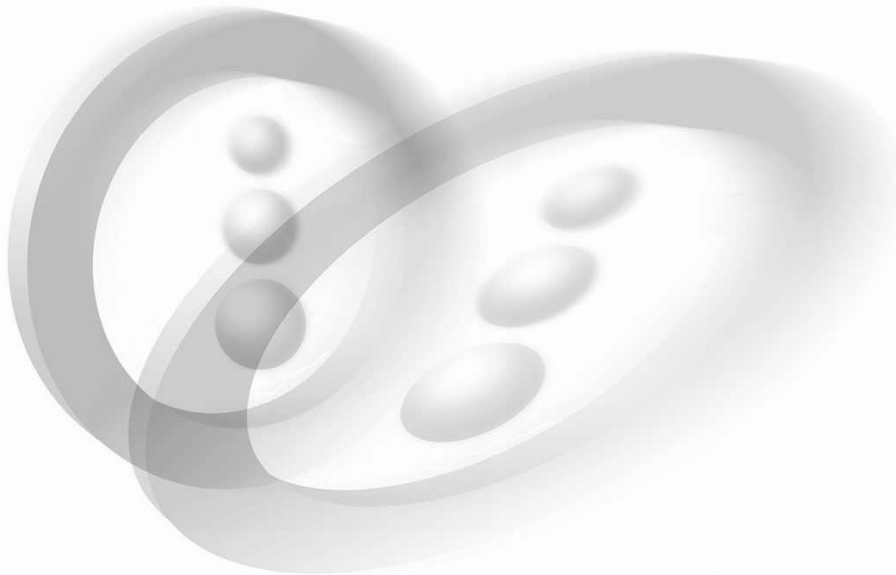




**Banca Lombarda e Piemontese**



## **QUARTERLY REPORT**

**to 30<sup>th</sup> September 2006**

**of Banca Lombarda e Piemontese S.p.A.  
(merger accounts)**

**FINANCIAL STATEMENTS  
AND  
ILLUSTRATIVE NOTES**

## BALANCE SHEET

### ASSETS

(figures in euro)

	Asset items	30/09/06	31/12/05	Changes	
				Absolute	%
10.	Cash and cash equivalents	42.893.733	41.680.414	1.213.319	2,9
20.	Financial assets held for trading	2.486.055.613	2.502.610.955	(16.555.342)	-0,7
40.	Available-for-sale financial assets	794.105.488	661.491.609	132.613.879	20,0
60.	Loans to banks	3.811.906.761	3.891.616.107	(79.709.346)	-2,0
70.	Loans to customers	3.697.754.891	3.256.135.064	441.619.827	13,6
80.	Hedging derivatives	31.979.121	52.965.189	(20.986.068)	-39,6
100.	Equity investments	2.054.001.604	2.015.179.810	38.821.794	1,9
110.	Tangible assets	62.147.815	64.400.726	(2.252.911)	-3,5
120.	Intangible assets	129	207	(78)	-37,7
130.	Tax assets	55.985.218	62.902.384	(6.917.166)	-11,0
140.	Non current assets and disposal groups held for sale	2.290.103	-	2.290.103	-
150.	Other assets	151.699.624	158.348.207	(6.648.583)	-4,2
<b>Total assets</b>		<b>13.190.820.100</b>	<b>12.707.330.672</b>	<b>483.489.428</b>	<b>3,8</b>

**LIABILITIES**  
(figures in euro)

	Liabilities and shareholders' equity	30/09/06	31/12/05	Changes	
				Absolute	%
10.	Due to banks	4.583.802.677	5.555.196.474	(971.393.797)	-17,5
20.	Due to customers	131.341.276	7.070.348	124.270.928	1757,6
30.	Securities in issue	5.402.301.503	3.953.838.533	1.448.462.970	36,6
40.	Financial liabilities held for trading	617.147.869	1.237.444.481	(620.296.612)	-50,1
60.	Hedging derivatives	316.283	774.437	(458.154)	-59,2
80.	Tax liabilities	50.920.336	41.128.247	9.792.089	23,8
100.	Other liabilities	104.322.774	150.980.957	(46.658.183)	-30,9
110.	Staff severance payments	11.686.878	11.597.447	89.431	0,8
120.	Provisions for liabilities and charges	8.341.429	6.005.302	2.336.127	38,9
130.	Valuation reserves	416.293.145	312.668.034	103.625.111	33,1
160.	Reserves	319.011.551	271.344.189	47.667.362	17,6
170.	Issue premiums	973.699.933	661.268.427	312.431.506	47,2
180.	Share capital	351.752.470	322.292.258	29.460.212	9,1
200.	Profit (loss) for the period (+/-)	219.881.976	175.721.538	44.160.438	25,1
<b>Total liabilities and shareholders' equity</b>		<b>13.190.820.100</b>	<b>12.707.330.672</b>	<b>483.489.428</b>	<b>3,8</b>

## INCOME STATEMENT

(figures in euro)

	Items of the income statement	30/09/06	30/09/05	Changes	
				Absolute	%
10.	Interest income and similar	205.143.018	149.405.401	55.737.617	37,3
20.	Interest expense and similar	(235.623.772)	(177.723.051)	(57.900.721)	32,6
30.	<b>NET INTEREST INCOME</b>	<b>(30.480.754)</b>	<b>(28.317.650)</b>	<b>(2.163.104)</b>	<b>7,6</b>
40.	Commission income	6.284.316	6.991.747	(707.431)	-10,1
50.	Commission expenses	(3.471.343)	(3.578.775)	107.432	-3,0
60.	<b>NET COMMISSION INCOME</b>	<b>2.812.973</b>	<b>3.412.972</b>	<b>(599.999)</b>	<b>-17,6</b>
70.	Dividend and similar income	244.481.211	193.446.805	51.034.406	26,4
80.	Net profit (loss) from trading	27.793.409	24.769.274	3.024.135	12,2
90.	Net profit (loss) from hedging	358.062	469.534	(111.472)	-23,7
100.	Profit (loss) from disposal or repurchase of:	322.531	(6.423)	328.954	-5121,5
	<i>a) loans</i>	29	-	29	
	<i>b) available-for-sale financial assets</i>	316.817	-	316.817	0,0
	<i>d) financial liabilities</i>	5.685	(6.423)	12.108	0,0
120.	<b>GROSS INCOME</b>	<b>245.287.432</b>	<b>193.774.512</b>	<b>51.512.920</b>	<b>26,6</b>
130.	Net impairment losses on	(698.421)	(1.347.474)	649.053	-48,2
	<i>a) loans</i>	205.871	(1.120.298)	1.326.169	-118,4
	<i>b) available-for-sale financial assets</i>	(105.731)	(227.176)	121.445	-53,5
	<i>d) other financial transactions</i>	(798.561)	-	(798.561)	
140.	<b>NET FINANCIAL OPERATING INCOME</b>	<b>244.589.011</b>	<b>192.427.038</b>	<b>52.161.973</b>	<b>27,1</b>
150.	Administrative expenses:	(61.986.823)	(58.650.659)	(3.336.164)	5,7
	<i>a) staff costs</i>	(31.519.116)	(29.742.125)	(1.776.991)	6,0
	<i>b) other administrative expenses</i>	(30.467.707)	(28.908.534)	(1.559.173)	5,4
160.	Net provisions for liabilities and charges	(4.544.766)	(2.794.933)	(1.749.833)	62,6
170.	Net impairment losses on tangible assets	(1.475.138)	(1.443.397)	(31.741)	2,2
180.	Net impairment losses on intangible assets	(77)	(77)	-	0,0
190.	Other operating income (expense)	24.241.591	22.034.272	2.207.319	10,0
200.	<b>OPERATING COSTS</b>	<b>(43.765.213)</b>	<b>(40.854.794)</b>	<b>(2.910.419)</b>	<b>7,1</b>
210.	Profits (losses) on equity investments	7.672.136	(247.179)	7.919.315	-3203,9
240.	Profits (losses) on disposal of investments	1.042	6.532.899	(6.531.857)	-100,0
250.	<b>PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX</b>	<b>208.496.976</b>	<b>157.857.964</b>	<b>50.639.012</b>	<b>32,1</b>
260.	Taxes on profit for the period for continuing operations	11.385.000	10.399.000	986.000	9,5
270.	<b>PROFIT/LOSS ON CONTINUING OPERATIONS NET OF TAXES</b>	<b>219.881.976</b>	<b>168.256.964</b>	<b>51.625.012</b>	<b>30,7</b>
290.	<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>219.881.976</b>	<b>168.256.964</b>	<b>51.625.012</b>	<b>30,7</b>

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(figures in euro)

Changes to 30<sup>th</sup> September 2006

	Balances at 31.12.2005	Changes in opening balances	Balances at 01.01.2006	Allocation of prior year profit		Changes in reserves	Changes during the year						Actuarial profits (losses) on defined pension benefit plans	Profit (Loss) for the period to 30.09.2006	Shareholders' equity at 30-09-2006
				Reserves	Dividends and other uses		Shareholders' equity operations								
							New share issues	Purchase of own shares	Extraordinary distribution of dividends	Change in capital instruments	Derivatives on own shares	Stock options			
<b>Share capital:</b>	<b>322.292.258</b>	-	<b>322.292.258</b>	-	-	-	<b>29.460.212</b>	-	-	-	-	-	-	-	<b>351.752.470</b>
a) ordinary shares	322.292.258	-	322.292.258	-	-	-	29.460.212	-	-	-	-	-	-	-	351.752.470
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Issue premiums</b>	<b>661.268.427</b>	-	<b>661.268.427</b>	-	-	-	<b>312.431.506</b>	-	-	-	-	-	-	-	<b>973.699.933</b>
<b>Reserves:</b>	<b>271.344.189</b>	-	<b>271.344.189</b>	<b>46.804.635</b>	-	-	-	-	-	-	-	<b>862.727</b>	-	-	<b>319.011.551</b>
a) of profits	260.799.735	-	260.799.735	46.804.635	-	-	-	-	-	-	-	-	-	-	307.604.370
b) other	10.544.454	-	10.544.454	-	-	-	-	-	-	-	-	862.727	-	-	11.407.181
<b>Valuation reserves:</b>	<b>312.668.034</b>	-	<b>312.668.034</b>	-	-	<b>103.661.968</b>	-	-	-	-	-	-	<b>(36.857)</b>	-	<b>416.293.145</b>
a) available for sale	275.078.235,000	-	275.078.235	-	-	103.661.968	-	-	-	-	-	-	(36.857)	-	378.740.203
b) cash flow hedging	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c) special revaluation laws	38.153.563	-	38.153.563	-	-	-	-	-	-	-	-	-	-	-	38.153.563
d) other	(563.764)	-	(563.764)	-	-	-	-	-	-	-	-	-	(36.857)	-	(600.621)
<b>Capital instruments</b>	<b>-</b>	-	<b>-</b>	-	-	-	-	-	-	-	-	-	-	-	<b>-</b>
<b>Own shares</b>	<b>-</b>	-	<b>-</b>	-	-	-	-	-	-	-	-	-	-	-	<b>-</b>
<b>Profit (Loss) for the year</b>	<b>175.721.538</b>	-	<b>175.721.538</b>	<b>(46.804.635)</b>	<b>(128.916.903)</b>	<b>103.661.968</b>	<b>341.891.718</b>	-	-	-	-	-	<b>862.727</b>	<b>(36.857)</b>	<b>219.881.976</b>
<b>Shareholders' equity</b>	<b>1.743.294.446</b>	-	<b>1.743.294.446</b>	-	<b>(128.916.903)</b>	<b>103.661.968</b>	<b>341.891.718</b>	-	-	-	-	<b>862.727</b>	<b>(36.857)</b>	<b>219.881.976</b>	<b>2.280.639.075</b>

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(figures in euro)

Changes to 30<sup>th</sup> September 2005

	Balances at 31.12.2004	Changes in opening balances	Balances at 01.01.2005	Allocation of prior year profit		Changes during the year							Profit (Loss) for the year 30.09.2005	Shareholders' equity at 30-09.2005	
				Reserves	Dividends and other uses	Changes in reserves	Shareholders' equity operations					Actuarial profits (losses) on defined pension benefit plans			
							New share issues	Purchase of own shares	of Extraordinary distribution dividends	Change in capital instruments	Derivatives on own shares				Stock options
<b>Share capital:</b>	<b>320.828.442</b>	-	<b>320.828.442</b>	-	-	-	<b>739.782</b>	-	-	-	-	<b>724.034</b>	-	-	<b>322.292.258</b>
a) ordinary shares	320.828.442	-	320.828.442	-	-	-	739.782	-	-	-	-	724.034	-	-	322.292.258
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Issue premiums</b>	<b>654.723.160</b>	-	<b>654.723.160</b>	-	-	-	-	-	-	-	-	<b>6.545.267</b>	-	-	<b>661.268.427</b>
<b>Reserves:</b>	<b>294.299.508</b>	<b>(53.856.000)</b>	<b>240.443.508</b>	<b>29.913.990</b>	-	-	-	-	-	-	-	<b>6.125.831</b>	-	-	<b>276.483.329</b>
a) of profits	285.480.508	(53.856.000)	231.624.508	29.913.990	-	-	-	-	-	-	-	6.125.831	-	-	267.664.329
b) other	8.819.000	-	8.819.000	-	-	-	-	-	-	-	-	-	-	-	8.819.000
<b>Valuation reserves:</b>	<b>38.045.006</b>	<b>155.962.502</b>	<b>194.007.508</b>	-	-	<b>51.847.794</b>	-	-	-	-	-	-	<b>(155.224)</b>	-	<b>245.700.078</b>
a) available for sale	-	155.962.502	155.962.502	-	-	51.847.794	-	-	-	-	-	-	(155.224)	-	207.810.296
b) cash flow hedging	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c) special revaluation laws	38.153.563	-	38.153.563	-	-	-	-	-	-	-	-	-	-	-	38.153.563
d) other	(108.557)	-	(108.557)	-	-	-	-	-	-	-	-	-	(155.224)	-	(263.781)
<b>Capital instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Own shares</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit (Loss) for the year</b>	<b>142.203.945</b>	<b>-</b>	<b>142.203.945</b>	<b>(29.913.990)</b>	<b>(112.289.955)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168.256.964</b>	<b>168.256.964</b>	<b>168.256.964</b>
<b>Shareholders' equity</b>	<b>1.450.100.061</b>	<b>102.106.502</b>	<b>1.552.206.563</b>	<b>-</b>	<b>(112.289.955)</b>	<b>51.847.794</b>	<b>739.782</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.395.132</b>	<b>(155.224)</b>	<b>168.256.964</b>	<b>1.674.001.056</b>

# STATEMENT OF CASH FLOWS

*Indirect method*

*(figures in euro)*

A. OPERATING ACTIVITIES	Amount		
	30/09/2006	30/09/2005	
<b>1. ORDINARY ACTIVITIES</b>	<b>(26.245.726)</b>	<b>(27.475.788)</b>	(+/-)
- Profit for the period (+/-)	219.881.976	168.256.964	
- Gains (losses) on financial assets held for trading and on financial assets (liabilities) at fair value (-/+)	1.289.508	179.324	
- Gains (losses) on hedging activities (-/+)	(358.062)	(469.534)	
- Net impairment losses on loans (+/-)	698.421	1.347.474	
- Net impairment losses on tangible and intangible fixed assets (+/-)	1.475.215	1.443.474	
- net provisions for liabilities and charges and other expenses (income) (+/-)	(237.847.784)	(187.834.490)	
- Outstanding taxes and duties (-)	(11.385.000)	(10.399.000)	
<b>2. LIQUIDITY GENERATED (ABSORBED) BY FINANCIAL ASSETS</b>	<b>(345.404.673)</b>	<b>(1.561.807.885)</b>	(+/-)
- Financial assets held for trading	15.265.834	(1.371.628.257)	
- Available-for-sale financial assets	(23.191.580)	1.695.537	
- Lending to banks: repayable on demand	79.709.346	(837.874.814)	
- Loans to customers	(441.896.105)	837.939.464	
- Other assets	24.707.831	(191.939.815)	
<b>3. LIQUIDITY GENERATED (ABSORBED) BY FINANCIAL LIABILITIES</b>	<b>(44.258.185)</b>	<b>1.508.042.449</b>	(+/-)
- Amounts due to banks repayable on demand	(971.393.797)	797.851.856	
- Amounts due to customers	124.270.928	(109.974.793)	
- Securities in issue	1.449.303.180	197.464.158	
- Financial liabilities held for trading	(620.296.612)	613.060.934	
- Other liabilities	(26.141.884)	9.640.294	
<b>Net liquidity generated (absorbed) by operating activities</b>	<b>(415.908.584)</b>	<b>(81.241.224)</b>	)
<b>B. INVESTMENT ACTIVITIES</b>			
<b>1. LIQUIDITY GENERATED BY</b>	<b>244.481.211</b>	<b>204.426.367</b>	(+)
- Sales of equity investments	-	10.979.562	
- Dividends received on equity investments	244.481.211	193.446.805	
<b>2. LIQUIDITY ABSORBED BY:</b>	<b>40.334.123</b>	<b>43.767.457</b>	(-)
- Purchases of equity investments	38.821.794	43.341.050	
- Purchases of tangible assets	1.512.329	426.407	
<b>Net liquidity generated (absorbed) by investing activities</b>	<b>204.147.088</b>	<b>160.658.910</b>	)
<b>C. FINANCING ACTIVITIES</b>			
- Issues (purchases) of own shares	341.891.718	8.009.083	
- Distribution of dividends and other means	(128.916.903)	(112.289.955)	
<b>Net liquidity generated (absorbed) by financing activities</b>	<b>212.974.815</b>	<b>(104.280.872)</b>	)
<b>NET LIQUIDITY GENERATED (ABSORBED) IN THE PERIOD</b>	<b>1.213.319</b>	<b>(24.863.186)</b>	D = A +/- B +/-

LEGEND: (+) GENERATED (-) ABSORBED

## THE STATEMENT OF CASH FLOWS – RECONCILIATION

Balance sheet items	Amount	
	30/09/2006	30/09/2005
Cash and cash equivalents at beginning of year	41.680.414	61.428.918
Total net liquidity generated (absorbed) during the year	1.213.319	(24.863.186)
Cash and cash equivalents at end of year	42.893.733	36.565.732



**ILLUSTRATIVE  
TABLES**

The accounting policies have remained unchanged compared to those employed for the accounts as at 31<sup>st</sup> December 2005.

*Composition by type of financial assets held for trading*

Items/Values	30/09/2006		31/12/2005	
	Listed	Unlisted	Listed	Unlisted
<b>A Assets</b>				
1. Debt securities	1.857.654	63.480	1.897.970	81.264
2. Equities	22.998	4	18.035	
3. Units in O.I.C.R. (collective investment instruments)	66.634	236.860	256.175	
4. Financing	-	-	-	-
5. Impaired assets				
6. Assets transferred not derecognised	-	-		
<b>TOTAL (A)</b>	<b>1.947.286</b>	<b>300.344</b>	<b>2.172.180</b>	<b>81.264</b>
<b>B Derivative instruments</b>				
1. Financial derivatives	692	237.734	543	248.624
2. Credit derivatives	-	-	-	-
<b>TOTAL (B)</b>	<b>692</b>	<b>237.734</b>	<b>543</b>	<b>248.624</b>
<b>Total (A+B)</b>	<b>1.947.978</b>	<b>538.078</b>	<b>2.172.723</b>	<b>329.888</b>

*Composition by type of available-for-sale financial assets*

Items/Values	30/09/2006		31/12/2005	
	Listed	Unlisted	Listed	Unlisted
1. Debt securities	-	-	-	-
2. Equities	754.448	19.642	645.219	6.944
2.1 At fair value	754.448	1.550	645.219	1.550
2.2 At cost		18.092		5.394
3. Units in O.I.C.R. (collective investment instruments)	20.015			9.329
4. Financing				
5. Impaired assets				
6. Assets transferred not derecognised				
<b>Total</b>	<b>774.463</b>	<b>19.642</b>	<b>645.219</b>	<b>16.273</b>

*Composition of loans to customers*

Type of transaction/values	30/09/2006	31/12/2005
1. Current accounts	14.681	30.911
2. Reverse repurchase agreements	11.547	16.464
3. Mortgage loans	94.001	50.036
4. Credit cards, personal loans and salary backed loans	-	-
5. Financial leasing	-	-
6. Factoring	-	-
7. Other transactions	3.547.155	3.128.466
8. Debt securities	25.276	25.378
9. Impaired assets	5.095	4.880
10. Assets transferred not derecognised	-	-
<b>Total carrying value</b>	<b>3.697.755</b>	<b>3.256.135</b>

*Composition of amounts due to customers*

Type of transaction/values	30/09/2006	31/12/2005
1. Current accounts and deposits	130.236	1.154
2. Time deposits	-	-
3. Funds administered on behalf of public bodies	-	-
4. Financing	-	-
4.1 financial leasing	-	-
4.2 other	-	-
5. Debts for agreements to repurchase own equity instruments	-	-
6. liabilities for assets transferred not derecognised	-	5.058
6.1 Repurchase agreements	-	5.058
6.2 other	-	-
7. Other amounts due	1.105	858
<b>Total</b>	<b>131.341</b>	<b>7.070</b>

*Securities in issue: composition by type*

Type of security/values	30/09/2006	31/12/2005
	Carrying value	Carrying value
<b>A. Listed securities</b>	<b>5.366.008</b>	<b>2.576.791</b>
1. bonds	5.366.008	2.576.791
2. other securities	-	-
<b>B. Unlisted securities</b>	<b>36.294</b>	<b>1.377.048</b>
1. bonds	21.611	6.144
2. other securities	14.683	1.370.904
<b>Total</b>	<b>5.402.302</b>	<b>3.953.839</b>

Composition by type of financial liabilities held for trading

Type of transaction/values	30/09/2006			31/12/2005		
	Nominal Value	Fair value		Nominal Value	Fair value	
		L	UL		L	UL
<b>A. Cash liabilities</b>				-	-	-
<b>1. Due to banks</b>				-	-	-
<b>2. Due to customers</b>	356.149	357.160			953.307	-
<b>3. Debt securities</b>	-	-	-	-	-	-
3.1 bonds	-	-	-	-	-	-
3.2 Other securities						
<b>TOTAL A</b>	<b>356.149</b>	<b>357.160</b>	-	-	<b>953.307</b>	-
<b>B. Derivative instruments</b>	x			x	-	-
<b>1. Financial derivatives</b>		649	259.339		1.328	282.809
1.1 for trading	x	649	259.339		1.328	282.809
1.2 connected with fair value option	x			x	-	-
1.3 other	x				-	-
<b>2. Credit Derivatives</b>		-	-		-	-
2.1 for trading	x				-	-
2.2 connected with fair value option	x			x	-	-
2.3 other	x				-	-
<b>TOTAL B</b>		<b>649</b>	<b>259.339</b>		<b>1.328</b>	<b>282.809</b>
<b>TOTAL (A+B)</b>	<b>356.149</b>	<b>357.809</b>	<b>259.339</b>	-	<b>954.635</b>	<b>282.809</b>

*Supervisory capital, capital ratios and large exposures*

Categories / Values	Amount
<b>A. SUPERVISORY CAPITAL</b>	
A.1 Core capital (tier 1)	1.992.790
A.2 Supplementary capital (tier 2)	1.139.604
A.3 Components to be deducted	-110.054
<b>A.4 Supervisory capital</b>	<b>3.022.340</b>
<b>B. PRUDENT SUPERVISORY REQUIREMENTS</b>	
B.1 Credit risk (7% of weighted assets):	696.080
B.2 Market risk	71.057
of which:	
- risks in the portfolio of securities not held as financial fixed assets	69.678
- exchange rate risks	1.379
B.3 Tier 3 subordinated bonds	-
B.4 Other prudential requirements	-
<b>B.5 Total prudential requirements</b>	<b>767.137</b>
<b>C. RISK ASSETS AND SUPERVISORY RATIOS</b>	
C.1 Risk weighted assets (*)	10.970.054
C.2 Core capital / risk weighted assets	18,17%
C.3 Supervisory capital / risk weighted assets	27,55%

(\*) Total prudential requirements multiplied by the reciprocal of the minimum compulsory credit risk ratio (Bank of Italy communication of 4/11/99).

Solvency ratio for credit risks 30,39%

**Large exposures**

30/09/2006	
a. amount	307.238
b. number	1

*Interest income and similar: composition*

Items/Type	Performing financial assets		Impaired financial assets	Other assets	30/09/2006	30/09/2005
	Debt securities	Financing				
1. Financial assets held for trading	43.607				43.607	19.117
2. Available-for-sale financial assets					-	-
3. Held-to-maturity financial assets					-	-
4. Loans to banks	5.395	62.870	-	5.470	73.735	60.917
5. Loans to customers	1.416	75.435	-	-	76.851	57.446
6. Financial assets at fair value					-	-
7. Hedging Derivatives	X	X	X	10.539	10.539	11.457
8. Financial assets transferred not derecognised					-	-
9. Other assets	X	X	X	411	411	468
<b>Total</b>	<b>50.418</b>	<b>138.305</b>	<b>-</b>	<b>16.420</b>	<b>205.143</b>	<b>149.405</b>

*Interest expense and similar: composition*

Items/Type	Borrowings	Securities	Other liabilities	30/09/2006	30/09/2005
1. Due to banks	(56.190)	X	-	(56.190)	(42.029)
2. Due to customers	(29)	X	-	(29)	(917)
3. Securities in issue	X	(114.901)	-	(114.901)	(91.945)
4. Financial liabilities held for trading		(14.383)	-	(14.383)	(8.207)
5. Financial liabilities at fair value	-	-	-	-	-
6. Financial liabilities associated with assets transferred not derecognised	(50.121)	-	-	(50.121)	(34.625)
7. Other liabilities	X	X	-	X	-
8. Hedging derivatives	X	X	-	-	-
<b>Total</b>	<b>(106.340)</b>	<b>(129.284)</b>	<b>0</b>	<b>(235.624)</b>	<b>(177.723)</b>

*Commission income: composition*

Type of service/Values	30/09/2006	30/09/2005
<b>a) guarantees granted</b>	<b>2.011</b>	<b>2.863</b>
<b>b) credit derivatives</b>	-	-
<b>c) management, trading and advisory services:</b>	<b>3.417</b>	<b>3.428</b>
1. trading in financial instruments		
2. foreign exchange trading	1	-
3. portfolio management	-	-
3.1. individual		
3.2. collective		
4. custody and administration of securities	-	-
5. depository bank	-	-
6. placement of securities	53	68
7. stock market orders	3.360	3.360
8. advisory activities	-	-
9. distribution of third party services	3	-
9.1. portfolio management	-	-
9.1.1. individual		
9.1.2. collective		
9.2. insurance products		
9.3. other products	3	-
<b>d) collection and payment services</b>	<b>565</b>	<b>375</b>
<b>e) servicer activities for securitisation operations</b>	-	-
<b>f) services for factoring operations</b>	-	-
<b>g) tax collection and payment services</b>	-	-
<b>h) other services</b>	<b>291</b>	<b>326</b>
<b>Total</b>	<b>6.284</b>	<b>6.992</b>



*Commission expense: composition*

<b>Services/Values</b>	<b>30/09/2006</b>	<b>30/09/2005</b>
<b>a) guarantees received</b>	<b>(567)</b>	<b>(766)</b>
<b>b) credit derivatives</b>	<b>0</b>	<b>0</b>
<b>c) management and trading services:</b>	<b>(2.489)</b>	<b>(2.401)</b>
1. trading in financial instruments	(1.905)	(1.732)
2. foreign exchange trading	-	-
3. portfolio management	-	-
3.1 own portfolio	-	-
3.2 third party portfolios	-	-
4. custody and administration of securities	(188)	(311)
5. placement of financial instruments	(396)	(358)
6. financial instruments, products and services distributed through indirect networks	-	-
<b>d) collection and payment services</b>	<b>(370)</b>	<b>(351)</b>
<b>e) other services</b>	<b>(45)</b>	<b>(61)</b>
<b>Total</b>	<b>(3.471)</b>	<b>(3.579)</b>

*Net profit (loss) on trading: composition*

<b>Transactions/Components of income</b>	<b>Gains (A)</b>	<b>Profits on trading ( B )</b>	<b>Losses (C)</b>	<b>Losses on trading (D)</b>	<b>Net result [(A+B)-(C+D)]</b>
<b>1. Financial assets held for trading</b>	<b>17.098</b>	<b>51.904</b>	<b>(5.685)</b>	<b>(47.896)</b>	<b>15.421</b>
1.1 Debt securities	1.612	8.563	(4.040)	(9.594)	(3.459)
1.2 Equities	1.671	5.969	(379)	(3.920)	3.341
1.3 Units in O.I.C.R. (collective investment instruments)	13.815	1.166	(1.266)	(421)	13.294
1.4 Financing	-	-	-	-	-
1.5 Other	-	36.206	-	(33.961)	2.245
<b>2. Financial liabilities held for trading</b>	<b>609</b>	<b>0</b>	<b>(411)</b>	<b>0</b>	<b>198</b>
2.1 Debt securities	609	-	(411)	-	198
2.2 Other	-	-	-	-	-
<b>3. Other financial assets and liabilities: exchange rate differences</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>(193)</b>
<b>4. Derivative instruments</b>	<b>119.682</b>	<b>649.213</b>	<b>(105.724)</b>	<b>(650.804)</b>	<b>12.367</b>
4.1 Financial derivatives	119.682	649.213	105.724	650.804	12.367
- on debt securities and interest rates	114.126	629.286	(100.994)	(633.255)	9.163
- on equities and share indexes	3.392	4.731	(2.566)	(2.484)	3.073
- on currencies and gold	X	X	X	X	
- other	2.164	15.196	(2.164)	15.065	131
4.2 Credit derivatives	-	-	-	-	-
<b>Total</b>	<b>137.389</b>	<b>701.117</b>	<b>(111.820)</b>	<b>(698.700)</b>	<b>27.793</b>

*Other administrative expenses: composition*

	30/09/2006	30/09/2005
Telephone, postal, data transmission and alarm expenses	(2.941)	(3.116)
Property and furnishings maintenance	(2.280)	(1.561)
Leasing of machines and software	(217)	(373)
Rents payable on properties	(3.409)	(1.719)
Security services	(424)	(635)
Transport	(1.517)	(1.251)
Sundry professional and advisory fees	(4.997)	(3.722)
Sundry office supplies	(261)	(237)
Electricity heating and water	(97)	(584)
Advertising	(1.353)	(2.110)
Legal and court expenses for debt collection	(13)	(5)
Expenses for outsourced data processing	(283)	(249)
Statutory auditor fees	(172)	(155)
Insurance premiums	(97)	(176)
Spese per information services and land registry searches	(115)	(88)
Charges for services provided by Group member companies	(11.043)	(11.408)
Membership fees	(825)	(1.140)
Altre spese	(81)	(73)
<i>Total expenses amministrative</i>	<i>(30.125)</i>	<i>(28.602)</i>
Indirect taxes and duties:		
- Stamp duties-withholding payments and others	(343)	(307)
<b>Total other administrative expenses</b>	<b>(30.468)</b>	<b>(28.909)</b>



## INFORMATION ON THE RECLASSIFIED BALANCE SHEET AND INCOME STATEMENT

The tables that follow contain the reclassified balance sheet and income statement. The accounting policies followed in the preparation of the quarterly accounts of the Parent Bank are those reported in the specific sections on the valuation criteria and accounting policies of the Group.

### RECLASSIFIED BALANCE SHEET

Asset items (in thousands of euro)	30/09/2006	31/12/2005	Changes	
			Absolute	%
Cash and cash equivalents	42.894	41.680	1.213	2,9
Loans to customers	3.697.755	3.256.135	441.620	13,6
Loans to banks	3.811.907	3.891.616	(79.709)	-2,0
Other financial assets	3.312.140	3.217.068	95.072	3,0
Equity investments	2.054.002	2.015.180	38.822	1,9
Tangible and intangible assets	62.148	64.401	(2.253)	-3,5
Other assets	209.975	221.251	(11.276)	-5,1
<b>Total assets</b>	<b>13.190.820</b>	<b>12.707.331</b>	<b>483.489,43</b>	<b>3,8</b>

Liability items (in thousands of euro)	30/09/2006	31/12/2005	Changes	
			Absolute	%
Due to customers	131.341	7.070	124.271	1.757,6
Securities in issue (including subordinated liabilities)	5.402.302	3.953.839	1.448.463	36,6
<i>Total</i>	<i>5.533.643</i>	<i>3.960.909</i>	<i>1.572.734</i>	<i>39,7</i>
Due to banks	4.583.803	5.555.196	(917.394)	-17,5
Other financial liabilities	617.464	1.238.219	(620.755)	-50,1
Specific provisions for liabilities and charges	20.028	17.603	2.426	13,8
Other liabilities	155.243	192.109	(36.866)	-19,2
Shareholders' equity				
<i>Share capital and reserves</i>	<i>2.060.757</i>	<i>1.567.573</i>	<i>493.184</i>	<i>31,5</i>
<i>Net profit</i>	<i>219.882</i>	<i>175.722</i>	<i>44.160</i>	<i>25,1</i>
<b>Total liabilities</b>	<b>13.190.820</b>	<b>12.707.331</b>	<b>483.489,43</b>	<b>3,8</b>

## RECLASSIFIED INCOME STATEMENT

Items of the income statement (in thousands of euro)	30/09/2006	30/09/2005	Changes	
			Absolute	%
Net interest income	(30.481)	(28.318)	(2.163)	7,6
Dividend and similar income	244.481	193.447	51.034	26,4
<b>Net financial income</b>	<b>214.000</b>	<b>165.129</b>	<b>48.871</b>	<b>29,6</b>
Net commission income	2.813	3.413	(600)	-17,6
Trading and hedging activity	28.474	25.232	3.242	12,8
<b>Gross income</b>	<b>245.287</b>	<b>193.775</b>	<b>51.513</b>	<b>26,6</b>
Net impairment losses on loans	206	(1.120)	1.326	-118,4
Net impairment losses on financial assets	(904)	(227)	(677)	298,1
<b>Net financial operating income</b>	<b>244.589</b>	<b>192.427</b>	<b>52.162</b>	<b>27,1</b>
Administrative expenses	(61.987)	(58.651)	(3.336)	5,7
<i>Staff costs</i>	<i>(31.519)</i>	<i>(29.742)</i>	<i>(1.777)</i>	6,0
<i>Other administrative expenses</i>	<i>(30.468)</i>	<i>(28.909)</i>	<i>(1.559)</i>	5,4
Net provisions for liabilities and charges	(4.545)	(2.795)	(1.750)	62,6
Net impairment losses on tangible and intangible assets	(1.475)	(1.443)	(32)	2,2
Other operating income (expense)	24.242	22.034	2.207	10,0
<b>Operating costs</b>	<b>(43.765)</b>	<b>(40.855)</b>	<b>(2.910)</b>	<b>7,1</b>
Profit (loss) from equity investments and from disposal of investments	7.673	6.286	1.387	22,1
<b>Profit on continuing operations before tax</b>	<b>208.497</b>	<b>157.858</b>	<b>50.639</b>	<b>32,1</b>
Tax on income for the period for continuing operations	11.385	10.399	986	9,5
<b>Profit on continuing operations net of taxes</b>	<b>219.882</b>	<b>168.257</b>	<b>51.625</b>	<b>30,7</b>
<b>Net profit for the period</b>	<b>219.882</b>	<b>168.257</b>	<b>51.625</b>	<b>30,7</b>

## **INFORMATION ON THE RECLASSIFIED BALANCE SHEET**

### **Net interbank position**

The net interbank borrowings at the end of September 2006 had improved from 1,7 billion euro at the end of 2005 to 0,8 billion.

### **Loans to customers**

Loans to customers at 30<sup>th</sup> September 2006 amounted to 3,7 billion, an increase of 13,6% compared to the end of the previous year.

### **Lending situation as at 30<sup>th</sup> September 2006**

Type of exposure / Values	Gross exposures	Specific impairment	Portfolio impairment	Net exposure
<b>Cash exposures</b>				
a) Non performing loans	5.644	549	-	5.095
f) Other assets	3.692.698		38	3.692.660
<b>Total</b>	<b>3.698.342</b>	<b>549</b>	<b>38</b>	<b>3.697.755</b>

Net non performing loans of the Bank at the end of September 2006 amounted to 5,1 million euro compared to 4,9 million at the end of 2005 and they accounted for 0,14% of total lending. The level of coverage for them was 9,7%.

### **Net financial assets**

The balance on financial assets at 30<sup>th</sup> September 2006 amounted to 2.695 million euro compared to 1.979 million at the end of 2005.

The increase is attributable primarily to policies pursued for securities portfolio trading and treasury management, while the increase in available-for-sale financial assets is due principally to the revaluation, in compensation to the shareholders' equity, of listed shares recognised at fair value which are neither controlled nor associated companies.

The following is also reported:

- financial assets held for trading, amounting to 2.486 million euro, included debt securities, equity and collective investment instruments destined to financial trading activity and also fair value trading derivatives. Listed debt securities accounted for approximately 75% of the total for the item;

- available-for-sale financial assets, amounting to 794,1 million euro, included primarily the interest held in Banca Intesa, which amounted to a total of 727,3 million euro at the end of September;
- hedging derivatives, amounting to 32 million euro, related to hedging derivatives on fixed rate bonds issued;
- financial liabilities held for trading, amounting to 617 million euro, included 260 million euro relating to negative fair value trading derivatives.

### **Direct funding from customers**

Funding, which also includes subordinated bonds, amounted to 5.534 million euro at the end of September, up by 39,7% compared to the end of the previous year. This funding was provided almost entirely by bonds.

At the end of the third quarter of 2006 subordinated bonds issued by the Bank totalled 1.307 million euro.

### **Equity investments**

There was a small percentage increase in this item in the first nine months of 2006 (+1,9%), up to 2.054 million euro.

### **Shareholders' equity**

The shareholders' equity of the Bank at the end of September, excluding profit for the period, amounted to 2.060,8 million euro, an increase of 493,2 million compared to 31<sup>st</sup> December 2005. This change was due to an increase in share capital of 341,9 million performed at the end of June, to profit for 2005 allocated to reserves amounting to 46,8 million and to an increase in the valuation reserve of 103,7 million; the latter is mainly attributable to the valuation of the investment in Banca Intesa at market prices. The statement of changes in shareholders' equity may be consulted for more detailed information.



## INFORMATION ON THE RECLASSIFIED INCOME STATEMENT

Net interest income was negative by 30,5 million euro (-28,3 million at the end of September in the previous year) because of the higher cost of funding following the increase in interest rates.

Dividends increased by 26,4% to 244,5 million euro. As a consequence net financial income amounted to 214 million euro (+29,6% compared to the first nine months of 2005).

Net commissions, consisting of commissions on guarantees granted to Group member companies, and on stock market orders, trading and foreign business, fell by 17,6% from 3,4 million euro in the first nine months of 2005 to 2,8 million euro; the fall is attributable primarily to the decrease in income related to guarantees granted to Group member companies.

Trading and hedging activity generated a profit of 28,5 million euro compared to a balance of 25,2 million in the previous year, composed as follows (figures in thousands of euro):

	30/9/2006	30/9/2005
net profit on trading	27.793	24.769
net profit on hedging	358	469
profit (loss) on repurchase and disposal of available-for-sale financial assets	323	(6)
	-----	-----
	28.474	25.232
	=====	=====

As a result of this performance, gross income amounted to 245,3 million euro compared to 193,8 million in the first nine months of 2005.

Net impairment losses on loans rose from a negative balance of 1,1 million to a positive balance of 206 thousand euro.

Net impairment losses on financial assets amounted to 904 thousand euro and included write downs on guarantees.

Administrative expenses amounted to 62 million euro, an increase of 5,7% compared to the same period in the previous year. The component "staff costs", which accounts for 31,5 million euro recorded an increase of 6%, related mostly to growth in staff numbers. This increase was due

principally to the transfer of the employment contracts of some staff from subsidiary banks following the centralisation at the Parent Bank of some activities previously performed by the branch network. “Other administrative expenses”, which amounted to 30,5 million euro increased by 5,4%, and included increased property maintenance costs and rents payable as a result of the New Management Centre as well as increases in various professional and consultancy fees.

Provisions for liabilities and charges for the period rose from 2,8 to 4,5 million; net impairment losses on tangible and intangible assets remained at the same level as in the first nine months of 2005 (1,5 million euro); the “positive” balance on operating income and charges increased from 22 to 24,2 million euro due principally to the increase in recoveries from Group member companies.

As a result of this performance, operating costs amounted to 43,8 million euro, an increase of 7,1% compared to the item to 30<sup>th</sup> September 2005.

In the first nine months of 2006, the items relating to profits (losses) on equity investments and the disposal of investments recorded a positive balance of 7,7 million euro, the result primarily of the intragroup sale of the interest held in Banca Cassa di Risparmio di Tortona S.p.A. to Banca Regionale Europea S.p.A. as part of the process to reorganise the Group. It should be recalled that there was a profit in the first nine months of 2005 on the intragroup sale of the interest held in Veneta Factoring S.p.A. to CBI Factor S.p.A. as part of the process to reorganise the factoring sector.

Profit before tax on continuing operations amounted to 208,5 million euro compared to 157,9 million recorded at the end of September 2005 (+32,1%).

Taxes on income for the period amounted to 11,4 million euro compared to 10,4 million in 2005 (+9,5%).

Profit for the period amounted to 219,9 million euro compared to 168,3 million in the same period of the previous year.

## **DIVIDEND PAYMENT**

The dividend per share attributed in 2006 amounted to 0,40 euro for each of the 322.292.258 ordinary shares with dividend entitlement as at the date of the approval of the 2005 Annual Report by the General Meeting of the Shareholders.

## **EVENTS OCCURRING AFTER THE END OF THE PERIOD**

Please consult the consolidated quarterly report on operations.

## **TRANSACTIONS WITH RELATED PARTIES**

### *1. Information on the remuneration of directors and statutory auditors*

a. Directors	2.379
b. Statutory Auditors	172

### *2. Information on transactions with related parties*

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