Governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Public authorities	105	-	166	-	-	-	178	-	94	-	-	-	-	-
A.3 Banks	481.350	-	112.929	43.084	-	52.195	101.198	-	37.147	1.079	2.813	1.102	-	-
A.4 Financial companies	175.063	-	25.182	401	-	15.191	11.562	-	2.451	-	-	-	-	-
A.5 Insurance companies	387	-	61	-	-	-	-	-	-	-	-	-	-	-
A.6 Non financial companies	29.657	-	13.210	-	-	132	7.675	-	3.330	319	-	5.470	-	-
A.7 Other	1.008	-	1.372	-	-	65	45.815	-	22.727	-	-	-	-	-
<b>Total A 31/12/2007</b>	<b>687.570</b>	-	<b>152.920</b>	<b>43.485</b>	-	<b>67.583</b>	<b>166.428</b>	-	<b>65.749</b>	<b>1.398</b>	<b>2.813</b>	<b>6.572</b>	-	-
<b>Total A 31/12/2006</b>	<b>116.140</b>	-	<b>21.607</b>	<b>3.292</b>	-	-	<b>12.383</b>	<b>99.720</b>	-	-	-	-	-	-
<b>B. Banking portfolio</b>														
B.1 Governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.2 Public authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.3 Banks	135.988	-	24.762	130.439	-	142.591	2	-	1.973	2.741	-	495	-	-
B.4 Financial companies	3.636	-	764	-	-	-	-	-	-	-	-	-	-	-
B.5 Insurance companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.6 Non financial companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.7 Other	-	-	-	1.126	-	4.253	-	-	-	-	-	-	-	-
<b>Total B 31/12/2007</b>	<b>139.624</b>	-	<b>25.526</b>	<b>131.565</b>	-	<b>146.844</b>	<b>2</b>	-	<b>1.973</b>	<b>2.741</b>	-	<b>495</b>	-	-
<b>Total B 31/12/2006</b>	<b>387.145</b>	-	<b>7.351</b>	<b>233.348</b>	-	-	<b>415</b>	-	-	<b>3.622</b>	-	-	-	-

## A.6 Residual maturity of “over the counter” financial derivatives: notional values

Underlying assets/Residual maturity	Up to 1 year	From 1 to 5 years	More than 5 years	Total
<b>A. Supervisory trading portfolio</b>	<b>31.709.463</b>	<b>44.230.884</b>	<b>9.418.956</b>	<b>85.359.303</b>
A.1 Financial derivatives on debt securities and interest rates	21.900.948	43.263.905	9.237.398	74.402.251
A.2 Financial derivatives on equity instruments and share indices	1.164.807	571.377	181.558	1.917.742
A.3 Financial derivatives on exchange rates and gold	8.502.176	377.142	-	8.879.318
A.4 Financial derivatives on other values	141.532	18.460	-	159.992
<b>B. Banking portfolio</b>	<b>5.269.712</b>	<b>12.555.582</b>	<b>1.256.153</b>	<b>19.081.447</b>
B.1 Financial derivatives on debt securities and interest rates	3.758.302	9.837.699	1.142.237	14.738.238
B.2 Financial derivatives on equities and share indexes	1.511.410	2.630.501	113.916	4.255.827
B.3 Financial derivatives on exchange rates and gold	-	79.012	-	79.012
B.4 Financial Derivatives on other values	-	8.370	-	8.370
<b>Total 31/12/2007</b>	<b>36.979.175</b>	<b>56.786.466</b>	<b>10.675.109</b>	<b>104.440.750</b>
<b>Total 31/12/2006</b>	<b>16.306.548</b>	<b>16.557.827</b>	<b>5.347.658</b>	<b>38.212.033</b>

## B. Credit derivatives

### B.1 Credit derivatives: end of period and average notional values

Categories of transactions	Supervisory trading portfolio		Other transactions	
	on a single item	on a basket of items	on a single item	on a basket of items
	Notional amount	Notional amount	Notional amount	Notional amount
<b>1. Protection purchases</b>	<b>351.713</b>	-	-	-
1.1 With exchange of principal	351.713	-	-	-
- Tror	-	-	-	-
- CDS	351.713	-	-	-
- other	-	-	-	-
1.2 Without exchange of principal	-	-	-	-
- Tror	-	-	-	-
- CDS	-	-	-	-
- other	-	-	-	-
<b>Total 31/12/2007</b>	<b>351.713</b>	-	-	-
<b>Total 31/12/2006</b>	<b>2.645.597</b>	-	<b>1.082.841</b>	-
<b>Average amounts</b>	<b>1.498.655</b>	-	<b>541.421</b>	-
<b>2. Protection sales</b>	-	-	-	-
2.1 With exchange of principal	-	-	-	-
- Tror	-	-	-	-
- CDS	-	-	-	-
- other	-	-	-	-
2.2 Without exchange of principal	-	-	-	-
- Tror	-	-	-	-
- CDS	-	-	-	-
- other	-	-	-	-
<b>Total 31/12/2007</b>	-	-	-	-
<b>Total 31/12/2006</b>	-	-	-	-
<b>Average amounts</b>	-	-	-	-

## B.2 Credit derivatives: positive fair value – counterparty risk

Type of transaction/Amounts	Notional amount	Positive fair value	Future exposure
<b>A. SUPERVISORY TRADING PORTFOLIO</b>			
<b>A.1. Purchases of protection with counterparties:</b>			
1. Governments and Central Banks	-	-	-
2. Other public bodies	-	-	-
3. Banks	-	-	-
4. Financial companies	-	-	-
5. Insurance companies	-	-	-
6. Non financial companies	-	-	-
7. Other	-	-	-
<b>A.2. Sales of protection with counterparties</b>			
1. Governments and Central Banks	-	-	-
2. Other public bodies	-	-	-
3. Banks	-	-	-
4. Financial companies	-	-	-
5. Insurance companies	-	-	-
6. Non financial companies	-	-	-
7. Other	-	-	-
<b>B. BANKING PORTFOLIO</b>			
<b>B.1 Purchases of protection with counterparties</b>			
1. Governments and Central Banks	-	-	-
2. Other public bodies	-	-	-
3. Banks	-	-	-
4. Financial companies	-	-	-
5. Insurance companies	-	-	-
6. Non financial companies	-	-	-
7. Other	-	-	-
<b>B.2. Sales of protection with counterparties</b>			
1. Governments and Central Banks	-	-	-
2. Other public bodies	-	-	-
3. Banks	-	-	-
4. Financial companies	-	-	-
5. Insurance companies	-	-	-
6. Non financial companies	-	-	-
7. Other	-	-	-
<b>31/12/2007</b>	-	-	-
<b>31/12/2006</b>	<b>1.082.841</b>	<b>1.077.427</b>	<b>5.414</b>

### B.3 Credit derivatives: negative fair value – financial risk

Type of transaction/Amounts	Notional amount	Negative fair value
<b>SUPERVISORY TRADING PORTFOLIO</b>		
<b>1. Purchases of protection with counterparties:</b>		
1.1. Governments and Central Banks	-	-
1.2. Other public authorities	-	-
1.3. Banks	113.713	43
1.4. Financial companies	238.000	4
1.5. Insurance companies	-	-
1.6. Non financial companies	-	-
1.7. Other	-	-
<b>31/12/2007</b>	<b>351.713</b>	<b>47</b>
<b>31/12/2006</b>	<b>2.645.597</b>	<b>652</b>

### B.4 Residual maturity of credit derivative contracts: notional values

Underlying assets/Residual maturity	Up to 1 year	From 1 to 5 years	More than 5 years	<b>Total</b>
<b>A. SUPERVISORY TRADING PORTFOLIO</b>	-	<b>351.713</b>	-	<b>351.713</b>
A.1 Financial credit derivatives with qualified reference obligation	-	351.713	-	351.713
A.2 Financial credit derivatives with not qualified reference obligation	-	-	-	-
<b>B. Banking portfolio</b>	-	-	-	-
B.1 Financial credit derivatives with qualified reference obligation	-	-	-	-
B.2 Financial credit derivatives with not qualified reference obligation	-	-	-	-
<b>31/12/2007</b>	-	<b>351.713</b>	-	<b>351.713</b>
<b>31/12/2006</b>	-	<b>3.728.438</b>	-	<b>3.728.438</b>