We have made innovation and the ability to conceive and create important projects our way of doing business.

By means of constancy and determination, we pursue our mission as Popular Bank, day by day tracing the outline of a strategic plan fuelled by a sharp sense of social responsibility.

After the two editions of the BPB-CV Group, this is the third social report of the BPU Banca Group, which we entrust with the task of supporting and supplementing the consolidated financial statements so as to extend the reporting on social and environmental operating aspects.

Together, the two documents - drawn up in observance of specific principles and reference formats, which are mandatory for financial statements and optional for social reports - document the current state of the Group's health and set the economic-financial results within a context of sustainability.

In particular, we entrust the social report with the task of bearing witness to just how far our Group has been able to carry out strategies and projects consistent with its mission and to build relationships of value with all its stakeholders through a process of mutual exchange with the economic-social contexts concerned, and to what extent the accounting results set out in the financial statements are the fruit of operations effectively oriented at social responsibility.

Precisely this latter aspect, or rather the importance of socially responsible
operations, is by now clearly recognized at institutional level as well, given that in April 2005 the Articles of Association of the Foundation for the Propagation of Companies’ Social Responsibility were approved – as envisaged by the 2005 Finance Bill. The foundation will include amongst its founding members the Department of Employment and Social Policies, INAIL (National institute for insurance against industrial accidents), the Union of Italian Chambers of Commerce and the Luigi Bocconi University.

The commitment towards social responsibility has always been the guiding thread of our mission as popular bank; BPU Banca’s Articles of Association envisage that the Bank concedes “particular attention to the enhancement of resources in the area where it is present through its own and the Group’s distribution network”, in absolute continuity with the memorandums of association of the individual banks which contributed to the creation of the new Group.

By means of the social report, we render this original commitment explicit, so as to be able to be influential players and witnesses of a modern business culture, capable of increasing the efficiency and the competitiveness of the territory, combining – in a balanced relationship – globalism and localization.

Since, as Goethe came to maintain “the best things are only obtained with the greatest of passion”, I hope that the pages of this document, which as already mentioned observe the presentation criteria set for financial statements, also betray the passion with which our staff – at all levels – contribute day by day to the realization of the mission of this important popular bank which is ours.

Emilio Zanetti
Chairman of BPU Banca
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We are a great alliance of banks rich in history and deeply rooted throughout the territory, with a mission based on shared values and with a great wealth of human resources, means and relationships.
The story so far

The BPU Group was established on 1st July 2003 by means of the merger of the Banca Popolare di Bergamo-Credito Varesino and Banca Popolare Commercio e Industria Groups. It is the seventh leading Italian Banking Group in terms of branches, funding and number of employees, first among the popular banks and possible pole of attraction for other banking concerns.

The banks which have created the Group boast more than one hundred years of history. From the Unification of Italy to the present day, they have contributed towards the creation and development of many local economies, serving families and businesses for the achievement of their well-being and growth objectives.

Each bank, by means of its own brand, has brought to BPU the value of its identity and at the same time has seized the value of a new complementarity in the diversity of experiences and roles. This was also reflected in the brands adopted in 2003, which through the simulation and the integration of the various elements involved, aimed at communicating the value of belonging to the new Group.
Each brand, however, had remained different from the others, as had the organizational and sales models, the product catalogues, the customer segmentation criteria and the information systems. The BPU name was placed in the background so as to indicate its role as integration entity and guarantor.

Three years later, with the completion of the Group’s integration process, all the banks dispose of the same instruments and the same organizational models, all are capable of relating with their stakeholders in a uniform and consistent manner.

It is now time to strongly communicate the “federal” identity rather than the simple “banking group” nature, placing the Group’s name before that of the bank within the individual brands, a sign of the unifying role of BPU Banca. The new brands, which during 2006 will be spread to the whole distribution network, harmoniously combine the indication of belonging to one of the leading banking groups with the reference to the historic identity of each individual company.
The business areas

The BPU Group is an inter-regional polyfunctional banking group, which operates in the strategic sectors of lending, investment banking, asset management, insurance, leasing, on-line trading and e-commerce.

The federal model reconciles banking localism and financial innovation, by combining the deeply-rooted territorial presence which represents a strength of popular banks, with the group’s ability to access the global market, an essential condition for efficient and competitive growth.

Specifically, the network banks operate serving families and small-medium size businesses by means of a complete and constantly updated range of products, thanks to the specialist expertise of the product companies. On their part, the product companies benefit from the commercial strength of the banking networks and their ability to monitor and transmit the real needs of families and businesses.
The territorial dimension

The BPU Group is a multi-regional entity, with the nearly 1,200 branches of the federated banks spread throughout the North-West of Italy and in particular in Lombardy, along the Adriatic coast - with a predominance in the Marches areas - and in the Southern regions. In our reference regions, we are present via banks which were formed there, growing gradually with the opening of new branches or through the aggregation with other local entities in order to achieve, in the provinces of origin, particularly important levels of presence.

Our branches are spread throughout the territory in over 800 municipalities, involving an overall population of nearly 22 million inhabitants. These are mainly small town centres where, with an average of one branch for every 5,000 inhabitants, we are often the reference bank for the community. The main provinces in which the Group operates are characterized by the presence of industrial districts, which identify areas featuring high sector-related specialization. We dedicate particular attention to these areas, where we have an important presence, for the realization of our mission of supporting the local economies.
The economic and social dimension

The Bank, in that it is a service company, is a social system which involves a complex network of relationships throughout the territory and is therefore sounder and more profitable the more stable and deep these relationships are.

Business, featuring a strong intellectual work component, is mainly generated at the same time as the exchange of values takes place with the customer. For this reason, not products, but people are at the centre of our activities: human resources, voting and non voting shareholders, customers, suppliers, social bodies and organizations.

Our business is important, it has weight and responsibility within the economic and social reference context because through our business project we gather considerable resources, fruit of the work and the saving of the families, and we use them to finance production, investments, consumption. One person out of every seven in Lombardy and in the Marches, one out of every five in Calabria - which together with Puglia are our regions of origin - works, is financed by, or invests with us.
THE WORKFORCE

Employees 14,316
Temporary staff 255
External workers 14
Work experience 41
TOTAL 14,626

* figure referring just to banks

157,287 (VOTING AND NON-VOTING) SHAREHOLDERS

Non-voting Shareholders 85,732
Voting Shareholders 71,555
TOTAL 157,287

2,75 MILLION CUSTOMERS

Customers 2,753,098
Private individuals 2,456,502
Businesses 296,596
TOTAL 2,753,098

9,170 SUPPLIERS

Individual businesses 8.68%
Corporates 54.00%
Other 37.32%
The Group Values Charter

Each company adopts its own particular identity in relation to the values and the principles which its conduct expresses. Recognizing and formalizing one’s values and principles makes it possible to set conduct guidelines in relation to declared, shared and consistent professional ethics.

On 15 March 2005, BPU Banca made the Group Values Charter official, establishing the Group’s vision and mission and representing for each of its organizational and territorial divisions an explicit commitment to relate jointly and consistently with all of its stakeholders.

The document is the result of an important internal consulting process: we have involved the executives of all the Group companies in a process for the recognition and sharing of the values and principles which have always been the foundation of the professional ethics and the activities of each individual Group company. The Values Charter is the common basis on which we build, within a sole Group identity, our wealth of professionalism and experience, according to the first of the common rules laid down by BPU Banca’s General Corporate Regulations: “all the units, central and network, act so as to

VISION, MISSION AND VALUES

VISION
We want to be leading players on the Italian banking market through tangible and pro-active participation, particularly efficient and able to create value over time.

We want to grow enhancing our intellectual capital, in observance of the ethical principles which have always characterized our staff and which give value to their daily work.

MISSION
Our mission is to be a Popular Bank strongly present in the economic and social life of the territory, committed to promoting harmonious and long-lasting growth.

To realize an Alliance of Banks rich in history, united by a federal model which is integrated and poly-functional, founded on shared values and with a great wealth of human resources, means and relationships.

ECONOMIC ACTIVITIES
Responsibly serve families, with products and services adequate to their saving and spending capacities and their need for protection from risks; effectively promote healthy and balanced growth of companies, selecting ideas and projects worthy of support.

SOCIAL ACTIVITIES
Understand and support the positive forces which make the communities in which we operate grow, directing the resources we dispose of towards those initiatives which we consider most worthy also in terms of effectiveness and sustainability.
THE VALUES WHICH GUIDE US

Our actions, from strategic choices to daily operations, are marked by the sharing and application of seven fundamental principles of conduct.

**Responsibility**
- Seek the consensus of the market via competitiveness directed at the creation of value.
- Aim towards team and personal successes, in the awareness that the evidence of results achieved and of commitment will be recognised.
- Seize every opportunity in order to increase the sense of responsibility. Translate skills acquired from training into action.

**Confidence**
- Make available to others our own experience and professionalism with spirit of service, strengthened by a deep-rooted confidence in one’s self, in one’s colleagues and in the bank.
- Use courage and constructive behaviour in dealing with people and events, by means of interpersonal relationships marked by fairness and transparency.

**Identity**
- Feel the responsibility of building day-by-day an excellent organization, tackling one’s work with commitment and passion.
- Act with creativity and innovative spirit in accordance with one’s identity, history and tradition.
- Encourage individual and team conduct which does not express hostility or abuse of one’s position.

**Team play**
- Support integration by intensifying the sharing of common values.
- Work with enthusiasm and method in order to obtain team successes which draw their force from active participation and from reciprocal cooperation.
- Get involved with open and generous attitudes, willing to learn from other people’s successes.

**Innovation**
- Constantly reconsider one’s work and approach innovation in a pro-active way.
- Encourage the transmission of the necessary information so that everyone has up-to-date knowledge for achieving common objectives.
- Never stop learning in order to improve one’s skills and stimulate oneself and others towards novelty.

**Customer satisfaction**
- Be open to dialogue, leveraging on the commercial relationship, as the reference point for the improvement of the quality of products and services.
- Render each meeting exceptional, helping our stakeholders to better identify their expectations.
- Obtain results by means of customer satisfaction.

**Complementarity**
- Give value to differences.
- Interpret complementarity as a growth and competitive factor, favouring a healthy comparison which is the basis of cultural and professional growth.
- Integrate localism and a global view, drawing enrichment from the manifold experiences present within the Group.
guarantee, both at individual Bank and at Group level, unity of vision and of strategic and operative approaches in the development of business and production activities, constantly sharing and following the system of ethical values adopted”.

It is not by chance that the first of the values acknowledged by the Values Charter is Responsibility, understood as the commitment - vis-à-vis the market and ourselves - to constantly act consistently with the orientation towards social responsibility declared and witnessed by two important resolutions: the confirmation of compliance with the Global Compact, signed in 2002 by the then Banca Popolare di Bergamo-Credito Varesino, and the definitive waiver of transactions associated with the arms sector so as to “ensure that we are not, even indirectly, party to the abuse of human rights” (2nd principle of the Global Compact).
The Global Compact

The Secretary General of the United Nations, Kofi Annan, proposed the idea of Global Compact for the first time on the 31st of January 1999 at the World Economic Forum. The operational phase of the project was launched on the 26th of July of the following year in New York, at the United Nations Building.

The Global Compact is not a regulatory instrument, it neither imposes nor controls the conduct or the activities of companies. It is an appeal to all players - governments, companies, trade union organizations and other organizations - to cooperate in order to build a more inclusive and sustainable global economy, through the observance and promotion of 10 fundamental principles in the field of human rights, safeguarding employment, in favour of the environment and against corruption. At the same time it is a network where all participants can share experiences and projects and at whose centre the Global Compact office and six United Nations agencies - UNHCHR, UNEP, ILO, UNDP, UNIDO and UNODC - operate.

WITHIN THE SPHERE OF HUMAN RIGHTS businesses should
1. support and respect human rights within their own sphere of influence
2. make sure that they are not, even indirectly, part to human rights abuses

SAFEGUARDING EMPLOYMENT businesses should
3. uphold freedom of association and recognize the right to collective deals
4. eliminate all forms of forced and compulsory labour
5. abstain from employing child labour
6. eliminate all kinds of discrimination in employment and redundancy policies

IN FAVOUR OF THE ENVIRONMENT businesses should
7. support a preventive approach to environmental challenges
8. promote initiatives aimed at greater environmental responsibility
9. encourage the development and diffusion of environmentally friendly technologies

AGAINST CORRUPTION businesses should
10. promote and adopt initiatives against corruption in all its forms, including extortion and bribery

In particular, during 2005 we were involved in the field of human rights, by means of the InItaly project, and in the environmental field, by means of commitment to the ABI Energia consortium and measures for the reduction of consumption and emissions.
We have maintained the co-operative matrix of the original groups, adopting a federal model which enhances complementarity and synergies deriving from the distribution network focused by market segment and from the product companies specialized by sector of activity.
The ownership structure

BPU Banca is a co-operative company with variable capital. It is a typical public company, with a widespread body of shareholders and no controlling shareholder. According to law dispositions, no shareholder, with the exclusion of collective investment undertakings, can hold an equity investment of more than 0.50% of the bank’s capital. Differently than in the case of joint-stock companies, the quality of voting shareholder is acquired if a favourable resolution is taken by the Board of Directors following written application made by the party concerned. Therefore, there is a distinction between the figure of the non-voting shareholder, who enjoys equity rights, and that of the voting shareholder, who also enjoys administrative rights, first and foremost the right to take part and vote during ordinary and extraordinary shareholders’ meetings.

The shareholders’ meetings are disciplined by the General Meeting Regulations approved by the Shareholders in the General Meeting held on 24 April 2004. The Regulations were drawn up in accordance with the model proposed by the Italian Banking Association (ABI) and Assonime. When adopting resolutions, all the voting shareholders have the same weight. In fact, on the one hand each shareholder/partner has one vote whatever the number of shares held and cannot represent by proxy more than three other voting shareholders; on the other hand, there are no shareholders’ agreements.
The governance system

BPU Banca's governance system is constantly aligned with the market’s best practices - in particular the Code of Self-governance for Listed Companies and the Code of Internal Dealing issued by Borsa Italiana S.p.A. (Italian Stock Exchange) - and is inspired to principles of transparency, functionality, reliability and compliance.

Every one of its aspects are disciplined by a series of co-ordinated documents, which establish the Group’s governance principles (roles of the Parent Bank and of the subsidiaries, levels of decision and operational centralization/decentralization), BPU’s governance structure in its twofold guise of bank and Parent Company (roles, structure and composition, operating rules, powers and sphere of action of administrative bodies and central structures) and the guidelines of the internal auditing system which the Group companies must comply with.

An extensive analysis of the Corporate Governance system adopted by the bank is contained in the specific report attached to the year’s financial statements, a document which is also published on the website www.bpubanca.it together with the General Meeting Regulations, the Articles...
of Association, the Code of Self-governance and the Code on Internal Dealing. The last two documents, in particular, focus on guaranteeing correctness and transparency when carrying out transactions with related parties and for the treatment of confidential information. The powers of the administrative bodies and their powers of attorney are described in detail in a specific section of the consolidated and individual financial statements.

**Board of Directors**

**21 directors appointed for a three-year period and 1/3rd renewed each year**

The Board of Directors has policy, co-ordination and supervision responsibilities over all the components of the Group and has the final and highest responsibility for the governance of BPU. It is appointed by the General Meeting of the Shareholders and has the widest powers for the ordinary and extraordinary business of the Bank, with the exception of those powers which the law or the Articles of Association reserve for the Shareholders in General Meeting. The exercise of the powers and the Board’s operating modalities are disciplined by the law, by the Articles of Association and by Consob regulations, as well as by the Code of Self-governance adopted on 1° July 2003 (this code will be reviewed by the end of 2006 so as to take into account the new version of the Code of Self-

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**CORPORATE GOVERNANCE**

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**BPU BANCA’S BOARD OF DIRECTORS**

<table>
<thead>
<tr>
<th>Office</th>
<th>Members</th>
<th>Profession</th>
<th>Non-executive</th>
<th>Independent</th>
<th>No. of offices(*)</th>
<th>Executive Committee</th>
<th>Internal Auditing Committee</th>
<th>Remuneration Committee</th>
<th>Appointments Committee</th>
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<tr>
<td>Chairman</td>
<td>Zanetti Emilio</td>
<td>Banker/Businessman</td>
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<tr>
<td>Chief Executive Officer</td>
<td>Auletta Armenise Giampiero</td>
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</tbody>
</table>

**During 2005, the Board of Directors met 16 times with an average presence of 90% of the directors**

| No. of committee meetings | 9 | 11 | 4 | 4 |

(*) Offices in other companies listed on organized markets, both in Italy and abroad, in financial, banking or insurance companies or in companies of a significant size.
governance issued by the Corporate Governance Committee of Borsa Italiana S.p.A.). An important guarantee role is performed by the independent directors who make up the Committees within the Board, set up to oversee the correctness and transparency of resolutions taken on particularly delicate matters such as appointments, remunerations and internal auditing.

**Chairman**
**Emilio Zanetti, formerly Chairman of Banca Popolare di Bergamo-Credito Varesino since 1985**
The Chairman remains in office for the entire duration of the mandate of the Board who has elected him and co-ordinates the Board’s activities. He represents the Bank in dealings with third parties and in legal action, he is vested with the corporate signature and has the faculty to promote legal action for all the acts concerning the Bank’s management and administration.

**Chief Executive Officer**
**Giampiero Auletta Armenise, formerly Chief Executive Officer of Banca Popolare Commercio e Industria since 2002**
Like the Chairman, he remains in office for the entire duration of the mandate of the Board who has elected him. He oversees the operations of the Bank and the Group, carries out co-ordination and control functions and sets the policies for the current activities of the General Management.

**Executive Committee**
**9 directors appointed for one financial year**
Chaired by Emilio Zanetti, its role is to co-ordinate and supervise strategic and management issues of particular importance both at corporate and at Group level. In particular, it assesses the adequacy of the organisational and governance model, defines the set-ups of the administrative and auditing bodies, assesses and decides on strategic project proposals, analyses and defines the methods for the allocation of the capital, defines objectives and gauging methods for operations, examines individual and consolidated plans and budgets, inspects the financial statements and submits them to the Board of Directors for approval, establishes the general criteria to be followed in the granting of credit, examines applications and decides on the admission of prospective voting shareholders.

**Appointments Committee**
**5 independent and non-executive directors appointed for one financial year**
Chaired by Emilio Zanetti, it proposes to the Board of Directors the candidatures to be submitted to the General Meeting of the Shareholders for the offices of director and statutory auditor.

**Remuneration Committee**
**5 independent and non-executive directors appointed for one financial year**
Chaired by Toti S. Musumeci, it formulates non-binding proposals for the remuneration of the Chief Executive Officer and the directors who cover specific offices, and it establishes the criteria for the determination of the remuneration of the senior management of all the Group companies.

**Internal Auditing Committee**
**5 independent and non-executive directors appointed for one financial year**
Chaired by Italo Lucchini, it assists the Board of Directors in the performance of its internal auditing tasks, assesses the adequacy of the auditing systems and the consistency of the accounting standards adopted, as well as the proposals put forward by the independent auditors firm for the assignment of the auditing appointment. The Auditing Division reports functionally to the Internal Auditing Committee.

**General Management**
The General Management is made up of the General Manager and six Deputy General Managers appointed from amongst the Division heads. It is the responsibility of General Management to further every initiative suitable for enhancing the corporate ethics as the fundamental value of
the conduct inside and outside the Bank. The General Manager is the head of human resources; he manages current affairs and the execution of the resolutions of the Board of Directors and of the Executive Committee, and oversees the organization and the running of the Bank. He works in close cooperation with the Chief Executive Officer, together with whom he reports to the Board of Directors, participating to meetings with an advisory vote, and he maintains relations with the financial community.

**Management Committee**

In order to guarantee on-going improvement of the Group’s reliability, functioning and consistency conditions, the Chief Executive Officer, the General Manager, the members of General Management and the head of the governance areas co-ordination division meet as the Management Committee, as a rule on a monthly basis. The Committee has policy, co-ordination and supervisory roles on specific matters of strategic importance or of significant impact for the Bank and the Group. For the purposes of the implementation of management policies and strategies consistent with the declared values, the quality of the commercial action and the control of risks are subjects of overmost importance, to which the Management Committee dedicates specific monthly or

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**CORPORATE GOVERNANCE**

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**RATING OF LISTED BANKING COMPANIES AS OF DECEMBER 2005**

(ÆEI Standard Ethics)

<table>
<thead>
<tr>
<th>Category</th>
<th>Rating</th>
<th>Banks</th>
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<tbody>
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<td><strong>EXCELLENCE</strong></td>
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<td></td>
<td>E+</td>
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<td><strong>BELOW AVERAGE</strong></td>
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<td>SUSPENDED</td>
<td>5</td>
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</table>

The ÆEI Standard Ethics once again in 2005 confirmed the positive outlook on BPU Banca’s corporate governance system, which emerges as one of the best in the classification of Italian banks.
weekly sessions. By involving, as and when appropriate, representatives from the Staff and Line Divisions who contribute specific expertise, the Committee takes on the form of:

- **Group Committee**, which supports senior management in the definition of the budget and business plan objectives, examines strategic issues and/or those with a significant impact on the management, organisation and operations of the subsidiary companies, co-ordinates and furthers exchanges of information between the senior management of the Group companies and checks the co-ordination of action taken by the same;

- **Client Committee** which defines strategic approaches, verifies and approves the planning of the strategic and development requests with regards to organization, systems and services;

- **Commercial Committee**, which co-ordinates the Group’s commercial policies and assesses the rules for the strategic segmentation of the clientele, the distribution and territorial coverage model, the most significant plans, campaigns and commercial agreements; this committee, in the form of New Products and Channels Committee, validates the policies concerning new products and channels, with particular reference to the commercial, organizational, operating and legal implications of the offer and with specific regards to the risk and transparency profiles and to the issues concerning correct management and representation of any conflicts of interest associated with the products;

- **Finance Committee**, which is responsible for matters regarding market risk, financial policy, participation in transactions for the placement and issue of bonds;

- **Loans Committee** which is responsible for matters regarding lending risk, lending policies, credit facilities granted to customers of the Parent Bank, and performs consultancy roles with regards to requests for lending from Group companies and resolutions relating to anomalous positions;

- **Operating Risks Committee**, which as part of its mission for the control of operating risks, checks the adequacy of the organizational and IT services and in general all the services provided within the Group.

**Staff Divisions**
By means of the support they provide to senior management, Staff Divisions contribute towards guiding all the management and operating activities of the Bank and the Group in observance of the Group’s Values Charter. They provide specialist consultancy, elaboration of guidelines proposals, of position analysis, of strategic-operational coverage and of management and technical-operative control of the Bank’s and Group’s complex activities. With regards to the Group companies, they carry out guidance and co-ordination action which aims at rendering conduct consistent within the respective fields of competence.

**Line Divisions**
The support and business activities are performed by the six Line Divisions: three Support Divisions and three Business Divisions. The Support Divisions guarantee the maintenance and the development of the Bank and Group “operating machine", through the management of human resources, technical resources and logistics and the constant improvement of management and support systems and processes. The Business Areas ensure the adequacy and efficiency of the structural and functioning conditions and of the relevant system of line controls within the respective financial, lending and commercial activities, also ensuring the coherence of initiatives taken by the individual companies. In particular, the Commercial Division is responsible for guaranteeing a creative range of products and of innovative services and distribution structures, able to satisfy and anticipate the effective needs of customers and to gain new and profitable market shares.
The system of controls

The running of business, both at individual and Group level, must include an adequate control system to guarantee the consistency of management with the corporate objectives and its compliance with external legislation - laws, regulations and code of self-governance - and with the rules of conduct established internally.

Our federal model is characterised by greater complexity, deriving from the fact that the processes for the provision of the services pass transversally through BPU, the network banks and the product companies. We have taken this complexity into account in the definition of the system of internal controls pertaining to the Group and to the individual companies, and centralised the internal audit activities in the Parent Company.

The system of controls involves, although with different roles, the administrative bodies, senior management and all the staff, as well as the external bodies provided for in corporate regulations, and specifically the Board of Statutory Auditors and the Independent Auditing Company.

THE BOARD OF STATUTORY AUDITORS

Appointed by the General Meeting of the Shareholders on the basis of lists presented by the shareholders, the Board of Statutory Auditors remains in office for three accounting periods and oversees the observance of the principles of correct administration, the observance of laws, of the Articles of Association, of regulations and of corporate resolutions. In 2005, the Board of Statutory Auditors met 13 times.

THE INDEPENDENT AUDITING FIRM

The Bank is obliged by law to submit its individual and consolidated financial statements to an audit by an authorized independent auditing firm. The independent auditing firm is appointed for a three-year period by the General Meeting of the Shareholders: it is currently KPMG S.p.A.

THE BOARD OF ARBITRATORS

The General Meeting of the Shareholders also appoints a Board of Arbitrators, which has the task of settling the disputes which may arise between the bank and the voting shareholders in relation to the application of the Articles of Association or to the resolutions of the Shareholders in general meeting or of the management bodies.
Final responsibility for the system of controls lies with the Board of Directors which, with the support of the Internal Auditing Committee, establishes its guidelines and periodically checks its adequacy and its effective functioning, ensuring that the corporate risks are identified and adequately monitored.

The head of Internal Auditing supports the Internal Auditing Committee and senior management in the monitoring and assessment of the adequacy of the system of internal controls. The organisation, the regulations and the structures of the system of internal controls are set out in the report on corporate governance attached to the annual report, and are compliant with the models envisaged by supervisory legislation and by Borsa Italiana S.p.A.’s Code of Self-governance for Listed Companies.

During 2005, we completed the projects for the independent assessment of our organisational and control model mentioned in last year’s social report. Specifically, the assessment of the organisation model with respect to the norms of Italian Legislative Decree No. 231/2001 has permitted us to adopt an organizational, management and control model fully compliant also with this legislation.

* Italian Legislative Decree No. 231/2001 disciplines the administrative liability of corporate bodies, companies and associations also lacking corporate status, and sanctions the direct criminal liability in all offences committed by any of their employees in a senior position who acted in the name of and on behalf of the same, or in the cases where supervisory and control systems adequate for preventing the committing of offences by middle management have not been adopted.
The Code of Conduct

On 31 January 2006, BPU Banca’s Board of Directors formally adopted the new Code of Conduct of the Bank. The code is the natural development of the process for strengthening governance, with a view to social responsibility, launched together with the Group’s Values Charter and is an integral part of the “Organisation, management and control model according to Italian Legislative Decree No. 231/2001”.

The document identifies and regroups the ethical principles and the values of BPU Banca which must inspire, independently from law provisions, the conduct and behaviour of those who operate with the Bank both inside and outside the corporate organisation. All the recipients of the document must comply with these rules, without exception, including: executives, employees, business contacts and consultants, directors and statutory auditors and all those who - directly or indirectly, permanently or temporarily - cooperate with the Bank for any purposes or operate in the interests of the same.

THE MAIN FEATURES OF THE CODE OF CONDUCT

The Code lays out the principles of the Values Charter as rules of conduct on the subject of corporate governance and relationship with the stakeholders, aimed at preventing illicit conduct and any form of discrimination and at promoting correct and transparent dealings vis-à-vis all the stakeholders.

CONDUCT REGARDING ACCOUNTING AND CORPORATE MATTERS
- Truthfulness, completeness and clarity
- Transparency – Anti-usury
- Anti-money laundering

RELATIONS WITH STAFF
- Equal opportunities
- Harassment and discrimination
- Health & safety
- Conflict of interest

RELATIONS WITH CUSTOMERS AND SUPPLIERS
- Controversial sectors – Illegal activities
- Integrity and independence

RELATIONS WITH GOVERNMENT AGENCIES
- Corruption and extortion
- Grants, loans and other subsidies
- Institutional relations

RELATIONS WITH THE COMMUNITY
- Subsidies and sponsorships
- Disclosure bodies
- Political and trade union organisations
In detail, by way of example:

• the members of the Board of Directors refer to the principles of the Code when establishing business objectives;
• the members of the Board of Statutory Auditors ensure the respect and observance of the Code when carrying out their functions;
• executives apply the values and principles contained in the Code, taking on the responsibilities internally and externally and strengthening the confidence, cohesion and spirit of the Group;
• the employees, in observance of the law and current legislation, adapt their action and their conduct to the principles, objectives and commitments set out in the Code;
• the business contacts (consultants, agents, etc.), and the commercial partners adapt their conduct and their professional practices to the Code.

The task of monitoring the observance and the updating of the Code, of propagating the ethical principles and the values of the Bank, of proposing possible improvements to the provisions of the Code and of clarifying any interpretative uncertainties, is entrusted to the Head of the Human Resources Division who acts as Guarantor. He cooperates with the various company units and, specifically with the Supervisory Authority with regards to the provisions, regulations, principles and restrictions aimed at preventing the risk of committing those offences envisaged by Italian Legislative Decree No. 231/2001.

The implementation of the Code requires all internal and external stakeholders to be acquainted with it, so that on the one hand they can share the principles and adapt their conduct consequently, and on the other hand they can report non-compliant conduct which will be sanctioned. For this reason, we have devised a programme of external communication and specific training programmes for new recruits and for all the employees and business contacts in accordance with the respective roles and responsibilities.

Any of the stakeholders can report violations or suspected violations, in writing and not in anonymous form, to the head of the Auditing Division of BPU Banca by means of a letter or to the e-mail address codice.di.comportamento@bpubanca.it. The reports received are forwarded to the Guarantor, the Internal Auditing Committee and, in relation to the nature of the report, also to the Supervisory Authority.

It is the responsibility of the Guarantor, or the Guarantor and the Supervisory Body according to their respective responsibilities, to analyse the report, eventually consulting the originator and the perpetrator of the alleged violation and involving, if appropriate, any units competent with regards to the matter.
The Parent Bank

BPU Banca is the strategic unifying body, which guarantees the cohesion of the Group continually ensuring and safeguarding the preservation of the values and the cultures of the different entities which make up the Group. Its registered offices and administrative headquarters are in Bergamo; it is at the same time the Parent Bank and a commercial bank.

The Bank’s workforce includes 1,974 employees or 13.8% of the Group’s human resources; the Bank has two branches, one in Bergamo and one in Milan.

In its role as Parent Bank, it guides, co-ordinates and controls the activities of the other companies, the majority of which it provides with support services in the organisational, information system, back office, logistics and purchasing areas, pursuing the optimisation of operating costs and the alignment of service levels to the best sector standards. It directly manages the business divisions, seeing to the development of commercial and lending policies consistent with the corporate values and the constant innovation of products and services offered.

**ORGANISATIONAL STRUCTURE**

**OBJECTIVES**

- Overall strengthening of the BPU Network in Northern Central Italy
- Greater focusing of the Network Banks on the reference territories
- Refocusing and enhancement of the Group’s presence in Southern Italy

**ACTIONS**

- Opening of 20 branches in the areas of greatest growth potential in addition to the 24 already opened in 2005 (23 BPA + 1 BPCI)
- Rationalization of 20 branches closely overlapping between BPB and BPCI
- Transfer of 26 branches between the Group banks
  - BPCI > BPA: 9
  - BPA > BPCI: 11
  - BPA > CARIME: 4
  - CARIME > BPA: 2
- Opening of 10 branches in the most attractive areas
- Closure of 25 branches in the areas of lowest growth potential

Our branches are not concentrated within just a few large cities, but are widely spread throughout the territory, with an important presence in the main manufacturing areas of Italy.

The current plan for the rationalization, refocusing and strengthening of the branches from the present day up until 2008 will make it possible for us to further improve the quality of our presence, serving the local economies of the areas in which we operate.
The network banks and the financial advisors network

Banks, financial advisors and direct channels represent an integrated group of multi-channel distribution structures, which act in full synergy serving the Group clientele all over Italy. Together, all the network structures employ 71% of the Group’s employees.

The physical networks of the banks

The Banks of the Group act as distribution network (hence their being described as “network banks”): their primary objective is the improvement of the relationship with the customer established over time throughout the territory. Their commercial structure is consistent with the distribution model by market segment adopted at Group level, which envisages specific and differentiated service models for the three macro-segments identified:

- **retail** (private individuals with financial wealth of up to Euro 500,000, small economic operators and businesses with turnover of up to Euro 5 million);
- **private** (private individuals with financial wealth of more than Euro 500,000);
- **corporate** (businesses with turnover of over Euro 5 million).

### MARKET SHARES IN TERMS OF BRANCHES

**BPU Banca Popolare di Bergamo**
- 3,827 employees
- 1.1 million customers
- Euro 18.8 billion in direct deposits
- Euro 23 billion in indirect deposits of which Euro 12.2 billion in assets under management
- Euro 18.5 billion in loans

**BPU Banca Popolare Commercio & Industria**
- 2,251 employees
- 360,000 customers
- Euro 7 billion in direct deposits
- Euro 14 billion in indirect deposits of which Euro 6.5 billion in assets under management
- Euro 8.4 billion in loans

Situation as of 30 September 2005
All the activities are carried out by the network of branches, regrouped by territorial area within each individual bank. The branches are the main point of contact with the customer and the tangible sign of the importance, range and widespread nature of our presence throughout the territory. For this reason, every year we effect important investments in order to improve security, accessibility, lay out and functionality of our branches. The branches mainly service the retail market, but offer operational support to all the commercial activities of the bank, integrating within specific areas the offices of private and corporate account managers and the financial advisors active in each area.

The financial advisors network

BPU SIM is the company which heads up the Group’s network of financial advisors, and which integrates the activities of the banking networks in all the market segments. The majority of the financial advisors report to the territorial structures of the network banks, to which they bring the presence of highly qualified specific professionalism. Operating alongside the branches, the advisor consolidates the relationship between the customer and his bank, whilst by means of his external activities he adds convenience and flexibility to the relationship, making himself available outside normal working hours and work places.
The direct channels of the banks
Over the last few years, we have invested a great deal in the development of telephone and screen-based channels of the network banks, so as to allow our customers to access their bank at any time, wherever they may be, with great reciprocal advantage in terms of efficiency and inexpensiveness of the transactions.

The new home banking service **Qui BPU** – accessible via the website www.quibpu.it - replaces and improves upon the previous Lineattiva Banking and makes it possible to carry out via internet all current account-related queries and transactions and to trade in securities and funds on the Italian market with the support of Xplane, the financial information platform developed in cooperation with “Il Sole24Ore”. Qui BPU can also be used from specific terminals installed in some of the main branches.

Companies make frequent use of the **Interbank corporate banking (C.B.I.)** system, which integrates the corporate’s IT system with the Interbank payments system, offering considerable economic and organisational benefits with regards to the handling of financial flows with banks, customers and suppliers.
Over 63,000 of our corporate customers use the C.B.I. system (+ 20% on 2004) and each year there is an increase in the number of companies which choose us as proponent bank, i.e. the bank which provides assistance and the connection instruments (over 22,000 companies at the end of 2005, an increase of 20% on 2004).

**POS and ATM**

POS terminals in commercial outlets and ATM cash machines complete the system of remote channels. The increase in payments effected with credit cards and direct debit cards eliminates the inconvenience and risk of using cash and simplifies the financing of purchases, while the widespread presence of ATMs now offers autonomy and convenience when effecting many kinds of transactions (payments, recharges, statements).

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**ORGANISATIONAL STRUCTURE**

**DIRECT CHANNELS**

In order to eliminate all space and time barriers between the Bank and its customers

**“LINEATTIVA CALLING” TELEPHONE BANKING SERVICES (SINCE 2006 QUI BPU PHONE BANKING)**

- 162,000 customers enabled (+ 27% on 2004)
- 521,000 individuals accessing the automatic answer service (+ 25% on 2004) of which 300,000 for quotations
- 98,000 telephone calls per operator

**INTERNET BANKING FOR PRIVATE INDIVIDUALS: LINEATTIVA BANKING (SINCE 2006 QUIBP HOME BANKING)**

- 120,000 customers enabled (+ 50% on 2004)
- 3.5 million accesses (+ 6% on 2004)
- 8.3 million statements of account (+ 10% on 2004)
- 178,000 transactions in securities and funds (+ 70% on 2004)

**INTERNET BANKING FOR BUSINESSES**

- 22,000 contracts outstanding (+ 20% on 2004)
- 18.5 million collection transactions (- 9.2% on 2004)** for Euro 22.1 billion, or 70% of total collections
- 6.7 million payment transactions (- 5.5% on 2004)** for Euro 37.1 billion, or 23% of total payments*

**ATM & POS**

- 1 million Bancomat and Pagobancomat cards
- 234,000 charge Libra cards on Mastercard and Visa circuits (+ 135% on 2004)
- 38,000 revolving Libra cards
- + 9% of transactions on POS Pagobancomat on 2004
- + 80% of transaction on charge Libra cards on 2004

* I dati non sono confermabili
** La riduzione è dovuta al peg
The on-line bank

In alternative to the physical proximity of the network banks, IWBank offers maximum accessibility by means of a multi-channel system without precedent, which integrates Internet (also via mobile phone and palmtop computer), call centre, two bank branches in Milan and the network of 14,000 Poste Italiane post office branches.

The bank, which acquired the Eptatrading services and brand from San Paolo IMI in 2003, constantly develops its own operating platforms so as to offer an increasingly wide and complete range of services, with maximum security and reliability.

From pure trading - in relation to which it guarantees direct access in real time to the main share, bond and derivatives markets in the world 24 hours a day, 7 days a week, also from mobile devices and via the call centre - IWBank has by now evolved into the on-line bank of the Group. In fact today, in addition to professional trading, it offers a vast range of savings products with an offer of over 1,100 Funds and Sicavs from 38 Management Companies (over 99% without commission) and all the banking services.

- 149 employees
- 60,000 customers
- 1st place in the KPMG classification of operators in terms of volumes traded on-line (June 2005)
- 5th place in the Assosim classification on share transactions (December 2005)

By means of the integration of the network of post office branches, IW Bank adds the value of maximum widespread presence to the sector-based specialization and multi-channel nature of our distribution network.

POUNTS OF CONTACT THROUGHOUT THE TERRITORY (AS OF 31 DECEMBER 2005)

<table>
<thead>
<tr>
<th>NETWORK BANKS</th>
<th>MARKET</th>
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<tbody>
<tr>
<td>1,184 branches</td>
<td>Retail</td>
<td>Private</td>
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<tr>
<td>- 1,179 branches in Italy</td>
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<td></td>
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<tr>
<td>- 5 branches abroad</td>
<td></td>
<td></td>
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<tr>
<td>5 representative offices abroad</td>
<td></td>
<td></td>
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<tr>
<td>67 corporate banking units</td>
<td></td>
<td></td>
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<tr>
<td>- 43 corporate banking offices</td>
<td></td>
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</tr>
<tr>
<td>- 24 corporate banking office corners (within bank branches)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>75 private banking units</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 38 private banking offices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 37 private banking office corners (within bank branches)</td>
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<table>
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<tr>
<th>OTHER CHANNELS</th>
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<tbody>
<tr>
<td>419 advisors and 27 financial sales outlets of BPU SIM</td>
<td></td>
</tr>
<tr>
<td>- 18 at BPU SIM offices</td>
<td></td>
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<tr>
<td>- 9 at offices of financial advisors</td>
<td></td>
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<tr>
<td>100 insurance agencies</td>
<td></td>
</tr>
<tr>
<td>1,325 ATM Bancomat cash machines</td>
<td></td>
</tr>
<tr>
<td>38,428 POS within commercial outlets</td>
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</tbody>
</table>
Product companies and skill centres

The distribution networks can count in a uniform and integrated manner on the support of specialist companies which guarantee, in all the Group’s sectors of activity, a wide and complete commercial offer, based on the constant search for quality and innovation.

With BPU Pramerica, we have launched a strategy of agreements with leading international operators, which allows us to gain access to the best professional skills and the best products and services on international markets, investing in companies which do not work exclusively for the Group but which compete with competitors in their sector. In this manner, we intend to combine lower recourse to external suppliers, fully benefiting respective the Group’s profit margins, with the maintenance of a high standard of quality and efficiency.

Investment banking - Centrobanca
Innovation and growth are now universally recognized within the Italian economic context as priority objectives for the recovery of the competitiveness of our entrepreneurial system. The insufficient

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**CENTROBANCA**

- 294 employees
- 431 medium/long-term lending transactions for Euro 2.5 billion in 2005 (+ 121.8%) of which:
  - Euro 1.1 billion in corporate finance (+ 231.4%)
  - Euro 1.4 in industrial loans (+ 81.8%)
- 439 subsidised lending transactions for Euro 909 million in 2005
- 43 investment banking transactions in 2005 of which:
  - 19 concerning equity capital markets
  - 18 concerning M&A
  - 6 concerning debt capital markets
- 6 private equity transactions for Euro 43 billion outstanding at the end of 2005

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**BPU Leasing - Esaleasing**

- 123 employees
- 5,769 car leasing contracts for Euro 196 million in 2005 (+ 27.2%)
- 4,058 equipment leasing contracts for Euro 389.5 million in 2005 (+ 23.3%)
- 756 real estate leasing contracts for Euro 844.9 million in 2005 (+ 81.8%)

The BPU Leasing - Esaleasing Group is 8th in terms of contracts stipulated in 2005 and 5th for contracts stipulated through banking channels.

The two companies will be merged during 2006.

* Assilea classification December 2005
assistance provided to businesses by institutional investors is often underlined; businesses are often too small and undercapitalized to autonomously achieve significant re-launching and growth plans. BPU responds to these needs with Centrobanca - the “Corporate Bank” - specialist skills centre in the areas of medium-long term loans, corporate finance, private equity and financial markets. Centrobanca works in synergy with the network banks of the Group in order to satisfy the requirements of the businesses which exceed current operations. The positioning within Centrobanca of the extraordinary finance activities is in line with the decision of keeping the commercial banking activities of our network banks separate from merchant banking activities.

Leasing - BPU Leasing and Esaleasing

The activities of BPU Leasing and Esaleasing are directed not only towards businesses, but increasingly towards private individuals. Esaleasing is leader in the region it operates in, the Marches, where it works with one business out of four. The synergy with the banking networks, which enjoy ample delegation autonomy and avail themselves of a simple and immediate on-line information system, makes it possible to provide customers with a rapid, quality service in all the sectors of operations: real estate, equipment, car and naval leasing. On the one hand, the two product companies co-ordinate

- 88 employees
- Net deposits 2005
  - Euro 2.5 billion in funds - 2nd place¹
  - Euro 671 million in assets under management
- Assets under management at the end of 2005
  - Euro 15.5 billion in funds (+28%) - 8th place¹
  - Euro 7.5 billion in discretionary accounts with 48,100 transactions (+19%) 
  - Euro 1.4 billion for institutional customers

¹ Assogestioni classification December 2005

Thanks to the performance achieved during the last three-year period (31 October 2002 - 31 October 2005), BPU Pramerica has received the 2005 High Yield Award as “Best Italian Manager of Mutual Funds BIG Group” - a category which includes the companies with assets under management of over Euro 9,000 million - and as “Best America Bond Fund” for the BPU Pramerica Obbligazioni Dollari fund.

The High Yield Award is assigned by the financial newspaper “Il Sole 24 Ore” to Asset Management Companies and to Mutual Investment Funds which have distinguished themselves in terms of results achieved. The assignment of the awards takes place on the basis of solid analysis criteria, which take into account various elements and are inspired by the fundamental value of the safeguarding of savings. The criteria for the attribution of the award are available on the website www.ilsole24ore.com/premioaltorendimento.
the offer to private customers and directly handle the most important and complex transactions requested by corporates; on the other hand, they continually monitor the market evolution and the sector legislation in order to seize all opportunities.

**Asset management - BPU Pramerica**

BPU Pramerica is the Group’s asset management company (SGR), formed in Milan under a joint venture with Prudential Financial, one of the largest American financial institutions active in the sector of asset management throughout the world, which holds an interest of 35% in its capital. BPU Pramerica’s mission is to offer each customer the best combination of protection and return on the investment in relation to the personal propensity towards risk. In order to do this, it selects the best investment opportunities at global level, availing itself of a team of asset managers specialised in the various world markets.

**Bancassurance - BPU Assicurazioni, BPU Assicurazioni Vita and Aviva Vita**

BPU Assicurazioni’s registered offices are in Milan and through the branches of the banks and its own agencies it offers the Group customers and the market in general a complete range of insurance products for the non-life sector (vehicle, home, personal and business). BPU Assicurazioni...
Vita and Aviva Vita (50% owned by Aviva, formerly Commercial Union Vita), also with registered offices in Milan, operate in the life sector and offer traditional life assurance products, policies with a financial content (linked to funds, indexes or other reference values), capitalization policies and pension funds. The partnership with Commercial Union also falls within the strategy of searching for excellence by means of agreements with leading international players.

Mortgage loans and consumer credit • B@nca 24-7
B@nca 24-7 has developed IT and screen-based instruments suitable for the management of highly standardized and automated services, such as the granting of consumer credit and home mortgage loans, involving considerable advantages in terms of cost reduction and transaction execution times. Under of the Libra and Kalìa brands, B@nca 24-7 is the sole issuer of credit cards for the entire Group, whilst in the home mortgage loan sector it operates under the Bankyou brand via the distribution networks of our banks and the national networks of real estate and loan brokerage agencies. A significant transaction in 2005 was represented by the acquisition of 20% of By You S.p.A., a company which operates at national level for the distribution of mortgage loans.

E-commerce • Mercato Impresa (Coralis)
Mercato Impresa's mission is to simplify commercial exchanges between companies using technology so as to allow them to extend their business and to save on costs. Via the website www.coralis.it, the company provides businesses and private individuals with the non-banking services included in the Utilio and Duetto package accounts. In particular, to businesses it offers consultancy, instruments and technologies to operate via the internet (personalized digital markets, corporate showcases and on-line auctions), relational marketing services and services for the aggregation of the private clientele for the conveyance of savings offers. Coralis's activities cover numerous types of goods and general utility services (from telephony, to energy, personnel recruitment services, commercial information and business mobility, subscriptions to periodicals and newspapers - to name but a few) and integrates innovative communication channels such as telephone services via the internet, certified electronic mail, electronic invoicing and interactive TV.
We have made innovation and the ability to conceive and realize important projects our way of doing business. By means of constancy and determination, we pursue our mission as Popular bank, tracing day by day a strategic plan fuelled by a sharp sense of social responsibility.
The Industrial Plan

The three-year Industrial Plan is the instrument for establishing and implementing the Group’s development and growth strategies. The creation of economic value for the shareholders is an essential condition for the growth of the Bank and a fundamental objective of the BPU Industrial Plan. As such, it is a long-term objective, which cannot be separated from that of the creation of value for all the stakeholders via consistent social responsibility policies integrated within the business strategies.

The update of the Industrial Plan for the three-year period 2006-2008 - presented to the markets in December 2005 - was drawn up on the basis of the success of the Group’s Integration Master Plan, now essentially completed, and the positive results achieved during 2005 in the implementation of the 2005-2007 three-year Industrial Plan. With a view to the development of the more attractive business areas, we have identified three main guidelines for the development of the Group’s structure and activities, which translate into a continuance of business projects integrated and co-ordinated in a logical-temporal sequence.

THE STRATEGIES

THE PROCESS FOR THE DRAWING UP OF THE INDUSTRIAL PLAN

All the companies contribute towards planning the future of the Group by means of shared and credible plans

1. Preparation of scenario and models
   - Sharing of process and approach with BPU Divisions, Network Banks, Product and other companies
   - Definition and distribution of reference scenario
   - Preparation of economic - balance sheet growth models (by Company and by Market)

2. Development of initial hypothesis
   - Drafting of BPU Budgets/Plan (Finance Revenues, Staff Costs, Administrative Expenses, Investments, …)
   - Drafting of the Budgets/Plans of the Network Banks:
     - Definition of the economic-balance sheet objectives by Market
     - Definition of the commercial KPI by market
     - Definition of the objectives by Portfolio
     - Preparation of balance sheet/income statements by Bank
   - Drafting of Budgets/Plans Product companies and other Group companies
   - Drafting of Extraordinary Finance Budget/Plan

3. Analysis and agreement
   - Validation and sharing with the Network Banks of the objectives by portfolio/Branch/CBO/PBO/Area/Market
   - Sharing of the objectives with the Product Factories
   - Sharing of Network Banks’, Product companies and other companies Budgets/Plans with the reference structures and BPU senior management
   - Sharing of Extraordinary Finance Budget/Plan with BPU senior management

4. Consolidation
   - Integration/adjustment of objectives
   - Consolidation of Budgets/Plans of the individual companies
   - Preparation of summary documentation

ACTIVITIES

- First Group budget process at individual Market level with definition of economic-balance sheet objectives for over 5,000 portfolios
- Involved ~30 companies: BPU (~60 Responsibility Centres), 5 Network Banks, 1 Network of Financial Advisors, 20 Product companies, 2 Foreign companies
- Heavy involvement of all the BPU divisions and the General Management of the individual companies
Optimization of the Group’s operative support functions

The 2006-2008 plan provides for the evolution of the information system towards a **new Group IT platform**, involving an investment of Euro 30 million during the 2007-2008 period, additional compared to the Euro 50 already included in the 2005-2007 plan. Despite this investments, thanks to the synergies already achieved, the Group’s ICT costs are expected to remain more or less stable for the entire period of the plan. Once all projects launched in this area are completed, we will have a state of the art IT system at extremely competitive costs.

At the same time, we will also rationalise the **organisational structure**, through the re-engineering of production and commercial processes, with the concentration within BPU of a number of structures and processes supporting the network banks (network auditing, operational legal department, etc.) and through other projects such as the integration of the operating machine (i.e. IT and organisation) of the product companies.

---

**OPTIMIZATION OF THE OPERATIVE SUPPORT FUNCTIONS**

**EVOLUTION OF THE ARCHITECTURE OF THE INFORMATION SYSTEM**

**Areas of intervention**

<table>
<thead>
<tr>
<th><strong>TECHNOLOGICAL</strong></th>
<th><strong>APPLICATIONS</strong></th>
<th><strong>ORGANISATIONAL</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Centralized-departmental system based on web technology and on a Service Oriented Architecture (SOA) approach in Linux environment</td>
<td>Extremely flexible system capable of reducing development and maintenance times</td>
<td>Immediate and total availability of data so as to rapidly satisfy the information requirements (in particular for the governance functions)</td>
</tr>
</tbody>
</table>

**Features of the information system:**
- Easier to integrate with other systems
- Simplification of the technological and applications environments
- Low running costs
- High independence from suppliers

**Advantages for the business:**
- Better time to Market on new products/markets
- Greater availability of data in real time
- Greater flexibility towards new business models

**MAIN MEASURES FOR THE RE-ENGINEERING OF PRODUCTION AND COMMERCIAL PROCESSES**

**Areas of intervention**

<table>
<thead>
<tr>
<th><strong>PUBLIC BODIES TREASURIES</strong></th>
<th><strong>LENDING/RATING</strong></th>
<th><strong>FINANCING</strong></th>
<th><strong>BRANCH PROCESSES</strong></th>
<th><strong>COLLECTIONS AND PAYMENTS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of the branch operations and automation of the electronic flows exchanged with Public Bodies</td>
<td>Review of processes and instruments used in the evaluation of Performing and Anomalous lending positions with integration of the rating (first release already operational in 2005)</td>
<td>Overall review of the operations set up by the BPU Group structures for Assisted Loans, Private Mortgages and building land credit</td>
<td>Review of the Branch operating and commercial processes and simplification of the specific applications (e.g. current accounts, order collection,...)</td>
<td>Improvement of the processes relating to Payment Systems with regards to front office and back office activities</td>
</tr>
</tbody>
</table>

• Innovation and simplification of the processes and operations of the key structures so as to improve commercial effectiveness and operating efficiency.

• Impact on the operations of around 11,900 Group resources
The implementation of the new distribution model and the organisational and IT measures envisaged, will also have a positive impact on human resources, as an important training programme will be launched aimed at consolidating and developing the professional skills present within the Group. The measures for the innovation and simplification of processes and operations of the key structures will improve the commercial effectiveness and the operating efficiency of over 14,000 Group employees. According to our Industrial Plan objectives, in 2008 the incidence of the commercial resources of the network banks will increase to over 60% of the network resources and the individual productivity within the product companies will rise by over 50%.

**Enhancement of the commercial platform**

In 2005 we completed the activation of the new organizational structure, through the implementation of the five pillars of the MASTER programme (Migliorare Approccio Skill Tecnologie Esperienze Relazioni - Improve the Approach, the Skills, the Technologies, the Experiences and the Relationships). During 2006, a structured and intense training programme will continue on the new distribution model and on the tools supporting a better knowledge of the customer base and stronger customer relations, so as to complete the implementation of the Group’s commercial set-up and achieve full

**THE STRATEGIES**

**ENHANCEMENT OF THE COMMERCIAL PLATFORM**

- **2005**
  - Divisional distribution set-up (Retail, Private and Corporate);
  - New customer portfolio segmentation for all network banks;
  - Activation of 4 Customer Interaction platforms specialized by customer segment (mass-affluent, small business, private, corporate) supporting the commercial activities;
  - Training of sale network on new roles and commercial approach;
  - Strengthening of management in all market segments

- **2006**
  - Evolution of commercial governance to increase coordination between BPU, Network Banks and sales structures (territorial areas);
  - Assignment of economic-balance sheet and commercial objectives by market sub-segment (mass, affluent, corporate lower, mid., etc);
  - Commercial and management control reporting which is integrated and consistent with the objectives assigned per sub-segment

- **2007**
  - Full commercial potential

- **2008**
  - More than 2,300 training sessions for around 5,000 commercial resources
  - More than 800 classroom days provided and over 4,500 training sessions for around 5,000 commercial resources trained
STRATEGIES AND PROJECTS FOR CREATING VALUE

potential by 2007. Staff training is a fundamental element for the success of the commercial strategies laid down for each individual market segment (Retail, Private and Corporate) after having analysed in-depth, with our business intelligence units and instruments, the features and the conduct of our customers and after having consequently put together, with our product companies, a structured range of products and services.

**Enhancement and extension of the strategic partnerships**

Asset management, bancassurance, consumer credit and corporate banking are strategic sectors, characterized by a high level of growth. Within these sectors, we intend to fully express the high potential of our product companies through the furthering of those partnerships already existing with primary international operators (BPU Pramerica with regards to asset management and Aviva Vita with regards to life assurance) and by promoting new partnerships in the field of consumer credit, non-life insurance and corporate banking.

### ENHANCEMENT AND EXTENSION OF STRATEGIC PARTNERSHIPS

- **Assets under management**
  - BPU Pramerica
  - Enhancement of existing partnership
  - Extension of the range of products and acceleration in the development of BPU Pramerica on foreign markets and with non-Group customers

- **Life assurance**
  - AVIVA Vita
  - Enhancement of existing partnership
  - Increase of activity by means of product innovation and focusing on areas with greater growth rates

- **Consumer credit**
  - B@NCA 24-7
  - Promotion of a new partnership to fully express the Group’s potential
  - Centralization of back office and sales support activities for personal loans currently carried out by the network banks

- **Non-life insurance**
  - BPU Assicurazioni
  - Promotion of a new partnership to fully express the Group’s potential
  - Product innovation, enhancement of the network of agents supporting the branches and focusing on areas with greater growth rates

- **Corporate banking**
  - CENTROBANCA
  - Promotion of a new partnership to fully express the Group’s potential
  - Increase in loans with focus on larger corporates
  - Enhancement of the structured finance and investment banking activities
The 2003-2006 Integration Master Plan

Industrial projects are the instrument by means of which the Group’s strategic-organisational guidelines transform into plans for operative intervention and are carried out by the structures of the banks and of the other Group companies. The Integration Master Plan, presented to the financial community in October 2003 following the creation of BPU, contains the first 47 industrial projects, organized into 7 areas of intervention. By means of these projects, we have dealt with the complex integration process of the new Group with a clear and adequate allocation of activities and responsibilities between the various organisational units. This has allowed us to keep the stage of completion of individual activities well under control, identifying and anticipating potential risks and often beating the envisaged timescales. The activities carried out in 2005 have allowed us to substantially complete the Integration Master Plan - and consequently the phase of integration of the Group - considerably in advance compared to forecasts. Total integration costs amount to Euro 393 million (of which Euro 259 million for redundancy incentives and personnel costs, Euro 93 million for the adoption of a single IT system, and Euro 41 million for merger charges and administrative expenses) against annual benefits at regime as of 2007 totalling Euro 327 million (Euro 116 million in additional revenues and Euro 211 million in savings on costs), of which Euro 213.2 million already generated at the end of 2005 (Euro 53.7 million in additional revenues and Euro 159.5 million in savings on costs).

THE INDUSTRIAL PROJECTS

EVOLUTION OF THE BUSINESS PROJECTS

* of which 2 completed as of 31st Dec. 2005: Disclosure, Adequacy and Conflicts of Interest (IAC); Sale of Carifano - Public Purchase Offer on Banca Popolare di Ancona
** Merger of leasing companies (in 2006); Branches Plan (in the three-year period 2006-2008)

Following the completion of the Integration Master Plan, the BPU Group is by now a fully operative entity, which is currently achieving the synergies anticipated both in terms of costs and in terms of revenues and which can launch new projects and set new improvement objectives.

The update of the industrial plan is the instrument by means of which each year we take stock of the situation and plan the activities to be carried out in the following three-year period. Thus, we intend to keep the pressure high and constant on the technological, organisational, product and process innovation which has motivated and characterized the creation of the Group.

In December 2004, we presented the update of the industrial plan for the three-year period 2005-2007 to the markets, a review which aimed at completing the integration by the end of 2005 (objective essentially achieved) and achieving the full potential of the Group’s value during the period 2006-2007 with 18 new projects. In December 2005, we presented the update of the 2006-2008 industrial plan to the markets, enhanced by an additional 28 projects.

THE PROJECTS UNDERWAY PERTAINING TO THE 2005-2007 AND 2006-2008 INDUSTRIAL PLANS*

(*) Not including the 2 residual projects of the 2003-2006 MP (Group Branches Plan; Leasing Business Plan) which will be monitored on a separate basis.
The “corporate profit”, measured by the income reported in the consolidated financial statements, is the result of the quality of our work and of our ideas: values which create value. It becomes “co-operative profit” in the Social Report, through of the distribution of the Added Value to all those with whom, for various reasons, we have relationships involving an “exchange”.

EC ONOMIC P ERFORMANCE
Impact of the new IAS accounting standards on the financial statement results

Italian Legislative Decree No. 38 dated 2005, completed the introduction in our country of the IAS international accounting standards for the drawing up of individual and consolidated financial statements of listed companies, banks and other supervised financial bodies. The new international accounting standards are qualified as law dispositions and no longer as technical-interpretative provisions issued by private bodies.

The application of the new accounting standards has led at Group level to a considerable interpretative, applications and management effort, due mainly to delays in the publication the reference legislation. We have dealt with this commitment by means of a specific project launched since October 2003 in order to adapt the accounting entries describing corporate events and the schemes and preparation methods for the individual and consolidated financial statements to the new norms and to restate the balances of the 2004 financial statements for the necessary year on year comparisons.

With regards to results, the values expressing the economic result from operations and the equity situation have improved, in line with the aim of the new accounting standards.

**THE OPERATING RESULT**

The positive performance of commercial and financial activities, as well as rationalisation of equity investments which led to non-recurrent income of over Euro 232 million, contributed towards the doubling of the net profit for the year, which rose from Euro 336.6 million to Euro 680.9 million.

The interest margin improved by 1.7% and net commission rose by 7.1%, reflecting the positive evolution both in terms of volumes and performance of assets under management and the growth of the specialized product companies. By contrast, operating costs fell progressively (-7.1%), both at aggregate level and with reference to the single item lines.

The results are emphasised by the considerable progress of the income ratios.

<table>
<thead>
<tr>
<th>INCOME RATIOS</th>
<th>2005</th>
<th>2004 with IAS estimate</th>
<th>% difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE*</td>
<td>16.90%</td>
<td>9.33%</td>
<td>+7.57</td>
</tr>
<tr>
<td>ROA**</td>
<td>1.80%</td>
<td>0.50%</td>
<td>+1.30</td>
</tr>
<tr>
<td>Cost/Income***</td>
<td>58.04%</td>
<td>67.49%</td>
<td>-9.45</td>
</tr>
<tr>
<td>Interest margin/operating income</td>
<td>56.89%</td>
<td>60.41%</td>
<td>-3.53</td>
</tr>
</tbody>
</table>

* Net profit for the year including non-recurrent income and expenses/shareholders’ equity excluding net profit
** Net profit for the year/total assets
*** Operating costs/operating income
### RECLASSIFIED CONSOLIDATED INCOME STATEMENT

<table>
<thead>
<tr>
<th>BPU BANCA GROUP – Consolidated financial statements</th>
<th>2005</th>
<th>2004 with IAS estimate</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest margin</td>
<td>1,524,709</td>
<td>1,498,715</td>
<td>+1.7%</td>
</tr>
<tr>
<td>Dividends and similar income</td>
<td>10,183</td>
<td>10,281</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Profit (loss) on investments carried at equity</td>
<td>5,060</td>
<td>4,734</td>
<td>+6.9%</td>
</tr>
<tr>
<td>Net commission income</td>
<td>818,123</td>
<td>763,742</td>
<td>+7.1%</td>
</tr>
<tr>
<td>Net result from trading and hedging activities</td>
<td>179,347</td>
<td>88,968</td>
<td>+101.6%</td>
</tr>
<tr>
<td>Net income from insurance activities</td>
<td>66,910</td>
<td>63,749</td>
<td>+5.0%</td>
</tr>
<tr>
<td>Other net operating income/expenses</td>
<td>75,796</td>
<td>50,534</td>
<td>+50.0%</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td><strong>2,680,128</strong></td>
<td><strong>2,480,723</strong></td>
<td><strong>+8.0%</strong></td>
</tr>
<tr>
<td>Staff costs</td>
<td>-1,027,757</td>
<td>-1,095,046</td>
<td>-6.1%</td>
</tr>
<tr>
<td>Other administrative expenses</td>
<td>-413,801</td>
<td>-456,047</td>
<td>-9.3%</td>
</tr>
<tr>
<td>Net impairment losses on tangible and intangible fixed assets</td>
<td>-113,935</td>
<td>-123,186</td>
<td>-7.5%</td>
</tr>
<tr>
<td><strong>Operating costs</strong></td>
<td><strong>-1,555,493</strong></td>
<td><strong>-1,674,279</strong></td>
<td><strong>-7.1%</strong></td>
</tr>
<tr>
<td>Net operating income</td>
<td>1,124,635</td>
<td>806,444</td>
<td>+39.5%</td>
</tr>
<tr>
<td>Net impairment losses on loans and receivables</td>
<td>-199,245</td>
<td>-222,659</td>
<td>-10.5%</td>
</tr>
<tr>
<td>Net impairment losses/gains on others assets/liabilities</td>
<td>-1,355</td>
<td>-557</td>
<td>+143.3%</td>
</tr>
<tr>
<td>Provisions for liabilities and charges</td>
<td>-34,603</td>
<td>-29,612</td>
<td>+16.9%</td>
</tr>
<tr>
<td>Profit/(loss) on disposal of equity investments</td>
<td>232,976</td>
<td>69,995</td>
<td>+323.8%</td>
</tr>
<tr>
<td><strong>Profit (loss) on continuing operations before tax</strong></td>
<td><strong>1,122,408</strong></td>
<td><strong>623,611</strong></td>
<td><strong>+80.0%</strong></td>
</tr>
<tr>
<td>Taxes on income for the year on continuing operations</td>
<td>-397,797</td>
<td>-254,016</td>
<td>+56.6%</td>
</tr>
<tr>
<td>Profit (loss) on non-current assets held for sale and discontinued operations net of taxes</td>
<td>-17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit (loss) for the period attributable to minority shareholders</td>
<td>-43,734</td>
<td>-33,026</td>
<td>+32.4%</td>
</tr>
<tr>
<td><strong>Profit for the year pertaining to the Parent Company</strong></td>
<td><strong>680,860</strong></td>
<td><strong>336,569</strong></td>
<td><strong>+102.3%</strong></td>
</tr>
</tbody>
</table>
The formation of the Added Value

The added value produced represents the wealth created by the enterprise, through the transformation of goods and services acquired outside into new goods and services with added value, thanks to its organisational, production and commercial ability.

The entity of the added value emerges, in the reclassification of the income statement, from the difference between the production and the consumption of goods and services, and can be gauged at various levels. In accordance with the indications of the ABI (Italian Bankers’ Association) model for the drawing up of the Social Report for the banking sector and with current practices, we make reference to the notion of gross global added value, which includes amortisation and depreciation and excludes extraordinary items, now defined as “non-recurrent”.

In 2005, the gross global added value created by our Group came to Euro 2.37 billion, with an increase of 23.8% when compared with the 2004 figure (figure re-calculated on the pro-forma consolidated financial statements drawn up in accordance with the new IAS international accounting standards so as to permit comparison). The net global added value rose by 26.6%, from Euro 1.79 billion to Euro 2.27 billion.

THE ADDED VALUE

<table>
<thead>
<tr>
<th>EFFICIENCY RATIOS*</th>
<th>2005</th>
<th>2004 with IAS estimate</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans per employee</td>
<td>3,263.02</td>
<td>3,041.65</td>
<td>+7.28%</td>
</tr>
<tr>
<td>Total deposits per employee</td>
<td>6,907.53</td>
<td>6,566.06</td>
<td>+5.20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUITY RATIOS*</th>
<th>2005</th>
<th>2004 with IAS estimate</th>
<th>Change/ Difference in terms of percentage points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct deposits from customers</td>
<td>49,715,526</td>
<td>50,142,618</td>
<td>-0.85%</td>
</tr>
<tr>
<td>Indirect deposits from customers</td>
<td>52,688,620</td>
<td>48,505,810</td>
<td>+8.62%</td>
</tr>
<tr>
<td>of which assets under management</td>
<td>30,636,062</td>
<td>25,711,859</td>
<td>+19.15%</td>
</tr>
<tr>
<td>Loans to customers</td>
<td>48,374,295</td>
<td>45,697,766</td>
<td>+5.86%</td>
</tr>
<tr>
<td>Shareholders’ equity/total deposits from customers</td>
<td>4.60%</td>
<td>4.00%</td>
<td>+0.60</td>
</tr>
<tr>
<td>Shareholders’ equity/loans to customers</td>
<td>9.73%</td>
<td>8.63%</td>
<td>+1.11</td>
</tr>
</tbody>
</table>

* Loans are gross of write-downs. Deposits include non-convertible subordinated loans and exclude repurchase agreements. The shareholders’ equity includes the net profit for the year.
### Calculation of the Added Value

<table>
<thead>
<tr>
<th>(in thousands of Euro)</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income and similar revenues</td>
<td>2,495,549</td>
</tr>
<tr>
<td>Commission income</td>
<td>945,610</td>
</tr>
<tr>
<td>Dividends and similar income</td>
<td>10,183</td>
</tr>
<tr>
<td>Net result from trading activities</td>
<td>90,445</td>
</tr>
<tr>
<td>Net result from hedging activities</td>
<td>3,613</td>
</tr>
<tr>
<td>Profit (loss) on transfer or repurchase of:</td>
<td></td>
</tr>
<tr>
<td>a) loans</td>
<td>57,908</td>
</tr>
<tr>
<td>b) financial assets available for sale</td>
<td>33,224</td>
</tr>
<tr>
<td>c) financial assets held until maturity</td>
<td>169</td>
</tr>
<tr>
<td>d) financial liabilities</td>
<td></td>
</tr>
<tr>
<td>Other operating income (expense)</td>
<td>166,114</td>
</tr>
<tr>
<td>Net profit (loss) from equity investments</td>
<td>238,304</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>4,041,119</strong></td>
</tr>
<tr>
<td>Interest expense and similar charges</td>
<td>(890,010)</td>
</tr>
<tr>
<td>Commission expense</td>
<td>(127,486)</td>
</tr>
<tr>
<td>Net impairment losses on:</td>
<td></td>
</tr>
<tr>
<td>a) loans</td>
<td>(199,245)</td>
</tr>
<tr>
<td>b) financial assets available for sale</td>
<td>(75)</td>
</tr>
<tr>
<td>c) financial assets held until maturity</td>
<td></td>
</tr>
<tr>
<td>d) other financial transactions</td>
<td>(1,280)</td>
</tr>
<tr>
<td>Other administrative expenses</td>
<td>(398,874)</td>
</tr>
<tr>
<td>Net provisions for liabilities and charges</td>
<td>(34,603)</td>
</tr>
<tr>
<td><strong>TOTAL CONSUMPTION</strong></td>
<td><strong>(1,651,573)</strong></td>
</tr>
<tr>
<td>Net premiums from insurance activities</td>
<td>476,359</td>
</tr>
<tr>
<td>Balance of other income (expense) from insurance activities</td>
<td>(494,678)</td>
</tr>
<tr>
<td><strong>NET RESULT FROM INSURANCE ACTIVITIES</strong></td>
<td><strong>(18,320)</strong></td>
</tr>
<tr>
<td><strong>GROSS ADDED VALUE FROM CORE BUSINESS ACTIVITIES</strong></td>
<td><strong>2,371,226</strong></td>
</tr>
<tr>
<td>Profit (loss) on the disposal of investments</td>
<td>(267)</td>
</tr>
<tr>
<td><strong>TOTAL GROSS GLOBAL ADDED VALUE</strong></td>
<td><strong>2,370,959</strong></td>
</tr>
<tr>
<td>Net impairment losses on tangible/intangible assets</td>
<td>(103,237)</td>
</tr>
<tr>
<td><strong>TOTAL NET GLOBAL ADDED VALUE</strong></td>
<td><strong>2,267,722</strong></td>
</tr>
<tr>
<td>Staff costs</td>
<td>(1,027,757)</td>
</tr>
<tr>
<td>Donations, gifts, sponsorships for social initiatives</td>
<td>(3,627)</td>
</tr>
<tr>
<td>Direct and indirect and capital taxes</td>
<td>(113,930)</td>
</tr>
<tr>
<td><strong>PRE-TAX RESULT</strong></td>
<td><strong>1,122,408</strong></td>
</tr>
<tr>
<td>Taxes on profit for the period for continuing operations</td>
<td>(397,797)</td>
</tr>
<tr>
<td>Profit (loss) on non-current assets held for sale and discontinued operations net of taxes</td>
<td>(17)</td>
</tr>
<tr>
<td>Profit (loss) for the period attributable to minority shareholders</td>
<td>(43,734)</td>
</tr>
<tr>
<td><strong>PROFIT (LOSS) FOR THE YEAR</strong></td>
<td><strong>680,860</strong></td>
</tr>
</tbody>
</table>
The distribution of the Added Value

The beneficiaries of the added value generated by the Bank are first and foremost its internal stakeholders, that is to say the shareholders, who receive the dividends, and the human resources (directors, employees including those on term contracts, temporary workers and external personnel) as concerns payroll and related costs and the portions of profit allocated on a statutory basis to welfare and similar in favour of the employees and to the Board of Directors. The Bank itself withholds a portion of added value equal to amortisation/depreciation and reserves, whose entity represents its ability to self-finance its growth. A portion is then due to the Government and to the Local authorities under the form of direct and indirect taxation.

Finally, an expression of the Bank’s desire to be recognised as an active part of the community is the portion of added value intended for social activities, under the form of donations and sponsorships, to which must be added the portion of income set aside on a statutory basis to a specific reserve available to the Board of Directors.

The staff, with Euro 1,048.7 million, remained the prime beneficiary of the added value generated by the Bank, even if featuring a reduction of 5.7% when compared with 2004 due to the drop in the workforce numbers as part of the business plan.

The portion of Added Value withheld by the Bank rose from 18.5% to 21.6% as a result of the policy implemented for strengthening the capital base.

Due to the increase in the divided to Euro 0.75 per share (+11.9% when compared with 2004), the percentage of added value intended for the voting and non voting shareholders remained more or less unchanged, as did the portion set aside for the Community.
## Economic Performance

### Distribution of the Added Value

<table>
<thead>
<tr>
<th>(in thousands of Euro)</th>
<th>2005</th>
<th>2004 with IAS estimate</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit of Subsidiary Companies Pertaining to Minority Shareholders and Profit (Loss) of Disposal Groups Net of Taxation</strong></td>
<td>43,751</td>
<td>33,026</td>
<td>+32.5%</td>
</tr>
<tr>
<td><strong>Added Value Withheld by the Bank</strong></td>
<td>495,164</td>
<td>209,242</td>
<td>+136.6%</td>
</tr>
<tr>
<td>Amortisation/depreciation</td>
<td>103,237</td>
<td>123,186</td>
<td>-16.2%</td>
</tr>
<tr>
<td>Reserves</td>
<td>391,927</td>
<td>86,056</td>
<td>+355.4%</td>
</tr>
<tr>
<td><strong>Value Added Allocated to the Stakeholders</strong></td>
<td>1,832,044</td>
<td>1,672,391</td>
<td>+9.5%</td>
</tr>
<tr>
<td><strong>Voting and Non Voting Shareholders</strong></td>
<td>258,037</td>
<td>225,917</td>
<td>+14.2%</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>258,037</td>
<td>225,917</td>
<td>+14.2%</td>
</tr>
<tr>
<td><strong>Human Resources</strong></td>
<td>1,048,676</td>
<td>1,112,466</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Staff costs</td>
<td>1,019,075</td>
<td>1,087,034</td>
<td>-6.3%</td>
</tr>
<tr>
<td>Portion of profit for welfare and pensions in favour of staff</td>
<td>18,187</td>
<td>15,038</td>
<td>+20.9%</td>
</tr>
<tr>
<td>Emoluments and portion of profit allocated to Board of Directors</td>
<td>11,414</td>
<td>10,394</td>
<td>+9.8%</td>
</tr>
<tr>
<td><strong>Government and Other Local Bodies</strong></td>
<td>511,727</td>
<td>322,655</td>
<td>+58.6%</td>
</tr>
<tr>
<td>Direct and Indirect taxes and capital taxes</td>
<td>113,930</td>
<td>68,639</td>
<td>+66.0%</td>
</tr>
<tr>
<td>Income tax for the year</td>
<td>397,797</td>
<td>254,016</td>
<td>+56.6%</td>
</tr>
<tr>
<td><strong>The Community</strong></td>
<td>13,603</td>
<td>11,353</td>
<td>+19.8%</td>
</tr>
<tr>
<td>Donations, gifts and sponsorship for social initiatives</td>
<td>3,627</td>
<td>4,177</td>
<td>-13.2%</td>
</tr>
<tr>
<td>Profit available to the BoD for educational, cultural, charitable and social purposes</td>
<td>9,976</td>
<td>7,176</td>
<td>+39.0%</td>
</tr>
<tr>
<td><strong>Total Gross Added Value</strong></td>
<td>2,370,959</td>
<td>1,914,659</td>
<td>+23.8%</td>
</tr>
</tbody>
</table>
The “co-operative profit” - Added Value distributed to the stakeholders - becomes “economic-social profit” for the community through the daily commitment to combine the concern for the social and environmental effects of the business activities carried out with the management of affairs. It is the value of the quality, stability and intensity of the overall contribution which the Group offers the territory and the sustainability of its growth model.
We consider human resources to be a central element of the Bank and we are committed to developing the abilities and skills of each employee so that the energy and the contributions of each individual find full expression in the activities carried out.

The process for the integration and harmonization of the Group has involved considerable organisational changes for the achievement of important efficiency and profitability goals. These changes also required a rationalisation of the workforce, which was handled by means of leaving incentives, generation changeover, staff re-training and re-location schemes, subject to specific trade union agreements.

During 2005, the voluntary exits envisaged by the redundancy schemes amounted to 485, additional compared to the 871 exits which have taken place in total since 1° July 2003. Following these exits, we are currently implementing an employment scheme which will involve around 700 young high-school diploma holders and graduates in total, half of which new recruits and half transformations from temporary employment to permanent work.

RELATIONS WITH THE STAFF

THE GROUP WORKFORCE

<table>
<thead>
<tr>
<th>EMPLOYEES BY QUALIFICATION</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives</td>
<td>317</td>
<td>283</td>
</tr>
<tr>
<td>Middle management</td>
<td>5,49</td>
<td>5,123</td>
</tr>
<tr>
<td>Staff in professional areas</td>
<td>8,850</td>
<td>8,867</td>
</tr>
<tr>
<td>TOTAL EMPLOYEES</td>
<td>14,316</td>
<td>14,273</td>
</tr>
<tr>
<td>of which: permanent</td>
<td>13,961</td>
<td>14,080</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FREELANCE STAFF</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary workers</td>
<td>255</td>
<td>805</td>
</tr>
<tr>
<td>External staff</td>
<td>14</td>
<td>26</td>
</tr>
<tr>
<td>Work experience staff</td>
<td>41</td>
<td>33</td>
</tr>
<tr>
<td>TOTAL</td>
<td>310</td>
<td>864</td>
</tr>
</tbody>
</table>

EMPLOYEES BY LENGTH OF SERVICE

EMPLOYEES BY AGE

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 5 years</td>
<td>16</td>
<td>16.1%</td>
</tr>
<tr>
<td>6 - 10 years</td>
<td>11.2%</td>
<td>16.9%</td>
</tr>
<tr>
<td>11 - 15 years</td>
<td>11.2%</td>
<td>16.9%</td>
</tr>
<tr>
<td>16 - 20 years</td>
<td>15.6%</td>
<td>17.1%</td>
</tr>
<tr>
<td>21 - 25 years</td>
<td>15.6%</td>
<td>17.1%</td>
</tr>
<tr>
<td>26 - 40 years</td>
<td>15.6%</td>
<td>17.1%</td>
</tr>
<tr>
<td>Over 40 years</td>
<td>15.6%</td>
<td>17.1%</td>
</tr>
<tr>
<td>Over 50 years</td>
<td>15.6%</td>
<td>17.1%</td>
</tr>
</tbody>
</table>
The enhancement of human resources

Group policies with regards to staff aim at enhancing the various professional and human experiences originating from inside and outside the Group, and offer all the staff the same opportunities, without any discrimination as from the moment of initial recruitment.

Recruitment

Recruitment activities are directed towards the identification of the best profiles for the individual positions, through a process focused not only on the technical skills but also on the aptitude, the abilities and the personal inclinations of the candidates, with particular attention paid towards the contribution which the young can make to the corporate organisation and culture. Each year we undertake to create and seize dialogue and cooperation opportunities with the scholastic and university institutions in the areas we operate in, participating in job meetings organized by the leading universities, career fairs, university committees and publications and offering training opportunities “in the field” by means of numerous work experience sessions (over 40 during 2005) in cooperation with the training bodies.

<table>
<thead>
<tr>
<th>BANK EMPLOYEES BY AREA OF ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
</tr>
<tr>
<td>Governance divisions</td>
</tr>
<tr>
<td>Business divisions</td>
</tr>
<tr>
<td>Finance division</td>
</tr>
<tr>
<td>Organisation, systems and services division</td>
</tr>
<tr>
<td>Distribution network</td>
</tr>
<tr>
<td>TOTAL BANKS</td>
</tr>
<tr>
<td>OTHER COMPANIES</td>
</tr>
<tr>
<td>TOTAL GROUP</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STAFF EXITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>InfraGroup transfers</td>
</tr>
<tr>
<td>Incentivised leaves</td>
</tr>
<tr>
<td>Adherence to solidarity fund</td>
</tr>
<tr>
<td>Voluntary resignations</td>
</tr>
<tr>
<td>Expiry of temporary contract</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TURNOVER</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
</tr>
<tr>
<td>Opening balance</td>
</tr>
<tr>
<td>New recruits</td>
</tr>
<tr>
<td>Exits</td>
</tr>
<tr>
<td>CLOSING BALANCE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NEW RECRUITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
</tr>
<tr>
<td>Permanent</td>
</tr>
<tr>
<td>Time contracts</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
<tr>
<td>of which: InfraGroup transfers</td>
</tr>
</tbody>
</table>
Staff is always hired by means of regular employment contracts, in full observance of the law and the CCNL (national collective labour contract). We have also resorted to recent graduates and high school diploma holders using temporary and supply contracts, which over the last few years have permitted us to cover the extraordinary employment requirements linked to the Group integration process. At the end of 2005, we considerably reduced the number of temporary workers, partly in relation to the hiring of the latter in accordance with the objectives of the employment plan.

**Management**

During 2005, we completed the activation of the human resources management and development tools in all the Group banks and we started to extend them to the product companies. Consequently, all the banks now adopt policies for the development and enhancement of professional skills which are fully consistent with the common organisational and commercial model.

We have drawn up the assessment sheets of nearly 11,000 employees, around 90% of the total staff (permanent staff, net of staff on leave), so as to set up efficient and focused individual training schemes.
The main steps for the implementation of the management tools were as follows:

• the recognition and updating of the organisational **roles** within the various corporate entities, so as to achieve greater uniformity - albeit in observance of the specificities and characteristics of each corporate context - and thus also facilitate infraGroup mobility and the exchange of experience in different corporate situations;
• the subsequent activities for **weighing up the positions**, necessary for establishing fair and correct professional paths, remuneration policies and ordinary management activities for the resources;
• the activation of the **System for the Mapping of Skills** within all the network banks and start of its extension to BPU Sim, B@nca 24-7 and Mercato Impresa, with the aim of covering all the other Group companies in 2006;
• the **evaluation of the performances** within all the banks, with extension of the evaluation to the executives and taking into consideration the individual performance among the variables of the incentive system.

#### MANAGEMENT SYSTEMS

**10,761 EMPLOYEES INVOLVED IN THE MAPPING OF SKILLS**

**Personnel by bank**

(in percentage terms)

<table>
<thead>
<tr>
<th>Bank</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPU</td>
<td>77.8%</td>
</tr>
<tr>
<td>BPA</td>
<td>14.0%</td>
</tr>
<tr>
<td>CARME</td>
<td>8.6%</td>
</tr>
<tr>
<td>BPTodi</td>
<td>17.4%</td>
</tr>
<tr>
<td>BPI</td>
<td>17.4%</td>
</tr>
<tr>
<td>BPCI</td>
<td>17.4%</td>
</tr>
<tr>
<td>BPA</td>
<td>17.4%</td>
</tr>
</tbody>
</table>

**12,523 PERFORMANCE ASSESSMENT SHEETS COLLECTED**
Training

Training is an essential component for the enhancement of human resources. It is handled consistently at Group level in relation to the path for professional growth identified for each employee by the assessment instruments, with a catalogue of training courses comprising 211 courses and work experience schemes organised in 10 subject areas. During 2005, we invested 60,194 man days in training, with 54,153 presences in the Group network banks equating to 4.8 average training days per head, one of the highest figures of the system.

Because, as far as our corporate vision is concerned, training is seen as the sharing of experiences and values and not just the transmission of information, we privilege the use of internal teaching staff. They are trained and constantly updated by our Teaching School by means of the Classroom Qualification programme, involving the single subject analysis of the Teachers’ Wednesdays and the didactic and communications publication "Noi Docenti BPU". In 2005, 1,762 classroom days were held, equal to over 30,000 training man days (65% of the total).

RELATIONS WITH THE STAFF

TRAINING

BENEFICIARIES

- 44% Executives
- 54% Office workers
- 2% Middle management

CONTENTS

- 26% Commercial behaviour and sales techniques
- 12% Legal department
- 12% Engagements requalification
- 11% Internal communication
- 11% Loans division
- 8% Finance and insurance division
- 8% Loans division
- 13% Other

METHODS

- 59% Classroom training and internal teaching staff
- 37% Classroom training and external teaching staff
- 4% External training

TYPE

- 37% Commercial
- 54% Operations
- 9% Managerial

BENEFICIARIES

- 9% Commercial
- 37% Operations
- 54% Managerial
**Diversity and equal opportunities**

When managing and developing our resources, we guarantee equal dignity and equal professional opportunities for all workers, without any distinction to gender, race, faith or orientation. The professional growth and career advancement are established on the basis of meritocratic criteria and depend exclusively on the skills acquired and the growth potential of each individual.

With a view to effectively guaranteeing equal professional growth opportunities, in addition to the legal obligations we also concern ourselves with helping individuals to reconcile their personal needs and family needs with work requirements. The most recent initiative, undertaken in 2005, concerned the opening of company crèche:

- in Bergamo, 29 places reserved for BPU Group personnel children in the Valsecchi Crèche;
- in Milan, a company micro-crèche for 10 children;
- in Jesi, 8 places reserved for BPU Group personnel children in a crèche created in consortium with other companies.

### PROMOTIONS

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>from Middle Management to Executive</td>
<td>44</td>
<td>24</td>
</tr>
<tr>
<td>from Office Worker to Middle Management</td>
<td>310</td>
<td>310</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>354</td>
<td>334</td>
</tr>
</tbody>
</table>

### PART TIME

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of contracts</td>
<td>711</td>
<td>672</td>
</tr>
<tr>
<td>% of workforce</td>
<td>5.0%</td>
<td>15.0%</td>
</tr>
</tbody>
</table>

### LEAVES OF ABSENCE

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total days</td>
<td>60,572</td>
<td>59,769</td>
</tr>
<tr>
<td>of which: Maternity and childcare</td>
<td>72.3%</td>
<td>65.1%</td>
</tr>
<tr>
<td>Assistance for the disabled</td>
<td>11.9%</td>
<td>14.4%</td>
</tr>
<tr>
<td>Other personal needs</td>
<td>7.6%</td>
<td>11.9%</td>
</tr>
<tr>
<td>Public and elective offices</td>
<td>4.9%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Study leave</td>
<td>1.9%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Blood donation</td>
<td>1.4%</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

We contribute towards the employment of disabled individuals in relation to the possibility of offering tasks suitable to the individual circumstances. In 2005, disabled individuals represented approximately 7% of the workforce of the Group’s network banks.
Personal attention

Our banks have a long tradition of attention towards the quality of life of their employees, in relation to both the health and safety conditions in the workplace and a variety of services and benefits mainly concerning insurance and welfare for the serenity of the family.

Health and safety

BPU Banca is involved in spreading and consolidating the safety culture within all the Group companies, developing awareness of risks and encouraging responsible conduct by all the employees so as to preserve health and safety, especially by means of preventive action. The staff must be aware of and implement the Bank’s dispositions with regards to protection of the environment, safety and health in the workplace and safeguarding of privacy, in relation to the role covered and the level of responsibility attributed.

RELATIONS WITH THE STAFF

2005 PREVENTION AND PROTECTION ACTIVITIES

- Updating of the Risk Evaluation Document so as to adapt the evaluation process to the new legislation
- Evaluation of the risks within all the operating units
- Consolidation of the Safety Information System so as to apply it to all the Group companies
- Monitoring of the effective and not only formal application of the System for the Control of risk prevention and protection measures
- Updating of the emergency plans and performance of the evacuation drills
- Evaluation of the Robbery Risk with identification of the assessment criteria and definition of an improvement programme for the related prevention and protection measures
- Health surveillance of the staff exposed to specific risks, as envisaged by legislation and corporate health protocol (432 visits in 2005 targeted at staff subject to VDU risk)
- Training of the workers exposed to specific risks and the staff in charge of handling emergencies

2005 SECURITY ACTIVITIES

- Definition of a method for the assessment of the robbery risk. The “Robbery Risk Rating” has been calculated for each operating unit and integrated with the data from the historic archives of the Group banks relating to theft and robberies. This has given rise to a classification in six risk classes, on the basis of which the priorities will be defined for the creation of improvement projects, planned for the next few years
- Installation of new robbery prevention systems (controlled access, video-registration, systems for reducing access to cash on premises) and continuation of the development of the centralized alarm management system
The Committee for Industrial Health & Hygiene has the task of guaranteeing the application and observance of the legislation concerning health and safety. The heads of the Organisation, Systems and Services Area, Human Resources Division, Auditing Divisions and Organisation and Logistics Divisions participate to the Committee which met 5 times in 2005.

The Security Service defines the systems and approves the security measures to be adopted on the premises for the physical safety of the staff and of company assets and manages the centralized alarm systems. It also performs the functions of Prevention and Protection Service for the Parent Bank and BPB, BPCI and CARIME.

The Prevention and Protection Service identifies and assesses the risk factors and the measures to be adopted for the safety and health of the work environments, for the development and control of the prevention and protection systems and for the creation and management of information and training programmes for the staff. The Service co-ordinates its activities with the Qualified Health Professional, the Workers’ Safety Representatives and with the other corporate functions concerned.

<table>
<thead>
<tr>
<th>THEFTS AND ROBBERIES</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>As percentage of 100 branches</td>
</tr>
<tr>
<td>Thefts</td>
<td>11</td>
<td>0.9</td>
</tr>
<tr>
<td>Robberies</td>
<td>126</td>
<td>10.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HEALTH AND SAFETY (in millions of Euro)</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>8,480</td>
</tr>
<tr>
<td>Current expenses</td>
<td>4,080</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ROBBERY PREVENTION COURSE</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of sessions</td>
<td>25</td>
</tr>
<tr>
<td>No. of persons</td>
<td>421</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EVACUATION DRILLS</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of drills</td>
<td>1,196</td>
</tr>
<tr>
<td>No. of persons</td>
<td>11,359</td>
</tr>
</tbody>
</table>
Services and benefits
All the Group banks provide their employees with a form of complementary welfare aimed at supplementing the basic pension pay; some have set up a company fund, others subscribe to intercompany funds. Each employee can supplement the payment made by the company and can choose from among several investment lines characterized by different levels of risk. All Group employees benefit from a healthcare insurance policy, which in some cases is also extended to family members with a contribution paid by the worker; some companies have also stipulated coverage against the risk of death or accident/injury for their staff. All the banks distribute grants both to students who are the offspring of employees and to the employees themselves who are involved in a study course; some banks also donate sums in case of important events such as marriages, births or adoptions. All the Group employees can gain access to loans at facilitated rates for the purchase of their first home and, at some Banks, also a second home; in some cases, they are granted automatic facilitated lines of credit (in line with the best conditions applied to customers) and favourable conditions on bank transactions.

<table>
<thead>
<tr>
<th>SERVICES AND BENEFITS</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplementary welfare</td>
<td>28,814</td>
<td>26,745</td>
</tr>
<tr>
<td>Insurance policies</td>
<td>7,139</td>
<td>7,050</td>
</tr>
<tr>
<td>Study awards and grants to the families</td>
<td>3,237</td>
<td>3,127</td>
</tr>
<tr>
<td>TOTAL</td>
<td>39,191</td>
<td>36,923</td>
</tr>
</tbody>
</table>

Clematis Onlus is an association which was set up in 2002 upon the initiative of several employees and former employees of Banca Popolare di Bergamo-Credito Varesino who have disabled children who are not self-sufficient. Symbolically, it bears the name of a beautiful climbing flower which in order to grow needs support and this is its very aim: provide support for the families now and for their disabled children in the event of the demise of the parents. The Association has gradually seen the adherence of the other Group companies, thus becoming a unique initiative within the panorama of social-welfare initiatives set up within the companies. At present, 44 families (including 18 retired employees) benefit from an insurance policy, specifically created by BPU Assicurazioni Vita, which guarantees the disabled children an annual income of Euro 12,000, which is subject to revaluation, in the event of the decease of both parents. Other initiatives help the families to solve contingent problems, such as the contribution towards the costs incurred for the “rehabilitative training” and the stipulation of specific agreements with specialized structures for the hospitalisation, temporary or otherwise, of the children. During 2005, Clematis Onlus was also actively involved in the organisation of encounters and conventions held on the wider theme of disability.
Dialogue

Dialogue, institutionalised in the trade union relations or the fruit of the free initiative of the parties, represents reciprocal enrichment and a valuable instrument to build a common way of thinking and acting, based on the identity of values and on the sharing of projects. The most important event during 2005 was BPU Ascolta (“BPU Listens”), the project for understanding the corporate climate by means of which we set ourselves the task of listening to the perceptions, feelings and hopes of all those who, through their work, represent the Group’s strength.

Between 5 and 23 September 2005, from Milan to Cosenza, from Lausanne to Bari, from Bergamo to Jesi, for the first time each one of the 14 thousand plus employees of all the Group companies expressed their opinion on the “work group” and on the company they belong to. The survey, carried out in cooperation with Great Place to Work ® Institute Italia – a leading consulting firm in the sector at international level – is expected to provide us with valuable indications for establishing effective and targeted action for the improvement of the management and organisational efficiency.

With an overall response rate of 82%, the number of those taking part in the internal climate survey exceeded all expectations, if one takes into consideration that normally the replies do not exceed 60-70% of the questionnaires sent. Great Place to Work defines this result as “to be noted among the success cases”.

BPU ASCOLTA

With an overall response rate of 82%, the number of those taking part in the internal climate survey exceeded all expectations, if one takes into consideration that normally the replies do not exceed 60-70% of the questionnaires sent. Great Place to Work defines this result as “to be noted among the success cases”.

**Result**

- Not returned: 6%
- Returned blank: 12%
- Questionnaires returned filled in: 82%

**Questionnaires filled in (in percentage)**

- BPA: 85%
- BF: 80%
- BPS: 75%
- BPI: 66%
- BPU: 60%
- CARNIB: 60%
- CENTROBANC: 83%
- OTHERS COMPANIES: 83%
- GRUPPO: 82%
Together with the publication of the Group’s Values Charter and the drawing up of the Code of Conduct, BPU Ascolta is an important element of the **BPU Group’s Vision, Mission and Values** programme - at the centre of the internal communication commitments - and represents a further step towards the realization of our socially responsible company project. The staff’s adhesion to the initiative was enormous, as witnessed by the number of responses received: over 11,500 questionnaires are now being examined by the various corporate components for the analysis of the results and the identification of the possible areas of improvement.

BPU Ascolta opens a new two-way communication channel, which joins the institutional relations with the trade unions and the internal communication activities. The latter are entrusted with the task of furthering and expanding the distinctive strength of our corporate culture through emotive and professional involvement and the continuity and timeliness of the information.

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**RELATIONS WITH THE STAFF**

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**BPIÙ 2005**

**THE TOPICS**
- BPCI IT migration
- MASTER Programme
- Social Report
- BPU Values Charter
- Internal Climate Survey
- News/presentations of the Group Banks and Companies
- Product/project presentations
- Teaching School Project
- 2006 Training Courses
- PattiChiari project (“Clear terms” Italian Banking Association project)
- Menichella Prize awarded to Banca Carime

**THE SURVEYS**
- Society and Work
- The values which guide us
- BPU Ascolta
- Colleagues’ area
- The new Graduates of BPIU
- The BPIU shelf
- BPIU in music
Internal communications
On the first of July 2003, Bpiù was launched, a two-monthly publication containing corporate information and culture for the staff of all the companies of the newly-formed BPU Group: 52 pages printed on glossy ecological paper featuring an editorial style aimed at creating involvement and participation in the main development steps of the Group; all without omitting an informal area where each employee can propose subjects dedicated to leisure time or reflections on a wide range of subjects.

Institutional meetings and conventions are the most important occasions during which we seek to acquaint management, and via the latter all the employees, with the projects and corporate objectives and make them aware of the performance and the positioning of the BPU Group on the markets.

During 2005, we mainly organized encounters for the operators of the individual markets (retail, private and corporate) on subject matters of specific interest and conventions on the review of the business plan. These events, organized at Group level, are completed by others, no less important, organised by the individual companies in order to discuss and analyse subjects of specific interest pertaining to their sectors and in order to enhance internal enthusiasm and sense of belonging.

Let us not forget that also retired staff continue to bear witness to the values and the identity of the bank or company in which they followed their professional path and spent a good part of their life: in line with continuity of the relationship, we have organised an annual convention and other occasions for encounter during which General Management has illustrated operational performance and results achieved by the Group.

Trade union relations
9 Trade Unions are present within the Group, to which 79% of the staff belong. During 2005, over a period of 36 days of meetings at Group level, we negotiated on subjects of great importance such as the update of the Industrial Plan, the harmonization of the professional roles and the related treatment (agreement dated 21 July 2005), and the confirmation and enhancement of the system of guarantees, already envisaged by previous trade union agreements, for those employees affected by the reorganisation measures included in the Industrial Plan (agreement dated 18 February 2006).

In relation to the negotiations for the re-organisation of the BPU unit at Jesi (securities back office) - concluded positively within the sphere of the agreement dated February 2006 - three of BPA’s trade unions (FIBA CISL, FISCA CGIL and Dircredito) called a strike which involved around 500 employees for 2 days. The dispute was then settled in the afore-mentioned Group agreement dated 18 February 2006. Another days’ strike, which saw the participation at Group level of around 1,300 employees, was by contrast linked to national political events.
On the basis of a concept of sound and profitable bank, efficient and socially responsible, capable of having a positive impact on the territories where it operates; we build a prospect of lasting value for all our shareholders’ investments.

BPU Banca is a co-operative company with variable capital. The share capital is represented by shares, listed on the Milan Stock Exchange in the Blue Chip segment of the Screen-based Share Market (MTA) and in the After Hours Markets (TAH) and included in more than 40 international stockmarket indexes, amongst which Standard & Poor’s (including S&Pmib), Morgan Stanley (MSCI Italia), Bloomberg, Dow Jones and the FTSE.

Listing on an organised market guarantees the transparency of the formation of the price, while the presence in a wide number of stockmarket indexes encourages a greater amount of trading and therefore greater liquidity of the stock, in consideration of the visibility on the market and the inclusion in the portfolios of institutional investors. The interest shown by institutional investors and the ratings given by analysts and rating agencies are important points of reference when working for a continuing improvement of our operations and in the valuations of many small investors who represent the solid base of our shareholding structure.

### RELATIONS WITH VOTING AND NON VOTING SHAREHOLDERS

The Investor Relations Division has the task of divulging awareness of BPU by means of clear, complete and timely disclosure and of increasing the presence of institutional investors in the capital, monitoring the quality and the diversification of investors and the stability of the stock.

**Market interest grows:** 22 analysts - 14 international and 8 Italian - kept our stock under observation during 2005 (the number was 12 in 2003). In March 2006, the number of analysts who study the company and issue recommendations on BPU stock came to 23. Currently, we have 10 purchase indications, 12 maintain indications and 1 sell indication.

#### The opinion of the rating agencies improves

<table>
<thead>
<tr>
<th>STANDARD &amp; POOR’S</th>
<th>MOODY’S</th>
<th>FITCH</th>
</tr>
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<tbody>
<tr>
<td><strong>Short-term</strong></td>
<td><strong>Long-term</strong></td>
<td><strong>Financial soundness</strong></td>
</tr>
<tr>
<td>AAA</td>
<td>Aaa</td>
<td>AAA</td>
</tr>
<tr>
<td>AA+</td>
<td>Aa1</td>
<td>AA+</td>
</tr>
<tr>
<td>AA</td>
<td>Aa2</td>
<td>AA</td>
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<tr>
<td>A-1+</td>
<td>Aa3</td>
<td>A</td>
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<td>A-1</td>
<td>A1</td>
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<tr>
<td><strong>Short-term</strong></td>
<td><strong>Long-term</strong></td>
<td><strong>Financial soundness</strong></td>
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<tr>
<td>B</td>
<td>Baa1</td>
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<tr>
<td>BBB+</td>
<td>Baa2</td>
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</tr>
<tr>
<td>B+</td>
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<td>BBB+</td>
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<tr>
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<td>B2</td>
<td>BBB+</td>
</tr>
<tr>
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</tr>
<tr>
<td>CCC+</td>
<td>Caa</td>
<td>BBB+</td>
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<tr>
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<td>BBB+</td>
</tr>
<tr>
<td>CC</td>
<td>C</td>
<td>BBB+</td>
</tr>
</tbody>
</table>

### Ethical indexes

**BPU Banca in the ethical indexes:** our stock is included in the Ethical Index Euro and in the Ethical Index C, two ethical indexes created and managed by E.Capital Partners, the first of which is replicated by the ETF B1-Ethical Index Euro.
The value of the investment

The profitability prospect and the equity consistency are two fundamental elements for the determination of the value of the company, which is reflected in the market value of its shares. The market continues to reward us and to positively assess our work: the BPU Group is seen as a sound and well-established group, with a credible industrial plan. All this is also demonstrated by the performance of the stock: on 1st July 2003, first day of listing, BPU Banca was worth a total of Euro 4 billion on the market, today - with a listing of around Euro 20 – on average it is worth around Euro 7 billion (+ 67%).

The profitability objectives declared in the business plans have so far always been achieved, with profits which have allowed us to offer our shareholders returns which are amongst the best of the market. During the first two years of life, we paid a dividend of Euro 0.67 per share, raised this year to Euro 0.75. The dividend policy implemented, progressively improving in relation to the achievement of the objectives of the Industrial Plan, takes into account the need to reconcile the return expectations of the investors and the financing of corporate growth through constant strengthening of the capital base.

<table>
<thead>
<tr>
<th>SHARES INDICATORS</th>
<th>2005</th>
<th>2004a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares outstanding at year end including:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>regular dividend ranking date 1 January</td>
<td>344,049,564</td>
<td>342,451,374</td>
</tr>
<tr>
<td>differentiated dividend ranking date 1 July 2004</td>
<td>344,049,564</td>
<td>337,189,127</td>
</tr>
<tr>
<td>differentiated dividend ranking date 1 January 2005</td>
<td></td>
<td>5,261,125</td>
</tr>
<tr>
<td>Last official price of the year</td>
<td>18,570</td>
<td>14,949</td>
</tr>
<tr>
<td>Maximum official price for the year</td>
<td>19,103</td>
<td>14,965</td>
</tr>
<tr>
<td>Minimum official price for the year</td>
<td>14,868</td>
<td>12,883</td>
</tr>
<tr>
<td>Average official price for the year (average daily listing of Borsa Italiana)</td>
<td>16,757</td>
<td>13,910</td>
</tr>
<tr>
<td>Market capitalization at period end 1 (€ mln)</td>
<td>6,389</td>
<td>5,116</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated shareholders’ equity excluding net profit (€/1,000)</td>
<td>4,028,195</td>
<td>3,606,844</td>
</tr>
<tr>
<td>Consolidated net profit (€/1,000)</td>
<td>680,860</td>
<td>336,569</td>
</tr>
<tr>
<td>Consolidated shareholders’ equity per share (Book value)</td>
<td>11.71</td>
<td>10.53</td>
</tr>
<tr>
<td>Price / Book value1</td>
<td>1.59</td>
<td>1.42</td>
</tr>
<tr>
<td>Consolidated earnings per share (EPS)1</td>
<td>1.98</td>
<td>0.96</td>
</tr>
<tr>
<td>Price on earnings per share (Price earnings)1</td>
<td>8.47</td>
<td>14.15</td>
</tr>
<tr>
<td>Average earnings per share (EPS)2</td>
<td>0.75</td>
<td>0.67</td>
</tr>
<tr>
<td>Unitary dividend / earnings per share (Payout)</td>
<td>65.93%</td>
<td>78.73%</td>
</tr>
<tr>
<td>Return (Dividend Yield)3</td>
<td>4.48%</td>
<td>4.82%</td>
</tr>
</tbody>
</table>

Note
1 Profit including non-recurrent items / number of shares outstanding at year end.
2 Average official price for the year / consolidated earnings per share.
3 Calculated taking into account the official price at year end of the securities with differentiated dividend ranking date 1 January 2005, equal to Euro 14.30.
4 Average official price for the year / book value per share.
5 The values for 2005 are only partly comparable with those relating to 2004, since the net profit for the year of the Parent Company relating to 2004 makes reference to the financial statements drawn up in accordance with Italian Legislative Decree No. 87/92.

Performance of BPU Banca stock as from 1 July 2003 compared with the main indexes

![Chart showing performance of BPU Banca stock compared with main indexes]
The profitability and financial soundness conditions are reflected in the valuations of the main rating agencies, which express medium/high levels of credit standing with prospects for improvement. During 2005, Fitch raised its rating on our financial soundness from C to B/C, in relation to the strengthening of our capital base and to the efforts made in order to further improve asset quality, and assigned a positive outlook, followed in this by Standard&Poor’s at the beginning of 2006. The improvement of the outlooks suggests a potential raising of the rating if the Group revenues continue to increase and credit risk remains low.

By means of the purchase or subscription of the shares, the shareholders enjoy all the economic rights - right to the dividend and to take part in share capital increases - but not the administrative rights - primarily participation to shareholders’ meeting - which may only be exercised by the voting shareholders.

### Geographic distribution

Italy and North America prevail and represent around 60% of the institutional shareholding base (53% in 2004), the UK and Ireland fell (from 28.5% to 19%) while continental Europe rose (from 16.5 to 21.4%)

### Investment style

The number of companies with “growth” and “value” investment style increased (50% compared with 45% in 2004).

During 2005, 357.5 million shares (+44.4%) were traded on the Stock Exchange, i.e. more than the total number of shares outstanding. The leading 20 international brokers covered 78% of the trades.

The information relating to dividend payment requests in May 2005, reveals that a quarter of the share capital is held by around a thousand institutional investors (half of which foreign).
The value of the participation

The shareholder, holding at least 250 shares, can become a voting shareholder by sending a written request to the Bank. The Board of Directors assesses the applications and resolves on the admission and the registration in the Voting Shareholders’ Register. During 2005, we received 289 applications for admittance as voting shareholder, all of which were accepted. In accordance with Article 15 of the Articles of Association, in December the Board of Directors resolved the cancellation of 4,446 former voting shareholders who emerged as no longer holding shares and who, having been notified in writing, had not sent any documentation to the contrary.

It is the prerogative of the voting shareholder to participate actively in the affairs of the Bank by voting for the appointment of the directors, for the approval of the annual financial statements and for the other decisions reserved for the ordinary and extraordinary General Shareholders’ Meeting. Within BPU Banca, since it is a co-operative company, participation has a greater value, since all the voting shareholders have equal dignity and importance: each voting shareholder can express just one vote irrespective of the number of shares held.

In order to guarantee all the voting shareholders the effective and correct exercise of their general

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**The Voting Shareholders Office** proposes and co-ordinates the initiatives for the registered shareholders, whom it keeps constantly informed on the affairs and the initiatives of the Group. One of its main tasks is to organise the annual general meeting of the shareholders for the approval of the annual financial statements, guaranteeing the correctness of all the formal fulfilments and the image of the bank in this event central for social life.

**VOTING SHAREHOLDERS ATTENDING GENERAL SHAREHOLDERS’ MEETINGS**

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personally</td>
<td>1,626</td>
<td>1,750</td>
</tr>
<tr>
<td>By proxy</td>
<td>382</td>
<td>403</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2,008</td>
<td>2,153</td>
</tr>
</tbody>
</table>

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**THE “VALUE PROJECT”**

**BANKING SERVICES**

- **Asset management**
  - 25% reduction on annual management commission of the “GPF Obiettivo” of BPU Pramerica

- **Home mortgage loans**
  - Exemption from the preliminary documents costs on mortgage loans for the purchase, construction and restructuring of first home

- **Personal loans**
  - Exemption from the preliminary document costs for all personal loans and loan of up to Euro 2,600 at a facilitated rate for the education of children between 14 and 18 years of age

**INSURANCE SERVICES**

- **Family Civil liability insurance policy**
  - Up to Euro 100,000 for damages involuntarily caused to third parties, objects and animals by the subscriber or family members

- **Accident & injury policy**
  - In the event of death or permanent invalidity from accident, compensation equating to the equivalent value of the BPU shares (maximum 6,000) held at the time of the insured event

- **Hospital recovery allowance**
  - Allowance of Euro 25 for a maximum of 30 days in the event of hospitalisation, caused by accident, for a duration of more than 3 days

- **Safe withdrawal policy**
  - Compensation of up to Euro 1,033 for the loss of valuables following theft or robbery suffered when paying in or withdrawing
meeting rights - first and foremost the right to express themselves on the matters subject to discussion - we have adopted General Meeting Regulations drawn up in accordance with the layout proposed by ABI (Italian Banking Association) and Assonime, and approved by the General Meeting of the Shareholders held on 24 April 2004. The application of these regulations is supported by the use of one of the most advanced information systems for general meeting management available on the market. Each year we try to encourage participation to general meetings, also making a bus service available for the transportation of the voting shareholders from the main branches of the Group to the premises of the General Meeting, also in relation to requests received.

In tune with the co-operative spirit which gives life to popular banks, since 2004 we offer our voting shareholders a series of banking facilitations and insurance coverage which go under the name of the Value Project. The banking facilities are reserved for those voting shareholders who have a current account and have deposited their shares with a Group bank, while the insurance policies are available to all voting shareholders. At the end of 2005, 47 voting shareholders had benefited from insurance protection, having reported insured events for a value of Euro 264 thousand. 80% of the insured events have already been settled, for a total of Euro 240 thousand.

New initiatives are currently being put together in order to widen the range of benefits offered to the voting shareholders by means of the Value Project.

RELATIONS WITH VOTING AND NON VOTING SHAREHOLDERS
Dialogue

In the relations with our shareholders, we follow principles of correctness, clarity and parity of access to information, in full observance of the norms which discipline the listed issuers’ relations with the market.

In certain important moments however, personal contact is still irreplaceable: during 2005, in addition to the by now traditional conference calls, we intensified and diversified the encounters with institutional investors from a geographic point of view, choosing the occasions with the aim of promoting awareness of BPU Banca with the companies potentially interested in including the stock on an essentially permanent basis in their portfolios. We were also present – for the first time as BPU – on the institutional bond markets by means of a public road show passing through Milan, London, Paris and Frankfurt associated with the EMTN issues, during which we met with 33 companies.

Dialogue is by now continuous by means of the Group’s website, which has been subject to far reaching changes and enhancements.

With a monthly average of more than 36,000 accesses, concentrated mainly in proximity of the main corporate events, the website has confirmed itself as an instrument which is now indispensable for public disclosure. The section dedicated to the shareholders also contain information useful for attending general meetings and a selection of the institutional documentation of greatest interest. The Investor Relations section provides all the press releases, individual and consolidated yearly financial statements and interim and quarterly reports, on a timely basis; we also provide a page dedicated to the BPU stock and a page summarizing the latest approved financial data, which can be downloaded in Excel format.

So as to constantly improve the disclosure provided, we have launched on-going monitoring of the quality and appreciation for our site, also on the basis of the classification drawn up by companies specialized in the assessment of websites of listed companies at international level. The last comparison carried out half way through December disclosed a number of critical areas, mainly of a technical nature, currently subject to intervention.
All our activities are constantly directed at improving quality and enhancing customer loyalty. We wish to have a long-lasting relationship with our customers, based on trust, and therefore we commit ourselves to always inspire our commercial conduct to the principles of legality, transparency, correctness, reliability, responsibility and quality which are the basis of our professional ethics.

Our work complies with objectives of social interest, based on the transformation of savings into investments by means of deposit taking and lending activities impacting on the financial resources of families and businesses. Its value does not lie in the mere sale of one or more products, but in the continuity of a service capable of satisfying a plurality of needs undergoing continual evolution.

For this reason we have placed the customer and his requirements at the centre of our commercial action with an organisation model, the same for all the network banks, in which there is enormous team work behind each single relationship. The Parent Company’s specialists process the knowledge acquired from the banking networks and return to them targeted commercial strategies for each

RELATIONS WITH THE CUSTOMERS

THE BPU COMMERCIAL MODEL: “THE VIRTUOUS CIRCLE”

Customer Relationship Management – introduced by means of the MASTER (Improve Approach Skills Technologies Experiences Relations) programme documented in last year’s social report – is the technological and organizational infrastructure which supports the account managers in the commercial development of the customer base. Its application in the new Group distribution model by market segment creates a “virtuous circle” which generates value for the customer and for the bank.

The account manager is at the centre of the relationship between bank and customer:

• he is aware of the commercial objectives set for his own organisational structure and plans the quarterly and monthly commercial strategy on the portfolio
• he assigns the priorities to the commercial action and operatively plans contacts and meetings
• he knows the Customer and how to handle the commercial contact (“the right product to the right customer”)
• he constantly analyses the effectiveness of the commercial action taken and evaluates any corrective action.

Now, through the implementation of the Customer Caring campaigns, we are currently exploiting the knowledge and the capabilities developed by means of the MASTER programme so as to constantly follow the evolution of the needs of the customers over the medium/long-term.
customer segment and innovative products and services created in cooperation with our product companies. Within the network banks, the account managers plan and implement the most appropriate commercial action and give the Parent Company and the product companies the necessary feedback to allow continuing innovation of products and services offered.

This team work - consequence of the new distribution model by market segment now completely operative - rests on an innovative IT platform and on an intense and focused staff training programme.

Each account manager disposes of IT instruments which allow him to plan, manage and monitor his activities by means of personalized and in-depth analysis of the characteristics and conduct of each customer and of the customer portfolio as a whole. Each customer is entrusted to just one account manager, who in this manner has an overall view of the customer’s needs and potential and his level of satisfaction.

THE DEVELOPMENT OF THE MASTER PROGRAMME

An essential component of the MASTER programme is the intense and focused training activities for the network staff, which during 2005 represented 25% of all the training activities.

After qualification for the new roles by means of training in the classroom and on the field, activities are now dedicated to support and maintenance to consolidate and perfect the commercial conduct introduced.
Professional ethics

With the new distribution model, we have changed our approach to the market, but we have maintained the will to distinguish ourselves and to emerge with respect to the competition by means of the ethical nature of our conduct, always consistent with the declared reference values.

This is why we have included norms in the new Code of Conduct which might seem obvious, but which we have in any event chosen to reaffirm because we require their observance by all our stakeholders. At all levels in our organisation, it is forbidden to have commercial relations with:

- parties involved in criminal activities such as, by mere way of example, arms and drugs trafficking, money laundering and terrorism;
- parties lacking, as far as it is known, the requisites of respectability, seriousness and reliability;
- parties who, even indirectly, show conduct contrary to individual freedom and status and/or violate or contribute towards violating the fundamental rights of the individual.

RELATIONS WITH THE CUSTOMERS

PRODUCT QUALITY

The quality of all our products, irrespective of compliance with Patti Chiari is certified by our Products Committee, which assesses the related features and price in relation to legislation - external and corporate - and to the market. For each product proposed, the Group product companies declare the price policies adopted and related positioning on the market to the Products Committee.

As an additional guarantee for the customers, we have joined the PattiChiari Consortium promoted by the Italian Bankey Association. All the Patti Chiari products are submitted for initial and periodic certification by an independent body which guarantees the compliance of the effective conduct with the content matter of the reference principles.
Our Code of Conduct has the purpose of preventing conduct of a criminal nature, but during daily activities many other situations present themselves where the reference to shared ethical norms is important.

ABI, the Italian Banking Association, has an important role in integrating the norms relating to banking and financial operators with codes of self-discipline aimed at improving the transparency and quality of the bank-customer relationship. Among the main codes proposed by ABI to the associated banks, there are the Code of Conduct for the Banking and Finance Sector dated 1996 and the Code of Conduct on Mortgage Loans dated 2002, both of which we comply with.

In 2003, we joined the Pattichiari Consortium, promoted by ABI so as to launch a series of initiatives for improving relations with the clientele by means of greater clarity, transparency, comprehensibility and comparability of the banking products and services and by means of communication and financial education campaigns targeted at the general public.

FINANCIAL MARKET FOCUS

Apart from specific contracts pertaining to the private banking area, the network banks’ commercial structures do not carry out advisory activities vis à vis their customers for the purchase of financial instruments. However, we consider it right for the Bank to provide its customers with the information necessary to allow them to correctly assess the risk-return ratio of the various investment opportunities, so that they may effect their choice in the most informed manner. For this reason, since 2003 the Financial Market Focus service processes and distributes a certain number of periodical publications - BPU Selezione fmf – on stock & share finance and financial instruments and - via the fmf risponde service - provides on-line support, via telephone or e-mail to the sale structures of our network banks.

- Morning outlook: data, events and trend of the financial markets
- Bullet point: monographic publication on economic-financial subjects published weekly
- Macro-economic scenario: global events and macro-economic data
- BPU Basics: technical-operative sheets for consultation
- IPO News/ BPU Mechanics: sheets presenting new shares/bond structures
- BPU Bonds-Global scenario: overview of the capital markets, sovereign issuers and leading companies
- Rating survey: disclosure on the rating variation of securities belonging to BPU Selezione fmf

NO TO ARMS

The BPU Group has chosen to “refrain definitively from the provision of all the banking and financial services directly connected to transactions associated with the export, import and transit of arms and weapons”.

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Apart from specific contracts pertaining to the private banking area, the network banks’ commercial structures do not carry out advisory activities vis à vis their customers for the purchase of financial instruments. However, we consider it right for the Bank to provide its customers with the information necessary to allow them to correctly assess the risk-return ratio of the various investment opportunities, so that they may effect their choice in the most informed manner. For this reason, since 2003 the Financial Market Focus service processes and distributes a certain number of periodical publications - BPU Selezione fmf – on stock & share finance and financial instruments and - via the fmf risponde service - provides on-line support, via telephone or e-mail to the sale structures of our network banks.

- Morning outlook: data, events and trend of the financial markets
- Bullet point: monographic publication on economic-financial subjects published weekly
- Macro-economic scenario: global events and macro-economic data
- BPU Basics: technical-operative sheets for consultation
- IPO News/ BPU Mechanics: sheets presenting new shares/bond structures
- BPU Bonds-Global scenario: overview of the capital markets, sovereign issuers and leading companies
- Rating survey: disclosure on the rating variation of securities belonging to BPU Selezione fmf

The BPU Group has chosen to “refrain definitively from the provision of all the banking and financial services directly connected to transactions associated with the export, import and transit of arms and weapons”.
Service offered to individuals

Our mission as a popular bank includes responsibly serving the families with products and services fitting their saving and spending capacity and their need for protection against risks, i.e. to constantly offer the right service at the right price to the right customer, within a logic of mutual advantage.

Thus, if on the one hand under the BPU Private Bank trademark we can propose extremely personalized and sophisticated services to our 38,000 plus private customers for the management of their assets, on the other hands by means of the modular nature and excellent costs/benefits ratio of products such as Duetto, we can satisfy the specific and diversified needs of a great many families of blue-collar workers, white-collar workers, pensioners and small economic operators who are the core of our clientele.

In order to assess our effective ability to offer the clientele advantageous solutions also from an economic point of view, during the first few months of the current year we appointed a company specialized in market surveys - Mercer Oliver Wyman - to carry out a study on the competitiveness of

RELATIONS WITH THE CUSTOMERS

The “package” current account Duetto, which can also be used via the Internet and telephone, is charged a fixed monthly fee for maximum transparency and gives access to banking and non-banking services and insurance products at facilitated conditions.

<table>
<thead>
<tr>
<th>BANK</th>
<th>Duetto Mini</th>
<th>Duetto Mio</th>
<th>Duetto Nova</th>
<th>Duetto Maxi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited number of transactions on the account, no penalty for closing the account, payment of bills (water, gas, electricity, etc.), monthly statement of account, cheque book (*)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>QUIPU to access your account 24 hours a day through the internet or the telephone</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Maximum overdraft allowed on the account</td>
<td>5,000 euro</td>
<td>5,000 euro</td>
<td>5,000 euro</td>
<td>10,000 euro</td>
</tr>
<tr>
<td>Payment cards</td>
<td>Bancomat</td>
<td>Libra</td>
<td>Libra</td>
<td>(2 cards if the account is held jointly)</td>
</tr>
<tr>
<td>Securities deposit</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50% discount on safety deposit boxes</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30% discount on preliminary document costs on mortgage loans</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

INSURANCE

| 15% discount on “Sicurezza Auto” Car insurance for coverage against fire and theft, special events and additional guarantees | ✓ | ✓ | ✓ | ✓ |
| 15% discount on “Sicurezza Casa” Home insurance of at least 150 euro | ✓ | ✓ | ✓ | ✓ |
| 15% discount on “Dolcevita” P&C insurance coverage policy with premium of at least 200 euro | ✓ | ✓ | ✓ | ✓ |
| Accident policy | ✓ | ✓ | ✓ | ✓ |
| Policy for the Civil liability of the family | ✓ | ✓ | ✓ | ✓ |
| Prelievo Sicuro (Safe withdrawal) policy | ✓ | ✓ | ✓ | ✓ |
| Duetto Salute (Healthcare insurance policy) | ✓ | ✓ | ✓ | ✓ |
| Duetto Pronto Intervento (Prompt intervention insurance policy) | ✓ | ✓ | ✓ | ✓ |
| Duetto Viaggio Sicuro (Travel insurance policy) | ✓ | ✓ | ✓ | ✓ |

Duetto Club:
A world of advantages, discounts and information. Some examples:

Discounts on sports courses, travel and camper rentals | ✓ | ✓ | ✓ | ✓ |
| Discounts on car tyres, subscriptions to magazines and in thousands of stores having a convention with the Bank | ✓ | ✓ | ✓ | ✓ |
| Discount on car and van rentals | ✓ | ✓ | ✓ | ✓ |
| Facilitated conditions on telephone and internet access services | ✓ | ✓ | ✓ | ✓ |
| A choice of discounts and facilitated conditions for Leisure Time or Profession | ✓ | ✓ | ✓ | ✓ |

(*) The commissions for the withdrawal of cash from other Banks’ automated tellers and stamp duty due by law are not included.

At the end of 2005, Duetto accounts opened came to 271 thousand, and to more than 294 thousand at the end of February 2006.
our current accounts and the main associated services when compared with the leading competitors. The results of the survey indicated that the average current account of the BPU Group during 2005 was more economic when compared with the sample average by between 10% and 20%.

Over the last few years, new social phenomena have emerged, such as the attention of consumers towards environmental and ethical problems when making their economic choices and the risks of social exclusion of the low-income segment of the population such as non-EEC immigrant citizens. The banks have been required to respond to such phenomena as part of their social responsibility strategies.

Some of our banks were ahead of their times with the first ethical bond issue in the 1980s and then with “Conto Progresso” and with the first social marketing campaigns and more recently with the Welcome project for immigrant citizens mentioned in the 2004 social report. Today, also thanks to the support of our product companies, we are currently further improving and developing these experiences.

THE MERCER OLIVER WYMAN SURVEY INTO THE COMPETITIVENESS OF THE BPU BANCA GROUP’S CURRENT ACCOUNTS.

**Aim:** identify the level of competitiveness of the BPU Group range for the current accounts dedicated to private customers, quantifying any advantage/disadvantage for the average BPU customer when compared with the main competitors (the top 8 Italian banking groups by total gross assets).

<table>
<thead>
<tr>
<th>PRODUCT TYPE</th>
<th>SURVEY RESULT</th>
<th>REASONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Average” current account of the BPU Group</td>
<td>More competitive than the average by between 10% and 20%</td>
<td>higher remuneration of the cash balances, lower fixed handling costs, more advantageous borrowing rate</td>
</tr>
<tr>
<td>Package current accounts (Duetto range)</td>
<td>More competitive than the average by around 15%</td>
<td>Lower costs on current transactions, Lower costs on loan services</td>
</tr>
</tbody>
</table>

NO PENALTY ON THE CLOSURE OF BPU GROUP CURRENT ACCOUNTS

(in 2005, the penalty was applied to less than 0.1% of private customers holding current accounts - around 300)
Basic banking services - The InItaly project
Nearly 60% of regular immigrants in Italy are customers of a bank. This means that non-EEC citizens now represent a specific customer segment whose social integration the banks can make a significant contribution towards. In 2005, by way of development of the Welcome project originally launched by Banca Popolare di Bergamo, at Group level we set up the InItaly project, by means of which we intend to offer non-EEC immigrant citizens economically accessible basic services, including remittances abroad, and above all a welcome capable of overcoming cultural, linguistic and psychological barriers which may hinder a reciprocally advantageous relationship.

“Ethical” investments - BPU Pramerica Azionario Etico
BPU Pramerica Azionario Etico is an open-end fund targeted at investors who have a propensity towards high risk and wish to invest their capital over the long-term in companies engaged in sustainable growth. In the definition of the investment choices, alongside traditional parameters such as the financial return and the business strategies, considerations of an ethical nature are of importance - especially with reference to involvement in controversial sectors - together with those regarding the quality of the management and the corporate governance system, the achievement of social performances and respect of human rights.

RELATIONS WITH THE CUSTOMERS

InItaly is:
✓ a current account available in two versions: Basic and Top, which can include:
  • Prepaid rechargeable cards
  • Personal loans
  • Home mortgage loans
  • Car, home and family insurance policies
  • Sureties and healthcare policies

✓ a training programme on “Intercultural nature and Migrant Banking” dedicated to our branch staff so as to make them:
  • gain awareness of the elements which characterize the migratory phenomenon and the multicultural working context;
  • get to know the main elements of the various cultures which we enter into contact with;
  • acquire the skills necessary for efficient intercultural communication.

✓ a guide to banking services drawn up specifically for foreign citizens in four languages (English, French, Arabic and Spanish) and available in all the branches and at the institutions acting as a point of reference for immigrant citizens such as the Immigration Centres and Police Headquarters.

✓ a co-operation project with the local economic operators and the associative bodies of the countries of origin of the non-EEC immigrants, so as to turn to account their cash remittances by means of the promotion of entrepreneurial initiatives which encourage the growth of the local economic and social fabric.
Consumer Credit - Social marketing campaign “Cambia la carta, cambia il mondo – Change card, change the world”

In 2005, we involved our customers in an important solidarity initiative promoted by CESVI, a non-governmental organization whose projects for combating poverty in various parts of the world we have been successfully contributing towards for some years now. “Change card, change the world” is a social marketing campaign by means of which we have promoted our new credit card Lybra Mastercard. For each credit card issued in replacement of another card held by the customers, the bank has pledged to give Euro 3 to CESVI - up to a maximum limit of Euro 300,000 - for one of the four projects proposed by the Association at the customer’s choice.

BPU PRAMERICA AZIONARIO ETICO

There are values which it is worth investing in

Criteria for the selection of the portfolio securities

NEGATIVE
(exclusion of companies operating in sectors considered not to be “Socially Responsible”)

- Tobacco
- Arms
- Alcohol
- Gambling
- Pornography
- Nuclear

POSITIVE
(selection of companies with high “Corporate, Social and Environmental Responsibility” standards)

- Production process
- Environmental impact
- Relations with the Community
- Relation with the staff
- Relations with the customers
- Relations with abroad
- Transparency
- Corporate governance

“CAMBIA LA CARTA, CAMBIA IL MONDO”
(“CHANGE CARD, CHANGE THE WORLD”)

Euro 300,000 for CESVI humanitarian projects in four different spheres of intervention:

- Takunda Fund against Aids affecting mothers and children in Zimbabwe;
- Reconstruction and development after the tidal wave in the Indian Ocean;
- Development of micro-businesses in Uruguay;
- Environmental conservation and human development in the southern African states.
Service offered to businesses

Within the current European and international business context, our country's entrepreneurial system - and in particular the smaller companies which make up its framework - is involved in a difficult challenge for competitiveness, which is played out mainly on the fields of technological innovation and internationalisation.

In this challenge, our companies emerge as penalized both by infrastructural factors and by the reduced corporate dimension and the consequent difficulties in achieving economies in the acquisition of production factors and in finding adequate financial resources on capital markets.

As a popular bank, traditionally linked to the local entrepreneurial fabric of our reference territories, we strongly feel the responsibility of being an effective partner of businesses. For this reason, over the last few years we have concentrated a great deal on the development of new banking products - such as the package current account **Utilio** launched in 2004 - and new finance lines also in cooperation with the trade associations and the guarantee bodies, as well as on the conveyance of public funds for regional, national and EC aid programmes. Because our network banks operate with a significant

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### RELATIONS WITH THE CUSTOMERS

The “Utilio calculator” accessible from the website www.utilio.it makes it possible to calculate in an indicative and transparent way the saving which can be obtained via Utilio.

<table>
<thead>
<tr>
<th>Bank</th>
<th>Utilio.mix 60 euro per month</th>
<th>Utilio.web 62 euro per month</th>
<th>Utilio.maxi 69 euro per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current account: number of yearly transactions included</td>
<td>200</td>
<td>300</td>
<td>500</td>
</tr>
<tr>
<td>Business credit card “Libra Business”</td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>Discount on internet banking and self service</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>Discount on preliminary documentation costs on leasing contracts and medium to long term mortgage loans</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>No administration charges or the securities deposit</td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>Opening of banks personal account free of charge for the first six months</td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
</tbody>
</table>

### Insurance and Social security

- Accident insurance for partnerships and family businesses (pay special in case of death or permanent disability equal or higher than 60%)
- Motor insurance: 15% discount on the premium for coverage against fire and theft, additional insurance against fire and theft, road safety additional insurance, special events
- Comprehensive and Flexible Liability policies for coverage of typical risk of the business: 15% discount on the premium at the time of signing the contract
- Insurance policy against damage to electronic machinery and equipment
- Insurance policy against the risk of superannuation and long term injury termination
- Motor insurance: Comprehensive insurance policy
- All-Risk insurance: general indemnity insurance policy
- Reimbursement of admission fees to our agents and personal cards

### Savings

- Discounts on fixed and mobile internet services (10% of monthly operations)
- Discounts on fixed telephony services with bundling system
- Discount on preferential at ATM payments
- Discounts on preferential at big payment systems
- Discounts on cheque guarantee, guarantee letters, subscription to magazines, leisure time
- Discounts on conference information, express couriers, personnel research

### E-Commerce

- On-line store
- Free delivery
- Discount on catalogue
- Information (legal, fiscal, jobs, etc...)

At the end of 2005, over 52 thousand entrepreneurs had already tested the advantages of Utilio.
market share in a number of the regions of greatest presence of the industrial districts, together with Prometeia we have launched an in-depth analysis into the entrepreneurial situations in these areas, so as to be able to propose and confirm ourselves as reference bank with an increasingly qualified and focused offer.

The ABI (Italian banking Association) Observatory survey on “Customer Satisfaction, the needs and the expectations of small businesses”, which our network banks took part in once again in 2005, is an important occasion for verifying the strategies and the commercial approaches implemented with the new distribution model. From the point of view of the relationship, the opinion of the client companies expresses overall greater satisfaction than in the past. Aspects which were particularly appreciated included the figure of the account manager as the sole point of reference for the business with regards to its relation with the Bank; also, the greater pro-activity when creating contact and commercial proposal occasions and the contents of the offer are considered favourably, both representing qualifying aspects of the MASTER programme.

The results of the ABI Observatory on Customer Satisfaction are important evaluation elements to determine action needed to improve service. The greatest margins of improvement, as in the past, concern the perception of the costs/benefits ratio of the service, the equity and the social role covered by the Bank. Carime is the Bank which shows the greatest progress when compared with last year, drawing considerably closer to the levels of image and quality of relationships of the BPU brand.
The agreements
We currently have in place more than 300 agreements with Trade Associations and Guarantee Bodies, with the aim of supporting the capitalization of the businesses, optimising the financial sources and ensuring them greater economic and equity soundness, by means of ordinary and specific loans for competitive growth.

BPU Banca co-ordinates the network, the commercial offer and the creation of new products, evaluates the agreements and monitors the related performance; the network banks oversee relations at local and operational level, perform the credit examination and disburse the loans, define the joint bank/authority initiatives for the development of the business and carry out all the administrative activities associated with the transactions.

Relationships with the Guarantee Bodies - the Confidi - take on particular importance for us, also in view of the imminent enforcement of the new Basle Agreement on Bank Supervision (so-called Basle 2). This agreement will impose on the banks new and more efficient criteria for the assessment of the risk factor affecting their loans and consequently for calculating the related capital absorption for supervisory purposes and therefore the cost for the customer.

### RELATIONS WITH THE CUSTOMERS

#### CREDIT FACILITIES FOR BUSINESSES

All the Group Banks, exception made for the specific requirements which characterize the various economic areas of reference, have the same commercial offer structure, which envisages the identification of 5 macro-lines in relation to the purpose of the loan:

**SHORT-TERM FACILITIES**
- Opening of current account credit facilities - Import/export advances - Portfolio - Advances on invoices in Italy

**COMPANY LIQUIDITY AND COMMERCIAL GROWTH FACILITIES**
- Stocks and raw materials - TFR (severance fund) - Liquidity - VAT credits - Payment of taxes - Wages beyond 12th instalment - Attendance of trade fairs and exhibitions - Gold loans

**FACILITIES FOR SPECIAL AND/OR ASSISTED LOANS**
- State grants - National, regional, provincial assisted loans laws - FEI funding - Artigiancassa - Anti-usury - Natural calamities Restructuring / consolidations - Sabatini law, leasing, Italian Law No. 598, Italian Law No. 234, etc.

**SME COMPETITIVE GROWTH FACILITIES**
- Manufacturing investments - Re-capitalization - Research and technological innovation - ICT - Organisational, commercial, management innovation - Quality certification - Environmental protection and energy saving - Health & safety of workers - Staff training and job creation - Internationalisation projects

**MORTGAGE FACILITIES**
- Medium/Long-term mortgage loans - Land-property loans

In order to support the internationalisation of businesses, we have entered into an agreement with the Austrian Popular Banks (OEVAG) Group in Vienna, whose network of branches extends from the Balkan countries to the Czech Republic, Hungary, and Rumania. Our customers can avail themselves of the services of the OEVAG international structures under the same conditions applied to local customers. Dedicated Italian-speaking desks are available in the main branches.
With the operative involvement of the main territorial associative bodies, we have created 5 credit lines for over Euro 350 million at favourable economic conditions dedicated to the competitiveness and growth of Italian businesses.

**EQUITY ENDOWMENT**

- Improvement of the financial structure
- Enhancement of the equity structure
- Dimensional growth

Loans up to 5 years - with a period of interest only payments - against conferrals of capital by shareholders/owners of the companies

Plafond: 65 mln €

**PLANT MODERNIZATION AND REPLACEMENT**

- Implementation of new fixed investments
- Modernization or replacement of the plant for technological improvement also in terms of greater productivity, safety and environmental protection

Loans up to 100% of the investment, with a duration of between 5 and 7 years

Plafond: 85 mln €

**RESEARCH & DEVELOPMENT**

- Research and technological innovation for the creation of new products and manufacturing processes
- Organisational, commercial and management innovation and strategic re-positioning
- Investments with regards to the environment, energy savings and technological modernization

Loans up to 100% of the investment, with a maximum duration of 5 years of which interest only payments for 12 months

Plafond: 70 mln €

**MADE IN ITALY**

- Competitiveness and development of the “Made in Italy” industry, valorisation and protection of the brand (product traceability, origin labelling)
- Internationalisation, commercial penetration, innovation and strategic /organisational /commercial re-positioning, samples, collections, prototypes
- Quality certification and staff training

Loans between 18 and 36 months with interest only payments from 6 to 12 months

Plafond: 100 mln €

**TOURISM**

- Competitiveness and development of the businesses belonging to the tourism sector
- Strengthening of the position on the domestic and foreign markets
- Enhancement of the environmental, artistic and cultural resources
- Measures for the renewal, re-qualification and development of the touristic offer, also in terms of quality and service innovation

Loans with a duration of between 2 and 5 years - of which 6 months interest-only payments - up to 100% of the investments

Plafond: 25 mln €

These initiatives, created and proposed at Group level, join those developed autonomously by each network bank at local level.
The Confidi (guarantee bodies) can have a key role as “mediators” and “communication facilitators” between bank and business, as well as providers of guarantees.

We have set up permanent Work groups at territorial level with many Confidi so as to launch a joint preparation course for the commitments and changes imposed by Basle 2 and Work groups dedicated to identifying and developing all the possible measures aimed at facilitating access to credit for small and medium-sized businesses.

The role of territorial banks like ours will be strengthened by the implementation of Italian Law No. 80/2005 (Plan of action for economic growth), which has introduced far reaching innovations in the field of government concessions for businesses. The law states that the access to financing handled by the Ministries, Regional Authorities and other Bodies is dependent not only on the traditional preliminary facilitation procedures carried out by a “concessionary bank”, but also on the disbursement of a medium/long-term loan and/or leasing at market conditions. Together with Centrobanca we are currently defining a plan of action and a targeted commercial offer.

**RELATIONS WITH THE CUSTOMERS**

**ACTIVITIES OF THE NETWORK BANKS UNDER AGREEMENTS WITH THE GUARANTEE BODIES, TO SUPPORT BUSINESSES**

- **Over 8,400 transactions concluded in 2005 (+ 32.9%)**
- **Over Euro 422 million disbursed in 2005 (+ 49.8%)**
- **Loans outstanding: Euro 1.2 billion at the end of 2005 (+ 26.3%)**

In Lombardy we are leader with regards to loans to craftsmen, with a market share of 20% (Artigiancredit Lombardia Observatory on Lending to Lombardy Craftsmen - 2004 figures).
The “Industrial Districts” project (Highly specialized areas)

The industrial districts represent a winning and original method by means of which the Italian manufacturing system has tackled international markets. Now, faced with the exacting challenges of globalisation and innovation, industrial districts are experiencing a difficult phase of adaptation and re-launch which also requires adequate financial support.

In cooperation with Prometeia, we have set up an interfunctional work group which, by mapping of the entire Italian territory and subsequently focusing on the territories where we are present the most, will lead us to the identification of the areas on which to concentrate the attention of our network banks. Throughout the entire national territory, we have identified 309 areas of “high sectorial specialization” (AFS) which compared to the traditional business districts also include the important agricultural and food, tourism and services sectors. Of these areas, 106 are strategic for our Group in relation to the share of branches which we have there and within these we have identified 40 areas which are high priority.

In relation to the businesses identified operating in the Highly specialized areas, each covered by a Group network bank - except in the case of a few overlappings - we are currently preparing targeted commercial offers using the vast range of products which the Group, with the decisive contribution of Centrobanca, is able to offer also in the sector of business consulting, innovative finance, assisted credit, leasing and e-commerce.

<table>
<thead>
<tr>
<th>Highly Specialized Areas</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metal-mechanical processing</td>
<td>24</td>
</tr>
<tr>
<td>Food processing</td>
<td>14</td>
</tr>
<tr>
<td>Textile processing</td>
<td>11</td>
</tr>
<tr>
<td>Electrical and Electronic processing</td>
<td>6</td>
</tr>
<tr>
<td>Timber and carpentry</td>
<td>5</td>
</tr>
<tr>
<td>Paper, media &amp; entertainment</td>
<td>4</td>
</tr>
<tr>
<td>Rubber and plastic materials</td>
<td>4</td>
</tr>
<tr>
<td>Machines and means of transport</td>
<td>4</td>
</tr>
<tr>
<td>Metal products</td>
<td>4</td>
</tr>
<tr>
<td>Fashion industry</td>
<td>4</td>
</tr>
<tr>
<td>Tourism/leisure services</td>
<td>3</td>
</tr>
<tr>
<td>Local utilities</td>
<td>3</td>
</tr>
<tr>
<td>Energy and petrochemical</td>
<td>2</td>
</tr>
<tr>
<td>Metal base processes</td>
<td>2</td>
</tr>
<tr>
<td>Leather processing</td>
<td>2</td>
</tr>
<tr>
<td>Logistics and goods transport</td>
<td>2</td>
</tr>
<tr>
<td>Business services</td>
<td>2</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1</td>
</tr>
<tr>
<td>Other engineering processes</td>
<td>1</td>
</tr>
<tr>
<td>Vehicle components</td>
<td>1</td>
</tr>
<tr>
<td>Wood (excluding furniture)</td>
<td>1</td>
</tr>
<tr>
<td>Mechanical and metallurgic processing</td>
<td>1</td>
</tr>
<tr>
<td>Non-metalliferous mineral processing</td>
<td>1</td>
</tr>
<tr>
<td>Chemical processing</td>
<td>1</td>
</tr>
<tr>
<td>Instrumental mechanics</td>
<td>1</td>
</tr>
<tr>
<td>Furniture production</td>
<td>1</td>
</tr>
<tr>
<td>Business services and goods transport</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>106</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REGION</th>
<th>PROVINCE</th>
<th>BANK</th>
<th>No AFS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABRUZZO</td>
<td>Chieti</td>
<td>BPA</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Pescara</td>
<td>BPA</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Tesino</td>
<td>BPA</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>5</strong></td>
<td></td>
</tr>
<tr>
<td>BASILICATA</td>
<td>Potenza</td>
<td>CARIME</td>
<td>1</td>
</tr>
<tr>
<td>CALABRIA</td>
<td>Cosenza</td>
<td>CARIME</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Casetta</td>
<td>BPA</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Naples</td>
<td>BPA</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Salemi</td>
<td>CARIME</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>5</strong></td>
<td></td>
</tr>
<tr>
<td>EMILIA ROMAGNA</td>
<td>Bologna</td>
<td>BPB/BPCI</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Piacenza</td>
<td>BPCI</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Rimini</td>
<td>BPA</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>8</strong></td>
<td></td>
</tr>
<tr>
<td>LAZIO</td>
<td>Rome</td>
<td>BPB/BPCI/UBPA</td>
<td>5</td>
</tr>
<tr>
<td>LOMBARDY</td>
<td>Bergamo</td>
<td>BPB</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Brescia</td>
<td>BPB</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Como</td>
<td>BPB/BPCI</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Cremona</td>
<td>BPB/BPCI</td>
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<tr>
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<td>Lecco</td>
<td>BPB</td>
<td>5</td>
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<tr>
<td></td>
<td>Lodri</td>
<td>BPCI</td>
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<tr>
<td></td>
<td>Mantua</td>
<td>BPB</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Milan</td>
<td>BPB/BPCI</td>
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</tr>
<tr>
<td></td>
<td>Pavia</td>
<td>BPCI</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Varese</td>
<td>BPB/BPCI</td>
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</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>11</strong></td>
<td></td>
</tr>
<tr>
<td>THE MARCHE</td>
<td>Ancona</td>
<td>BPA</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Ascoli Piceno</td>
<td>BPA</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Macerata</td>
<td>BPA</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Pesaro Urbino</td>
<td>BPA</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>7</strong></td>
<td></td>
</tr>
<tr>
<td>PIEDMONT</td>
<td>Alessandria</td>
<td>BPCI</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Asti</td>
<td>BPB/BPCI</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Biella</td>
<td>BPB/BPCI</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Novara</td>
<td>BPB/BPCI</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Turin</td>
<td>BPB</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Verbano</td>
<td>BPCI</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>9</strong></td>
<td></td>
</tr>
<tr>
<td>PUGLIA</td>
<td>Bari</td>
<td>CARIME</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Lecce</td>
<td>CARIME</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Taranto</td>
<td>CARIME</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>3</strong></td>
<td></td>
</tr>
<tr>
<td>UMBRIA</td>
<td>Pesaro</td>
<td>BPTODI</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>4</strong></td>
<td></td>
</tr>
</tbody>
</table>

**REGION**

**PROVINCE**

**BANK**

**No AFS**
Dialogue

Clear and reliable constant communication is fundamental for keeping trust, which forms the basis of stable and long-lasting relations between the Bank and its customers, alive over time. This is obtained by means of the compulsory communications (including the analytical information sheets displayed in all the branches and the statements of account sent to customers’ homes), via the resources of Banca Telefonica and the Internet portal and above all thanks to the competence and the ability to relate of our staff. In fact, the commercial relationship, from our point of view, represents a valuable moment of dialogue, so much so that in our Values Charter it is defined as a fundamental reference point for improving the quality of our products and services for the satisfaction of the customer.

The entity and the nature of complaints is an important indicator of the state of the relations with the clientele. The decrease registered in 2005 represents grounds for satisfaction and confirms the quality of the work carried out for the improvement of our organisational and commercial structure by means of the implementation of the new distribution model and of the MASTER programme. The complaints addressed to the Banking Ombudsman amounted to 33, mostly relating to current

RELATIONS WITH THE CUSTOMERS

ANALYSIS OF THE COMPLAINTS ON OTHER PRODUCTS AND SERVICES

COMPLAINTS TREND IN NETWORK BANKS

<table>
<thead>
<tr>
<th>Reason</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer communication/information</td>
<td>fraud/losses</td>
</tr>
<tr>
<td>transaction execution</td>
<td>organizational aspects</td>
</tr>
<tr>
<td>conditions and their application</td>
<td>credit worthiness or similar</td>
</tr>
<tr>
<td>ATM and POS malfunctions</td>
<td>staff</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints concerning compound interest*</td>
<td>1,958</td>
<td>2,611</td>
<td>-25.0%</td>
</tr>
<tr>
<td>Complaints concerning investment services**</td>
<td>1,253</td>
<td>1,535</td>
<td>-19.4%</td>
</tr>
<tr>
<td>Complaints concerning other products and services</td>
<td>1,360</td>
<td>1,637</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Total</td>
<td>4,771</td>
<td>5,803</td>
<td>-17.8%</td>
</tr>
</tbody>
</table>

* of which with CARIME: 58.6% 48.0%
** of which on default issues: 975 1,289
and savings deposit accounts (8), securities (5) and debit cards (3), of which just 3 upheld in favour of the customer.

The incidence of complaints on the main products and services compared with the total of the respective relationships existing with each individual network bank is contained within absolutely normal limits, to the extent of a few units per 10,000 relationships.

In order to further improve our ability to respond to customers’ expectations, also in relation to the elements which have emerged from the analysis of the complaints, during the second half of 2005 we activated a new dialogue instrument on an experimental basis vis-à-vis small businesses in the Retail Market, with the aim of identifying the expectations of the clientele and their evaluation of our commercial offer. This involves permanent committees - **Customer Advisory Boards** - made up of customers representing the segment under study, which meet periodically so as to consult on tangible matters: we do not ask for opinions, sensations, impressions, but invite the customers to express themselves on the Bank’s commercial propositions, and to gauge the gap between their requirements and what the bank offers. These encounters are supported by a facilitator, a specialized company which has the task of encouraging the freedom of expression of the entrepreneurs who take part.

---

**CUSTOMER ADVISORY BOARD**

**Seeing the Bank through the customer’s eyes**

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 July 2005</td>
<td>BPCI-Focus on Utilio</td>
</tr>
<tr>
<td>11 October 2005</td>
<td>BPCI-Focus on Loans</td>
</tr>
<tr>
<td>12 October 2005</td>
<td>BPB-Focus on Utilio</td>
</tr>
<tr>
<td>23 November 2005</td>
<td>BPB-Focus on Loans</td>
</tr>
</tbody>
</table>

**Subjects covered by the encounters**

**Current account (Utilio)**

- Purchasing motivations, validity of the offer, effectiveness of the commercial proposition modalities, comparison with similar products of the competition, possible areas of development of the service

**Loans**

- Application for new loans, role of the account manager, exchange of company-bank information, Basle 2, Patti Chiari, new loans’ application process, loan policies, channels of contact with the bank, range of products and services, conditions
Our conduct in dealings with the suppliers features principles of transparency, equality, loyalty and competition.

Due to the type of activities carried out by the bank and the strong vertical integration achieved within the Group, the purchase of goods and services on the market from the point of view of the values, only marginally concerns the characteristic deposit taking and lending activities with the customers and is carried out mainly in connection with the management and the improvement of administrative processes and the operating structure (property, plant, IT systems). To guarantee maximum transparency and efficiency of the purchase process, we maintain where possible a clear separation of role between who requests the supply and authorizes the payments (the Responsibility Centres of the various companies), who stipulates the contract and handles negotiations with the supplier (the Parent Company’s Purchasing Department) and who carries out the registration and the payment of invoices (BPU Banca’s administrative services or those of the individual Group companies which are decentralized).

The selection of the suppliers is entrusted to the Parent Company’s Purchasing Department, which establishes the criteria and the requisites and which, in cooperation with the Cost Management

RELATIONS WITH SUPPLIERS

Also to protect the Group’s image, we carefully choose each of our 9,000 plus suppliers and we manage the purchasing processes - for a total value of over Euro 400 million a year – in relation to the best quality-price ratio.

The Register of Suppliers and Professionals
Currently, the Register numbers more than 600 counterparts (excluding large users) with significant relationships which observe the reliability criteria requested

On line Auctions (Coralis)
During 2005, with the cooperation of Coralis we carried out 10 on-line auctions, assigning contracts to 12 suppliers for a total amount of Euro 11 million.

So as to render the administrative processes with those suppliers listed in the Register more efficient and integrated with the purchasing cycle, we have set up a private marketplace which represents a coherent and protected instrument for the on-line transmission of orders and associated information. During 2005, we effected a total of 4,840 transactions with 106 counterparts for a total of approximately Euro 44 million.
Division, oversees the entire purchasing cycle. On a consistent basis with the policies of attention towards the territory and contractual correctness, the Purchasing Department adopts transparent procedures in observance of the Regulations for Group Expenditure. The Responsibility Centres of the various companies, users of the goods and services, provide the Purchasing Department with the technical support necessary for ensuring the compliance of the supplies with the company and group standards and carry out qualitative and quantitative checks on the services. All the purchases must comply with effective company needs, including external advisory services, which, at completion, are accurately assessed for effectiveness and quality.

We consider the independence of the individual suppliers and the observance of the correct competition conditions to be a value. Therefore, as far as possible, we avoid establishing exclusive relationships and we undertake - also by means of the Register of Suppliers and Professionals and the on-line auctions - to guarantee equal opportunities to participate in the selection, equity and transparency of the negotiation process and in the awarding of the supply contracts. The Register represents the company information base within which the suppliers, who meet our quality and economic standards and offer guarantee of reliability and professional correctness, are assessed on an equal basis without any discrimination. The on-line auctions, which we resort to when possible in relation to the type and the consistency of the supply, are dynamic negotiating instruments which place the suppliers in competition on the basis of specific calls for bids, with immediate visibility for everyone of the proposals and of the re-launches of each one until awarding of the contract.

In all cases, the selection of the suppliers is based on the existence of adequate requisites and resources, in relation to both the contractual conditions and the moral integrity and the observance of specific socio-environmental standards. For those services which involve the use of the supplier's staff – also for those not handled via the Register – we include anyway among contractual conditions the full observance by the supplier of the collective labour agreements, of the law provisions concerning welfare, industrial accidents and insurance and of the specific legislation on safety (Italian Legislative Decree No. 626/1994 and subsequent amendments and integrations).

Our aim with regards to the handling of purchases, is to build relationships based on reciprocal satisfaction, on the basis of transparent procedures for the assignment of the supplies and the observance of all the contractual conditions agreed, including the payment terms. We request our suppliers, small and large, to apply the same payment conditions and terms. These are aligned to normal market conditions and envisage the settlement 60 days from the date of receipt of the invoice by means of a bank transfer, so as to permit us to carry out all the necessary registrations, the checking and authorization of the expenses. The payments beyond the terms, which sometimes occur, are essentially due to errors which may occur in the registration and authorization process.

The task of the structures in charge of the relationship with the suppliers is to analyse and promptly resolve any unsatisfactory situations. In 2005, the only disputes which arose concerned two cleaning companies and led to the termination of the contract due to failure by the latter to execute the service and to observe the clauses on the regular nature of the employment contracts of staff involved.
By means of economic support and direct intervention in initiatives and projects of common interest and through the attention paid to the environmental impact of our activities, we wish to contribute towards improving the quality of life of the entire Community.

As part of our mission as a popular bank, we provide concrete evidence of the mutual spirit which pervades the legal status of a co-operative company. The advantages and the concessions which we offer our shareholders and employees are only one aspect of a more extensive mutual vocation.

This is achieved, on the one hand, through the local nature of our business activities – mentioned in the section of this social report dedicated to relations with customers – on the other hand, by means of social activities, or via the allocation to the Community – under the form of donations and sponsorships – of part of the wealth generated by benefiting from the local social and environmental resources.

### RELATIONS WITH THE COMMUNITY

#### EURO 9 MILLION IN 2005 IN SPONSORSHIPS AND DONATION

<table>
<thead>
<tr>
<th></th>
<th>in millions of Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Banks</strong></td>
<td>8.58</td>
</tr>
<tr>
<td>of which from Board Fund</td>
<td>4.96</td>
</tr>
<tr>
<td>from income statement</td>
<td>3.62</td>
</tr>
<tr>
<td><strong>BPB Foundation</strong></td>
<td>0.42</td>
</tr>
</tbody>
</table>

Once again in 2005, the main area of intervention was that concerning social, recreational and sporting activities. Its importance fell however - compared with the 39.1% in the previous year - in favour of support for initiatives in the assistance, solidarity and cultural field.

#### THE “BOARD FUND”: STATUTORY RESERVE AVAILABLE TO THE BOARD OF DIRECTORS FOR SOCIAL ENDS

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
<th>Provisions for 2004 (€ /1,000s)</th>
<th>Disbursements in 2005 (€ /1,000s)*</th>
<th>Provisions for 2005 (€/1,000s)**</th>
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</thead>
<tbody>
<tr>
<td><strong>BPU Banca</strong></td>
<td>1.5%</td>
<td>3,573,650</td>
<td>1,465,191</td>
<td>4,098,322</td>
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<tr>
<td><strong>Banca Popolare di Bergamo</strong></td>
<td>1.0% max</td>
<td>1,458,058</td>
<td>1,581,526</td>
<td>1,833,929</td>
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<tr>
<td><strong>Banca Popolare Commercio e Industria</strong></td>
<td>1.0% max</td>
<td>602,004</td>
<td>613,468</td>
<td>693,805</td>
</tr>
<tr>
<td><strong>Banca Popolare di Ancona</strong></td>
<td>4.0% max</td>
<td>1,000,000</td>
<td>897,077</td>
<td>3,000,000</td>
</tr>
<tr>
<td><strong>Banca Popolare di Todi</strong></td>
<td>4.0% max</td>
<td>100,000</td>
<td>152,500</td>
<td>100,000</td>
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<tr>
<td><strong>Banca Carime</strong></td>
<td>4.0% max</td>
<td>250,000</td>
<td>250,443</td>
<td>250,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>6,983,712</td>
<td>4,960,405</td>
<td>9,976,056</td>
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</tbody>
</table>

* The BPU Banca amount does not include Euro 1,000,000 disbursed to the Banche Popolari Unite per Varese Foundation for the establishment of the equity fund.
** On the basis of the proposals for the allocation of net profit examined by the 2006 general meeting of the shareholders.
Participation in the life of the territory

Our Banks participate in the life of the territory, both as part of their institutional activities – by means of sponsorships and social marketing campaigns for the promotion of their brands – and by means of the disbursement of contributions purely for donation purposes; for this reason, as a result of express Article of Association provisions, each Bank sets aside a portion of the net profit for the year to a fund available to the Board of Directors. Each Bank acts autonomously, in relation to their awareness of the social, cultural, scientific, solidarity-related and sporting interests which they recognise as worthy of protection and promotion in the territories they operate in.

Overall each year we effect hundreds of interventions (in 2004, more than 2,200), the majority of which for relatively small amounts (under Euro 2,000). It is a flow of money which contributes towards the life of hundreds of bodies and associations spread throughout the area, stimulating the intense social activities of local communities.

20% OF THE GROUP’S MEASURES (OVER EURO 1.7 MILLION) HAVE BEEN CARRIED OUT BY THE PARENT COMPANY

The tight weft of the measures of the banks include the wider ranging ventures of the Parent Bank BPU Banca and its two foundations: the Banca Popolare di Bergamo Foundation and the Banche Popolari Unite per Varese Foundations. Whilst the banks operate in all the spheres of intervention, the foundations are dedicated as per their Articles of Association to the recovery of the local artistic and architectural heritage, the promotion of art and culture and measures of a socio-welfare nature.

**RECOVERY OF THE ARTISTIC HERITAGE**
- Diocese of Bari
- Conference for the Valorisation of Artistic and Cultural Heritage

**SOCIAL, RECREATIONAL AND SPORTING ACTIVITIES**
- Varese basketball team
- BPU Ragazzoni Bergamo Ski Club
- Italian Alpine Club

**UNIVERSITIES AND RESEARCH**
- Grants for university chairs and university research programmes
- Italian league for the fight against tumours
- “Trenta Ore per la Vita”

**CULTURE**
- G.B. Moroni Exhibition in Bergamo
- Scarlatti Association

**EDUCATION AND TRAINING**
- ISEO institute for the study of economic sciences and social disciplines: each year it organises a summer school for the young involving the participation of Nobel Prize winners
- Committee for the industrial technical institutes in Bergamo

**ASSISTANCE AND SOLIDARITY**
- Clematis onlus
- San Patrignano
- Caritas
In relation to the importance of the amounts, there are various levels of autonomy in the determination of interventions without prejudice to the exclusive competence of the Board of Directors for the use of portions of profit set aside to the specific fund.

The selection of the initiatives worthy of support is based on the direct personal knowledge of the beneficiaries and on the ability of our staff active throughout the territory (in particular, the branch managers) to act as interpreters of the best needs of each single community; we evaluate the seriousness and the efficiency of the organizations, the moral qualities of the people who represent them, and the sustainability of the projects that they intend to implement. As a rule, we do not support personal initiatives but we prefer to operate vis-à-vis organisations providing a guarantee of continuity and transparency of action.

All the sectors of intervention are without doubt worthy of attention. Nevertheless, due to tradition and a greater consistency of the initiatives with our values and our identity, we prefer interventions in social, leisure and sporting, cultural, welfare and solidarity activities:

RELATIONS WITH THE COMMUNITY

THE BANCA POPOLARE DI BERGAMO ONLUS FOUNDATION

The Banca Popolare di Bergamo Onlus Foundation has been operative since 1991 for the support, promotion and achievement of initiatives for the cultural, scientific and social progress of the geographic areas of the Lombardy region where Banca Popolare di Bergamo operates. It has a net worth of Euro 12 million, of which Euro 2 million restricted and Euro 10 million freely utilizable.

Over all in 2005, the Foundation disbursed grants for more than Euro 416,000. The most significant commitments included grants for:
- the restoration of the monumental complex of Sant’Agostino in Bergamo (over Euro 2.5 million disbursed over the years since 2003);
- the equity endowment of the Bergamo nella Storia Foundation;
- support for the cultural activities of the Pro Universitate Bergomensi Association;
- the organisation of the Bergamo Science manifestation and the Brescia and Bergamo International Paino Festival;
- the establishment of scholarships (Istituto Giordano dell’Amore, Interculture, BPB in memory of Lucia Coppi).

BOARD OF DIRECTORS

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Emilio Zanetti</td>
<td>Banker / Businessman</td>
</tr>
<tr>
<td>Deputy Chairman</td>
<td>Giuseppe Calvi</td>
<td>Lawyer</td>
</tr>
<tr>
<td>Deputy Chairman</td>
<td>Antonio Parimbelli</td>
<td>Notary Public</td>
</tr>
<tr>
<td>Director</td>
<td>Giuseppe Banfi</td>
<td>Former Banking Executive</td>
</tr>
<tr>
<td>Director</td>
<td>Enzo Berlinda</td>
<td>Business Accountant</td>
</tr>
<tr>
<td>Director</td>
<td>Antonio Bulgheroni</td>
<td>Businessman</td>
</tr>
<tr>
<td>Director</td>
<td>Italo Lucchini</td>
<td>Business Accountant</td>
</tr>
</tbody>
</table>

BOARD OF AUDITORS

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Pecuvio Rondini</td>
<td>Business Accountant</td>
</tr>
<tr>
<td>Member</td>
<td>Antonio Amaduzzi</td>
<td>University Lecturer</td>
</tr>
<tr>
<td>Member</td>
<td>Adolfo Beneduci</td>
<td>Former Banking Executive</td>
</tr>
</tbody>
</table>
• **culture** in the sense of love of beauty, the recovery of our roots in history, creative thought for a better future; our particular attention towards the visual arts, music and the safeguarding of local traditions derives from this vision;

• **sport** is the bearer of positive values and takes on a particularly important educational role for the young; we encourage “fair” sport - that of the many “minor” disciplines and the youth teams – and the events where sport becomes an occasion for solidarity;

• **solidarity** brings trust, dignity and hope to people; with this intention we contribute towards the activities of many associations involved in dealing with the hardships and suffering which poverty, wars, illness, small and great natural calamities cause man.

During 2006, we will take part in the establishment of a Foundation for the Marches, whose aim will be to support and promote research, technological and scientific innovation and the associated cultural and training activities for the development of the Marches area.

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**THE BANCHE POPOLARI UNITE PER VARESE ONLUS FOUNDATION**

The Banche Popolari Unite per Varese Onlus Foundation was established in Varese on the 15th of July 2004 with a net worth of Euro 5 million. The net worth will be established over a period of five years by BPU Banca, which in 2005 disbursed the second portion of Euro 1 million.

The Foundation operates within the territorial sphere of the Lombardy Region and particularly in the Varese area - centre of primary interest of the Group - for social solidarity ends. In November 2005, it achieved enrolment in the register of the Corporate Bodies held by the Varese Prefect’s Office and therefore started to operate, resolving towards the end of the year its first measures for an overall total of Euro 850,000:

• restoration of the Church of Sant’Antonio alla Motta and of the Church of San Pietro in Campagna at Luino;
• restoration of works of art and setting up of important exhibitions in Varese and its province;
• scholarships and operations of the Permanent Observatory on the Economy of the Insubria University;
• construction of a Half-way House (ANFASS Mario Ravera Foundation) and a Crèche (Molina Foundation).
Attention towards the environment

The environmental impacts of banking activities are without doubt lower than those of industrial companies. Nevertheless, consistently with the commitment undertaken by signing the universal principles of the Global Compact, we recognise the importance of the contribution which we can also make to the conservation of the environment, combating all forms of waste and actively encouraging energy saving and the use of consumable materials and equipment with a low environmental impact (for example: paper processed without chlorine, re-usable envelopes for internal use made of recycled paper, rechargeable toner cartridges).

During 2004, we hired a Group Energy Manager, who heads up the policies and the procedures concerning supply, conservation and rational use of energy. Since 2003 we participate as founding members in the ABI Energy Consortium, a consortium of banks which operates as a research and training hub for energy saving and as purchasing group for the banks belonging to the consortium so as to obtain advantageous conditions on the market and for the recourse to energy produced from renewable sources. Important initiatives of the Consortium include the establishment of a work

RELATIONS WITH THE COMMUNITY

We have distributed the manual for the Rational Use of Energy put together by the ABI Energy Consortium with the support of FIRE (Italian Energy Saving Federation) and the Service for Sustainable Growth of the Ministry of the Environment, to all our employees.
group – active since 2006 – for the Energy Certification of the Buildings, with the aim of aligning the construction quality of our premises to the best European standards from the point of view of energy efficiency.

For some time now in our construction and restructuring activities, we have taken care to improve the environmental performances of the buildings and the related plant engineering. We select equipment of the latest generation on the market in relation to the best technologies available, to improve performances and optimise the costs/benefits ratio especially with reference to operating costs.

During 2005, we restructured 4 branches, installing a radiant-panel air-conditioning system which we expect to provide us with a saving of 15% when compared with a traditional system, and in 2006 we will start work on a large building in Bari. We have enhanced the electrical and air-conditioning plant for the premises of the Bergamo Service Centre, choosing low-loss transformers – scaled so as to optimise the output – and refrigerating units equipped with the most efficient technology available today on the market, loaded with ecological freon gas which has a low environmental impact.

### THE ENVIRONMENTAL IMPACT

**CO₂ EMISSIONS (Tons.)**

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
<th>Change</th>
<th>Change Scope of detection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>43,597</td>
<td>47,487</td>
<td>-8.19%</td>
<td>Tutte le utenze del Gruppo (1.300 circa)</td>
</tr>
<tr>
<td>Methane gas</td>
<td>9,675</td>
<td>9,009</td>
<td>7.39%</td>
<td>Banche del Gruppo esclusa BPA</td>
</tr>
<tr>
<td>Diesel/fuel oil</td>
<td>474</td>
<td>1,442</td>
<td>-67.13%</td>
<td>Banche del Gruppo esclusa BPA</td>
</tr>
<tr>
<td>Fuels</td>
<td>635</td>
<td>1,312</td>
<td>-51.60%</td>
<td>Banche del Gruppo</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>54,381</td>
<td>59,250</td>
<td>-8.2%</td>
<td></td>
</tr>
</tbody>
</table>

**WASTE PRODUCTION (in Kgs)**

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>2,065,163</td>
<td>2,092,021</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Toner</td>
<td>46,783</td>
<td>32,475</td>
<td>44.1%</td>
</tr>
<tr>
<td>Glass and tin cans</td>
<td>17,035</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Plastic</td>
<td>4,628</td>
<td>11,337</td>
<td>-59.2%</td>
</tr>
<tr>
<td>Solid urban waste</td>
<td>2,400</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Equipment</td>
<td>62,485</td>
<td>68,184</td>
<td>-8.4%</td>
</tr>
<tr>
<td>Batteries**</td>
<td>62,320</td>
<td>1,939</td>
<td>3114.0%</td>
</tr>
<tr>
<td>Packaging</td>
<td>31,980</td>
<td>66,998</td>
<td>-52.3%</td>
</tr>
</tbody>
</table>

* The emissions are estimated on the basis of specific ratios for each energy source:
  - Electricity: 0.55 kg CO₂/kwh
  - Methane: 1.96 kg CO₂/mc
  - Diesel/Fuel oil: 2.6 kg CO₂/litre
  - Fuels: 2.3 kg CO₂/litre

** The considera
As part of the management of our premises, we are currently increasing the remote monitoring of the electricity consumption and the use of remote-control and remote-management systems for the air-conditioning installations. Remote controlling makes it possible to monitor the temperature of the workplaces and to organise the running times of the systems, while remote management also makes it possible to manage temperature set-point.

Currently, we monitor the electricity consumption of our large offices - which use 40% of total Group consumption, on an hourly basis – via a dedicated internet portal. This also allows us to intervene swiftly in the event of peaks in the absorption of power or in re-setting systems. We remotely control 12 medium-size branches and remotely manage 16 branches and 5 large buildings. In 2006, we will extend the consumption monitoring system to methane gas, remote control to another 10 branches and remote management to another 60 branches and 1 large building.

No remuneration to the wholesaler for emission trading (penalties paid by the same in the event of exceeding the emission limits for the energy produced) in order to encourage more ecologically compatible forms of purveying.

At the Bergamo Service Centre, we have installed a conditioning system which accumulates refrigerating energy at night - when the loads are lower and the cost tariff is less - and provides it to the building during the day. We have received praise from the Rome’s “Tor Vergata” University for this system.

In order to improve the energy output of our offices, we are currently evaluating the suggestions which emerged from the analysis of the energy consumption and cost data and of the structural characteristics of a number of large complexes (Headquarters and Bergamo Service Centre, BPCI headquarters in Milan) conducted in collaboration with the faculty of Engineering at Rome’s “Tor Vergata” University as part of a degree thesis.

We are currently evaluating the installation of 790 sq.m. of photovoltaic panels on the Banca Carime Management Offices in Cosenza; since this is a favourable climatic zone for this type of plant, we may be able to avail of 167,000 kWh/year of electricity, saving around 92 tons of CO₂ (these alone represent 0.2% of the entire Group emission).

The replacement of 15,000 traditional monitors (CRT) with liquid crystal monitors (LCD) involving a saving of 5,600 MWh a year of electricity, equating to around 3,000 tons of CO₂ less; this equates to a reduction of 5.6% in total Group emissions. To-date, we have replaced 500 monitors and - subject to specific and few requests for 21” monitors for CAD design - we will no longer purchase CRT monitors.
Dialogue

The direct personal relationships established within our reference territories characterize the presence of our banks and are also enhanced by the social commitment of many colleagues and of the representatives of the company’s senior management. They generate on-going dialogue – not institutionalised and maybe for this reason livelier and more spontaneous – which on the one hand make it possible for us to make ourselves known and on the other hand to constantly monitor the quality of our presence.

However, today the dimensions achieved by our Group and the globalisation of the financial markets place us in relation with an increasingly more extensive and diversified community of stakeholders, where the professional information operators perform an irreplaceable mediation and connecting role. Therefore, we assign great importance to relations with the press and with the other form of media, also using specialized agencies, in order to ensure an on-going flow of information to the markets and to public opinion. When disclosing the operating results and the information which might influence the markets, we scrupulously follow the lines of conduct laid down by the Consob and by Borsa Italiana.

THE INTERNET PORTAL WWW.BPUBANCA.IT: AN OPEN DOOR TO THE GROUP

The website www.bpbanca.it is an open door to the Group. In addition to the information on the banks and on their territorial networks, one can find financial statements, official presentations, press releases, information on BPU stock and analysis on the structural organization, the strategy and social commitments of the Group. One can also access the sites dedicated to information on the features and the use of the main products.

During 2005, we more than doubled the users registered and we totalled an average of 20,000 visitors a month, each one of which opened an average of 13 pages, for a total of more than 3 million pages visited during the year. The peak of the visits coincided with the presentation of the annual results, bearing witness to the importance of the instrument for the financial community.
IMPROVEMENT OBJECTIVES
2005 Objectives

### Areas of intervention for the management

<table>
<thead>
<tr>
<th>Area of Intervention</th>
<th>Action</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengthening of the corporate identity</strong></td>
<td>Information and training activities on the Group's Values Charter, directed both internally and externally</td>
<td>● ● ●</td>
</tr>
<tr>
<td></td>
<td>Drawing up and publication of the Group's Ethical Code</td>
<td>○ ●</td>
</tr>
<tr>
<td><strong>Relations with voting and non voting shareholders</strong></td>
<td>Implementation of the programmes included in the Industrial Plan, with important objectives in terms of productivity and profitability</td>
<td>● ●</td>
</tr>
<tr>
<td><strong>Relations with the staff</strong></td>
<td>Extension of the systems for detecting the skills and for evaluating performances to all the network banks and to the main Group companies.</td>
<td>● ●</td>
</tr>
<tr>
<td></td>
<td>Intensification of the internal training and communication activities</td>
<td>● ●</td>
</tr>
<tr>
<td></td>
<td>Realization of a climate survey</td>
<td></td>
</tr>
<tr>
<td><strong>Relations with the customers</strong></td>
<td>Full implementation of the Master Programme, with the start-up of additional “customer care” activities, i.e. attention towards the customer in order to monitor and satisfy his requirements by means of an increasingly deep analysis of his characteristics and conduct</td>
<td>○ ●</td>
</tr>
<tr>
<td></td>
<td>Setting up of the Claims Commission and the internal loyalty-satisfaction model in order to monitor the degree of satisfaction and the expectations</td>
<td>● ●</td>
</tr>
<tr>
<td><strong>Relations with the suppliers</strong></td>
<td>Full implementation of the Suppliers' Register, with a connection to the private market-place of the Group for the optimisation of the dialogue with individual suppliers</td>
<td>○ ●</td>
</tr>
<tr>
<td><strong>Relations with the Community</strong></td>
<td>Start-up of the operations of the Banche Popolari Unite per Varese Onlus Foundation and formation of a Foundation for the Marches region</td>
<td>○ ●</td>
</tr>
<tr>
<td></td>
<td>Improvement of the environmental impact monitoring, in order to identify possible intervention measures</td>
<td>● ●</td>
</tr>
</tbody>
</table>

### Areas of intervention for the Social Report

<table>
<thead>
<tr>
<th>Area of Intervention</th>
<th>Action</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Process</strong></td>
<td>Greater integration within the Bank's management processes</td>
<td>○ ●</td>
</tr>
</tbody>
</table>
| **Document** | Improvement of the document in terms of:  
  - evidence of the consistency of the management policies vis-à-vis the various stakeholders with the values, the mission and the strategic choices of the bank  
  - enhancement and in-depth analysis of the economic, social and environmental performance indicators  
  - completion of the disclosure value of the indicators, with the consideration of the time-related profile (change with respect to the previous accounting period)  
  - extension of the reporting – currently limited to the most important stakeholders – to the other stakeholders (suppliers, central government and local government agencies) | ○ ● |

- ○ Objective not achieved
- ● Objective partly achieved
- ●● Objective fully achieved
## 2006 Objectives

### Areas of intervention for the management

<table>
<thead>
<tr>
<th>Areas of intervention for the management</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengthening of the corporate identity</strong></td>
<td>Disclosure of the Code of Conduct, training and information</td>
</tr>
<tr>
<td><strong>Relations with voting and non voting shareholders</strong></td>
<td>Implementation of the programmes included in the Industrial Plan, with important objectives in terms of productivity and profitability</td>
</tr>
<tr>
<td><strong>Relations with the staff</strong></td>
<td>Extension of the systems for detecting the skills and evaluating performances to all the Group companies, intensification of the internal training and communication activities, analysis of the results of the company climate survey and consequent action</td>
</tr>
<tr>
<td><strong>Relations with the customers</strong></td>
<td>Implementation of the “customer care” approach launched in 2005, further improvement of the commercial policy and of the policy of focusing on the customers’ needs by means of the continual innovation of products and services and competitive prices, extension of the dialogue activities with the clientele (focus groups, customer advisory board), focus on the development of the High Specialisation Areas in the historic/strategic areas</td>
</tr>
<tr>
<td><strong>Relations with the suppliers</strong></td>
<td>Rationalization of the number of suppliers, further implementation of the Suppliers’ Register</td>
</tr>
<tr>
<td><strong>Relations with the Community</strong></td>
<td>Formation of the Foundation for the Marches region, further improvement of action in the environmental field</td>
</tr>
</tbody>
</table>

### Areas of intervention for the Social Report

<table>
<thead>
<tr>
<th>Areas of intervention for the Social Report</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Process</strong></td>
<td>Greater integration within the Bank’s management processes</td>
</tr>
<tr>
<td><strong>Documento</strong></td>
<td>Improvement of the document in terms of: • evidence of the consistency of the management policies vis-à-vis the various stakeholders with the values, the mission and the strategic choices of the bank, • enhancement and in-depth analysis of the economic, social and environmental performance indicators, • completion of the disclosure value of the indicators, with the consideration of the time-related profile, • extension of the reporting to the remaining stakeholders (central government and local government agencies, external contacts), • external auditing of the social report</td>
</tr>
</tbody>
</table>
Methodological note

The social report of the BPU Banca Group has been drawn up on the basis of the results emerging from the consolidated financial statements. It shares with the latter the general principles of **clarity**, **true and fair information**, **prudence** and **competence**, with a view to the Bank’s continuing operations, and also finds its basis within a body of specific presentation criteria, recognized by the best national and international practices, also adopted by the ABI (Italian Bankers’ Association) model, to which we make reference.

Unless otherwise stated, the scope of the reporting refers to all the Group companies. With regard to the stakeholders dealt with in the social report, we hereby state the following:

- the information on the staff headcount, unless otherwise specified, concerns the entire workforce of the Group;

- the shareholders - voting and non voting - dealt with are those of the Parent Bank; the voting shareholders are recorded in the Shareholders’ Register while the other shareholders are registered on the basis of the last payment of dividends; in the Statement of the distribution of the Added Value, we have considered the portions of profit produced by the Group companies pertaining to the respective minority shareholders separately and allocated them to a specific item;

- the customers to which we make reference are the customers of the Parent Bank and the network banks; in reality some product companies (e.g. insurance companies) have their own customers, but their number is residual compared to the aggregate;

- by community we mean all the individuals, bodies and associations towards which the social activities of the Parent Bank and the Group network banks are directed; unless otherwise stated, the surveys on environmental impacts also refer to the Parent Bank and to the network banks.

Once again this year, in order to provide a clearer definition of the work methodology, the layout and the contents of the document, we have availed ourselves of the specialist consultancy of the Department of Business Economics of the Bergamo University.
RESPONSIBILITY

Within the categories identified in the Social Report, account for the effects of our decisions to all the internal and external stakeholders, specifically with regard to the reconciliation of their legitimate interests.

IDENTIFICATION - CONSISTENCY

Provide third parties with the clearest perception of the mission which the company pursues with its declared ownership and governance set-up, as well as of the consistency of the policies and intervention choices of the management with the declared values.

UTILITY - SIGNIFICANCE - RELEVANCE

Include all the information considered to be useful for satisfying the wish of the general public to be informed, in a reliable and complete manner, on the action which has produced an effective and significant impact on the surrounding environment.

TRANSPARENCY - AUDITABILITY

Show preference for the inclusion of quantitative information or in any event of information which can be verified in the corporate documentation, also of an non-accounting nature, in order to permit all the beneficiaries of the social report to comprehend the logical formation procedure and the discretionary choices made.
ADDED VALUE
Wealth produced by the company during the accounting period, calculated as the difference between gross production and the consumption of goods and services.

AEI STANDARD ETHICS
Independent agency, with registered offices in Brussels, which assesses nations and listed companies in relation to the ethical principles furthered by the large international organizations (UNO, OECD and the EU).

AFFLUENT
Literally “rich” - identifies a private customer category with considerable capital.

ASSET MANAGEMENT
Activities for the management of financial investments pertaining to third parties.

ATM (automated teller machine)
Automatic device which permits the customer to carry out transactions such as, by way of example, the withdrawal of cash, the paying in of cash or cheques, requesting account information, the payment of utility bills, telephone recharges, etc. The customer activates the terminal by introducing a card and tapping in a personal identification code.

B2B
Literally “business to business”, this is the electronic management of all the main activities of the company, which involves not only the company, but also all its partners, suppliers and customers. By means of the complete automated control of all the corporate processes, it is possible to constantly monitor each type of activity (distribution, sales, purchases, etc.), and even create links between the various divisions and the various offices, which can then interact on a timely basis without the individual managers being forced to meet in person.

BANKING OMBUDSMAN
Collective body promoted by the ABI (Italian Bankers’ Association) set up in 1993 with the task of settling, under specific conditions, the disputes between banks and customers, of a value of up to Euro 10,000 (Euro 50,000 for cross-border cash transfers), not settled by the banks’ claims departments.

BASLE 2
This is the new international agreement on the capital requirements of banks, which introduces more precise and discriminating criteria for the definition of the capital which the Bank must possess in relation to the risks undertaken, in particular deriving from lending transactions.

BLUE CHIP
Shares of companies listed on the Stock Exchange with capitalization of more than Euro 800 million.

BONDS
Debt securities issued by private or public issuers.

BUSINESS DISTRICTS
Socio-territorial bodies in which a community of persons and a population of industrial companies integrate reciprocally. The businesses in the district mainly belong to the same industrial sector, which thus represents the main industry. Each company is specialized in products, product parts or phases of the production process typical to the district. The businesses in the district are characterized by the fact that they are numerous and of a modest size. This does not mean that fairly large companies cannot also exist therein; their “out-of-scale” growth might however cause a change in the canonical structure of the district.

CBI
Interbank Corporate Banking – conceived in 1995, it is a remote banking service (see relevant item) which allows the companies to work directly, via their own computer, with all the banks with whom they have a relationship.

CODE OF SELF-GOVERNANCE OF LISTED COMPANIES
Otherwise known as the Preda Code, drawn up in 1999 upon the initiative of Borsa Italiana Spa, it contains a series of norms relating to the best corporate governance practices which listed companies adhere to exclusively on a voluntary basis.

COMPLIANCE
Literally compliance with the regulatory and supervisory norms, whilst safeguarding the autonomy and freedom of action of the intermediaries.

COMPOUND INTEREST
This is the capitalization of interest on principal in order to render it in turn productive of other interest, or more simply it is the calculation of the interest on interest. It was the practice of Banks to capitalize interest income on a yearly basis, and to capitalize interest expense on a quarterly basis.
CONFERENCE CALL
Within the context of the relations with investors, this indicates the telephone conference during which the management of a company illustrates the operating results at the time of the quarterly reports or the annual financial statements.

CONSUMER FINANCE
Loans granted to families for personal purposes associated with the consumption of goods and services.

CORPORATE GOVERNANCE
By means of the composition and the functioning of the internal and external corporate bodies, the corporate governance structure defines the distribution of rights and responsibilities between those participating in the affairs of the bank, with reference to the allocation of tasks, the assumption of responsibility and the decision-making power. The fundamental objective of corporate governance is to maximize the value for the shareholders, which implies, over the medium/long-term, positive elements for the other stakeholders as well, such as customers, suppliers, employees, creditors, consumers and the community.

CORPORATE MARKET
Market relating to medium to large size companies.

COSO (Committee of Sponsoring Organizations of the Treadway Commission)
Independent organization, set up in 1985 in the USA, whose purpose is the improvement of the quality of financial information, by means of business ethics, efficiency of internal controls and corporate governance.

CRM
Customer Relationship Management - Management model for commercial relations aimed at creating value for the customers and for companies via in-depth knowledge of each customer.

CUSTOMER SATISFACTION
Literally the “satisfaction of the customer” - targeted at the quality implemented by means of an array of techniques and parameters in order to ascertain the degree of customer satisfaction, concerning the individual products and services and the relationship as a whole.

EMTN
Euro Medium term note: medium term bond issued on the market by highly rated debtors.

ETHICAL CODE
Charter of the fundamental moral rights and duties, via which the company defines and publicly commits to observing its own corporate and ethical responsibilities vis-à-vis the various stakeholders.

ETHICAL INDEX EURO
This is an index made up of around 150 selected shares, according to the Ethical Selection method of E. Capital Partners SpA, one of the leading companies in the Euro area countries (Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Holland, Portugal, Spain) plus the UK, Sweden, Norway, Denmark and Switzerland.

ETHICAL INDEX
It is an index selected according to the above method, but exclusively includes shares listed in Euro area countries.

GLOBAL COMPACT
Voluntary initiative launched in 2000 by the United Nations Organization, which requires companies to commit themselves to promote in their activities the observance of ten universal principles in the field of human rights, workers rights, and the protection of the environment.

HEDGE FUND
Highly speculative funds which use specific hedging strategies, free in the choice of their investment and able to generate, if the management emerges as efficient, a level of performance greater than the traditional funds.

HOME BANKING
Screen-based connection, set up via the Internet, by means of which private customers can give instructions and obtain information relating to their banking relationship.

IAS/IFRS
International accounting standards issued by the International Accounting Standard Board (IASB), a private international body set up in April 2001, which is participated in by the accounting professions of the main countries as well as, in their role as observers, the European Union, the IOSCO (International Organization of Securities Commissions) and the Basle Committee. This body has received the heritage of the International Accounting Committee (IASC), established in 1973 so as to further the harmonization of the regulations for the drawing up of the financial statements of companies. With the transformation of the IASC into IASB, the decision was made, amongst other things, to name the new accounting standards “International Financial Reporting Standards” (IFRS).
ILO
This is the International Labour Organization.

INDEPENDENT DIRECTOR
A non-executive director who satisfies the following requirements:
- does not have economic relations with the Bank, its subsidiary companies, or with the executive directors, of such a significance that they would influence the independence of judgement.
- is not the holder of equity investments of such a size that they would permit the control of, or significant influence over, the Bank.
- is not a close family relation of the Bank’s executive directors.

INDUSTRIAL DISTRICTS
Socio-territorial entities in which a community of persons and a population of industrial companies integrate reciprocally. The businesses in the district mainly belong to the same industrial sector, which thus represents the main industry. Each company is specialized in products, product parts or phases of the production process typical to the district. The businesses in the district are characterized by the fact that they are numerous and of a modest size. This does not mean that fairly large companies cannot also exist therein; their “out-of-scale” growth might however cause a change in the structure of the district.

INTERNAL DEALING
Purchase and sale transactions on listed securities of the company, carried out by its directors, statutory auditors or other “significant individuals”, or by individuals who in relation to their role have access to privileged information.

INTERNAL DEALING CODE
The Code is intended to discipline the disclosure obligations concerning transactions carried out for any purposes by the significant individuals of a company (directors, statutory auditors, general managers, as well as any other party who has access, by virtue of the office covered, to significant information) on listed financial instruments issued by said company or by its subsidiaries.

INTRANET
Internet network with access reserved for the company’s staff.

INVESTMENT BANKING
Investment banking represents a highly specialized segment of finance which in particular is involved in assisting companies and governments in issuing securities and more generally in obtaining funds on capital markets.

JOINT VENTURE
An agreement between two or more companies for the performance of a specific economic activity, usually by means of the formation of a joint-stock company.

LEASING
Contract by means of which a party (lessor) grants the other party (lessee) the use of an asset for a specific period of time, usually an asset purchased by the lessor or which the lessor arranges to be constructed upon the choice and the indications of the lessee. The latter has the faculty to acquire ownership of the asset under pre-established conditions at the end of the leasing agreement.

LOYALTY
Within the commercial sphere, the term indicates the loyalty of the customer.

MASS
Within the sphere of the retail market (see relevant item), it identifies the category of the most numerous private customers of a Bank.

NON-EXECUTIVE DIRECTOR
A Director lacking powers of attorney granted on a permanent basis by the Board, i.e. lacking management functions in the Bank.

ON-LINE-TRADING
Securities purchase/sale activities via Internet on organized markets.

ONLUS
No-profit organization for community/social work.

POE
Market segment of small economic operators, typically craftsmen, traders and professionals.

POS
Automatic device by means of which it is possible to carry out, via debit, credit or prepaid card, the payment of goods or services at a supplier’s premises.
PRIVATE EQUITY
Medium/long-term investment activities in the risk capital of companies characterised by elevated development and growth potential. The objective of this type of transaction is to realize a capital gain through the disposal of the investment acquired, or following the stock market listing of the company.

PRIVATE MARKET
Market made up of private customers with high capital.

PUBLIC COMPANY
Joint-stock company listed on the stock market, characterized by a diffuse shareholding structure and the absence of controlling bodies capable of exercising a dominant influence.

RATING
Valuation of the quality of a company or its issues of debt securities on the basis of the financial soundness of said company and its prospects.

REMOTE BANKING
Screen-based connection, set up via Internet, by means of which businesses can give instructions and obtain information relating to their banking relationship.

RETAIL MARKET
Literally “retail market”; it identifies the majority of families and small economic operators.

REVOLVING CARD
A credit card which makes a sum available to the customer, equivalent to the line of credit agreed, which can be utilized on one or more occasions, and whose availability is re-established automatically when repayments are made.

ROADSHOW
Series of encounters with institutional investors, which take place on international financial markets.

ROE
Return on Equity – balance sheet ratio which expresses the relationship between the net profit for the year and the shareholders’ equity and is therefore utilized in order to evaluate the profitability of a business for its shareholders.

SMALL BUSINESS
Market segment represented by small companies.

SOCIAL RESPONSIBILITY
With reference to a company, it is the voluntary integration of social and environmental issues in commercial transactions and relations with stakeholders (see relevant item).

STAKEHOLDERS
Individuals or groups, bearers of specific interest with regards to a company either because they depend on the latter for the achievement of their objectives or because they are significantly impacted by the positive or negative effects of its activities.

STRUCTURED BONDS
Bonds whose interest and/or redemption value depends on an effective parameter (linked to the price of a basket of goods or services), currency parameter (linked to exchange rates), monetary parameter (for example: ABI prime rate), or financial parameter (for example: return on securities issued by the banks).

TRUST COMPANIES
Company to which a party confers its assets, so that they may be managed under trust for the benefit of other parties indicated by the conferor.

UNDP
This is the United Nations Development Programme.

UNEP
This is the United Nations Environment Programme.

UNHCHR
This is the United Nations High Commissioner for Human Rights.

UNIDO
This is the United Nations Industrial Development Organization.

UNODC
The is the United Nations Office on Drugs and Crime.
We are interested in receiving our customers’ opinions on this document and we consider any suggestions, indications, criticism or appreciation to be valuable.

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