

**PRESS RELEASE**

**Consolidated results to 31<sup>st</sup> March 2007 (reclassified financial statements – comparison with 31<sup>st</sup> March 2006)**

**UBI BANCA pro-forma**  
(excluding the effect of allocating merger differences)

**Lending to customers of 85,2 billion euro (+13,3%)**  
**Total funding (direct + indirect) of 182,7 billion euro (+6,2%)**  
Direct funding of 86,8 billion euro (+9,3%)  
Indirect funding from ordinary customers of 95,9 billion euro (+3,6%)  
Assets under management of 55,9 billion euro (+3,1%)  
*of which: insurance policies of 12,7 billion euro (+8,8%)*

**Focus on Asset management activities: the most recent ranking by Assogestioni confirms UBI Banca as 4<sup>th</sup> Asset manager in Italy for mutual funds, with positive net inflows of over 400 million in 1Q2007**

**Net profit of 219,3 million euro, up by 2,7% compared to profit of 213,6 million euro net of non recurring items (300,8 million inclusive of net non recurring income of 87,2 million)**

**Net interest income of 668,1 million euro (+9,4%)**  
**Commissions of 325,9 million euro (+2% net of performance fees and non recurring items)**  
**Operating income of 1.112,8 million euro (+4,3% net of non recurring items, -2,6% stated)**  
**Operating costs of 621,6 million euro (+5,3%) expected to slow down during the course of the year**  
**Net operating income of 491,2 million euro (+3,1% net of non recurring items, -11% stated)**  
**Net impairment losses on loans of 62,8 million euro (0,29% of net loans on an annualised basis) compared to 46,1 in the first quarter of 2006 (0,24% of net loans on an annualised basis)**

\* \* \*

**BPU BANCA**

**Lending to customers of 53,7 billion euro, (+15,6%)**  
**Loans grow in all the Group's entities:**  
Network banks +14,1% - including Banca Popolare di Bergamo +21,1% to 21,3 billion euro  
Product companies +17% - including Banca 24-7 +52,3% to 3,1 billion euro (and by technical form: mortgages: +43,4% to 2,3 billion, salary backed lending: +34,4% to 0,5 billion)

euro, personal loans: to 227 million euro from 21 million euro in March 2006 as a result of the new commercial activity of personal loans sale to the network banks' customers)

**Total funding (direct + indirect) of 113,3 billion euro (+8,2%)**

Direct funding of 56,1 billion euro (+11,4%)

Indirect funding from ordinary customers of 57,2 billion euro (+5,2%)

Assets under management of 33,8 billion euro (+6,6%)

*of which: insurance policies of 5,9 billion euro (+18,8%)*

**Net profit of 137,7 million euro compared to 142,6 million net of non recurring items achieved in the first quarter of 2006 (229,8 million inclusive of 87,2 million of net non recurring items)**

**Net interest income of 429,4 million euro (+7,9%)**

**Commissions of 208,3 million euro (+4,8% net of performance fees and of non recurring items)**

**Operating income of 706 million euro ( +3,6% net of non recurring items, -6,7% stated)**

**Operating costs of 404,6 million euro (+6,5%) expected to significantly slow down during the course of the year**

**Net operating income of 301,4 million euro (stable net of non recurring items, -20% stated)**

**Net impairment losses on loans of 45,2 million euro (0,34% of net loans on an annualised basis – below Industrial Plan targets) compared to 23,9 in the first quarter of 2006 (0,21% of net loans on an annualised basis),**

**On 1st May the sale of a line of business consisting of 15 branches of Banca Carime to Banca Popolare Pugliese became effective. It generated a gross profit on the sale of 24,7 million, which will be recognised in the accounts in the second quarter of 2007.**

**On 7th may IW Bank received authorization from Borsa Italiana to list its shares on the Expandi Market, organised and managed by Borsa Italiana. On May 9th, the Information Prospectus was deposited, relating to the Public Sale and Subscription Offer of IW Bank's shares, as authorised by Consob on the 8<sup>th</sup> of May. Trading on the Expandi market will begin on May 23th, payment date of the shares.**

*There will be no public offer of IW Bank securities in the United States, Australia, Canada and Japan.*

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### **BANCA LOMBARDA E PIEMONTESE**

**Lending to customers of 31,7 billion euro, (+9,6%)**

**Total funding (direct + indirect) of 69,4 billion euro (+3,2%)**

Direct funding of 30,7 billion euro (+5,8%)

Indirect funding from ordinary customers of 38,7 billion euro (+1,2%)

Assets under management of 22,1 billion euro (-2%)

*of which: insurance policies of 6,8 billion euro (+1,5%)*

**Net profit of 81,1 million euro compared to 70,5 million in the first quarter of 2006 (+15,1%)**

**Net interest income of 238,7 million euro (+12,2%)**  
**Commissions net of performance fees of 117,6 million euro (-2,7%)**  
**Operating income of 406,8 million euro (+5,5%)**  
**Operating costs of 217,9 million euro (+2,9%)**  
**Net operating income of 188,9 million euro (+8,6%)**  
**Net impairment losses on loans of 17,7 million euro (0,22% of net loans on an annualised basis) compared to 22,2 in the first quarter of 2006 (0,31% of net loans on an annualised basis)**

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Bergamo, 14<sup>th</sup> May 2007 – The Management Board of UBI Banca approved the consolidated and individual quarterly reports of BPU Banca and Banca Lombarda e Piemontese as at 31<sup>st</sup> March 2007 and examined the pro-forma results of UBI Banca for the same period, which did not include the effects of allocating merger differences.

## **THE BPU BANCA GROUP**

### **The balance sheet**

All the main balance sheet items recorded growth compared to both March 2006 and to the end of 2006.

**Total funding** as at 31<sup>st</sup> March 2007 amounted to 113,3 billion euro, an increase of 8,2% compared to 104,7 billion in March 2006 (*111,6 billion in December 2006*).

In detail, **direct funding** recorded year-on-year growth of 11,4% to 56 billion euro from 50,4 billion as at 31<sup>st</sup> March 2006 (*55,3 billion in December 2006*). This performance was attributable to both growth in the item due to customers, up by 3,8% to 29,5 billion euro, driven by the strong performance of current accounts amounting to 26,2 billion euro (+5,6% compared to March 2006) and to the item securities in issue, up by 21,2% to 26,6 billion, (within this aggregate there was an increase of 3,8 billion as a result of issues made by the Parent Bank on international markets under the EMTN-Euro Medium Term Notes- programme, which rose from 4,4 to 8,2 billion euro).

**Total indirect funding from private customers** rose by 5,2% to 57,2 billion euro from 54,3 in March 2006 (*56,4 billion in December 2006*) and included an increase of 6,6% in total assets under management to 33,8 billion euro and of 3,2% in assets under custody to 23,4 billion euro. Assets under management accounted for 59,1% of indirect funding (58,3% in March 2006).

More specifically there was continuous strong growth within assets under management by insurance policies of approximately 19% to 5,9 billion euro, up from 4,9 in March 2006, while assets under management in the strict sense of the term (net of insurance) increased by 4,4% to 27,9 billion from 26,7 billion in March 2006.

As at 31<sup>st</sup> March 2007, Group **lending to customers** totalled 53,7 billion euro, a significant increase of 15,6%, compared to 46,5 billion in March 2006 (*52,7 in December 2006*).

The item recorded general growth for both network banks (+14,1%), with good performance by Banca Popolare di Bergamo up by 21,1% (to 21,3 billion euro), and for product companies (+17%), with a high growth rate in lending for Banca 24-7, up by 52,3% to more than 3 billion euro (including mortgage loans +43,4% to 2,3 billion, salary backed lending +34,4% to more than 500 million euro and, as a result of new commercial activity through network banks, personal loans rose to 227 million from 21 million in March 2006).

At network banks' level the good performance in strategic business sectors continued: in terms of average monthly balances the retail segment grew by 11% to 22 billion euro and included positive growth in the

small business segment of 14% to 10,8 billion euro, while lending in the core corporate segment increased by 9,2% to 9,7 billion euro.

As concerns the quality of the lending portfolio, the ratio of net non performing loans to net lending as at 31st March 2007 was 0,69% (0,99% as at 31<sup>st</sup> March 2006), while the ratio of net impaired loans to net lending was 0,82% (1,07% as at 31<sup>st</sup> March 2006).

The **shareholders' equity** of the Group, excluding profit for the period, amounted to 4.723 million euro as at 31<sup>st</sup> March 2007 (4.377 million euro as at 31<sup>st</sup> March 2006).

## The income statement

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

In the first quarter of the year the BPU Banca Group earned consolidated net profit of 137,7 million euro compared to a profit of 142,6 million net of non recurring items achieved in the first quarter of 2006 (229,8 million inclusive of 87,2 million of net non recurring items relating to the disposal of equity investments and the Prudential earn-out).

The first quarter of 2007 recorded significant growth in volumes of lending (+15,6%) and funding, both direct (+11,4%) and indirect (+5,2%), a positive result for net interest income (+7,9%) and commission net of performance fees (+4%) and lower results from trading, hedging and disposal activities, amounting to 31,5 million in 2007 compared to 108 million in 2006 which included non recurring items amounting to 74 million euro. Operating costs recorded a growth which is expected to significantly slow down during the course of the year. Finally, 2007 did not benefit from profits on the disposal of investments amounting to 15,7 million in 2006 and mainly referred to the Prudential earn-out.

Total **operating income** amounted to 706 million, an increase of 3,6% compared to 681,3 million achieved in 1Q2006 net of non recurring items (756,9 million stated).

**Net interest income** rose to 429,4 million euro, an increase of 7,9% compared to 398 million achieved in the first quarter of 2006.

This positive growth was the result above all of the good performance by the network banks (Banca Popolare di Bergamo, Banca Popolare Commercio e Industria, Carime and Banca Popolare di Ancona) which taken together recorded an increase in the net interest income generated of 13,4% to 400 million euro, driven by growth in volumes of business (+14,1% for loans and +3,1% for direct funding compared to March 2006) and a broader spread (+11 basis points compared to the first quarter of 2006). The result for the Group as a whole was still affected by the lower contribution from capitalisation policies (2 million euro compared to 16,4 in 1Q2006). In this respect, approximately 1 billion euro of the less profitable capitalisation certificates were reimbursed in the first quarter of 2007, while certificates for a further 650 million approximately will be reimbursed during the second quarter.

Total **dividends** received on equities held in portfolio and profits earned by equity investments valued using the equity method amounted to 6,9 million (compared to 3,6 million previously). The former relate mainly to amounts received by Centrobanca on merchant banking equity investments in portfolio, while the latter were generated for the most part by Aviva Vita and by Arca SGR.

Normalised **net commissions**, not including the performance fees of the Group's asset management company amounting to 1,1 million in 2007 and to 15,4 million euro in 2006, showed an increase of 4,8% to 208 million euro from 199 million in the first quarter of 2006.

Analysis of the operating figures for network banks shows an increase in commissions of approximately 1%, driven by commission generated by indirect funding up by 6,9% to 66,7 million euro (62,4 in 2006), the

result of good performance by commissions on assets under management (+10,2% to 56 million euro from 51 in 2006).

All the other Group member companies, and the asset management company net of performance fees, recorded increases in commissions, for a total of approximately 49 million euro (+32% compared to 37 million in the first quarter of 2006).

As concerns the performance fees earned by the Group's asset management company, it must be stated that the new accounting treatment adopted as from the beginning of 2007 in compliance with Bank of Italy directives issued in 2005 for funds that calculate fees on the basis of a comparison with a benchmark, means that any positive effects are recognised at the end of the year, when the results become definitive. The amount for 2007 is not therefore fully comparable with that recognised in the accounts in 2006.

**Net profit on trading, hedging and disposal/repurchase activity** fell to 31,5 million, from 108 million previously, which, however included non recurring items amounting to 74 million consisting of gains on disposals of equity investments (70,1 million from Banca Italease, 2,7 million from SI Holding and 1,2 million from Meliorbanca).

**Operating costs** increased by 6,5% to 404,6 million from 379,8 in the first quarter of 2006 affected, amongst other things, by exogenous factors and by changes in the organisational structure of the Group, but with a target growth for the end of the year of 1,4%.

In detail, *staff costs* totalled 265,3 million (+4,7% compared to 253,5 in 2006). The increase is attributable primarily to higher provisions for the renewal of national and corporate labour agreements and the general development of remuneration compared to 2006.

*Other administrative expenses* rose to 111 million from 99,3 in the first quarter of 2006 with more than 60% attributable to exogenous events (including 1,6 million incurred in relation to a warehouse fire, with the risk insured and the costs recoverable in the second quarter of 2007, and an increase in postal charges) and to changes in the perimeter included in the item compared to first quarter, the result of decisions concerning Group organisation (some activities such as public authority treasury and warehouse services were outsourced and the project to centralise the IT systems of non core Group member companies in BPU Centrosystem is under way).

The historical trend in the item "other administrative expenses" shows significant variations over the year. Administrative expenses in the first quarter, amounting to 111 million euro, are therefore more usefully compared with the average for each quarter of the previous year which amounted to 107 million euro. On this basis the increase reported for the first quarter is 3,7%,.

**Net operating income** totalled 301,4 million; this figure is fully in line with the comparison figure in 2006, amounting to 301,5 million net of non recurring items (377 million stated).

**Net impairment losses on loans** amounted to 45,2 million, an increase compared to 23,9 million in the first quarter of 2006, which was a particularly low figure compared to subsequent periods, but practically the same as the average for the last three quarters of 2006.

The percentage of net impairment losses to net lending to customers therefore stood at 0,34% annualised compared to 0,21% in the first quarter of 2006 and to an average of 0,34% in the last three quarters of 2006. The indicator for the first quarter of 2007 remained again lower than the lowest boundary of the range targeted in the BPU stand alone Industrial Plan (0,36%-0,40%).

The income statement benefited in the first quarter of 2006 from **profits on the disposal of equity investments** amounting to 15,7 million, relating almost entirely to the quota of the earn-out paid by Prudential International Investments Corporation on the equity investment in BPU Pramerica SGR, not present in 2007.

Profit on continuing operations before tax therefore totalled 260,6 million (277,7 net of non recurring items and 368,8 stated in the first quarter of 2006).

The income statement also recorded estimated taxes of 112,3 million, with a tax rate of 43,1%; taxation in the first quarter of 2006 was estimated at 128,6 million, with a tax rate of 34,9% and benefited from

particular tax treatment on some gains on disposals of equity investments. Net of those non recurring items the tax rate stood at 44,3%.

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## **THE BANCA LOMBARDA GROUP**

### **The balance sheet**

**Total funding** as at 31<sup>st</sup> March 2007 amounted to 69,4 billion euro, an increase of 3,2% compared to 67,3 billion in March 2006.

In detail, **direct funding** recorded year-on-year growth of 5,8% to 30,7 billion euro (approximately 29 billion as at 31<sup>st</sup> March 2006). Within the aggregate there was growth of 2,6% in the item due to customers, up to 16,4 billion euro, and an increase of 9,8% to 14,3 billion euro in the item securities in issue (which included an increase of 2,1 billion, the result of issues made by the Parent Bank on international markets under the EMTN-Euro Medium Term Notes- programme, which rose from 3,6 to 5,7 billion euro).

**Total indirect funding from private customers** rose by 1,2% to 38,7 billion euro from 38,3 in March 2006, showing a slight decrease of 2% in total assets under management to 22,1 billion euro and a significant increase of 5,8% in assets under custody to 16,6 billion euro.

As at 31<sup>st</sup> March 2007, Group **lending to customers** totalled 31,7 billion euro, recording good performance, up by 9,6%, compared to 28,9 billion in March 2006.

The aggregate recorded good growth for both network banks (+8,5%) and product companies (+17,5%) with high growth rates in lending by SBS Leasing, up by 19,4% to 3,6 billion euro, by CBI Factor, up by 12,5% to 1,7 billion euro and by SILF, up by 19,2% to 1,3 billion euro.

At network banks and markets level, growth of 10% was recorded in the retail segment to 10,2 billion euro and of 9,1% in the corporate segment to 13,3 billion euro.

As concerns the quality of the lending portfolio, the ratio of net non performing loans to net lending as at 31<sup>st</sup> March 2007 was 0,72% (0,78% as at 31<sup>st</sup> March 2006), while the ratio of net impaired loans to net lending was 0,86% (1,07% as at 31<sup>st</sup> March 2006).

The **shareholders' equity** of the Group, excluding profit for the period, amounted to 2.979 million euro as at 31<sup>st</sup> March 2007 (2.298 million euro as at 31<sup>st</sup> March 2006).

### **The income statement**

The Banca Lombarda Group recorded consolidated **net profit** to 31<sup>st</sup> March 2007 of 81,1 million euro, an increase of 15,1% compared to net profit of 70,5 million euro earned in the first quarter of 2006.

**Net operating income** amounted to 188,9 million euro, an increase of 8,6% compared to 173,9 million recorded in March 2006.

In detail, **operating income** increased by 5,5% to 406,8 million euro, driven particularly by significant growth in **net interest income** which rose by 12,2% compared to the same period in 2006 to reach 238,7 million euro, partly as a result of the expansion in volumes of business (in particular, lending increased by 9,6% compared to 31<sup>st</sup> March 2006) and partly the result of a broader spread on interest rates, which, for network banks, improved by 15 basis points.

**Net commissions** amounted to 118,7 million euro, a decrease of 4,7% compared to 124,6 million euro in March 2006, due in particular to a reduction in commissions on customer portfolio managements (-7 million

approx.), while commissions received on the distribution of insurance policies performed well with a year-on-year increase of approximately 3 million euro. Net of the performance commissions included in the 2007 figure (1,1 million euro) and in the 2006 figure ((3,7 million euro), the fall in net commission income was more contained at 2,7%.

**Trading and hedging activity** generated a positive result of 20,2 million euro, a slight decrease (-2,4 million) compared to 22,6 million in the first quarter of 2006.

Total **operating costs**, up by 2,9% to 217,9 million euro, included **staff costs**, which accounted for 131,3 million euro of the total, an increase of 2,7% compared to 127,9 million in March 2006, due mainly to provisions made in view of the renewal of the national labour contract and to non recurring items relating to staff exits in the Group (2,5 million euro). The item **other administrative expenses** amounted to 71,6 million euro, increased by 4,5% due to higher costs for postal services and insurance premiums paid on behalf of customers, which were nevertheless balanced at “other operating income” level. Finally, net impairment losses on property, plant and equipment and intangible assets, inclusive of costs incurred for improvements to third party leased assets amounted to 14,9 million euro, a slight fall (-2,2%) compared to the figure for the first three months of 2006.

**Net impairment losses on loans** amounted to 17,7 million euro, down by 20,3% compared to 22,2 million in March 2006, with a ratio of net impairment losses to net lending to customers of 0,22% (0,31% in March 2006).

As a result of the performance reported above, **profit on continuing operations before tax** amounted to 161,6 million euro an increase of 8,7% compared to March 2006.

**Taxation** for the period was estimated at 70,6 million euro, an increase of 6,9% compared to the amount recognised in the first quarter of 2006, with a tax rate of 43,7% ( 44,4% in March 2006).

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## **UBI BANCA**

### **Pro-forma reclassified consolidated results**

(excluding the effect of allocating merger differences)

#### **The balance sheet**

Balance sheet items recorded significant positive performance compared to the first quarter of 2006 with continued growth also with respect to the end of December 2006:

- lending to customers increased by 13,3% to 85,2 billion euro compared to 75,3 in March 2006 (*83,1 billion in December 2006*). Credit quality remained high, with a ratio of NPLs to total loans of 0,7%, in line with the 2006 year-end figure (0,91% as at 31/3/2006) and a ratio of impaired loans to total loans of 0,84% (0,87% as at 31/12/2006 and 1,07% as at 31/3/2006)
- direct funding increased by 9,3% to 86,8 billion euro compared to 79,4 in March 2006 (*85,9 billion in December 2006*)
- total indirect funding from ordinary customers rose by 3,6% to 95,9 billion euro compared to 92,6 in March 2006 (*94,6 billion in December 2006*). The aggregate included assets under management, up +3,1% to 55,9 billion euro compared to 54,2 in March 2006 (*55,4 billion in December 2006*) and insurance policies, up by 8,8% to 12,7 billion from 11,7 in 31/03/2006 (*12,2 billion in December 2006*).

Pro-forma capital ratios estimated without considering the allocation of merger differences to assets were as follows as at 31<sup>st</sup> March 2007: core tier 1 ratio of approximately 6,4%, a tier 1 ratio of approximately 7% and a total capital ratio of > 10%.

### **The income statement**

The pro-forma figures for the UBI Banca Group recorded a net profit for the first quarter of 2007 of 219,3 million euro, up by 2,7% compared to a profit of 213,6 million net of recurring items achieved in the first quarter of 2006 (300,8 million stated).

Operating income amounted to 1.112,7 million euro, showing an increase of 4,3% compared to 1.067 million euro net of non recurring items (75,6 million euro) in 1Q2006 (1.142,5 million stated).

The principal components of operating income recorded the following changes.

Net interest income performed satisfactorily with an increase of 9,4% to 668 million from 610,9 in March 2006, as a result of growth in volumes of lending and funding and an increase in the spread (+13 basis points).

Normalised net commissions, not including the performance fees of the Group's asset management companies amounting to 2,2 million in 2007 and to 19,1 million euro in 2006, showed an increase of 2% to 325,9 million euro from 319,6 million in the first quarter of 2006.

Net profit on trading, hedging and disposals fell to 51,8 million euro from 130,6 in 2006, which included non recurring income of 74 million euro.

Operating costs amounted to 621,6 million, an increase of 5,3% compared to 2006, expected to progressively slow down during the course of the year.

In detail, staff costs totalled 396,6 million, an increase of 4% compared to 381,4 in 2006, attributable to higher provision charges for the renewal of employment contracts and general wage trends compared to 2006 and to the presence of non recurring items for staff leaving the Group (2,5 million).

Other administrative expenses increased to 182,6 million from 167,9 in the first quarter 2006, lower than the quarterly average for 2006 and than budget forecasts. As already mentioned in the commentary on the performance of the two original groups, the increase in the first quarter of 2006 is also attributable to exogenous events and in BPU to changes in the Group's organisation.

As a result of the performance reported above, net operating income amounting to 491,2 million was up 3,1% from 476,4 million net of non recurring items registered in 2006 (552 million stated).

Net impairment losses on loans amounted to 62,8 million euro compared to 46,1 million euro in the first quarter of 2006 and accounted for 0,29% of total lending in 2007 compared to 0,24% recorded in 2006. The figure was again below Industrial Plan forecasts (40 basis points).

Profits on the disposal of equity investments amounted to 0,3 million euro compared to 15,9 million in 2006 and related almost entirely to the Prudential earn-out in the BPU Group, a non recurring item in 2007.

Profit on continuing operations before tax therefore totalled 423,1 million (427,3 million net of non recurring items and 518,4 million stated in the first quarter of 2006).

The income statement recorded taxes of 183,3 million euro (tax rate of 43,3%) compared to 195,1 million in the first quarter of 2006 (a tax rate of 37,6% which benefited from particular tax treatment on some gains on disposals of equity investments). Net of those non recurring items the tax rate stood at 44,3%.

Normalised ROE was 11,4% in 1Q2007 compared to 12,8% in 1Q2006.

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## **Business outlook**

The merger by acquisition of Banca Lombarda e Piemontese into BPU Banca Scpa which gave rise to the new UBI Banca Group became effective on 1<sup>st</sup> April 2007.

The considerations made with regard to expectations for future operations in 2007 therefore relate to the UBI Banca Group.

The favourable trend for volumes of business with customers, especially for lending, and the positive trend in spreads should allow the positive performance of net interest income recorded in the first quarter to continue, unless there are adverse changes in regulations.

On the other hand, the performance of net commission income is affected by competitive pressures and the impact of regulatory changes in progress, particularly on commissions on current accounts.

Net of integration costs, operating costs are expected to gradually realign on significantly lower levels after the strong increases in the first quarter.

An increase is forecast for the cost of lending (net impairment losses on loans to net lending to customers), amounting 0,29% annualised in the first quarter of 2007, but it will nevertheless remain at lower levels than those budgeted in the 2006-2008 Industrial Plan of BPU Banca.

### **For further information:**

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*Copy of this press release is available on the website: [www.ubibanca.it](http://www.ubibanca.it)*

## ***Attachments***

### **Financial statements**

#### **BPU Banca Group:**

- Reclassified consolidated income statement
- Reclassified consolidated income statement net of the main non recurring items
- Reclassified consolidated balance sheet

#### **BPU Banca Scpa:**

- Income statement – mandatory accounts
- Balance sheet – mandatory accounts

#### **Banca Lombarda e Piemontese Group:**

- Reclassified consolidated income statement
- Reclassified consolidated balance sheet

#### **Banca Lombarda e Piemontese Spa:**

- Income statement – mandatory accounts
- Balance sheet – mandatory accounts

#### **UBI Banca Group (pro-forma figures):**

- Reclassified consolidated income statement
- Reclassified consolidated income statement net of the main non recurring items
- Reclassified consolidated balance sheet

### **Notes to the attached financial statements:**

#### ***Banca Lombarda Group:***

The pro-forma reclassified accounts attached have been prepared by reclassifying the consolidated accounts of Banca Lombarda e Piemontese to comply with the method used in the BPU Banca Group, which may be consulted.

#### ***UBI Banca Group:***

The financial statements were obtained by aggregating the consolidated figures for the BPU Group and the BLP Group as at 31st March 2007 and as at 31st December 2006.

For the purposes of the preparation of the pro-forma figures, the most significant reciprocal balance sheet and income statement items common to the BPU Group and the BLP Group, consisting of

amounts due to and from banks and customers as well as interest, were eliminated on the basis of standard procedures followed for the preparation of consolidated accounts.

The merger difference was temporarily recognised within the item “Merger deficit” and when finally accounted for will either be allocated to specific balance sheet items for which the fair value is higher than the carrying value or it will be recognised as intangible assets currently not posted. The remaining part will be recognised within the item “Goodwill”.

In consideration of the approach employed, the pro-forma figures do not reflect the impacts on the balance sheet and on the income statement that the merger difference will have when finally allocated to items in the accounts.

## BPU Banca Group: Reclassified consolidated income statement

Figures in thousands of euro		31.3.2007	31.3.2006	% change	31.12.2006
10.-20.	Net interest income	429.385	398.123	7,9%	1.614.604
70.	Dividends and similar income	4.966	2.151	130,9%	14.869
	Profit (loss) of equity investments valued using the equity method	1.980	1.399	41,5%	9.194
40.-50.	Net commission income	208.341	200.386	4,0%	802.507
	Performance fees	1.100	15.400	(92,9%)	30.058
80.+90.+100.+110.	Net profit (loss) on trading, hedging and disposal/repurchase activities	31.521	108.036	(70,8%)	169.874
150.+160.	Net income on insurance operations	15.016	17.908	(16,1%)	67.680
220.	Other net operating income / (expense)	13.720	13.469	1,9%	56.612
	<b>Operating income</b>	<b>706.029</b>	<b>756.872</b>	<b>(6,7%)</b>	<b>2.765.398</b>
180.a	Staff costs	(265.289)	(253.494)	4,7%	(1.021.027)
180.b	Other administrative expenses	(110.987)	(99.304)	11,8%	(428.971)
200.+210.	Net impairment losses on property, plant and equipment and intangible assets	(28.347)	(26.991)	5,0%	(122.841)
	<b>Operating costs</b>	<b>(404.623)</b>	<b>(379.789)</b>	<b>6,5%</b>	<b>(1.572.839)</b>
	<b>Net operating income</b>	<b>301.406</b>	<b>377.083</b>	<b>(20,1%)</b>	<b>1.192.559</b>
130.a	Net impairment losses on loans	(45.187)	(23.943)	88,7%	(151.691)
130.b+c+d	Net impairment losses on other assets/liabilities	(870)	121	n.s.	4.444
190.	Net provisions for liabilities and charges	5.229	(181)	n.s.	(5.328)
240.+270.	Profit (loss) from disposal of equity and other investments	19	15.721	(99,9%)	60.794
	<b>Profit (loss) on continuing operations before tax</b>	<b>260.597</b>	<b>368.801</b>	<b>(29,3%)</b>	<b>1.100.778</b>
290.	Taxes on income for the period for continuing operations	(112.272)	(128.653)	(12,7%)	(420.872)
310.	Profit (loss) on non current assets held for sale and discontinued operations net of taxes	(284)	2.151	n.s.	5.453
330.	Net profit for the period attributable to minority interests	(10.353)	(12.453)	(16,9%)	(44.580)
	<b>Profit for the period attributable to the Parent Bank</b>	<b>137.688</b>	<b>229.846</b>	<b>(40,1%)</b>	<b>640.779</b>

### Method used in the construction of the reclassified consolidated income statement

- net income from insurance companies comprises all the revenues of the insurance companies: net interest, premiums (item 150), profit from trading activities and net profit/loss from insurance operations and other (items 160 and 220 in the mandatory accounts);
- the tax recoveries recognised under item 220 of the accounts (other operating income/expenses) were reclassified as a reduction in indirect taxes included in other administrative expenses;
- the item profit (loss) of equity investments valued using the equity method includes the profit (loss) of equity investments valued using the equity method included under item 240 in the mandatory accounts;
- the item net impairment losses on property, plant and equipment and intangible assets includes items 200 and 210 in the mandatory accounts and the instalments relating to the depreciation of costs incurred for improvements to third party assets classified under item 220 of the mandatory accounts;
- the item profit (loss) on the disposal of equity investments includes the item 240, net of profits (losses) of equity investments valued using the equity method, and item 270 in the mandatory accounts;
- the item other net operating income/expense includes item 220, net of the classifications mentioned above;
- the uses of provisions for liabilities and charges, where the provisions are normally recognised under specific items, are offset against the item net provisions for liabilities and charges (in order to provide a uniform comparison, the figures for the 2006 period have been reclassified as follows: where possible, provisions have been attributed to specific items; in cases of previous recognition under a generic item, uses made during the period have been recognised under specific items, against the item "net provisions for liabilities and charges").

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

<i>Figures in thousands of euro</i>	<b>31.3.2007</b>	non recurring items				%	
		<b>31.3.2006</b>	BPU Pramerica SGR earn out	Disposal of equity investments	Effects of normalisa- tion (*)	<b>31.3.2006 net of non recurring items</b>	change 31.3.2007/ 31.3.2006 net of non recurring items
Net interest income	429.385	398.123				398.123	7,9%
Dividends and similar income	4.966	2.151				2.151	130,9%
Profits/losses on equity investments valued using the equity method	1.980	1.399				1.399	41,5%
Net commission income	208.341	200.386			(1.605)	198.781	4,8%
Performance fees	1.100	15.400				15.400	-92,9%
Net profit (loss) on trading, hedging and disposal/repurchase activities	31.521	108.036		(73.973)		34.063	-7,5%
Net income on insurance operations	15.016	17.908				17.908	-16,1%
Other net operating income / (expense)	13.720	13.469				13.469	1,9%
<b>Operating income</b>	<b>706.029</b>	<b>756.872</b>	-	<b>(73.973)</b>	<b>(1.605)</b>	<b>681.294</b>	<b>3,6%</b>
Staff costs	(265.289)	(253.494)				(253.494)	4,7%
Other administrative expenses	(110.987)	(99.304)				(99.304)	11,8%
Net impairment losses on property, plant and equipment and intangible assets	(28.347)	(26.991)				(26.991)	5,0%
<b>Operating costs</b>	<b>(404.623)</b>	<b>(379.789)</b>	-	-	-	<b>(379.789)</b>	<b>6,5%</b>
<b>Net operating income</b>	<b>301.406</b>	<b>377.083</b>	-	<b>(73.973)</b>	<b>(1.605)</b>	<b>301.505</b>	<b>0,0%</b>
Net impairment losses on loans	(45.187)	(23.943)				(23.943)	88,7%
Net impairment losses on other assets/liabilities	(870)	121				121	n.s
Net provisions for liabilities and charges	5.229	(181)				(181)	n.s.
Profit/loss on disposal of equity investments	19	15.721	(15.500)	(20)		201	-90,5%
<b>Profit (loss) on continuing operations before tax</b>	<b>260.597</b>	<b>368.801</b>	<b>(15.500)</b>	<b>(73.993)</b>	<b>(1.605)</b>	<b>277.703</b>	<b>-6,2%</b>
Taxes on income for the period for continuing operations	(112.272)	(128.653)	2.945	2.197	614	(122.897)	-8,6%
Profit (loss) of non current assets held for sale and discontinued operations net of taxes	(284)	2.151		(2.151)		-	-100,0%
Profit/loss for the period attributable to minority interests	(10.353)	(12.453)	9	277		(12.167)	-14,9%
<b>Profit for the period attributable to the Parent Bank</b>	<b>137.688</b>	<b>229.846</b>	<b>(12.546)</b>	<b>(73.670)</b>	<b>(991)</b>	<b>142.639</b>	<b>-3,5%</b>
<b>ROE (annualised)</b>	11,7%	21,0%				13,0%	
<b>Cost / Income ratio</b>	57,3%	50,2%				55,7%	

(\*) In order to present an income statement which conforms more closely with the contribution of ordinary activities, this column includes the effects of a more precise attribution to the period of events recognised in subsequent accounting periods.

## BPU Banca Group: reclassified consolidated balance sheet

		31.3.2007 A	31.12.2006 B	% change A/B	31.3.2006 C	% change A/C
Figures in thousands of euro						
<b>ASSETS</b>						
10.	Cash and cash equivalents	288.549	405.097	-28,8%	270.576	6,6%
20.+ 30.	Financial assets held for trading at fair value	7.691.359	8.474.598	-9,2%	8.863.699	-13,2%
40.	Available-for-sale financial assets	3.769.525	3.603.586	4,6%	3.668.264	2,8%
50.	Held-to-maturity financial assets	1.319.212	1.247.629	5,7%	1.112.759	18,6%
60.	Loans to banks	1.962.438	2.340.674	-16,2%	2.633.021	-25,5%
70.	Loans to customers	53.718.899	52.673.941	2,0%	46.482.786	15,6%
80.	Hedging derivatives	88.319	82.879	6,6%	212.909	-58,5%
90	Fair value change of hedged financial assets (+/-)	- 1.344	2.044	-165,8%	15.095	-108,9%
100.	Equity investments	60.269	60.043	0,4%	39.430	52,9%
110.	Technical reserves of reinsurers	202.717	105.726	91,7%	101.983	98,8%
120.	Property, plant and equipment	1.332.812	1.347.577	-1,1%	1.362.227	-2,2%
130.	Intangible assets	1.270.241	1.273.086	-0,2%	1.237.198	2,7%
	<i>of which: goodwill</i>	<i>1.211.509</i>	<i>1.209.843</i>	<i>0,1%</i>	<i>1.196.889</i>	<i>1,2%</i>
140.	Tax assets	803.435	779.903	3,0%	698.719	15,0%
150.	Non current assets and disposal groups held for sale	80.441	85.678	-6,1%	101.199	-20,5%
160.	Other assets	1.181.817	1.792.565	-34,1%	2.371.563	-50,2%
<b>Total assets</b>		<b>73.768.679</b>	<b>74.275.026</b>	<b>-0,7%</b>	<b>69.171.428</b>	<b>6,6%</b>
<b>LIABILITIES</b>						
10.	Due to banks	5.376.872	6.278.330	-14,4%	5.524.359	-2,7%
20.	Due to customers	30.123.915	31.707.288	-5,0%	29.142.178	3,4%
30.	Securities in issue	26.618.374	24.190.085	10,0%	21.957.697	21,2%
40.+ 50.	Financial liabilities held for trading and at fair value	409.969	495.114	-17,2%	397.010	3,3%
60.	Hedging derivatives	356.407	357.625	-0,3%	451.342	-21,0%
80.	Tax liabilities	760.505	637.975	19,2%	725.177	4,9%
90.	Liabilities associated with disposal groups held for sale	109.704	119.648	-8,3%	28.318	287,4%
100.	Other liabilities	1.591.347	1.931.176	-17,6%	2.939.234	-45,9%
110.	Staff severance payments	342.249	342.506	-0,1%	343.053	-0,2%
120.	Provisions for liabilities and charges:	228.970	231.736	-1,2%	333.543	-31,4%
	a) pension and similar obligations	63.096	64.036	-1,5%	164.310	-61,6%
	b) other provisions	165.874	167.700	-1,1%	169.233	-2,0%
130.	Technical reserves	2.561.027	2.532.321	1,1%	2.300.284	11,3%
<sup>170.+ 180.+190.</sup>	Share capital, issue premiums and reserves	4.723.308	4.392.169	7,5%	4.376.764	7,9%
210.	Minority interests	428.344	418.274	2,4%	422.623	1,4%
220.	Profit for the period	137.688	640.779	n.s.	229.846	-40,1%
<b>Total liabilities</b>		<b>73.768.679</b>	<b>74.275.026</b>	<b>-0,7%</b>	<b>69.171.428</b>	<b>6,6%</b>

## BPU Banca Scpa: Income statement (Bank of Italy Directive of 22/12/2005)

Figures in thousands of euro	31.3.2007	31.12.2006	31.3.2006
10. Interest income and similar	193.985	573.421	125.182
20. Interest expense and similar	(225.980)	(659.471)	(137.071)
<b>30. Net interest income</b>	<b>(31.995)</b>	<b>(86.050)</b>	<b>(11.889)</b>
40. Commission income	7.274	13.698	4.280
50. Commission expenses	(4.551)	(19.264)	(5.664)
<b>60. Net commission income</b>	<b>2.723</b>	<b>(5.566)</b>	<b>(1.384)</b>
70. Dividends and similar income	27.714	509.395	1.785
80. Net profit (loss) from trading	3.808	19.409	16.407
90. Net profit (loss) from hedging activity	54	252	(1.394)
100. Net profit (loss) from sale or the repurchase of:	1.281	66.990	61.695
a) loans	-	-	-
b) available-for-sale financial assets	1.322	66.953	61.717
c) held-to-maturity financial assets	-	-	-
d) financial liabilities	(41)	37	(22)
110. Net profit (loss) on financial assets/liabilities at fair value	-	-	-
<b>120. Gross income</b>	<b>3.585</b>	<b>504.430</b>	<b>65.220</b>
130. Net impairment losses on:	13	(541)	(65)
a) loans	23	(448)	25
b) available-for-sale financial assets	(3)	(61)	-
c) held-to-maturity financial assets	-	-	-
d) other financial transactions	(7)	(32)	(90)
<b>140. Net financial operating income</b>	<b>3.598</b>	<b>503.889</b>	<b>65.155</b>
150. Administrative expenses:	(91.948)	(342.638)	(76.075)
a) staff costs	(55.117)	(196.332)	(43.572)
b) other administrative expenses	(36.831)	(146.306)	(32.503)
160. Net provisions for liabilities and charges	1.668	181	(4)
170. Net impairment losses on property, plant and equipment	(10.740)	(42.543)	(10.197)
180. Net impairment losses on intangible assets	(6.022)	(25.232)	(3.711)
190. Other operating income (expense)	77.931	293.904	75.210
<b>200. Operating costs</b>	<b>(29.111)</b>	<b>(116.328)</b>	<b>(14.777)</b>
210. Profits (losses) of equity investments	-	57.147	14.025
220. Net result of fair valuation of property, plant and equipment and intangible assets	-	-	-
230. Net impairment losses on goodwill	-	-	-
240. Profits (losses) on disposal of investments	12	(7)	17
<b>250. Profit (loss) on continuing operations before tax</b>	<b>(25.501)</b>	<b>444.701</b>	<b>64.420</b>
260. Taxes on income for the period for continuing operations	17.503	52.286	(2.000)
<b>270. After tax profit on continuing operations</b>	<b>(7.998)</b>	<b>496.987</b>	<b>62.420</b>
280. Profit (loss) after tax on disposal groups held for sale	-	-	-
<b>290. Profit for the period</b>	<b>(7.998)</b>	<b>496.987</b>	<b>62.420</b>

## BPU Banca Scpa: Balance sheet (Bank of Italy Directive of 22/12/2005)

Figures in thousands of euro	31.3.2007	31.12.2006	31.3.2006
<b>ASSETS</b>			
10. Cash and cash equivalents	43	69	46
20. Financial assets held for trading	1.461.934	1.367.815	1.849.531
30. Financial assets at fair value	2.625.374	3.307.107	3.326.633
40. Available-for-sale financial assets	401.157	401.517	693.057
50. Held-to-maturity financial assets	1.319.212	1.247.629	1.112.759
60. Loans to banks	13.073.226	12.204.930	8.859.203
70. Loans to customers	3.134.838	2.670.908	2.135.979
80. Hedging derivatives	5.744	7.429	12.507
90. Fair value change of hedged financial assets (+/-)	-	-	-
100. Equity investments	5.572.248	5.511.788	5.476.477
110. Property, plant and equipment	648.860	656.866	657.776
120. Intangible assets	45.001	49.834	23.410
of which:			
- goodwill	-	-	-
130. Tax assets	324.305	306.304	282.571
a) current	255.681	255.612	192.171
b) prepaid	68.624	50.692	90.400
140. Non current assets and disposal groups held for sale	-	-	5.084
150. Other assets	428.839	627.492	2.129.163
<b>TOTAL ASSETS</b>	<b>29.040.781</b>	<b>28.359.688</b>	<b>26.564.196</b>

## BPU Banca Scpa: Balance sheet (Bank of Italy Directive of 22/12/2005)

	31.3.2007	31.12.2006	31.3.2006
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
10. Due to banks	13.240.272	14.394.415	15.166.450
20. Due to customers	1.385.468	1.067.138	884.759
30. Securities in issue	9.186.740	7.452.511	5.401.519
40. Financial liabilities held for trading	161.717	166.083	85.318
50. Financial liabilities at fair value	-	-	-
60. Hedging derivatives	37.658	36.100	15.197
70. Fair value change of hedged financial liabilities (+/-)	-	-	-
80. Tax liabilities	348.907	258.788	356.365
a) current	320.954	230.655	302.607
b) deferred	27.953	28.133	53.758
90. Liabilities associated with disposal groups held for sale	-	-	-
100. Other liabilities	759.989	763.803	886.217
110. Staff severance payments	46.683	47.202	47.174
120. Provisions for liabilities and charges:	6.706	7.083	5.227
a) pension and similar obligations	-	-	-
b) other provisions	6.706	7.083	5.227
130. Valuation reserves	54.662	55.761	64.517
140. Reimbursable shares	-	-	-
150. Capital instruments	-	-	-
160. Reserves	1.413.159	1.206.999	785.624
170. Issue premiums	1.545.611	1.545.611	1.943.264
180. Share capital	861.207	861.207	860.145
190. Own shares (-)	-	-	-
200. Profit (loss) for the period (+/-)	-7.998	496.987	62.420
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>29.040.781</b>	<b>28.359.688</b>	<b>26.564.196</b>

## Banca Lombarda e Piemontese Group: Reclassified consolidated income statement

ITEMS OF THE INCOME STATEMENT ( in thousands of euro)	31.03.07	31.03.06	Changes 31.03.2007- 31.03.2006	
			Absolute	%
Net interest income	238.705	212.809	25.896	12,2
Dividends and similar income	290	126	164	130,2
Profit (loss) of equity investments valued using the equity method	4.306	3.587	719	20,0
Net commission income	118.695	124.559	(5.864)	(4,7)
Net Profit /(loss) from trading and hedging activity	20.235	22.584	(2.349)	(10,4)
Other operating income (expense)	24.534	21.979	2.555	11,6
<b>Operating income</b>	<b>406.765</b>	<b>385.644</b>	<b>21.121</b>	<b>5,5</b>
Staff costs	(131.339)	(127.878)	(3.461)	2,7
Other administrative expenses	(71.648)	(68.594)	(3.054)	4,5
Net impairment losses on property, plant and equipment and intangible assets	(14.904)	(15.234)	330	(2,2)
<b>Operating costs</b>	<b>(217.891)</b>	<b>(211.706)</b>	<b>(6.185)</b>	<b>2,9</b>
<b>Net operating income</b>	<b>188.874</b>	<b>173.938</b>	<b>14.936</b>	<b>8,6</b>
Net impairment losses on loans	(17.651)	(22.150)	4.499	(20,3)
Net impairment losses on other assets/liabilities	(79)	(586)	507	(86,5)
Net provisions for liabilities and charges	(9.868)	(2.734)	(7.134)	260,9
Profits (losses) on disposal of equity investments	309	236	73	30,9
<b>Profit on continuing operations before tax</b>	<b>161.585</b>	<b>148.704</b>	<b>12.881</b>	<b>8,7</b>
Tax on income for the period for continuing operations	(70.619)	(66.052)	(4.567)	6,9
Profit (loss) on non current assets held for sale and discontinued operations net of taxes	-	-	-	n. a.
Profit (loss) for the period attributable to minority interests	(9.855)	(12.175)	2.320	(19,1)
<b>Profit for the period attributable to the Parent Bank</b>	<b>81.111</b>	<b>70.477</b>	<b>10.634</b>	<b>15,1</b>

## Banca Lombarda e Piemontese Group: Reclassified consolidated balance sheet

<b>ASSET ITEMS</b> ( in thousands of euro)	<b>31.03.07</b>	<b>31.03.06</b>	<b>Changes</b> <b>31.03.2007-31.03.2006</b>	
			<b>Absolute</b>	<b>%</b>
Cash and cash equivalents	149.777	142.970	6.807	4,8
Loans to customers	31.682.381	28.897.314	2.785.067	9,6
Loans to banks	2.035.744	2.295.076	(259.332)	(11,3)
Other financial assets	4.652.262	4.240.262	412.000	9,7
Equity investments	90.886	66.514	24.372	36,6
Property, plant and equipment and intangible assets	1.454.711	1.450.705	4.006	0,3
Other assets	1.197.490	1.573.387	(375.897)	(23,9)
<b>Total assets</b>	<b>41.263.251</b>	<b>38.666.228</b>	<b>2.597.023</b>	<b>6,7</b>

<b>LIABILITIES ITEMS</b> ( in thousands of euro)	<b>31.03.07</b>	<b>31.03.06</b>	<b>Changes</b> <b>31.03.2007-31.03.2006</b>	
			<b>Absolute</b>	<b>%</b>
Due to customers	16.396.074	15.983.016	413.058	2,6
Securities in issue (including subordinated liabilities)	14.266.991	12.994.220	1.272.771	9,8
<i>Total</i>	<i>30.663.065</i>	<i>28.977.236</i>	<i>1.685.829</i>	<i>5,8</i>
Due to banks	4.115.761	3.151.437	964.324	30,6
Other financial liabilities	697.864	1.039.252	(341.388)	(32,8)
Specific provisions for liabilities and charges	279.191	276.108	3.083	1,1
Other liabilities	1.997.293	2.396.441	(399.148)	(16,7)
Minority interests	449.473	456.871	(7.398)	(1,6)
Shareholders' equity				
<i>Share capital and reserves</i>	<i>2.979.493</i>	<i>2.298.406</i>	<i>681.087</i>	<i>29,6</i>
<i>Net profit</i>	<i>81.111</i>	<i>70.477</i>	<i>10.634</i>	<i>15,1</i>
<b>Total liabilities</b>	<b>41.263.251</b>	<b>38.666.228</b>	<b>2.597.023</b>	<b>6,7</b>

## Banca Lombarda e Piemontese Spa: Income Statement (according to Bank of Italy Directive 22/12/2005)

	Items of the income statement ( in euro)	31/03/2007	31/03/2006	Changes	
				Absolute	%
10.	Interest income and similar	99.812.517	60.750.173	39.062.344	64,3
20.	Interest expense and similar	(111.830.910)	(70.724.098)	(41.106.812)	58,1
30.	<b>NET INTEREST INCOME</b>	<b>(12.018.393)</b>	<b>(9.973.925)</b>	<b>(2.044.468)</b>	<b>20,5</b>
40.	Commission income	2.148.511	2.480.689	(332.178)	(13,4)
50.	Commission expenses	(846.527)	(1.039.973)	193.446	(18,6)
60.	<b>NET COMMISSION INCOME</b>	<b>1.301.984</b>	<b>1.440.716</b>	<b>(138.732)</b>	<b>(9,6)</b>
70.	Dividends and similar income	182.821	10.973.653	(10.790.832)	n.s.
80.	Net profit (loss) from trading	14.175.761	15.852.115	(1.676.354)	(10,6)
90.	Net profit (loss) from hedging	(28.579)	360.232	(388.811)	n.s.
100.	Profit (loss) from disposal or repurchase of:	20.779	(5.683)	26.462	n.s.
	<i>d) financial liabilities</i>	20.779	(5.683)	26.462	n.s.
120.	<b>GROSS INCOME</b>	<b>3.634.373</b>	<b>18.647.108</b>	<b>(15.012.735)</b>	<b>(80,5)</b>
130.	Net impairment losses on	15.899	(61.035)	76.934	n.s.
	<i>a) loans</i>	15.899	59.859	(43.960)	(73,4)
	<i>b) available-for-sale financial assets</i>	-	(120.894)	120.894	n.s.
140.	<b>NET FINANCIAL OPERATING INCOME</b>	<b>3.650.272</b>	<b>18.586.073</b>	<b>(14.935.801)</b>	<b>(80,4)</b>
150.	Administrative expenses:	(21.059.083)	(21.169.230)	110.147	(0,5)
	<i>a) staff costs</i>	(11.468.590)	(10.994.597)	(473.993)	4,3
	<i>b) other administrative expenses</i>	(9.590.493)	(10.174.633)	584.140	(5,7)
160.	Net provisions for liabilities and charges	(890.552)	(1.160.433)	269.881	(23,3)
170.	Net impairment losses on property, plant and equipment	(450.494)	(472.954)	22.460	(4,7)
180.	Net impairment losses on intangible assets	(26)	(26)	-	-
190.	Other operating income (expense)	7.890.055	8.597.208	(707.153)	(8,2)
200.	<b>OPERATING COSTS</b>	<b>(14.510.100)</b>	<b>(14.205.435)</b>	<b>(304.665)</b>	<b>2,1</b>
210.	Profits (losses) of equity investments	(36.085)	(35.000)	(1.085)	3,1
240.	Profits (losses) on disposal of investments	14.167	-	14.167	n.s.
250.	<b>PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX</b>	<b>(10.881.746)</b>	<b>4.345.638</b>	<b>(15.227.384)</b>	<b>n.s.</b>
260.	Taxes on profit for the period for continuing operations	3.245.000	942.248	2.302.752	n.s.
270.	<b>PROFIT/LOSS ON CONTINUING OPERATIONS NET OF TAXES</b>	<b>(7.636.746)</b>	<b>5.287.886</b>	<b>(12.924.632)</b>	<b>n.s.</b>
290.	<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>(7.636.746)</b>	<b>5.287.886</b>	<b>(12.924.632)</b>	<b>n.s.</b>

## Banca Lombarda e Piemontese Spa: Balance Sheet (according to Bank of Italy Directive 22/12/2005)

	Asset items ( in euro)	31/03/2007	31/12/2006	Changes	
				Absolute	%
10.	Cash and cash equivalents	48.885.757	63.133.487	(14.247.730)	(22,6)
20.	Financial assets held for trading	3.013.097.243	2.728.586.779	284.510.464	10,4
40.	Available-for-sale financial assets	873.428.067	890.947.316	(17.519.249)	(2,0)
60.	Loans to banks	5.187.284.606	3.880.242.502	1.307.042.104	33,7
70.	Loans to customers	4.078.113.997	3.891.149.372	186.964.625	4,8
80.	Hedging derivatives	28.981.870	53.161.439	(24.179.569)	(45,5)
100.	Equity investments	2.153.547.412	2.108.859.166	44.688.246	2,1
110.	Property, plant and equipment	50.934.254	49.922.389	1.011.865	2,0
120.	Intangible assets	77	103	(26)	(25,2)
130.	Tax assets	73.228.850	72.207.306	1.021.544	1,4
	<i>a) current</i>	56.597.618	49.977.316	6.620.302	13,2
	<i>b) prepaid</i>	16.631.232	22.229.990	(5.598.758)	(25,2)
140.	Non current assets and disposal groups held for sale	12.498.318	12.498.318	-	-
150.	Other assets	97.521.176	89.128.913	8.392.263	9,4
	<b>Total assets</b>	<b>15.617.521.627</b>	<b>13.839.837.090</b>	<b>1.777.684.537</b>	<b>12,8</b>

## Banca Lombarda e Piemontese Spa: Balance Sheet (according to Bank of Italy Directive 22/12/2005)

	Liabilities and shareholders' equity ( in euro)	31/03/2007	31/12/2006	Changes	
				Absolute	%
10.	Due to banks	5.822.547.526	4.869.008.977	953.538.549	19,6
20.	Due to customers	59.812.120	32.102.381	27.709.739	86,3
30.	Securities in issue	6.396.211.291	5.602.364.527	793.846.764	14,2
40.	Financial liabilities held for trading	745.353.632	635.145.361	110.208.271	17,4
60.	Hedging derivatives	619.640	588.373	31.267	5,3
80.	Tax liabilities	65.162.264	67.326.660	(2.164.396)	(3,2)
	<i>a) current</i>	3.501.255	3.599.534	(98.279)	(2,7)
	<i>b) deferred</i>	61.661.009	63.727.126	(2.066.117)	(3,2)
100.	Other liabilities	80.790.588	157.730.216	(76.939.628)	(48,8)
110.	Staff severance payments	10.835.559	10.749.485	86.074	0,8
120.	Provisions for liabilities and charges	6.023.851	10.009.073	(3.985.222)	(39,8)
	<i>b) other provisions</i>	6.023.851	10.009.073	(3.985.222)	(39,8)
130.	Valuation reserves	491.992.965	509.003.101	(17.010.136)	(3,3)
160.	Reserves	589.203.583	319.011.551	270.192.032	84,7
170.	Issue premiums	1.001.589.428	1.001.589.428	-	-
180.	Share capital	355.015.926	355.015.926	-	-
200.	Profit (loss) for the period (+/-)	(7.636.746)	270.192.031	(277.828.777)	n.s.
	<b>Total liabilities and shareholders' equity</b>	<b>15.617.521.627</b>	<b>13.839.837.090</b>	<b>1.777.684.537</b>	<b>12,8</b>

## UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	BPU Banca Group			Banca Lombarda Group			UBI Banca Group			
	31.3.2007	31.3.2006	% change	31.3.2007	31.3.2006	% change	31.3.2007 pro-forma	31.3.2006 pro-forma	% change	31.12.2006 pro-forma
10.- 20.	429.385	398.123	7,9%	238.705	212.809	12,2%	668.090	610.932	9,4%	2.509.510
70.	4.966	2.151	130,9%	290	126	130,2%	5.256	2.277	130,8%	50.674
	1.980	1.399	41,5%	4.306	3.587	20,0%	6.286	4.986	26,1%	17.332
40.- 50.	208.341	200.386	4,0%	117.573	120.859	(2,7%)	325.914	321.245	1,5%	1.275.352
	1.100	15.400	(92,9%)	1.122	3.700	(69,7%)	2.222	19.100	(88,4%)	40.382
80.+ 90.+ 100.+ 110.	31.521	108.036	(70,8%)	20.235	22.584	(10,4%)	51.756	130.620	(60,4%)	240.974
150.+ 160.	15.016	17.908	(16,1%)	-	-	-	15.016	17.908	(16,1%)	67.680
220.	13.720	13.469	1,9%	24.534	21.979	11,6%	38.254	35.447	7,9%	161.219
	<b>706.029</b>	<b>756.872</b>	<b>(6,7%)</b>	<b>406.765</b>	<b>385.644</b>	<b>5,5%</b>	<b>1.112.794</b>	<b>1.142.515</b>	<b>(2,6%)</b>	<b>4.363.123</b>
180.a	(265.289)	(253.494)	4,7%	(131.339)	(127.878)	2,7%	(396.628)	(381.372)	4,0%	(1.528.768)
180.b	(110.987)	(99.304)	11,8%	(71.648)	(68.594)	4,5%	(182.635)	(167.898)	8,8%	(741.696)
200.+ 210.	(28.347)	(26.991)	5,0%	(14.904)	(15.234)	(2,2%)	(42.340)	(41.311)	2,5%	(183.550)
	<b>(404.623)</b>	<b>(379.789)</b>	<b>6,5%</b>	<b>(217.891)</b>	<b>(211.706)</b>	<b>2,9%</b>	<b>(621.603)</b>	<b>(590.581)</b>	<b>5,3%</b>	<b>(2.454.014)</b>
	<b>301.406</b>	<b>377.083</b>	<b>(20,1%)</b>	<b>188.874</b>	<b>173.938</b>	<b>8,6%</b>	<b>491.191</b>	<b>551.934</b>	<b>(11,0%)</b>	<b>1.909.109</b>
130.a	(45.187)	(23.943)	88,7%	(17.651)	(22.150)	(20,3%)	(62.838)	(46.093)	36,3%	(244.774)
130.b +c +d	(870)	121	n.s.	(79)	(586)	(86,5%)	(949)	(465)	104,1%	1.523
190.	5.229	(181)	n.s.	(9.868)	(2.734)	260,9%	(4.639)	(2.915)	59,1%	(30.649)
240.+ 270.	19	15.721	(99,9%)	309	236	30,9%	328	15.957	(97,9%)	62.889
	<b>260.597</b>	<b>368.801</b>	<b>(29,3%)</b>	<b>161.585</b>	<b>148.704</b>	<b>8,7%</b>	<b>423.093</b>	<b>518.418</b>	<b>(18,4%)</b>	<b>1.698.098</b>
290.	(112.272)	(128.653)	(12,7%)	(70.619)	(66.052)	6,9%	(183.327)	(195.052)	(6,1%)	(669.972)
310.	(284)	2.151	n.s.	-	-	0,0%	(284)	2.151	n.s.	11.531
330.	(10.353)	(12.453)	(16,9%)	(9.855)	(12.175)	(19,1%)	(20.304)	(24.724)	(17,9%)	(88.811)
	<b>137.688</b>	<b>229.846</b>	<b>(40,1%)</b>	<b>81.111</b>	<b>70.477</b>	<b>15,1%</b>	<b>219.268</b>	<b>300.793</b>	<b>(27,1%)</b>	<b>950.846</b>

(\*) The pro-forma net result does not take account of the possible effects on profits of allocating the merger difference to assets, liabilities and contingent liabilities.

**N.B. The differences between the sum of the figures for the two Groups and the aggregate figures for UBI Banca are due to consolidation entries made to apply uniform accounting criteria.**

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

Figures in thousands of euro	31.3.2007 pro-forma	non recurring items				31.3.2006 pro-forma <i>net of non recurring items</i>	% changes 31.3.2007/ 31.3.2006 <i>net of non recurring items</i>
		31.3.2006 pro-forma	BPU Pramerica SGR earn out	Disposal of equity investments	Effects of normalisation (*)		
Net interest income	668.090	610.932			610.932	9,4%	
Dividend and similar income	5.256	2.277			2.277	130,8%	
Profits/losses on equity investments valued using the equity method	6.286	4.986			4.986	26,1%	
Net commission income	325.914	321.245		(1.605)	319.640	2,0%	
Performance fees	2.222	19.100			19.100	-88,4%	
Net profit (loss) from trading and hedging activity	51.756	130.620		(73.973)	56.647	-8,6%	
Net income on insurance operations	15.016	17.908			17.908	-16,1%	
Other net operating income/(expense)	38.254	35.447			35.447	7,9%	
<b>Operating income</b>	<b>1.112.794</b>	<b>1.142.515</b>	<b>-</b>	<b>(73.973)</b>	<b>(1.605)</b>	<b>1.066.937</b>	<b>4,3%</b>
Staff costs	(396.628)	(381.372)			(381.372)	4,0%	
Other administrative expenses	(182.635)	(167.898)			(167.898)	8,8%	
Net impairment losses on property, plant and equipment and intangible assets	(42.340)	(41.311)			(41.311)	2,5%	
<b>Operating costs</b>	<b>(621.603)</b>	<b>(590.581)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(590.581)</b>	<b>5,3%</b>
<b>Net operating income</b>	<b>491.191</b>	<b>551.934</b>	<b>-</b>	<b>(73.973)</b>	<b>(1.605)</b>	<b>476.356</b>	<b>3,1%</b>
Net impairment losses on loans	(62.838)	(46.093)			(46.093)	36,3%	
Net impairment losses on other assets/liabilities	(949)	(465)			(465)	104,1%	
Net provisions for liabilities and charges	(4.639)	(2.915)			(2.915)	59,1%	
Profit/loss on disposal of equity investments	328	15.957	(15.500)	(20)	437	-24,9%	
<b>Profit (loss) on continuing operations before tax</b>	<b>423.093</b>	<b>518.418</b>	<b>(15.500)</b>	<b>(73.993)</b>	<b>(1.605)</b>	<b>427.320</b>	<b>1,0%</b>
Taxes on income for the period for continuing operations	(183.237)	(185.052)	2.945	2.197	614	(189.296)	-3,2%
Profit/loss of non current assets held for sale and discontinued operations net of taxes	(284)	2.151		(2.151)	0	-100,0%	
Profit/loss for the period attributable to minority interests	(20.304)	(24.724)	9	277	(24.438)	-16,9%	
<b>Profit for the period attributable to the Parent bank</b>	<b>219.268</b>	<b>300.793</b>	<b>(12.546)</b>	<b>(73.670)</b>	<b>(991)</b>	<b>213.586</b>	<b>2,7%</b>
<b>ROE (annualised) (**)</b>	7,9%	11,8%			8,3%		
<b>Cost / Income ratio</b>	55,9%	51,7%			55,4%		

**NB: the non recurring items relate only and exclusively to the BPU Banca Group.**

(\*) In order to present an income statement which conforms more closely to the contribution of ordinary activities, this column includes the effects of a more precise attribution to the period of events recognised in subsequent accounting periods.

## UBI Banca Group: Reclassified consolidated balance sheet

Figures in thousands of euro		31.3.2007 pro-forma A	31.12.2006 pro-forma B	% change A/B	31.3.2006 pro-forma C	% change A/C
<b>ASSETS</b>						
10.	Cash and cash equivalents	438.326	586.799	-25,3%	413.546	6,0%
20.+ 30.	Financial assets held for trading at fair value	11.023.431	11.544.661	-4,5%	12.092.418	-8,8%
40.	Available-for-sale financial assets	4.768.423	4.703.712	1,4%	4.592.265	3,8%
50.	Held-to-maturity financial assets	1.328.455	1.256.872	5,7%	1.134.456	17,1%
60.	Loans to banks	3.985.375	4.229.219	-5,8%	4.996.998	-20,2%
70.	Loans to customers	85.244.964	83.062.851	2,6%	75.260.565	13,3%
80.	Hedging derivatives	400.368	442.872	-9,6%	278.754	43,6%
90.	Fair value change of hedged financial assets (+/-)	- 1.344	2.044	-165,8%	15.095	-108,9%
100.	Equity investments	151.155	143.213	5,5%	105.944	42,7%
110.	Technical reserves of reinsurers	202.717	105.726	91,7%	101.983	98,8%
120.	Property, plant and equipment	2.050.650	2.070.260	-0,9%	2.102.102	-2,4%
130.	Intangible assets	2.008.025	2.011.579	-0,2%	1.948.941	3,0%
	Merger difference (*)	3.483.346	3.483.346	0,0%	3.483.346	0,0%
140.	Tax assets	1.232.664	1.201.759	2,6%	1.077.239	14,4%
150.	Non current assets and disposal groups held for sale	93.236	98.401	-5,2%	108.120	-13,8%
160.	Other assets	1.920.113	2.368.856	-18,9%	3.559.509	-46,1%
<b>Total assets</b>		<b>118.329.904</b>	<b>117.312.170</b>	<b>0,9%</b>	<b>111.271.281</b>	<b>6,3%</b>

## UBI Banca Group: Reclassified consolidated balance sheet

	<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>31.3.2007</b> pro-forma <b>A</b>	<b>31.12.2006</b> pro-forma <b>B</b>	<b>% change A/B</b>	<b>31.3.2006</b> pro-forma <b>C</b>	<b>% change A/C</b>
10.	Due to banks	9.324.823	9.420.501	-1%	8.552.458	9%
20.	Due to customers	46.518.676	48.376.110	-3,8%	45.124.945	3,1%
30.	Securities in issue	40.885.365	38.116.917	7,3%	34.951.917	17,0%
40.+ 50.	Financial liabilities held for trading and valued at fair value	1.055.432	1.028.530	2,6%	1.398.682	-24,5%
60.	Hedging derivatives	408.808	407.795	0,2%	488.922	-16,4%
80.	Tax liabilities	1.302.582	1.089.282	19,6%	1.162.159	12,1%
90.	Liabilities associated with disposal groups held for sale	109.704	119.648	-8,3%	28.318	287,4%
100.	Other liabilities	3.047.728	3.410.357	-10,6%	4.903.929	-37,9%
110.	Staff severance payments	516.980	522.246	-1,0%	518.610	-0,3%
120.	Provisions for liabilities and charges:	331.275	331.171	n.s.	421.229	-21,4%
130.	Technical reserves	2.561.027	2.532.321	1,1%	2.300.284	11,3%
170.+ 180.+ 190.	Share capital, issue premiums and reserves	11.170.323	10.149.814	10,1%	10.239.445	9,1%
210.	Minority interests	877.913	856.632	2,5%	879.590	-0,2%
220.	Profit for the period	219.268	950.846	n.s.	300.793	-27,1%
	<b>Total liabilities</b>	<b>118.329.904</b>	<b>117.312.170</b>	<b>0,9%</b>	<b>111.271.281</b>	<b>6,3%</b>

(\*) The “merger difference” is only indicative and was calculated on the basis of the last market quotation of BPU shares on 30<sup>th</sup> March 2007. It takes no account of any allocation of assets, liabilities and contingent liabilities. With regard to the pro-forma figures as at 31<sup>st</sup> December 2006 and as at 31<sup>st</sup> March 2006, the difference in the equity of the Banca Lombarda e Piemontese Group was included within the item “due to banks” in the first case and within the item “loans to banks” in the second case.