

# UBI Banca: Consolidated results as at 31 December 2007

27 March 2008

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### Methodology

*Given that the mandatory financial statements prepared on the basis of Bank of Italy Circular No. 262 of 22nd December 2005 incorporate the balance sheet and income statement figures for the former Banca Lombarda e Piemontese Group from 1st April 2007, the date on which the merger took effect, pro-forma reclassified financial statements have been prepared which include figures for the former BLP Group for the whole of 2007 and also for the twelve months of 2006 in order to allow an analysis of the Group's performance on a uniform basis and a vision that is more consistent with a management accounting approach.*

*A pro-forma balance sheet for 2007 has also been prepared to include the effects of the different time horizon for valuing the items for the former BLP Group (12 months instead of 9).*

## Executive summary - FY 2007 Results vs FY 2006 Results\*

- Net profit of 940,6 mln€ vs 851,9 mln€ in 2006: +10,4%
- Net profit excluding PPA 1021,3 mln€ vs 932,7 mln€ in 2006

- Dividend to be submitted to the General Shareholders' Meeting: 0,95€ + 18,8% compared to 2006

- Solid capital ratios coherent with significant increase in dividend

- Core Tier 1: 6,86% (6,28% in 2006)
- Tier 1: 7,44% (6,91% in 2006)
- Total Capital Ratio: 10,22% (10,31% in 2006)

- A low risk profile:

- US Subprime mortgages: no direct exposure and negligible indirect exposure, no exposure to conduits and SPV
- US monolines: no direct exposure and negligible indirect exposure
- Net Interbank position of 4,3 billion € (-9,6% compared to 2006), substantially stable in the first months of 2008
- Conservative approach to derivatives activity with customers, with limited risk exposure thanks to correct procedures and controls

\*including Purchase Price Allocation impact

## Executive summary - FY 2007 Results vs FY 2006 Results\*

### The financial year was characterised by

#### □ Good performance of continuing operations, even more evident in normalised terms (+13,1% to 1.557,8 million euro)

	Normalized	Stated
Net interest margin	10,9%	10,9%
Net Commission (excl performance fees)	2,9%	2,9%
Operating income	6,9%	4,2%
Operating costs	4,2%	1,4%
Net Operating income	10,9%	8,3%
Net profit from continuing operations before tax	13,1%	-1,2%

#### □ Balance sheet aggregates show solid commercial positioning

Growth in Lending to customers	+12,4%
Continuing excellent credit quality	
NPL/total loans	0,75%
Net impairment losses on loans/total loans (including alignment of collective impairment calculation method)	0,37%
Normalised net impairment losses on loans/total loans	0,27%
Direct funding of 90 bln€	+5,8%
Indirect funding from ordinary customers of 91,7 bln€	-1,9%
Assets under management to 52,2 bln€	-4,3%
Assets under custody to 39,5 bln€	+1,5%

\*including Purchase Price Allocation impact

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## Executive summary - *The integration process* -

Integration process started in July 2007, running in advance compared to the Plan with 32% of activities already completed as at 31 December 2007 (vs 30% estimated in the Industrial Plan)

Over 65% of all integration costs\* sustained in 2007 – a further 25% to be booked in 2008 for a total of over 90% of all integration costs recorded as at year end 2008

80% of all integration activities to be completed by year end 2008, including all former BPU Banca Banks' IT Migration – First migration (BPCI) successfully completed in February 2008

In the base case scenario\*\*, 2008 outlook coherent with Industrial Plan economic targets

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\*Total integration costs amount to 370 million euro + 20 million euro capitalised

\*\* see slide 23

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### FY07 results:

**- Assets and liabilities**

**- Income statement**

**- Capital ratios**

### 2008 outlook and conclusions

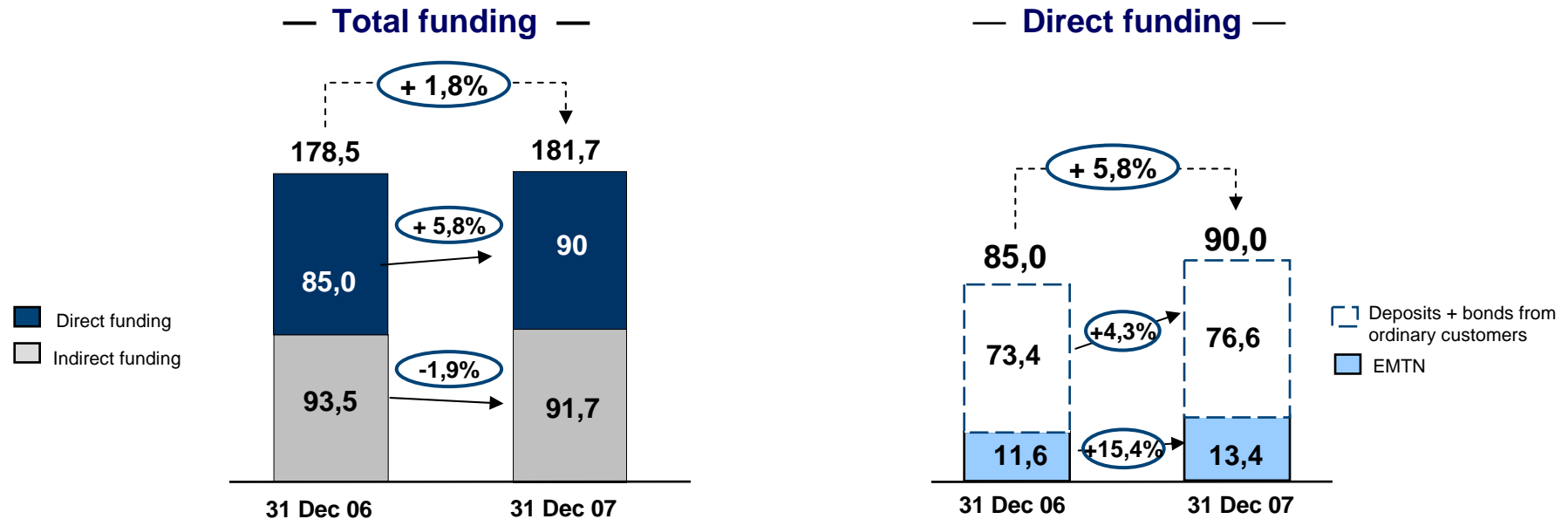
### Annexes:

**- The integration plan: results achieved**

**- Income statement: Quarterly results 2007-2006 and Reclassified consolidated income statement net of the main non recurring items**

## Growth in customers' total wealth, showing a different mix compared to 2006

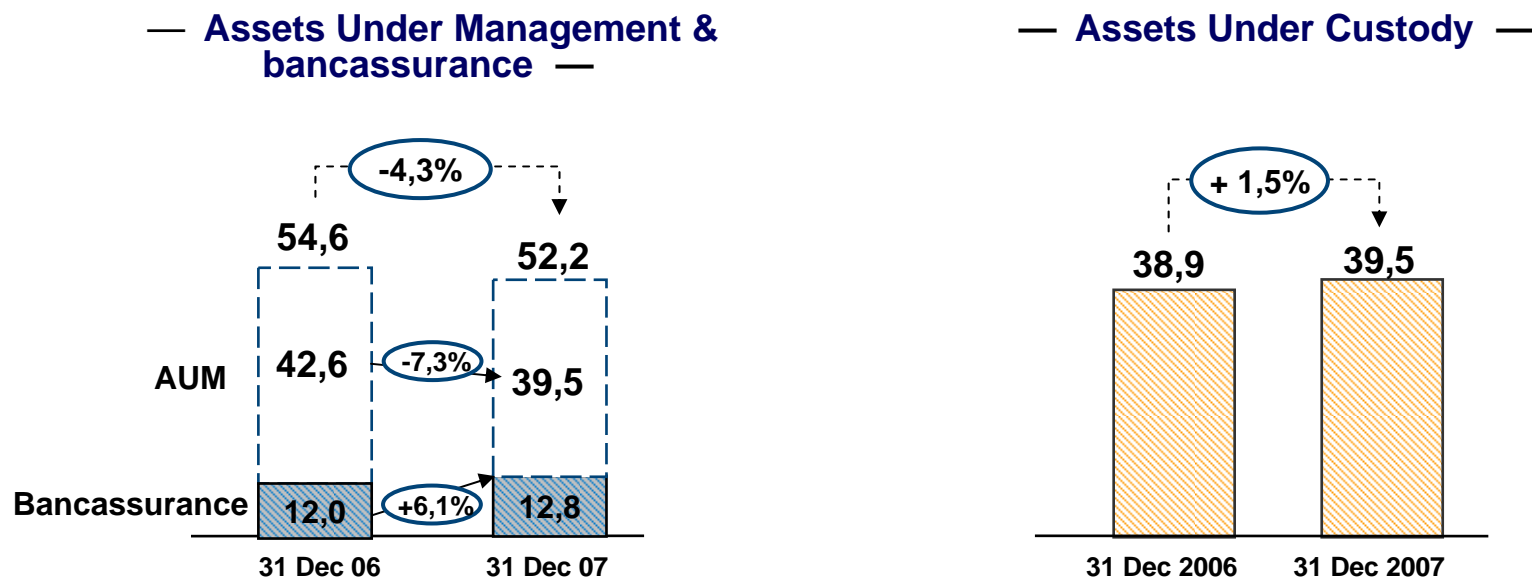
bln€



- ✓ Total funding from customers grew by 3,2 bln€ The overall decrease in indirect funding (-1,8 bln€) was more than compensated by the increase in direct deposits and bonds from ordinary customers (+3,2 bln€)
- ✓ Direct funding:
  - 85% of funding comes from the Group's ordinary customer base
  - 15% of funding comes from institutional funding. In 2007 3,2 bln€ of EMTN issued vs 1,5 bln€ of EMTN expired. Issue programme suspended in July 2007 - no issue in 4Q2007 and in the first months of 2008
  - in future months, alternative forms of institutional funding, with more favourable spreads, will be launched (eg covered bonds)

## Indirect funding to 91,7 billion euro: -1,9% compared to 2006, resulting from decrease in AUM and increase in bancassurance products and AUC

bln€

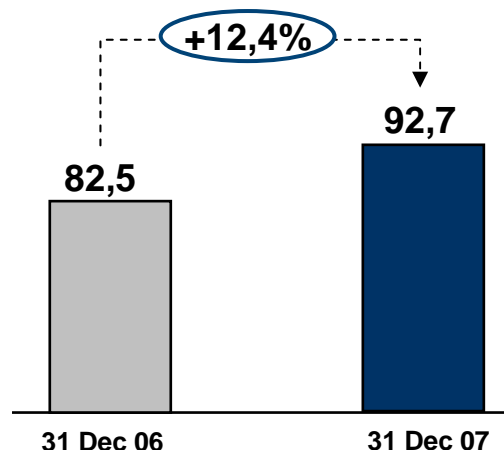


- ✓ Diversified trends within the aggregate: slight increase in AUC, good performance of insurance products and contraction of AUM driven by market conditions
- ✓ Integration of Capitalgest into UBI Pramerica effective on 18 January 2008. Defined new range of products (reduced from the original 66 to the actual 36) available from 11 april 2008



## Confirmed strong growth in lending + 12,4% vs YE 06

bln€



YoY % change	UBI	System*
Short term	9,3%	6,6%
Medium-long term	14,6%	11,8%
<b>Total loans to customers</b>	<b>12,4%</b>	<b>9,9%</b>

- ✓ Total loans show a higher increase compared to +9,9% registered at system level
- ✓ Increase in lending registered in all Group companies
  - Network banks recorded an 8,2% growth YoY
  - Strong evolution YoY at product companies level:  
Banca 24-7 +62,7%, CBI Factor +9,2%, BPU Esaleasing+SBS Leasing +17,9%, Centrobanca +7,4%
- ✓ Lending granted to Northern regions represents 83% of the total, to Central regions 10% and to Southern regions the remaining 7% of the total
- ✓ Low concentration of risk: the first 10 positions represent 5% of total loans, the first 50 positions represent 12% of total loans. No exposure higher than 10% of the Supervisory capital (as per Bank of Italy's definition) as at YE2007
- ✓ At Network Banks' level growth rates are as follows, by customer segment: retail lending +10,8%, corporate lending +7,6% and private banking lending +20,3%

*To allow comparison, 2006 volumes are net of amounts pertaining to branches disposed of in 2007 (61 branches to Banca Popolare di vicenza and 15 branches to Banca Popolare Pugliese)*

\* Source: Bank of Italy

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- 2008 outlook and conclusions**

- Annexes:**

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- **Income statement: Quarterly results 2007-2006 and Reclassified consolidated income statement net of the main non recurring items**

## Purchase Price Allocation on former Banca Lombarda Group Assets/liabilities and impact on P&L

### A) Purchase price allocated: 4,2 billion

- 3,2 bln€ allocated to **Goodwill** (75,6% of the total)
- 1 bln€ allocated to **Assets & Liabilities** (24,4% of the total), of which:

✓ Real estate	7,6%
✓ Participations	3,8%
✓ Customer loans	29,5%
✓ Intangible assets*	59,1%

**PPA to be amortised approx. over a 15 year period**

### B) Impact on P&L:

✓ Net Interest Income	(87,8)
✓ Net impairment losses on property, plant and equipment and intangible assets	(61,6)
	<hr/>
<b>Lower Net operating income</b>	<b>(149,4)</b>
✓ Taxes	57,2
✓ Minorities	11,5
	<hr/>
✓ PPA effect on Net Profit	<b>(80,8)</b>

Representing -2,5 pp in terms of cost/income

- Moreover, recalculation of **deferred taxation** according to the new dispositions of 2008 Financial Law brings a one off positive effect on 2007 taxation of approx. 89 mln€

\* Core deposits, AUM, AUC and trademarks

## Income statement as at 31 December 2007: net profit at 940,6 million euro, +10,4% versus 851,9 million euro as at 31 December 2006

	Stated			Normalized		
	31.12.2007	31.12.2006	YoY % change	31.12.2007 net of non recurring items	31.12.2006 net of non recurring items	YoY % change
Net interest income	2.690,4	2.425,3	10,9%	2.690,4	2.425,3	10,9%
<i>of which: impact of Purchase Price Allocation</i>	(87,8)	(87,8)	-	(87,8)	(87,8)	-
Net interest income excluding impact of PPA	2.778,2	2.513,1	10,5%	2.778,2	2.513,1	10,5%
Dividend and similar income	83,5	50,7	64,9%	83,5	50,7	64,9%
Profit (loss) of equity investments valued using the equity method	19,2	17,3	10,6%	19,2	17,3	10,6%
Net commission income	1.322,7	1.285,5	2,9%	1.322,7	1.285,5	2,9%
Performance commissions	12,6	40,4	(68,8%)	12,6	40,4	(68,8%)
Net profit (loss) from trading, hedging and disposal/repurchase activities valued at fair value	101,9	242,8	(58,0%)	81,7	142,1	(42,5%)
Net income on insurance operations	84,7	67,7	25,1%	84,7	67,7	25,1%
Other net operating income/(expense)	143,7	148,3	(3,1%)	157,0	136,7	14,9%
<b>Operating income</b>	<b>4.458,8</b>	<b>4.277,9</b>	<b>4,2%</b>	<b>4.451,8</b>	<b>4.165,6</b>	<b>6,9%</b>
<b>Operating income excluding impact of PPA</b>	<b>4.546,6</b>	<b>4.365,7</b>	<b>4,1%</b>	<b>4.539,6</b>	<b>4.253,4</b>	<b>6,7%</b>
Staff costs	(1.539,3)	(1.531,9)	0,5%	(1.588,7)	(1.526,5)	4,1%
Other administrative expenses	(772,8)	(745,5)	3,7%	(772,8)	(730,2)	5,8%
Net impairment losses on property, plant and equipment and intangible assets	(245,4)	(245,2)	0,1%	(245,4)	(245,2)	0,1%
<i>of which: impact of Purchase Price Allocation</i>	(61,6)	(61,6)	-	(61,6)	(61,6)	-
Net impairment losses on property, plant and equipment and intangible assets excluding impact of PPA	(183,8)	(183,6)	0,1%	(183,8)	(183,6)	0,1%
<b>Operating costs</b>	<b>(2.557,5)</b>	<b>(2.522,5)</b>	<b>1,4%</b>	<b>(2.606,9)</b>	<b>(2.501,8)</b>	<b>4,2%</b>
<b>Operating costs excluding impact of PPA</b>	<b>(2.495,9)</b>	<b>(2.460,9)</b>	<b>1,4%</b>	<b>(2.545,3)</b>	<b>(2.440,2)</b>	<b>4,3%</b>
<b>Net operating income</b>	<b>1.901,3</b>	<b>1.755,4</b>	<b>8,3%</b>	<b>1.844,9</b>	<b>1.663,8</b>	<b>10,9%</b>
<b>Net operating income excluding impact of PPA</b>	<b>2.050,7</b>	<b>1.904,8</b>	<b>7,7%</b>	<b>1.994,4</b>	<b>1.813,2</b>	<b>10,0%</b>
Net impairment losses on loans	(345,6)	(238,7)	44,8%	(248,6)	(238,7)	4,2%
Net impairment losses on other assets and liabilities	(28,6)	1,5	n.s.	(3,8)	1,5	n.s.
Net provisions for liabilities and charges	(38,0)	(50,8)	(25,1%)	(36,8)	(50,8)	(27,4%)
Profit (loss) from disposal of equity and other investments	22,8	62,9	(63,8%)	2,0	0,9	130,5%
<b>Profit (loss) on continuing operations before tax</b>	<b>1.511,9</b>	<b>1.530,3</b>	<b>(1,2%)</b>	<b>1.557,8</b>	<b>1.376,7</b>	<b>13,1%</b>
<b>Profit (loss) on continuing operations before tax excluding impact of PPA</b>	<b>1.661,3</b>	<b>1.679,7</b>	<b>(1,1%)</b>	<b>1.707,2</b>	<b>1.526,2</b>	<b>11,9%</b>
Taxes on income for the period for continuing operations	(606,3)	(612,6)	(1,0%)	(706,3)	(587,4)	20,3%
<i>of which: impact of Purchase Price Allocation</i>	57,2	57,2	-	57,2	57,2	-
Integration costs	(166,7)	-	-	-	-	-
Profit (loss) of non current assets held for sale and discontinued operations net of taxes	308,5	11,5	n.s.	(0,1)	6,1	n.s.
Net profit for the period attributable to minority interests	(106,9)	(77,3)	38,3%	(80,9)	(78,4)	3,1%
<i>of which: impact of Purchase Price Allocation</i>	11,5	11,5	-	11,5	11,5	-
<b>Profit for the period attributable to the Parent Bank excluding impact of PPA</b>	<b>1.021,3</b>	<b>932,7</b>	<b>9,5%</b>	<b>851,2</b>	<b>797,8</b>	<b>6,7%</b>
<b>Profit for the period attributable to the Parent Bank</b>	<b>940,6</b>	<b>851,9</b>	<b>10,4%</b>	<b>770,5</b>	<b>717,0</b>	<b>7,5%</b>

### Main non recurring items

In 2006: sale of Italease stake (70mln€) and NPLs (30,6 mln€)  
In 2007: London Stock Exchange positive impact 20,2 mln€

In 2007: new regulations on severance fund one off impact 49,4 mln€;  
In 2007 and 2006: negative impact due corporate by-laws modifications (22,2 mln€ in 2007 and 18,2 in 2006)

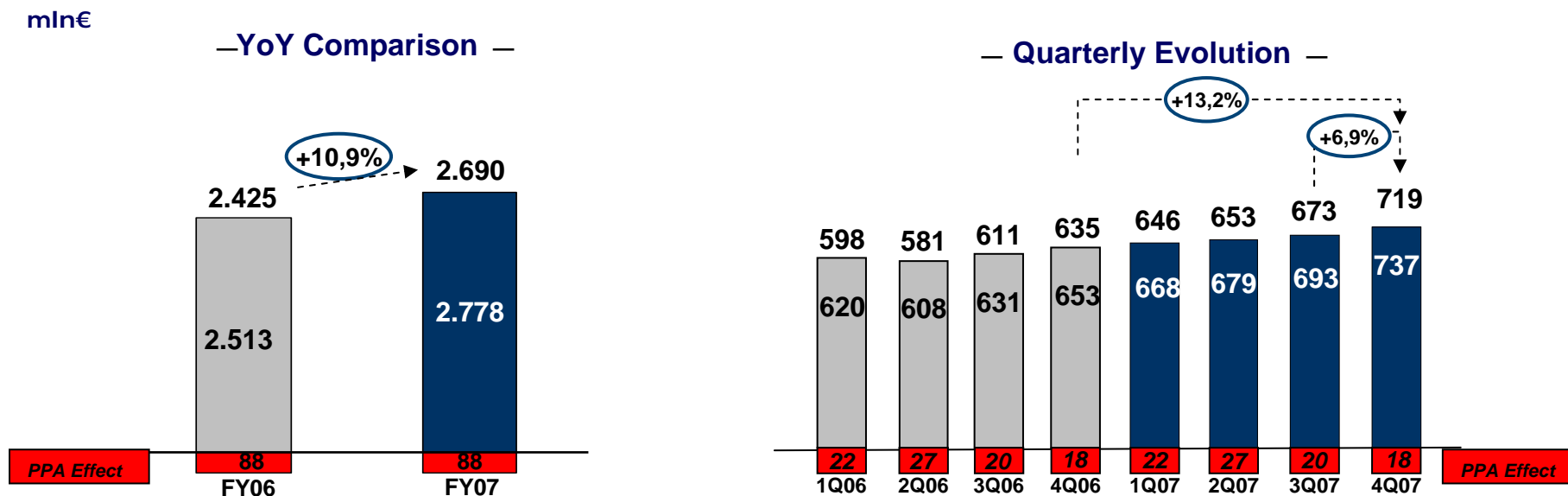
In 2007: standardization of the model for collective valuations of performing loans one-off impact 85 mln€, Help Rental Service adjustment for 12mln€

In 2007: Hopa adjustment for 19 mln€, new value on balance €0,34 per share

In 2007: IW Bank IPO 20,7 mln€  
In 2006: Prudential earn out 62 mln€

In 2007: Sale of Carime branches 17,6 mln€ and sale of 61 branches as per Antitrust dispositions 291 mln€  
In 2006: sale of tax collection companies 5,5 mln€

## Net interest income growth to 10,9% or 12,9% net of capitalization policies contribution

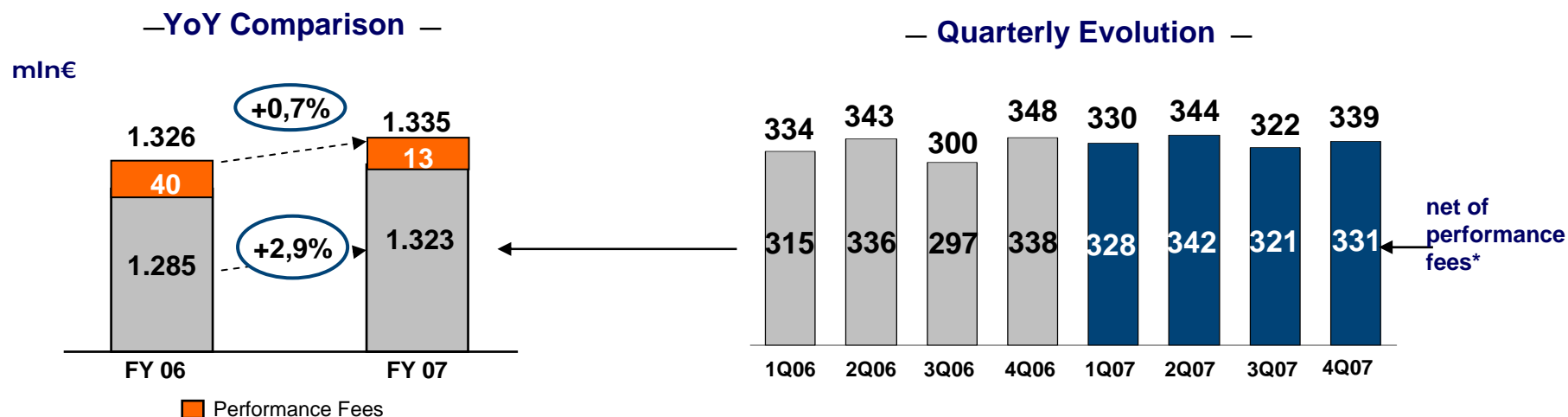


✓ Significant growth in net interest income due to growth in ordinary customers' activities (2.583 million euro from 2.294 in 2006). Compared to 2006, spreads have widened by 9 basis points.

✓ Lower net contribution from capitalisation policies (to 9,8 million euro in 2007 from 51,3 mln€ in 2006). Net of capitalisation policies contribution, net interest margin grows by 12,9%. Capitalisation policies amount to 1,2 bln€ at the end of 2007 compared to 5,4 bln€ in 2006

To allow comparison, 2007 PPA was also deducted from 2006 results

## Net commission income: +2,9% yoy net of performance fees



✓ Lower contribution from performance fees (12,6 million in 2007 compared to 40,4 million in 2006) due to unfavourable market trends

✓ **Management reporting** shows the following main trends (referred to the aggregate net commission and result from insurance activities):

- growth in net commissions from indirect funding (+5,4%), mainly thanks to substantially stable commissions on AUM, an increased contribution from insurance policies (+16,8%) and other indirect commissions (+27,6%)

- reduction in commission from ordinary banking services (-1,4%) mainly as a consequence of competition on ordinary current accounts and lower payment and encashment commissions from customers

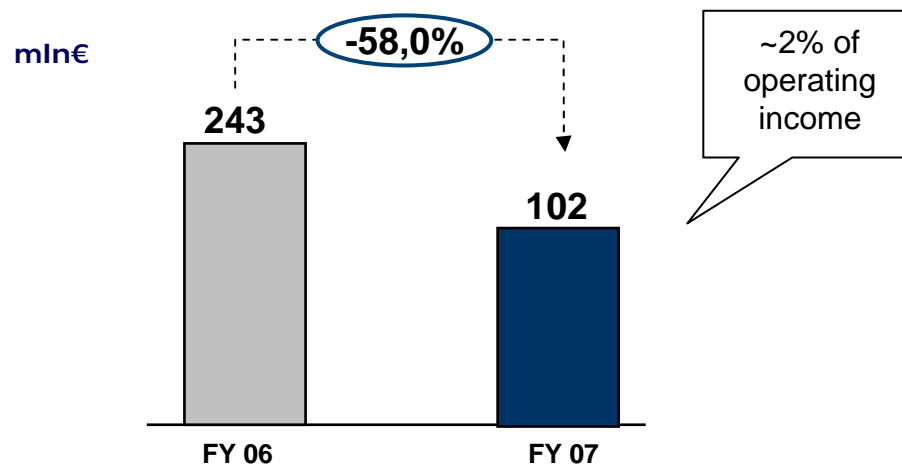
- confirmed strong growth in commission from “innovative services” such as non life bancassurance, CPI policies, investment banking, etc, (+34,1%) and growth in commission from other services (depository bank +8,6%), which overall more than compensated the reduction in commission on ordinary banking services

✓ Low contribution from up front fees (~6% of total)

\*Net income on insurance operations amounts to 84,7 million euro in 2007 and 67,7 million euro in 2006

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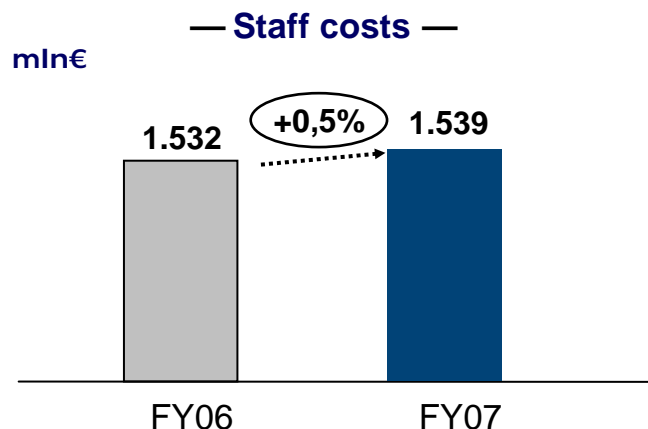
**Result from trading and hedging activity down from 243 million euro in 2006 to 102 mln€ in 2007**



✓ 2007 result from trading and hedging positive for 51 mln€ (125 mln€ in 2006) in negative market conditions; 86% of the result was achieved in 1H2007

✓ In 2007 lower contribution from non recurring items: 20,2 million (Borsa Italiana/LSE transaction) vs 100,7 mln€ in 2006 (sale of the interest in Banca Italease and profit on the disposal of non performing loans)

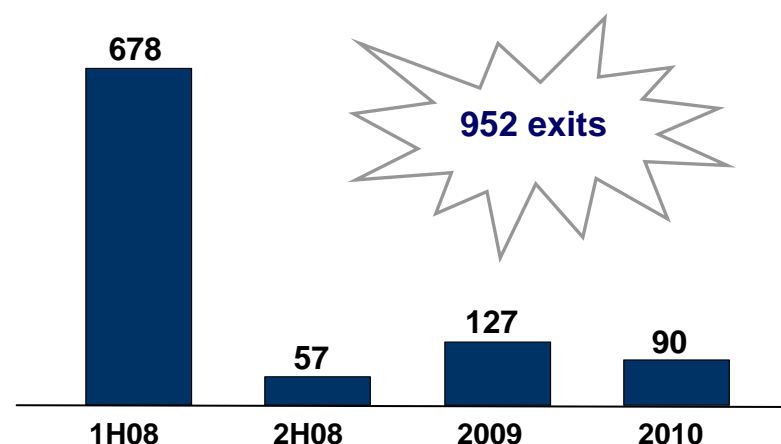
**Total staff costs to 1.539 mln€ +0,5% inclusive of one-off positive effect of new Severance fund accounting rules; +4,1% in normalised terms**



- ✓ Impact of new legislation on severance fund: +49,4mln euro one-off in 2Q2007;
- ✓ Impact of amendment to provisions of UBI Banca Scpa and Banca Popolare di Bergamo Scpa corporate by-laws: 22,2 million euro in 2007, 18,2 million in 2006;
- ✓ Net of the impact of the new legislation on staff severance fund, the increase in staff costs (4,1%) is mainly due to the provisioning related to the renewal of the national labour contract, to the evolution of wages and to incentives and premiums

- ✓ UBI Banca Group voluntary redundancy plan involves 1.700 resources: 1.300 in the new UBI plan and 400 residual from former BPU and BL plans
- BPU and BL plans closed at 2007 YE, with full achievement of targets
- UBI Banca Plan to be achieved through ~960 voluntary exits within 2010 and the remaining from partial replacement of turnover
- as at 31 January 2008, over 99% of adhesions to the voluntary exit plan were received, and it was possible to define the exits schedule

—Voluntary exits schedule —

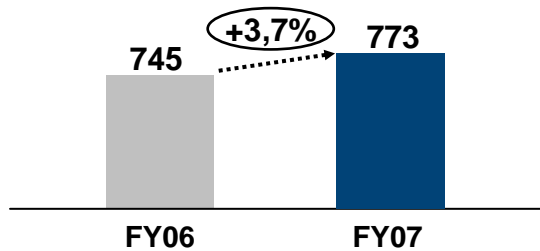




## Other administrative expenses growth decelerating during 2007 Depreciation and amortisation substantially stable

mln€

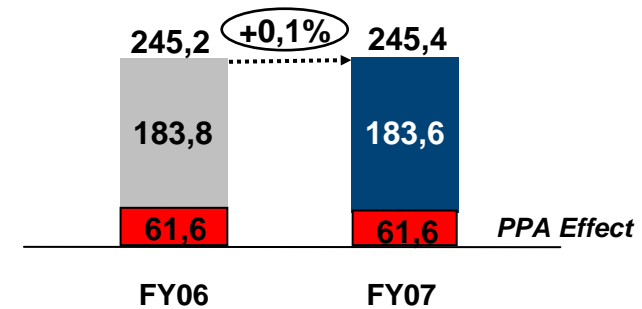
— Other administrative expenses —



✓ Slowdown in growth dynamics compared to September 2007 and June 2007

✓ 2007 data include for the full year the increased expenses related to the change in perimeter which was implemented starting from 4Q2006 and reflect growth in commercial activities and expenses incurred for security and improvements to services through the progressive upgrading of IT tools

— Depreciation & Amortization —



✓ Depreciation and amortisation are substantially in line with 2006

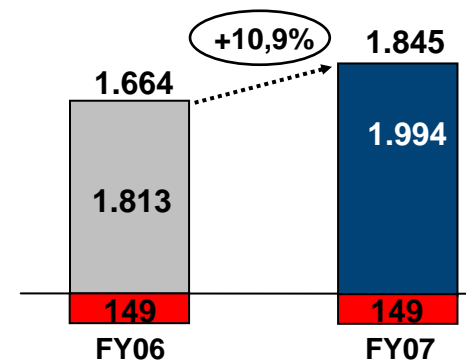
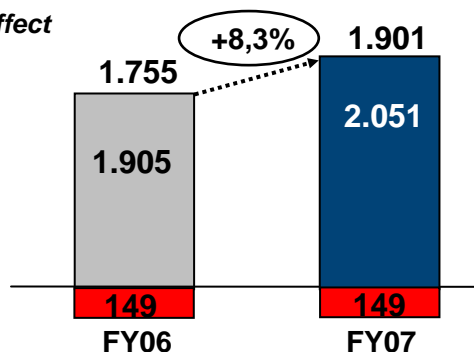
# Normalized net operating income up by 10,9% in normalised terms (8,3% in stated terms)

— Stated Net Operating Income —

— Normalised Net Operating Income —

mln€

PPA Effect

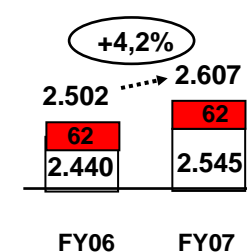
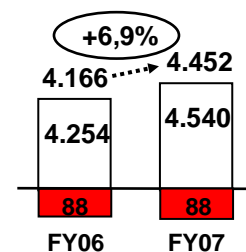
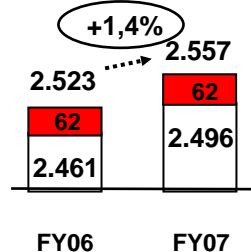
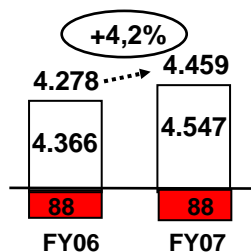


— Operating Income —

— Operating Costs —

— Operating Income —

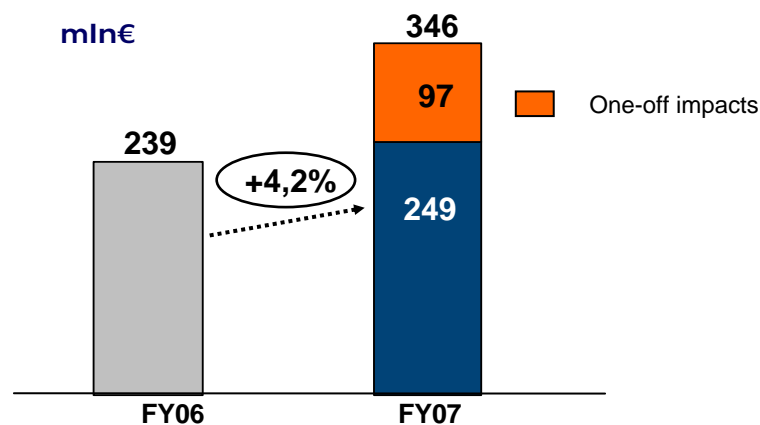
— Operating Costs —



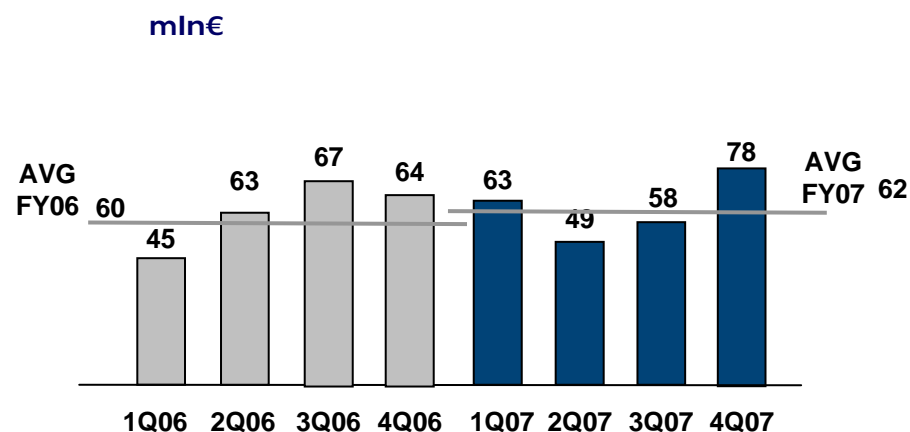
	FY06	FY07
STATED COST/INCOME	59,0%	57,4%
NORMALISED COST/INCOME	60,1%	58,6%
NORMALISED COST /INCOME NOT INCLUDING PPA	57,4%	56,1%

## Credit quality: net impairment losses on loans to 249 mln€ vs 239 mln€ in FY06 and cost of credit annualized at 27 b.p. (excluding one-off impacts) vs 29 b.p. in FY06

— Value adjustments on loans YoY —



— Value adjustments on loans QoQ —



### ✓ Non recurring items:

- 85 mln€ one-off effect due to the standardization of the method for the calculation of collective impairment on performing loans
- 12 mln€ one-off impact Help Rental Service adjustment

✓ **Expected impact** of the new collective impairment calculations in future years: approx. 1 basis point per year

✓ Net NPL+Net Impaired loans /total loans unvaried compared to 2006 : 1,56%

Net NPL/ total loans : 0,75% vs 0,69% in 2006 - Net impaired loans/ total loans : 0,81% vs 0,87% in 2006

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- Capital ratios

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- Income statement: Quarterly results 2007-2006 and Reclassified consolidated income statement net of the main non recurring items

## Capital ratios as at December 2007

Figures in thousands of euro	31.12.2007	31.12.2006 pro-forma estimates
Tier 1 (before filters)	6.800.300	6.021.977
Preference shares	570.000	570.000
Tier 1 capital filters	14.585	-254.627
<b>Tier 1 (after filters)</b>	<b>7.384.885</b>	<b>6.337.350</b>
Deductions from Tier 1	-96.160	-91.558
<b>Tier 1 after filters and specific deductions</b>	<b>7.288.725</b>	<b>6.245.792</b>
<b>Supplementary capital after filters</b>	<b>2.888.319</b>	<b>3.199.396</b>
Deductions from supplementary capital	-96.160	-91.558
<b>Supplementary capital after filters and specific deductions</b>	<b>2.792.159</b>	<b>3.107.838</b>
<b>Deductions from Tier 1 + supplementary capital</b>	<b>-211.593</b>	<b>-282.578</b>
<b>Total supervisory capital</b>	<b>9.869.291</b>	<b>9.071.052</b>
Credit risk	7.574.746	6.923.433
Market risk	198.747	310.042
Other prudential requirements	59.453	
<b>Total prudential requirements</b>	<b>7.832.946</b>	<b>7.233.475</b>
<b>Tier III subordinated liabilities (fully included)</b>		
Nominal value	200.000	250.000
Computable value	141.905	250.000
<b>Risk weighted assets</b>	<b>97.911.821</b>	<b>90.418.431</b>
<b>Core Tier I before deductions from Core capital</b>	<b>6,96%</b>	<b>6,38%</b>
<b>Core Tier I after deductions from Core capital</b>	<b>6,86%</b>	<b>6,28%</b>
<b>Tier I</b>	<b>7,44%</b>	<b>6,91%</b>
<b>Total capital ratio</b>	<b>10,22%</b>	<b>10,31%</b>

✓ Ratios include the effect of the renegotiation of the Prudential contract

✓ PPA effect: +30 bp in 2007, reduced to +20 bp in 2008

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- FY07 results:**

- **Assets and liabilities**
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- 2008 outlook and conclusions**

- Annexes:**

- **The integration plan: results achieved**
- **Income statement: Quarterly results 2007-2006 and Reclassified consolidated income statement net of the main non recurring items**

## 2008 Outlook

- ✓ Trends for 2008 confirm the sustainability of the economic performance contained in the Industrial Plan and of the dividend planned for the year
- ✓ The target for net profit (which also takes account of the more favourable tax rate resulting from the new tax legislation) is fully consistent with the target defined, to be achieved by means of a change in the composition of revenues, in line with market developments, with a greater contribution from net interest income
- ✓ The performance of net interest income in a context of stable market rates and slowdown but not recession of the economy, is expected to result in lower growth rates compared to 2007, but still higher than forecast in the Industrial Plan
- ✓ As concerns net commissions, more contained growth is expected than in 2007 and in Industrial Plan indications
- ✓ Operating costs are expected to grow moderately compared to the 2007 figure, considered net of the one-off positive effect of the supplementary pension reform
- ✓ On the basis of the information currently available, the cost of lending in 2008 should be lower than the 35 basis points which were indicated in the Industrial Plan.
- ✓ In 2008 expected lower integration costs (approx 90 million euro compared to 254 in 2007) and lower net contribution from extraordinary income (approx 50 million from renegotiation of the joint venture agreement with Prudential USA and approx 20 million from the sale of 50%+1 share of UBI Assicurazioni Vita to Aviva).

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## Conclusions

**The first year of activity of the new UBI Banca Group confirms**

- ✓ **Strong performance of continuing operations and solid commercial positioning**
- ✓ **Excellent credit quality**
- ✓ **Low risk profile**
- ✓ **Good progress of Integration activities**
- ✓ **Combination of solid capital ratios and favourable shareholder remuneration**



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**51 projects have been identified for the Industrial plan, 23 of which are of maximum priority**

**23 “Maximum priority” projects**

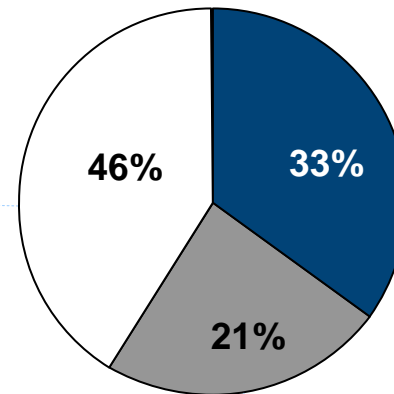
MAIN PROJECTS

- Distribution structure
- Branches Plan
- Training
- Branch BPR
- IT migrations
- Back-Office
- Basle 2
- Corporate and Investment Banking
- Wealth Management
- Consumer Finance
- Non-life *Banc assurance, etc...*

**17 “High priority” projects**

MAIN PROJECTS

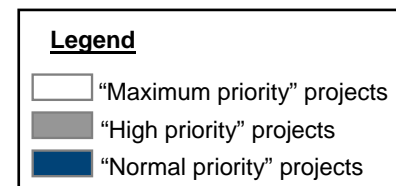
- Integration of UBI SIM – BLPI
- Rules and regulations
- Cost and Service Management
- MIFID
- International Development
- Lending
- Debt collection
- Leasing
- Factoring, etc...



**11 “Normal priority” projects**

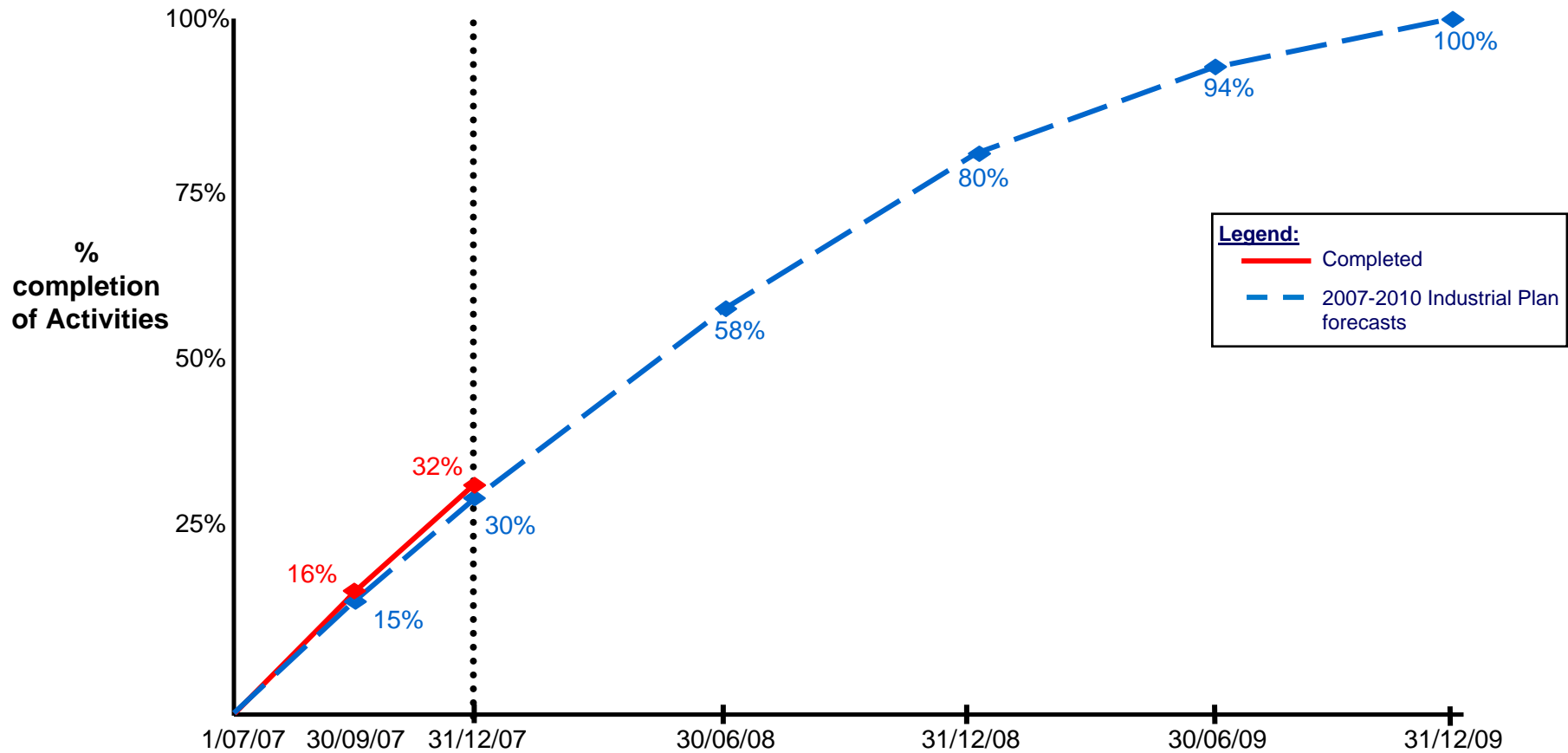
MAIN PROJECTS

- Depository Banking
- Enhancement of Property Assets
- Risk Management
- Credit monitoring
- Trading, etc...



All projects are already underway  
34 projects to be completed by 31 December 2008

**As at 31 December 2007, 32% of Integration activities completed since launch in July 2007 – By end 2008, expected completion of 80% of activities**



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## The integration plan: results achieved at Group level

### Staff rationalisation

- ✓ Trade Union agreement reached in August for the exit of 1,700 staff (representing at regime over 94 mln€ of cost synergies on a total forecast of 257 mln€)
  - all adhesions to the voluntary redundancy plan already received, enabling industrial plan staff reduction targets to be fully met

### UBI Sistemi e Servizi Spa

- ✓ Implementation of UBI Sistemi e Servizi Spa completed, with the contribution of the service activities of the former BPU Banca (IT, logistics, back office, purchasing, etc...)

## The integration plan: results achieved by Area

### Network Banks: implementation of a common distribution model and branch reorganisation – confirmation of IT migration timing (1/2)

#### Branch disposals

- ✓ Disposal of 61 branches to Banca Popolare di Vicenza for Antitrust compliance completed on 31 December 2007, in advance vs Industrial Plan assumptions - Net capital gain of over 270 mln€ (only partially included in Industrial Plan)
- ✓ Implementation of 2006 disposals of 15 Banca Carime branches to Banca Popolare Pugliese effective 1 May 2007: capital gain of 17,6 mln€


#### Branch switches and openings

- ✓ 21 branches opened in 2007: in March 2008 the Group has 1,929 branches
- ✓ Implemented 19 switches of branches between Network Banks to better define respective territorial coverage

#### Advanced Commercial model

- ✓ Roll-out of the new UBI target distribution model on the former BL network banks in November 2007
- ✓ New customer segmentation completed
- ✓ CRM: defined new interaction platform which includes sales modules (“In Action”)
- ✓ Defined target range of products which will be fully in place within 2008 (progressively with the migrations)
- ✓ Re-branding of network banks started in December 2007, to be completed in April 2008

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 **The integration plan: results achieved by Area  
Network Banks: implementation of a common distribution model and  
branch reorganisation – confirmation of IT migration timing (2/2)**

**IT Migration**

- ✓ The **time schedule** set out in the Industrial Plan for the migration of the network banks has been **confirmed** (completion by fall 2008)
- ✓ Successful migration of BPCI onto target IT system in February 2008

## The integration Plan: results achieved by Area Product Companies: reorganisation fully under way (1/3)

### Consumer Credit

#### Banca 24-7 is now the consumer credit product company of the Group

##### ✓ Integration of Banca 24-7 and Silf:

- Centralization of manufacturing activities within Banca 24-7, through the split and merger into Banca 24/7 of Silf production activities (mainly finalised loans), effective from 1 January 2008
- Extension of the Banca 24-7\* product range to all network banks
- Silf, leveraging on its distribution network, is to work alongside existing distribution networks (Prestitalia and BY YOU) and to focus on distribution activities targeted at the non captive market with maintenance of its corporate structure and brand identity

### Asset Management

##### ✓ Creation of the Group's asset management pole, headed by UBI Pramerica:

- Contribution of Capitalgest asset management activities to UBI Pramerica: effective from 18 January 2008
- Extension of the partnership with Prudential to the whole group with consequent rebalancing of capital holdings following a further investment of 105 mln€ by Prudential (UBI 65% and Prudential 35%)
- Net capital gain from the transaction approx. 50 mln€
- Renegotiation of the terms of the contract allowing inclusion in Core Tier 1 also of historical Prudential investment in UBI Pramerica (approx. 250 mln€) with an impact of +30bp on 2007 ratios
- Strengthening of open platform to 20% of new flows

**NOT INCLUDED  
in IND. PLAN**

\* Personal loans, credit cards and salary-backed loans

## The integration Plan: results achieved by Area Product Companies: reorganisation fully under way (2/3)

Life Bancassurance	<ul style="list-style-type: none"><li>✓ <b>Optimisation of the life <i>banc assurance</i> business:</b><ul style="list-style-type: none"><li>– Sale to Aviva of a 50 percent interest plus one share of UBI Assicurazioni Vita for a consideration of 65 mln€ (net capital gain for the Group of over 20 mln€) <b>NOT INCLUDED in IND. PLAN</b></li><li>– Over 80% of premiums originated by Banca Popolare di Ancona, BPA was already included at regime in the perimeter of Aviva's agreement with former BPU</li></ul></li></ul>
Non-life bancassurance	<ul style="list-style-type: none"><li>✓ New commercial agreements with all the network banks</li><li>✓ Distribution of products extended to the former BL banks</li></ul>
Corporate and investment banking	<ul style="list-style-type: none"><li>✓ Defined the terms of the new commercial agreements between Centrobanca and the Network Banks for the extension of Centrobanca products and services</li></ul>
UBI Banca Private Investment	<ul style="list-style-type: none"><li>✓ Effective from 1 January 2008, UBI Sim's network of approx. 500 financial advisors was conferred to UBI Banca Private Investment</li></ul>



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**The integration Plan: results achieved by Area**  
**Product Companies: reorganisation fully under way (3/3)**

**Leasing**

- ✓ Merger between BPU Esaleasing and SBS Leasing approved by the respective BoD and expected to be implemented in 2H2008

**IW Bank**

- ✓ Successful listing of the company – Capital gain of 21 mln€ (gross, only partially included in the Plan)

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## Income statement: quarterly results 2007-2006

Figures in thousands of euro	2007				2006 pro-forma			
	4Q	3Q	2Q	1Q pro -fo rma	4Q	3Q	2Q	1Q
Net interest income	718.842	672.990	652.611	645.990	635.084	611.127	581.199	597.918
<i>of which: impact of Purchase Price Allocation</i>	(18.272)	(20.367)	(26.874)	(22.295)	(18.272)	(20.367)	(26.874)	(22.295)
Net interest income excluding impact of PPA	737.114	693.357	679.485	668.285	653.356	631.494	608.073	620.213
Dividends and similar income	3.227	568	74.488	5.256	4.847	980	42.570	2.277
Profit (loss) of equity valued using the equity method	1956	6.960	3.963	6.286	3.255	7.162	1929	4.986
Net commission income	331.336	321.444	341.879	328.089	337.949	296.581	335.636	315.317
Performance commissions	8.012	88	2.296	2.221	10.146	3.692	7.728	8.816
Net profit (loss) from trading, hedging and disposal/repurchase activities	22.476	5.612	23.966	49.865	43.108	39.097	31.450	129.095
Net income on insurance operations	29.353	14.479	25.809	15.016	22.298	11.252	16.222	17.908
Other net operating income/(expense)	37.000	32.842	35.557	38.288	50.824	29.131	32.986	35.329
<b>Operating income</b>	<b>1.152.202</b>	<b>1.054.983</b>	<b>1.160.569</b>	<b>1.091.011</b>	<b>1.107.511</b>	<b>999.022</b>	<b>1.049.720</b>	<b>1.121.646</b>
<b>Operating income excluding impact of PPA</b>	<b>1.170.474</b>	<b>1.075.350</b>	<b>1.187.443</b>	<b>1.113.306</b>	<b>1.125.783</b>	<b>1.019.389</b>	<b>1.076.594</b>	<b>1.143.941</b>
Staff costs	(395.716)	(386.800)	(358.542)	(398.257)	(398.641)	(364.213)	(386.233)	(382.836)
Other administrative expenses	(226.456)	(174.009)	(191.906)	(180.410)	(234.189)	(167.018)	(177.762)	(166.487)
Net impairment losses on property, plant and equipment and intangible assets	(63.486)	(61.715)	(62.431)	(57.754)	(66.610)	(63.058)	(58.835)	(56.667)
<i>of which: impact of Purchase Price Allocation</i>	(15.405)	(15.405)	(15.405)	(15.405)	(15.405)	(15.405)	(15.405)	(15.405)
Net impairment losses on property, plant and equipment and intangible assets excluding impact of PPA	(48.081)	(46.310)	(47.026)	(42.349)	(51.205)	(47.653)	(43.430)	(41.262)
<b>Operating costs</b>	<b>(685.658)</b>	<b>(622.524)</b>	<b>(612.879)</b>	<b>(636.421)</b>	<b>(699.440)</b>	<b>(594.289)</b>	<b>(622.830)</b>	<b>(605.990)</b>
<b>Operating costs excluding impact of PPA</b>	<b>(670.253)</b>	<b>(607.119)</b>	<b>(597.474)</b>	<b>(621.016)</b>	<b>(684.035)</b>	<b>(578.884)</b>	<b>(607.425)</b>	<b>(590.585)</b>
<b>Net operating income</b>	<b>466.544</b>	<b>432.459</b>	<b>547.690</b>	<b>454.590</b>	<b>408.071</b>	<b>404.733</b>	<b>426.890</b>	<b>515.656</b>
<b>Net operating income excluding impact of PPA</b>	<b>500.221</b>	<b>468.231</b>	<b>589.969</b>	<b>492.290</b>	<b>441.748</b>	<b>440.505</b>	<b>469.169</b>	<b>553.356</b>
Net impairment losses on loans	(163.861)	(66.716)	(51.827)	(63.231)	(63.538)	(67.346)	(62.925)	(44.901)
Net impairment losses on other assets and liabilities	(20.236)	(2.437)	(4.802)	(10.96)	3.389	(1.765)	338	(462)
Net provisions for liabilities and charges	(18.414)	(5.973)	(2.853)	(10.750)	(17.569)	(11.585)	(11.520)	(10.079)
Profit (loss) from disposal of equity and other investments	1040	211	212.17	328	15.042	16.583	15.307	15.957
<b>Profit (loss) on continuing operations before tax</b>	<b>265.073</b>	<b>357.544</b>	<b>509.425</b>	<b>379.841</b>	<b>345.395</b>	<b>340.620</b>	<b>368.090</b>	<b>476.171</b>
<b>Profit (loss) on continuing operations before tax excluding impact of PPA</b>	<b>298.750</b>	<b>393.316</b>	<b>551.704</b>	<b>417.541</b>	<b>379.072</b>	<b>376.392</b>	<b>410.369</b>	<b>513.871</b>
Taxes on income for the period for continuing operations	(75.237)	(164.483)	(197.723)	(168.817)	(148.824)	(147.674)	(135.479)	(180.632)
<i>of which: impact of Purchase Price Allocation</i>	12.883	13.683	16.171	14.420	12.883	13.683	16.171	14.420
Integration costs	(14.244)	(6.176)	(146.301)	-	-	-	-	-
<i>of which: staff costs</i>	(2.746)	(2.676)	(188.095)	-	-	-	-	-
<i>other administrative expenses</i>	(11.498)	(3.500)	(57.206)	-	-	-	-	-
<i>net impairment losses on tangible and intangible assets</i>	(357)	(973)	(25.877)	-	-	-	-	-
<i>taxes</i>	8.591	3.598	74.631	-	-	-	-	-
Profit (loss) of non current assets held for sale and discontinued operations	291.925	38	16.868	(284)	1067	(78)	8.391	2.151
Net profit for the period attributable to minority interests	(51.329)	(22.654)	(15.468)	(17.427)	(16.473)	(20.052)	(18.934)	(21.847)
<i>of which: impact of Purchase Price Allocation</i>	2.796	2.796	3.036	2.877	2.796	2.796	3.036	2.877
Profit for the period attributable to the Parent Bank excluding impact of PPA	434.186	183.562	189.873	213.716	199.163	192.109	245.110	296.246
<b>Profit for the period attributable to the Parent Bank</b>	<b>416.188</b>	<b>164.269</b>	<b>166.801</b>	<b>193.313</b>	<b>181.165</b>	<b>172.816</b>	<b>222.068</b>	<b>275.843</b>
<i>Total impact of PPA on Income Statement</i>	<i>(17.998)</i>	<i>(19.293)</i>	<i>(23.072)</i>	<i>(20.403)</i>	<i>(17.998)</i>	<i>(19.293)</i>	<i>(23.072)</i>	<i>(20.403)</i>

# Reclassified consolidated income statement net of the main non recurring items

	non recurring items							non recurring items				Change 31.12.2007 pf /31.12.200 6 pf net of non recurring items	% change 31.12.2007 pf /31.12.200 6 pf net of non recurring items				
	31.12.2007 pro-forma	Integration costs			Disposal of equity investments and Banca Carime branches (1)	Adjustments due to new tax rates (2008 Finance Act)	Other items (2)	31.12.2007 pro-forma net of non recurring items	31.12.2006 pro-forma	non recurring items				31.12.2006 pro-forma net of non recurring items			
		Leaving incentives	Other costs and IT system write- offs	Pension reform effect							Disposal of loans	Disposal of equity investments and UBI Pramerica SGR earn out (3)	Other items				
Figures in thousands of euro																	
Net interest income (including impact of PPA)	2.690.433						2.690.433					2.425.328	2.425.328	265.105	10,9%		
Dividends and similar income	83.539						83.539					50.674	50.674	32.865	64,9%		
Profit (loss) on equity investments valued using the equity method	19.165						19.165					17.332	17.332	1.833	10,6%		
Net commission income	1.322.748						1.322.748					1.285.483	1.285.483	37.265	2,9%		
Performance commissions	12.617						12.617					40.382	40.382	(27.765)	(68,8%)		
Net profit (loss) from trading, hedging and disposal/repurchase activities valued at fair value	101.919					(20.239)	81.680					242.750	(30.582)	(70.117)	142.051	(60,371)	(42,5%)
Net income on insurance operations	84.657			(49.396)			84.657					67.680	67.680	16.977	25,1%		
Other net operating income/(expense)	143.687						156.977					148.270		(11.600)	136.670	20.307	14,9%
<b>Operating income (including impact of PPA)</b>	<b>4.458.765</b>	-	-	-	(20.239)	-	<b>13.290</b>	<b>4.451.816</b>	<b>4.277.899</b>	<b>(30.582)</b>	<b>(70.117)</b>	<b>(11.600)</b>	<b>4.165.600</b>	<b>286.216</b>	<b>6,9%</b>		
Staff costs	(1.539.315)			(49.396)			(1.588.711)					(1.531.923)	5.461	(1.526.462)	62.249	4,1%	
Other administrative expenses	(772.781)						(772.781)					(745.456)	15.300	(730.156)	42.625	5,8%	
Net impairment losses on property, plant and equipment and intangible assets	(245.386)						(245.386)					(245.170)		(245.170)	216	0,1%	
<b>Operating costs (including impact of PPA)</b>	<b>(2.557.482)</b>	-	-	<b>(49.396)</b>	-	-	<b>(2.606.878)</b>	<b>(2.522.549)</b>	-	-	<b>20.761</b>	<b>(2.501.788)</b>	<b>105.090</b>	<b>4,2%</b>			
<b>Net operating income (including impact of PPA)</b>	<b>1.901.283</b>	-	-	<b>(49.396)</b>	<b>(20.239)</b>	-	<b>13.290</b>	<b>1.844.938</b>	<b>1.755.350</b>	<b>(30.582)</b>	<b>(70.117)</b>	<b>9.161</b>	<b>1.663.812</b>	<b>181.126</b>	<b>10,9%</b>		
Net impairment losses on loans	(345.635)						96.990	(248.645)	(238.710)				(238.710)	9.935	4,2%		
Net impairment losses on other assets and liabilities	(28.571)						24.819	(3.752)	1.500				1.500	5.252	n.s.		
Provisions for liabilities and charges	(37.990)					1.163	(36.827)		(50.753)				(50.753)	(13.926)	(27,4%)		
Profit (loss) from disposal of equity and other investments	22.796				(20.747)		2.049		62.889		(62.000)		889	1.160	130,5%		
<b>Profit (loss) on continuing operations before tax (including impact of PPA)</b>	<b>1.511.883</b>	-	-	<b>(49.396)</b>	<b>(39.823)</b>	-	<b>135.099</b>	<b>1.557.763</b>	<b>1.530.276</b>	<b>(30.582)</b>	<b>(132.117)</b>	<b>9.161</b>	<b>1.376.738</b>	<b>181.025</b>	<b>13,1%</b>		
Taxes on income for the period for continuing operations	(606.260)			16.301	1.303	(90.805)	(26.874)	(706.335)	(612.609)	10.092	13.862	1.276	(587.379)	118.956	20,3%		
Integration costs	(166.721)	127.689	39.032				-		-				-	-	-		
of which: staff costs	(193.517)	190.579	2.938				-		-				-	-	-		
other administrative expenses	(32.817)		32.817				-		-				-	-	-		
net impairment losses on tangible and intangible assets	(27.207)		27.207				-		-				-	-	-		
taxes	86.820	(62.890)	(23.930)				-		-				-	-	-		
Profit (loss) of non current assets held for sale and discontinued operations net of taxes	308.547					(308.624)	(77)		11.531		(5.453)		6.078	(6.155)	n.s.		
Net profit for the period attributable to minority interests	(106.878)	(9.821)	(48)	1.725	21.699	16.501	(4.061)	(80.883)	(77.306)	427	246	(1.804)	(78.437)	2.446	3,1%		
<b>Profit for the period attributable to Parent Bank</b>	<b>940.571</b>	<b>117.868</b>	<b>38.984</b>	<b>(31.370)</b>	<b>(325.445)</b>	<b>(74.304)</b>	<b>104.164</b>	<b>770.468</b>	<b>851.892</b>	<b>(20.063)</b>	<b>(123.462)</b>	<b>8.633</b>	<b>717.000</b>	<b>53.468</b>	<b>7,5%</b>		
<b>ROE</b>	8,7%							7,1%	8,0%				6,7%				
<b>Cost / Income ratio</b>	57,4%							58,6%	59,0%				60,1%				

- (1) 20,2 mln€ London Stock Exchange; 20,7 mln€ IW Bank; 308,6 mln€ branch disposals  
(2) 85,1 mln€ standardization of calculation of collective impairment; 12 mln€ HRS-Help Rental Service; 19 mln€ HOPA  
(3) 70 mln€ Italease disposal; 62 mln€ UBI Pramerica SGR earn-out