BPU Banca

Banca Lombarda

MERGER BETWEEN TWO STRONG REGIONAL BANKING GROUPS

14 November 2006

Disclaimer

This presentation is being supplied to you solely for your information and may not be further distributed or passed on to any other person or published, in whole or in part, for any purpose. Neither this presentation nor any copy of it may be taken or transmitted into the United States, Canada, Australia or Japan or distributed, directly or indirectly, in the United States, Canada or Australia or distributed or redistributed in Japan or to any resident thereof. The distribution of this presentation in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

This presentation does not constitute or form part of, and should not be construed as, any offer or invitation to subscribe for, underwrite or otherwise acquire, any securities of BPU Banca Scrl ("BPU") or any member of its group, any securities of Banca Lombarda e Piemontese S.p.A. ("BL") or any member of its group nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities in BPU or any member of its group, any securities of BL or any member of its group or any commitment whatsoever.

The information contained in this presentation is for background purposes only and is subject to amendment, revision and updating. Certain statements in this presentation are forward-looking statements under the US federal securities laws. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements.

These include, among other factors, the satisfaction of the conditions of the offering, changing business or other market conditions and the prospects for growth anticipated by the BPU's and BL's management. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. BPU and BL do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation.

Contents

I. Executive summary

Strategic rationale: merger between two strong banking groups[1]

Strong competitive positioning

- Market cap. approx. € 13.5bn[2]
- Approx. 4 million clients (3.8 million retail, approx. 48,000 corporate and 38,000 private)
- Approx. 1,970 branches
- Customer lendings approx. € 80bn
- Direct funding approx. € 82bn
- Assets under management approx. € 59bn
- Sound profitability indicators = cost/income ratio 55%, ROE 13.6%
- Excellent asset quality (NPLs/net loans 0.7%)
- Solid capital ratios (Core Tier 1 6.15%)

Extensive regional coverage

- National market share 6.3%
- Over 930 branches in Lombardy with a market share of over 15%, and more than 220 branches in Piedmont with a market share of approx. 9%
- Market share of over 5% in 7 regions, including Marche, Lazio, Campania and Apulia
- Market share of 10% or above in 21 provinces, including Bergamo (26%), Brescia (29%), Varese (29%), Cuneo (26%), Pavia (18%) and Milan (10%)
- Highly complementary in terms of territorial coverage

High value creation capability

- Pre-tax synergies[3] estimated at approx. € 365m at full capacity (2010), over 90% of which achievable by 2009:
  - Cost synergies = € 225m (62% of total synergies at full capacity)
  - Revenue synergies = € 140m (38% of total synergies at full capacity)
  - Timeframe = 8% in 2007, 41% in 2008, 92% in 2009 and 100% in 2010
- Non-recurring merger costs of approx. € 380m (€ 360m charged to profit and loss in 2007 plus € 20m in higher goodwill)
- NPV of synergies net of merger costs estimated at over € 2.3bn (over € 3.5 per share)

1. Figures at 30 September 2006
2. Calculated based on prices at 10 November 2006 before valuation of synergies achievable under the deal
3. Preliminary data taken from guidelines of business plan

Terms of deal and financial impact

Key terms of deal	⇨ Merger of equals, which in technical terms will involve BL being merged into BPU ⇨ 0.83 newly-issued ordinary BPU shares for every ordinary BL ordinary share held (ranking for dividends *pari passu*) ⇨ No. of shares in issue post-merger approx. 639 million (fully diluted) ⇨ 2006 dividend: € 0.8 per share payable to all shareholders in new group for a total of over € 500m ⇨ Right to withdraw pursuant to Article 2437 of the Italian Civil Code for shareholders who are absent, in disagreement or who abstained from voting in the BL AGM (based on avg. price in six months prior to AGM being called
Implied value per share	⇨ € 18.10 per BL share based on avg. BPU share price in preceding 1 month as from 10/11/06 (€ 21.81 per share) ⇨ € 17.31 per BL share based on avg. BPU price at 10/11/06 (€ 20.85 per share)
Financial impact	⇨ EPS accretive for BPU shareholders by approx. 4% in 2009 ⇨ EPS accretive for BL shareholders by approx. 15% in 2007 (despite impact of merger charges) and over 60% in 2009 ⇨ Pro-forma core Tier 1 ratio above 7% in 2009
Conditions for completion	⇨ Confirmatory due diligence ⇨ Approval from Bank of Italy, antitrust authorities and ISVAP ⇨ Approval by BPU and BL shareholders in extraordinary general meetings ⇨ Limit of 10% of BL share capital on right of withdrawal exercised, save for possibility of waiver by common consent between the parties

Organizational model and corporate governance

Organizational model

- ⇨ Listed parent company with strong co-operative identity and new name
- ⇨ Registered office in Bergamo
- ⇨ Central functions chiefly located in Bergamo and Brescia
- ⇨ Multi-functional, federal, integrated banking group:
  - – Parent company to provide management, co-ordination, control and supply of support services
  - – Leveraging on brand identities and strong local relationships
  - – Optimizing distributional power of banks' networks
  - – Integrating and creating value from product factories (cross-selling of best practice products across entire client base of new group)

Corporate governance

- ⇨ Dualistic system equally balanced between BPU and BL:
  - – Supervisory board, with control and high strategy functions, comprising 23 members (11 + 11 + 1)
  - – Management board, comprising 10 members (5 + 5)
- ⇨ Clear allocation of responsibilities:
  - – 1 Managing Director, member of Management board (strategic co-ordination)
  - – 1 General Manager (operating co-ordination)
  - – 1 Co-general manager

Indicative timescale

November / December 2006	⇨ Approval of merger guidelines by BPU and BL boards (13 November 2006) ⇨ Framework agreement signed by board chairmen (13 November 2006) ⇨ Deal presented to financial community (14 November 2006) ⇨ Confirmatory due diligence ⇨ Approval of merger plans by BPU and BL boards (by mid-December), EGMS called for BPU and BL in early March 2007
January/March 2007	⇨ 2006 financial statements drawn up by BPU and BL boards ⇨ Approval from Bank of Italy, antitrust authorities and ISVAP ⇨ Merger plans approved by BPU and BL shareholders in EGM (e.g. 3 March 2007)
April/ May 2007	⇨ Merger effective (e.g. 1 April 2007) ⇨ 2006 financial statements approved (Supervisory board/new entity's shareholders in AGM) ⇨ Ordinary General Meeting of new entity to approve proposed profit allocation ⇨ Payment of 2006 dividend (€ 0.8 per share for all shareholders in the new entity)

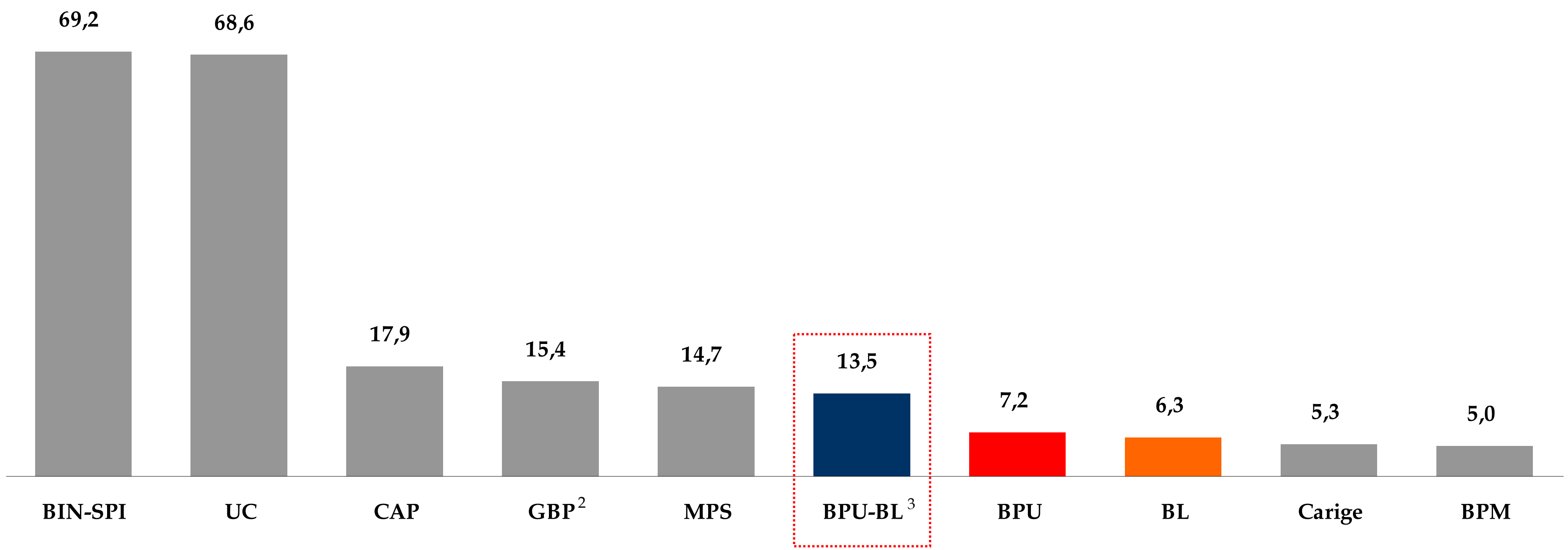
II. Business rationale

Shared culture, similar organizational models

	BPU group	Banca Lombarda e Piemontese group
Culture	Focus on needs/requirements of customers, in particular households and SMEs Leveraging on specific local characteristics Strong emphasis on developing human capital Ongoing attention to costs Successful track record in managing integration procedures	
Organizational model	Federal, multi-functional, integrated model (parent company, bank networks, product companies) Service models differentiated according to customer segment	

Sixth largest Italian bank by market cap.[1]

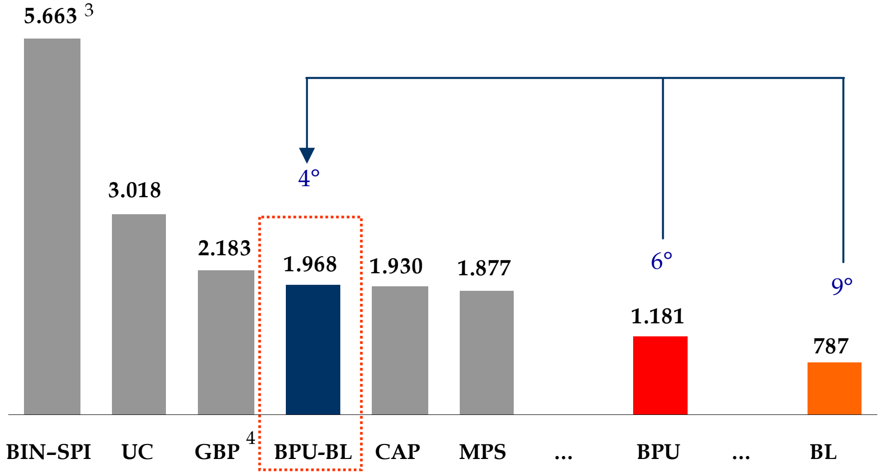
Market cap. at 10 November 2006 (€ bn)



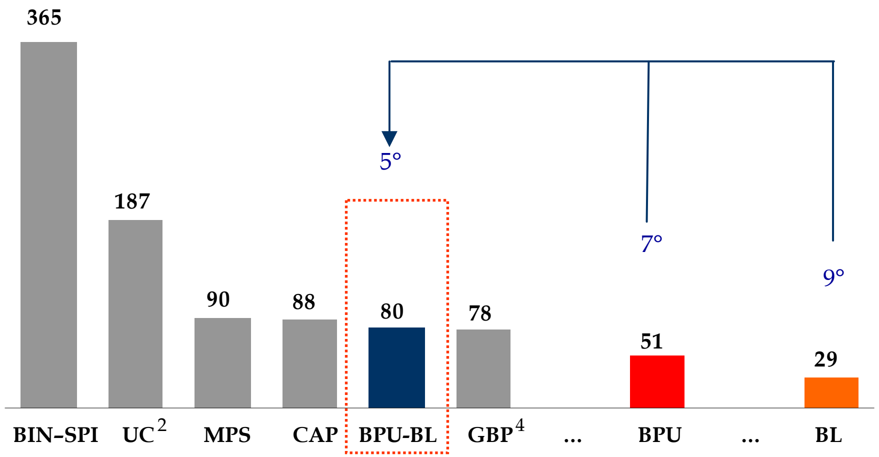
1. Source: Bloomberg at 10 November 2006
2. GBP = "Gruppo Bancario Popolare" (BPVN + BPI)
3. Before synergies achievable under the deal, valued at approx. € 2.3bn

Creation of leading player at national level[1]

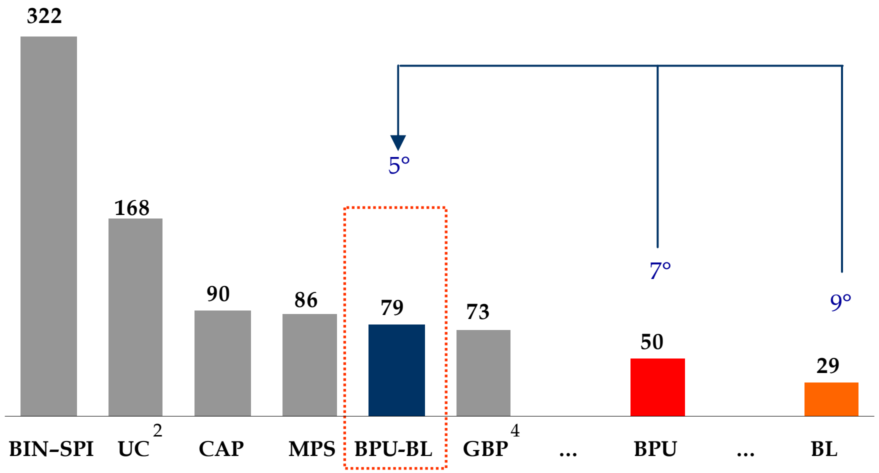
No. of bank branches in Italy



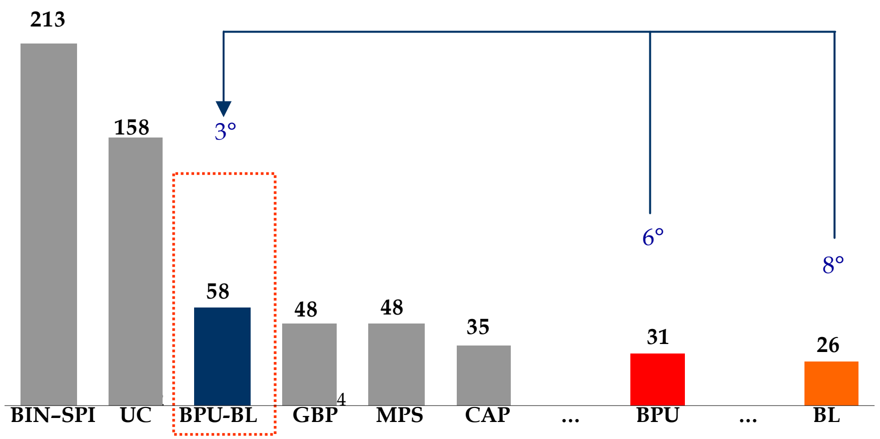
Deposits (€ bn)



Customer loans (€ bn)



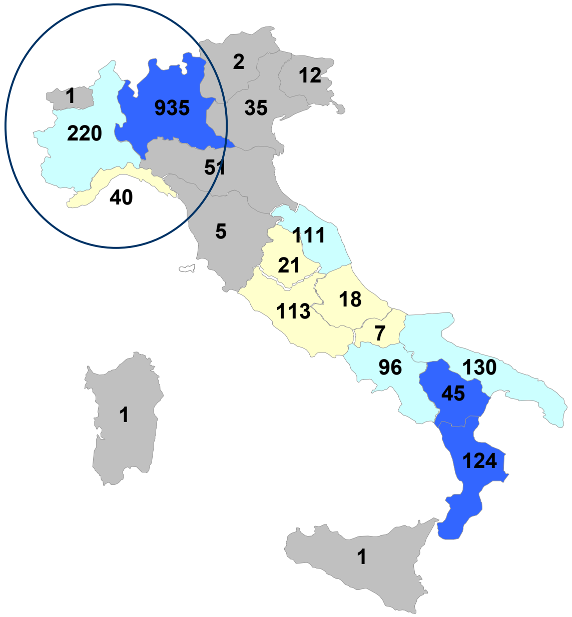
Asset under management (€ bn)



1. Source: 1H 2006 financial statements
2. Excluding HVB Group
3. Net of announced branch disposals to Crédit Agricole (approx. 650 branches)
4. GBP = “Gruppo Bancario Popolare” (BPVN + BPI)

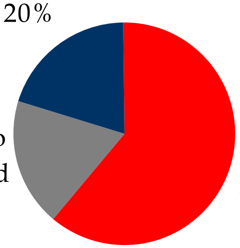
High geographical complementarity[1]

Combined bank branch network



Mkt share < 2% | 2% < Mkt sh. < 5% | 5% < Mkt sh. < 10% | Mkt sh. > 10%

Geographical distribution of bank branches



61% of bank branches are located in North-West Italy, which generates 32% of the Italian GNP[3]

Main provinces of operation

	Sportelli	Market share
Brescia	251	29%
Varese	133	29%
Cosenza	57	29%
Bergamo	178	26%
Cuneo	127	26%
Reggio C.	33	24%
Pavia	57	18%
Viterbo	32	16%
Ancona	44	12%
Alessand.	32	11%
Milano	242	10%
Bari	59	10%
Salerno	32	9%
Napoli	44	5%
Roma	78	4%
Torino	35	3%

- Strong presence in the wealthiest regions of Italy, with leadership in the core provinces (Bergamo, Brescia, Varese, Cuneo, Pavia and Milan)
- Approx. 1,970 bank branches (fourth-largest network in Italy), with a national market share of approx. 6.3%
- Market share of above 10% in 21 Provinces[2]

1. Source: BPU/BL financial statements as at 30 June 2006 for regional presence, Bank of Italy as at 30 June 2006 for provincial presence
2. Market share of 10% in terms of bank branches usually considered as threshold for potentially gaining disproportionate market share in deposits and AUM
3. Souce: Bank of Italy report on regional accounting published in May 2006 and based on 2005 data

Main pro-forma financials and capital ratios at 30 September 2006[1]

	BPU group	Banca Lombarda group	Pro-forma aggregate
Net interest income	1.200,0	659,0	1.859,0
Net fee income	609,8	357,7	967,5
Total income	2.069,1	1.165,5	3.234,5
Gross operating profit	926,1	534,2	1.460,3
Profit from current activities	860,2	457,2	1.317.3
Net profit	509,1	236,6	745,7
Net customer loans	49.798	29.954	79.753
Deposits	51.526	30.036	81.562
AUM	32.413	26.784	59.197
Total non-discr. AUM	55.263	49.277	104.540
Shareholders' funds (excl. net profits)	4.384	2.552	6.936
Cost/income ratio	55,2%	54,2%	54,9%
Annualized ROE	14,5%	12,0%	13,6%
NPLs/customer loans	0,71%	0,77%	0,73%
Coverage ratio	58,6%	55,6%	57,5%
Core tier 1 ratio	6,06%	6,31%	6,15%
No. of employees	14.370	7.518	21.888
No. of branches	1.181	794	1.975

1. Reclassified data using consistent methodologies.

Strong synergy potential within product factories[1]

	BPU group	Banca Lombarda e Piemontese group
Asset management	BPU Pramerica (AUM approx. € 23.7bn	Capitalgest[2]/Grifogest (AUM approx. € 21.6bn)
Leasing	BPU Esaleasing (approx. € 3.3bn in assets under lease, new business approx. € 750m)	SBS Leasing (approx. € 3.2 bn in assets under lease, new business approx. € 900 m)
Consumer credit	B@nca 24-7 (approx. € 2.4bn in loans to customers, new business approx. €720m), focused on mortgages, salary-based loans and credit cards	SILF (approx. € 1.5bn in loans to customers, new business approx. €600m), focused on special purpose loans
Corporate banking	Centrobanca (approx. € 5.6bn in loans to customers, new business approx. €1,770m)	
Factoring		CBI Factor (approx. € 1.2bn in loans to customers, turnover approx. € 1.9bn at 30 June 2006)
Non-life *bancassurance*	BPU Assicurazioni (approx. € 180m in premium income)	
Life *bancassurance*	Partnership with Aviva (Aviva Vita, approx. € 550m in premium income) BPU Assicurazioni Vita (€ 230m in premium income)	Partnership with Cattolica (Lombarda Vita, approx. € 1.2bn in premium income)

1. Source for quantitative data: H1 2006 BPU and BL financial statements
2. Includes Capitalgest Alternative Investment

III. Organizational model and corporate governance

Multi-functional, federal and integrated model

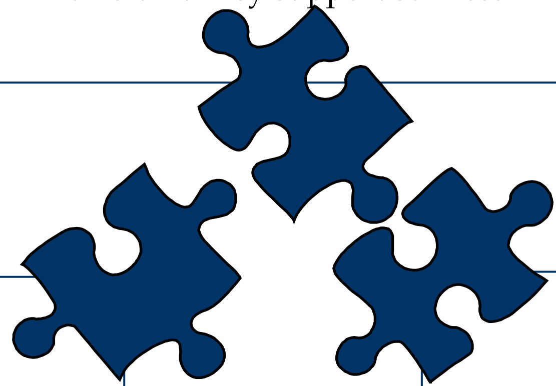
Parent company

Mission

Management, co-ordination and control

Coverage of business functions

Provision of key support services



Bank networks

Mission

Coverage of markets

Distinctive capability to understand and serve local economies

Drivers

Service model differentiated by customer segment

Sharing of the same organizational structure

Sharing of tools and services provided by parent company

Product factories

Mission

Competitive product and services offering, in line with market best practice

Drivers

Continuous product innovation

Ability to listen to distribution network requirements

Strong presence in Italy with local brands…

Listed co-operative parent company

- BPU Banca Popolare di Bergamo — 375 branches
- BPU Banca Popolare Commercio & Industria — 223 branches
- Banco di Brescia — 379 branches
- Banca Regionale Europea — 290 branches (including CR Tortona)
- BPU Banca Carime — 325 branches
- BPU Banca Popolare di Ancona — 247 branches (including BP Todi)
- Banca di Valle Camonica — 57 branches
- Banco di San Giorgio — 35 branches

… supplemented by an FAs network

BPU Sim

450 financial advisors

AUM (30 Sept. 2006): = € 1.7bn

Banca Lombarda Private Investment

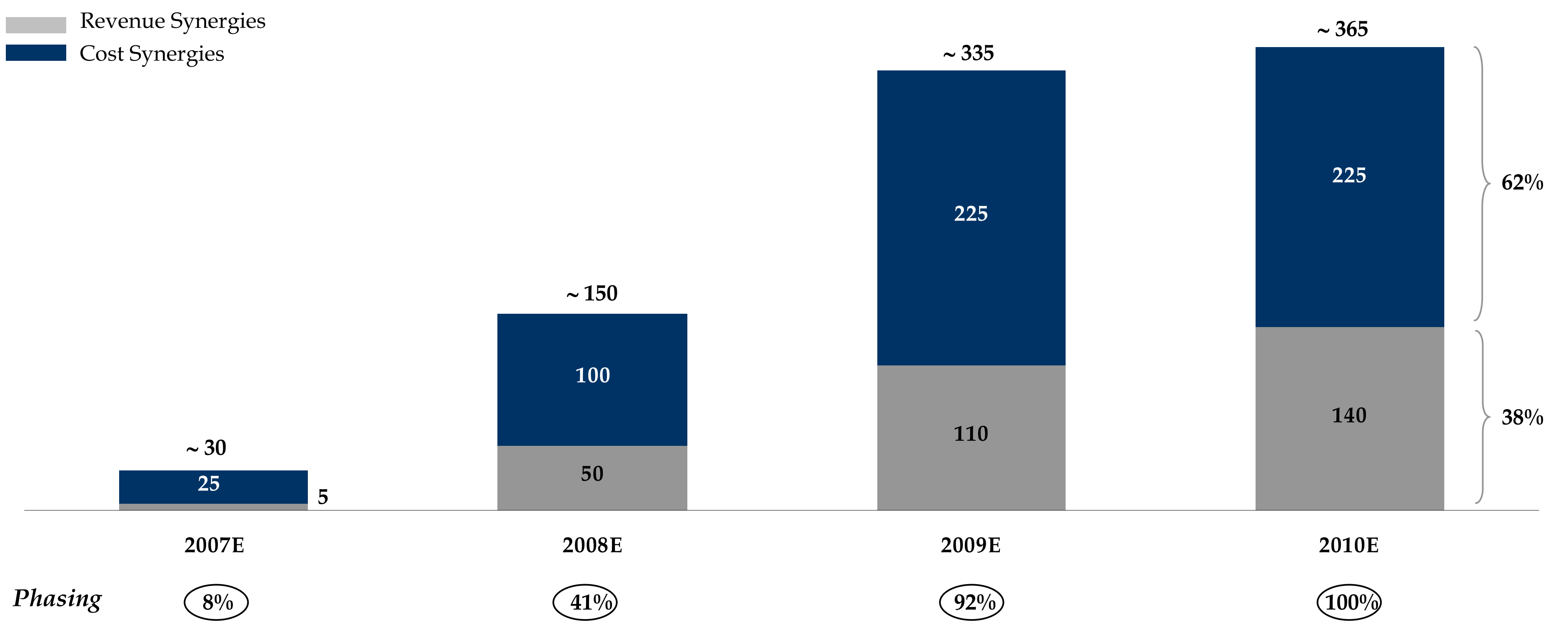
575 financial advisors

AUM (30 Sept. 2006) = € 2.5bn

IV. Value creation

Synergies expected to reach € 365m at full capacity, with NPV over € 2.3bn

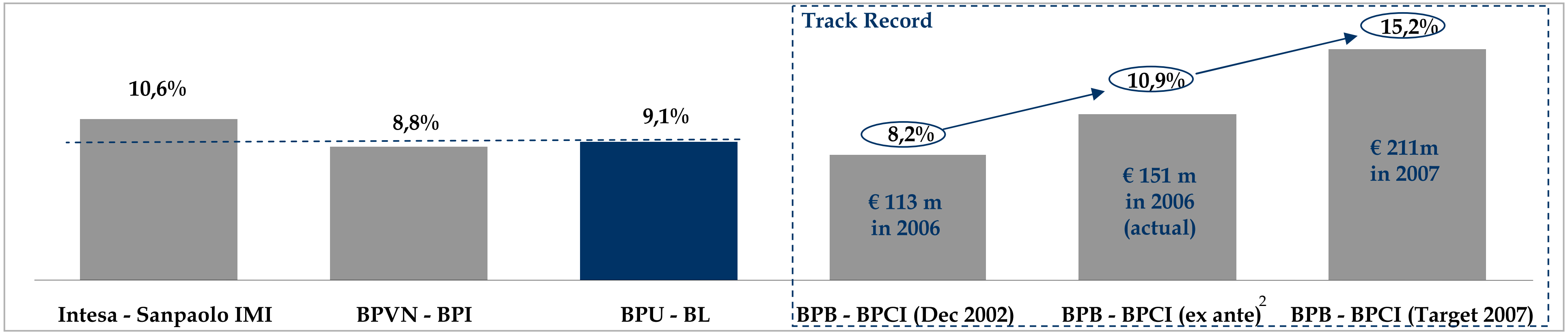
Total synergies (€ m)



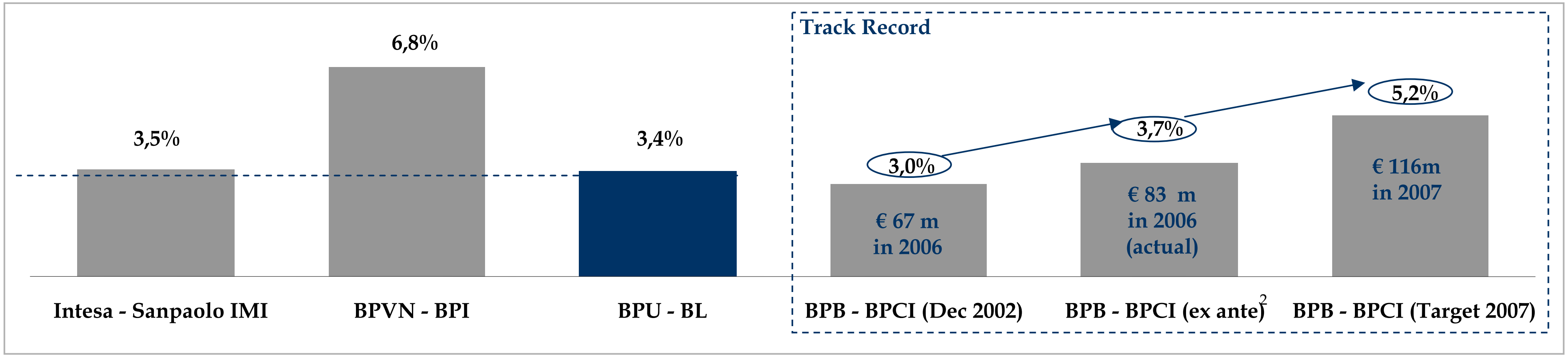
- Integration costs expected to total € 380m, € 360m of which charged to profit and loss (presumably in 2007) plus €20m increase in goodwill
- Net present value of synergies, net of one-off merger costs, amounts to approx. € 2.3bn

High synergy generation and limited execution risk[1]

Cost synergies/aggregated costs



Revenue synergies /aggregated revenues



⇨ Limited execution risk:

- Common culture
- Proven track-record of management in managing integration processes

1. Source: analyst presentations, internal analysis
2. Source: update to 2006-2008 business plan

Cost synergies

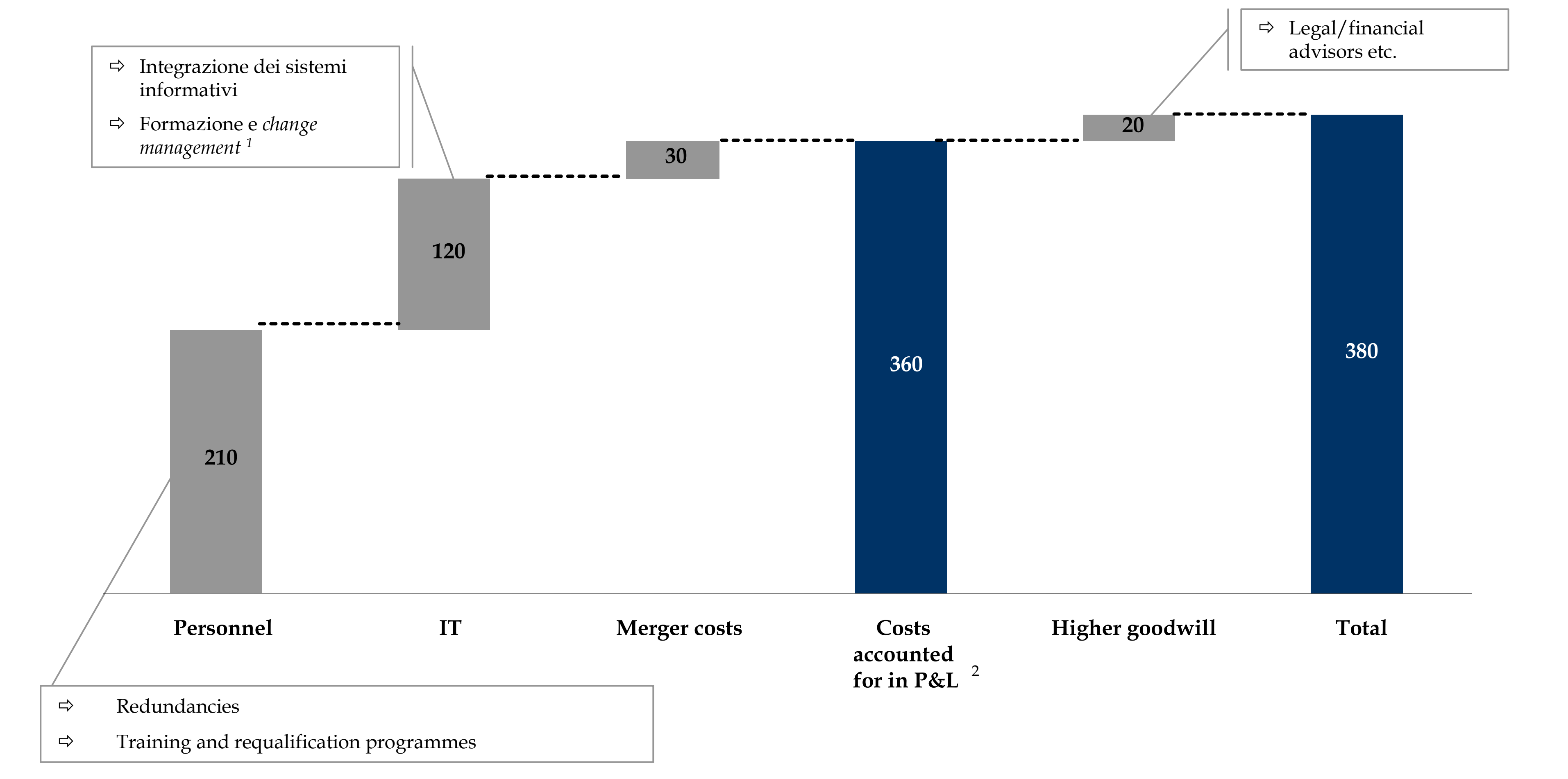
	Breakdown	% of total	Drivers
Personnel expenses	~ 90	40%	⇨ Personnel reduction of approx. 1,300 staff (approx. 6% of total current headcount) through incentives for exit and partial non-replacement of turnover ⇨ Organizational drivers: ⇨ Network best practices – Optimization of the head office structure of Parent Company, Banche Rete and Product Factories – Network best practices alignment
Information technology	~ 45	20%	⇨ Unification of IT and tlc platforms
Other administrative expenses	~ 90	40%	⇨ Increased purchasing power ⇨ Rationalization of spaces and logistics ⇨ Optimization of governance expenses, consulting and marketing expenses ⇨ Rationalization of info. provider
Total cost synergies	225	100%	

Revenue synergies

	Breakdown	% of total	Drivers
Product / segment synergies	~ 80	57%	⇨ Development of product factories existing only in one of the two groups (corporate banking, factoring, non-life *bancassurance*) ⇨ Improvement of service level and quality of offering (asset management, leasing, consumer finance)
Improvement of commercial productivity	~ 60	43%	⇨ Sharing of commercial models and best practices ⇨ Sharing of tools supporting business (e. g.CRM)
Total revenue synergies	~ 140	100%	

One-off integration expenses estimated at € 380m

One-off integration expenses (€ m)



1. Linked to IT migration
2. Presumably accounted for in 2007 profit and loss

V. Final remarks

Merger between two strong banking groups for a high-value creating project

Merger between two groups sharing common values

Focus on customer requirements through:

- Bank networks: leadership in main markets
- Distinctive product factories

BPU Banca | Banca Lombarda

Compelling competitive positioning in the wealthiest areas of Italy

Proven track-record of the management of both Groups in managing integration processes

Key financial targets

	2005A [1]	2009E
Cost/income ratio	**58.3%**	**< 45%**
Net profit (€ m)	**920**	**> 1,400**
EPS (€)	**1.44**	**2.28**
ROE	**14.4%**	**> 17% [2]**
Core tier 1	**6.4%**	**= 7%**
Dividend (€)	**0.75**	**=1**
Synergies net present value (€ bn)[3]		**>2.3**

1. Aggregated BPU and BL
2. Starting from BV at start of period adjusted for goodwill deriving from the transaction
3. Net of tax and costs, cost of equity 8%