ICCREA BANCA

ISTITUTO
CENTRALE DEL
CREDITO
COOPERATIVO

FINANCIAL STATEMENTS 2007

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FINANCIAL STATEMENTS FOR THE YEAR 2007

CORPORATE BODIES

2007 - 2009

BOARD OF DIRECTOR

Chairman

dell'Erba Vito Lorenzo Augusto (*)

Deputy Chairman

Colombo Annibale (*)
Carri Francesco (*)

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Bonacina Gianfranco
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Paldino Nicola
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Chairman

Dell'Acqua Gaetano

Auditors

Catarozzo Camillo
Mariani Vittorio

Alternates

Mascarello Santiago
De Rosi Antonio

(*) members of the Executive Committee

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1. INTRODUCTION

Dear Shareholders,

The financial statements for 2007 show important results achieved by the Bank, confirming its entry onto the market in the main business segments and increasing its wealth of relationships. Such results achieved, as is normal with a management philosophy which considers the customer of prime importance, in relational ethics and the quality of the service, confirm the increasing effects of the sales policies and the progressive benefits of choices which favour economic contribution methods which are more structural and long lasting.

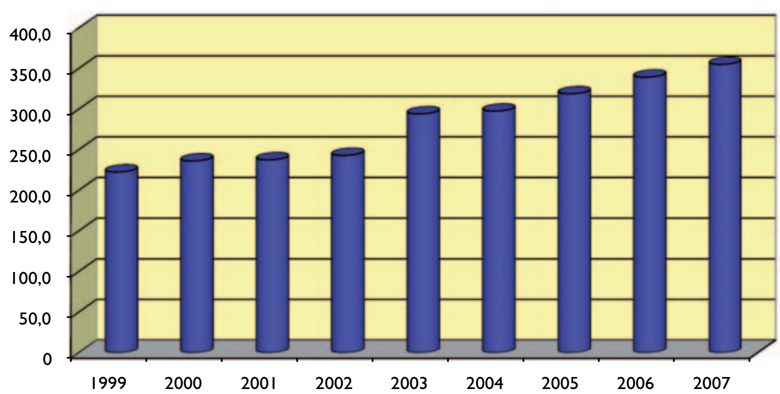
What distinguishes us from our competitors is our specific identity as a company at the service of the Cooperative Credit Banks, with which more intense relations have been consolidated with openings to new products and services which the Cooperative Credit system needs in order to compete in its own territories. This also allows us to work towards balancing our sources of income, opportunely diversified as regards both business area and territorial origin.

To exploit the aforesaid specific nature of our role is not only fundamental in order to construct a strong and stable relationship with our customers, but it is also the key to success within the Bank in order to develop a company culture aimed at interpreting the needs of the clientele and at directing choices. It is this potential - together with winning company strategies, good governance and adequate risk management - which will allow our profits to be linked to the creation of value for the Cooperative Banks and to thus be sustainable over time.

It is important, in fact, to underline that the speed with which we are implementing development projects has not called for any compromise as regards the creation of value for the clientele. We are pursuing our strategy and reaching our objectives thanks to the punctual execution of the ambitious plans previously announced to shareholders and customers.

The shareholders' equity on this year's financial statements is Euro 354.9 million: an increase of 4.6% on 2006; the adjusted net profit, which also includes the net income to be allocated to the corresponding equity valuation reserves, is Euro 33.0 million (Euro 30.2 million in 2006: +9.4%); and a dividend of 8.0% is proposed, and a pay out ratio of 69.0% (57.4% in 2006).

Net equity on the balance sheet



Revenues from commissions have increased by 3.1%, thanks to growth in many sectors which was particularly important for the payment services. Initiatives for rationalisation of expenses and cost synergies have generated an improvement in overall costs which come out at Euro 133.4 million (-1.1%).

The good results of 2007 are the basis for further growth through the programmed development plans, and have also been recognised at an international level, confirmed by Standard & Poor's "A" and "A 1" ratings, for, respectively, the long and short term, and by the unchanged stable outlook for the long term.

Considering the main events and initiatives of the last twelve months, it is clear that important progress has been achieved in the development of the Bank's business in the various operating sectors.

FINANCE

In the field of Finance, the Bank has developed actions to absolve, to an increasingly important extent, the role of "Central Financer" to the BCC (Banche di Credito Cooperative - Cooperative Credit Banks), operating for the benefit of the same using even more advanced techniques for transactions on the capital markets. The consolidation of this role of collector and producer of financial services has allowed the BCC to augment the diversification of their own sources of finance, to contain funding costs, and to offer solutions in line with the continual changes of the market and with the needs expressed by the BCC. For that matter, to act as "Central Financer" calls for instruments which allow for correct diagnosis of the needs of the single banks, by means of an accurate analysis of their balance sheets and statements of income. This will allow us to offer proposals which answer their specific needs, and which can improve the overall "state of health" of the single BCC.

The future evolution of relations between Iccrea Banca and the BCC is also strictly connected to the position that the former has taken in the Financial Direction of the Group, which will also allow for effective - and timely - response to the requests for funding of the various companies of the Iccrea banking group. Until today, Iccrea Bank's role on the markets mainly featured an intense activity as arranger of transactions carried out within the sphere of the capital market segment. The aim for the future is to also act as placer for the instruments of the BCC on international markets, with consequent benefits for all subjects concerned.

MiFID/MTF The Bank has taken part in the initiatives, launched by the monetary authorities and the interbank associations, aimed at optimising the action requested by the Consolidated Finance Act, the Regulated Markets, the Intermediaries' Regulations and the joint CONSOB (the Italian Securities and Investments Board) and Bank of Italy Regulations. The necessary procedural updating has therefore been carried out, the Execution Policy has been decided, and a highly appreciated programme of informative meetings with the BCC have been held. Contracts are being reviewed for MiFID compliance. From the strictly operating viewpoint, the target of creating a System of Organised Swaps and the coming into effect of the MiFID Directive gave rise to the project, carried out in partnership with the leading organisations on the financial market (Banca Aletti, ICBPI and Centrosim), of establishing Multilateral Trading Facilities (MTF) for the negotiation of financial instruments on the part of the retail clientele. The operation involved the founding of a company named Hi-Mtf Sim S.p.A. (of which Iccrea is a founding partner) whose purpose is the organisation and management of one or more regulated markets for the negotiation of financial instruments. CONSOB resolution of 29th January 2008 has authorised Hi-Mtf Sim S.p.A. to manage multilateral negotiation systems, and operations started up on 7th February 2008. The development of this market will allow for implementation of the negotiation activity and for consolidating the Bank's role among leading operators for a category of financial instruments traded at present only outside the regulated markets.
The aim is to secure a new sales channel for the BCC for financial instruments which are at present traded only off the regulated markets or on non-liquid markets. This initiative will guarantee the BCC liquidity, transparency in negotiations and certainty of execution. In this scenario, the BCC, through their Execution and Transmission Policies, will be able to offer their

customers an efficient and competitive service. In addition, Hi-Mtf Sim S.p.A. will offer the BCC, through dedicated sections, an important and valid alternative to the Organised Swap System (OSS), where each Bank will be able to negotiate its own bond issues with Systematic Internaliser and/or Non-Systematic Internaliser modalities.

LOANS

On the basis of the Parent Company's specific organisational directives and in full respect of the pre-established timing, on 1st July 2007 the Bank's corporate credit branch was sold to Banca Agrileasing. In accordance with this latter, an independent subject was appointed to assess the economic and equity situation of the company branch to be sold. Taking into account the analyses and estimates drawn up on the basis of the situation at 30th June 2007, the goodwill of the Corporate branch sold was worth Euro 2.5 million.
The Special Loans compartment will be reinforced by the stipulation of agreements with organisations belonging to the cooperative sector and to the Banking Group, such as Fondosviluppo and Confcooperative. An agreement is also being drawn up with BIT for presentation to the Institute of a software application for loans to farmers in the agro-industrial field and for the renewal of alternative energy sources.

Foreign business - The project approved by the Iccrea Banca Board of Directors on 26th June 2007 is now being implemented; the project has the following main targets regarding the use of the offer catalogue, in order to sustain and foster an increase in BCC operations abroad:
- the issue of direct confirmation for export credocs;
- the issue of financing for inter-exchange (within the sphere of the Trade Finance activity);
- the structuring of Credit Insurance products ("Credit Enhancement") covered by SACE guarantees;
- the offer of payment with the "pro-soluto", or non-recourse, formula.

PAYMENT SERVICES

Of the further development initiatives of the Industrial Plan and carried out in 2007, those for the evolution of activities in the compartment of interbank payment, the historic core business, are worth special mention. The Bank has carried out an intense activity to assess the possible lines of development in this sector, considering the needs imposed by the advent of SEPA and also in the light of the changed domestic competitive context, and actions and initiatives which answer the new needs of the compartment have been started up.

Daily balancing account - This initiative will allow for the monetary balancing of the financial flows of the BCC to be extended to transactions in foreign currency; until now this was possible only for transactions in Euro. The aim is to provide all adherents with the availability of certified balances, in real time, through the alignment of all the accounting positions. The balance will no longer be rendered uncertain because of items in transit or suspended, and will thus allow for improved management of liquidity. With regard to timing, in January 2008 the system parallel to correspondent accounts started off; in October 2008, the system will be tried out with a group of pilot banks, and in 2009 the service will be extended to all the BCC.

Project 8000 - With regard to Project 8000, almost all the Bank users of the National Bancomat Application Centre managed by the bank have signed up. In order to ensure standardised spendability of the 8000 cards throughout the Euro area, the Bank has signed agreements with the VISA and Mastercard networks for the production of co-branded cards which foresee incentives and organisational and commercial support in favour of the migration of the same.

The activities and planning in progress therefore ensure respect for the migration plan foreseen by SEPA, making the SEPA 8000 cards compliant without economic charges for the BCC which adhere to the project.

TECHNOLOGICAL INFRASTRUCTURES, ORGANISATIONAL SUPPORT AND LOGISTICS

IT Systems - Governance of the Information Technology projects has been reinforced, with action in the planning, monitoring and reporting phases, with extensive information on the productivity of the sector. Monitoring service levels has been extended and accompanied by an accurate process for managing unforeseen events.

The possibility of extending the present recovery functions also to scenarios which foresee the simultaneous destruction of the primary and secondary sites is being considered. For this purpose, a first study has been carried out in order to design the macro-architecture of the system, to assess the technical feasibility, to define possible implementation means, and to identify the main cost variables.
Activities for acquiring ISO 27001 certification (information security) and BS25999 certification (service continuity) have been started and are expected to be completed in 2008.

We have adhered to all the Parent Company's initiatives drawn up until now in favour of synergy, and in particular:
- he creation of an identification/authorisation infrastructure (the so-called "Group Forest") which will simplify access to infragroup applications;
- the updating of the original plan for the constitution of a centralised department for work post assistance management.

Organisation - During the year, the gap & impact analysis activities have been carried out, relative to the introduction of the new MiFID provisions, coordinating the consequent adaptation actions; the main procedures for management of the sales department have been laid down, especially for the sales planning/budget control, and trading and scouting activities; the work cycle of the Organisation Department has been reviewed and coordinated with the company's planning procedure.

Logistics - On the basis of the Parent Company's specific organisational directives, Iccrea Banca S.p.A., as all the companies of the Iccrea Banking Group located in the real estate premises in Via Lucrezia Romana, has conferred mandate with representation on BCC Solutions S.p.A., appointing this company to deal with facility management for the whole Banking Group. The initiative is included in the projects aimed at improving expenditure effectiveness and efficiency. For this purpose, initiatives are being prepared and gradually introduced to coordinate the management and acquisition on the market, with respect for the principles of transparency and competitiveness, of a wide range of goods and services with adequate qualitative standards.

In the afore-mentioned process, the Bank has accompanied the consolidation process of the Cooperative Banks which have in parallel reinforced their own market positions and acquired visibility on national and international markets, obtaining positive reactions with regard to their reputation, and showing their capacity to attract new shareholders and customers.
The positive results of the Bank and of the BCC-CR have, for that matter, been achieved in a particularly complex and hazardous scenario of the entire Cooperative Credit System.
It is above all necessary to take note of market changes and challenges. Competition, which has grown incredibly in recent years, is always nearer to local markets and addressed to customer segments typically served by the BCC. In fact, the new element in this period is the increased centrality of the territorial dimension. There is a sort of "inverse standardisation", on the part of many of our competitors, of the BCC-CR model which features localisation and territorial roots. There are even theories about the difference between "territorial bank" and "local bank". According to such theories, a "territorial bank" would be more efficient if it were a branch of a large bank which, making use of the smaller bank's advantages of information and flexibility, would be the only type of bank able to sustain the growth of our entrepreneurial fabric. Apart from any question of names, the insidious nature of this thesis is clear. The challenge launched in response by the BCC, whose territorial roots are the reason for their existence, is equally evident.

Another risk factor is represented by the significant innovations at the legislative and institutional level. It is sufficient to consider, for example, Basel 2, IAS, business continuance, compliance, the MiFID directive and, specifically for the Cooperative Banks, the cooperative reform. A common denominator of the new legislation is the aim of raising the level of the stability of the banking and financial system. As well as fostering practices of healthy and prudent management by means of rules and mechanisms which make for "safe" finance, one of the main components of world economy, and which protect the weaker contracting parties, especially consumers, guaranteeing transparency.
All this clearly makes banking more demanding and complex. Adaptation to the new legislation, however, must be considered as a stimulus. Our task is therefore to support the Cooperative Banks in the change which the context imposes, placing them in a position where they can compete on an equal footing with all the other banking systems.

Dear Shareholders,

We have already defined our strategy for the future.
In the forthcoming months we will above all focus on the final completion of our organisational model. The aim is to offer our customers a superior quality service, thanks to our understanding of their needs at the local level and by exploitation of all scale economies and the scope and experience which only a global network such as our own can have.
We are also concentrating on optimising capital management. Apart from the obvious pursuit of maximum efficiency in the use of resources, we also intend to establish the financial flexibility necessary to enable us to take advantage of market opportunities.
To absolve our tasks, we need not only effective systems of governance and compliance, but also reinforcement of the entrepreneurial and innovative capacities of all our resources. Only by means of a clear framework of the values of reference can we guarantee the correct level of independence and obtain full understanding of our operating models and behaviour, reducing the risks to our reputation that our actions might otherwise involve.
Although this is a long and demanding process, the first important steps have already been taken. The adoption of a Code of Ethics - which contains the shared values at the basis of the Bank's identity and the principles which inspire, rule and control the behaviour of all the staff and all the organisational structures - will be at the basis of our actions and activities and is the necessary condition to make them applicable in practice in professional everyday life.
In fact, we express our sincere thanks to all the Bank's employees for their commitment and professional skills and for the determination with which they have faced the many changes requested by an ever increasingly competitive market. The good results of 2007 have been achieved thanks to their efforts, which represent the Bank's most valuable asset.

2. THE MACROECONOMIC SITUATION

The world macroeconomic situation in 2007 was dominated by the American real estate mortgage market crisis, which appeared in the summer, and its implications for the financial markets and economic growth. In Autumn, worldwide economic business began to show signs of slowing down, especially in the most important advanced economies, particularly in the United States, while the expansion of the emerging economies did not lose vigour.
Growth prospects in the Euro area are slightly weakened because of the shock events of recent months: the instability of the financial markets is far from over, and the high increase in oil and food prices have accelerated inflation. In this context, the CEB Council directive, after raising the official interest rates twice in the spring, maintained the minimum rate on main refunding operations stable at 4% for the second half of the year.
In 2007 the Italian economy grew by 1.9 percent, in line with the previous year. The expansion of GDP was sustained by internal demand components, while the contribution from foreign demand was practically zero, since this was influenced by the high value of the Euro and by the sluggishness of the main outlet markets. During the year, however, production dynamics gradually weakened. The acceleration of energy and food prices and the harshening of the financial conditions linked to the turbulence of the financial markets contributed to limiting family spending in the second half of the year. Unemployment decreased further, to an historic minimum (from 6.1 percent in the third quarter of 2006 to 5.6 percent at the end of September 2007). Lastly, with regard for inflation dynamics, measured by the harmonised index of consumer prices, the average decreased slightly compared to the previous year, from 2.2 to 2 percent. Since the summer, however, the price increases over the twelve month period ended up by marking a net increase, reaching 2.8 percent in December.

CREDIT BROKING

At the end of the first nine months of 2007, there were 6,128 credit institutions in the EU-12 area, compared with 6,156 at the end of September 2006. In Italy, there were 811 with an incidence of 13.2 percent on the EU-12 total. In line with what has occurred in the Euro area, direct deposits (including bonds) grew at a lively rate, faster than in 2006 (in September 2007, the annual growth rate had grown from 7.8 percent to 10.2 percent).
In September 2007, the sum total of loans of the MFI of the EU-12 area to residents was Euro 10,739 billion, showing an annual increase rate of 9.7 percent.
The expansion of bank credit in Italy was maintained in the first nine months of the year (+10.1 percent on an annual basis in September) to answer a significant demand from both families and the corporate sector. On the basis of information collected by the Bank of Italy, the subprime mortgage crisis caused only a mild increase in the severity of the criteria for granting loans to companies. Rates on loans are, in fact, adequate for the increases of the monetary market yield, following a gradual trend similar to that observed in the past.
In September, the balance of Bad Loans showed an increase of 3.4 percent over the twelve month period. The increase was more significant for the component relative to loans to families, and less pronounced for the corporate component. In a context featuring strong expansion of loans, however, there was a reduction in Bad Loans as a percentage of total loans, from 3.5 percent of the previous year to 3.3 percent.
Growth of internal bank deposits continued to slow down (+5.9 percent in September), prevalently for the current account component. Interest rates on the more liquid instruments slowly adapted to the rise in the official rates: between November 2006 and the end of November 2007, and average yield on current account deposits rose by 0.9 percent, less than half of the variation observed in the interbank rate which also suffered from the increase in the premium for the monetary market risk observed as of August. Adaptation was swifter for bond rates.

THE BCC-CR TREND IN THE CONTEXT OF THE BANKING SYSTEM

In the first years of the present decade, growth in BCC deposits and loans, considerably higher than the corresponding values of other banks, involved significant reinforcement of the market positions of small and less important banks, especially the BCC-CR. In 2004, signals began to appear indicating a mitigation of the growth and a new phase began, featuring substantial maintenance of the market shares reached by the cooperative banks.
In the last twelve months, deposit and loan market shares for BCC/CR grew again, especially for customers with residence in Italy. In September 2007, the market share for loans was 6.9 percent, while that for deposits reached an all-time high of 9.2 percent.

STRUCTURAL SITUATION

During the twelve months ending in September, the number of BCC-CR branch offices continued to increase; at the end of the third quarter of 2007, there were 442 banks (equal to 54.5 percent of all banks operating in Italy), with 3,863 branches (equal to 12.0 percent of the banking system) spread over 98 provinces and 2,529 municipalities.
BCC-CR branch offices increased by 4.1 percent, while there was practically no change for the rest of the banking system.
In September 2007, a BCC-CR branch was the only bank in 542 small Italian towns, while in 503 others there was only one competitor.
In September 2007, there were 864,306 BCC-CR shareholders, showing an annual increase of 7.3 percent.
The number of BCC-CR customers, in September, reached 1,536,603, representing an annual increase of 2.5 percent, while again, there was practically no change at all for the rest of the banking system.
The increase in employees for the category continued, at the rate of +4.1 percent, while for other banks staff increases were only +1.2 percent: In September employees numbered 28,821, without counting the approximately 3,000 employees of Local Federations, the companies of the Iccrea Banking Group, the Central Savings Banks and various consortiums.

ASSETS

With regard to brokerage, there was significant development in 2007 of BCC-CR deposits and loans.
BCC-CR loans in September amounted to Euro 101,025 million, with an annual growth rate of 11.7, while the figure for the banking system in general was +10.1 percent. The total stock of loans to clients at the end of 2007 is estimated at having exceeded Euro 103 billion.
The BCC-CR market share at the end of the third quarter of the year was 6.7 percent (for loans to residents, the market share was 6.9 percent). The incidence of the aggregate on the total of the assets is 69.4 percent, compared with 52.5 percent for the banking system as a whole.
Mortgages to BCC customers in September amounted to Euro 56,561 million, for a market share of 8.2 percent, with a higher annual growth rate (+13.3 percent) than that of the average of the banking system in general (+11.1 percent).
The development of lending to craftsmen and very small industries continued, with a significantly higher growth rate in these compartments than the average for the banking system. There was also a significant growth trend in loans to families: +10.2 percent per year at September 2007 against +9.3 percent for the banking system as a whole.
The expansion in the volume of BCC loans in the last year was greater than that of the number of borrowing customers, indicating an increase in the average loan granted which has gone from Euro 58,500 in September 2006 to almost Euro 64,000 in September 2007.
With the described intense lending activity, analysis of the banks' credit risk of the category over the last twelve months shows a reduction in the ratio of Bad Loans against total loans of

from 2.8 to 2.6 percent. In September the indicator level for BCC was a significant 3.3 percent lower than the system average, in spite of the large sale/securitisation operations for impaired credit carried out by other banks.
With regard to financial investments, in the twelve months ending in September 2007, significant growth can be seen: +13.7 percent on an annual basis, which is more or less in line with the figure of the overall banking system (+14.3 percent). BCC interbank investments, amounting to Euro 6,978 million, account for 4.8 percent of total assets, and the figure is significantly lower than that of the banking system in general (22.0 percent).
Securities held in the portfolio in September accounted for Euro 26,844 million for the BCC, with an increase of 4.2 percent on an annual basis, against +1.1 percent for the banking system as a whole.

LIABILITIES

After slight deceleration in the previous year, total BCC deposits recovered their strong growth rate and over the last twelve months developed at a higher rate than the average of the banking system (respectively +10.2 and +5.9 percent at the end of September). The aggregate - deposits, PCT and bonds - amounted to Euro 118,546 million at the end of September 2007, and is estimated to have exceeded Euro 121 billion at the end of the year.
The trend for greater development of the term component rather than the on-demand component, especially of bond issues, continued, also thanks to the driving effect of the guarantee given by the Fondo Centrale di Garanzia. The incidence of the aggregate on total deposits is now higher than the average of the banking system (over 38%), contributing to a rebalancing of maturity dates, which is indispensable in a market context where long term credit continues to expand at sustained levels.
While direct deposits have developed at a higher rate than the banking system average, indirect deposits of the BCC-CR, in spite of a certain recovery in recent months, are still considerably under dimensioned. The market share of the category has not yet reached the threshold of 1.3 percent, while the indirect/direct deposits ratio is 25.5 percent, which is six times lower than the average of the system (164.9 percent).
With regard to equity, the aggregate capital and reserves for the BCC at September 2007 amounted to Euro 15,741 million, with an annual growth rate of 9.3 percent. The weight of the aggregate on total liabilities is 11 percent, against 8.9 percent of the whole banking system. Although the solvency coefficient has fallen in the last three years due to the strong expansion of the lending activity, it is still significantly higher than that of the overall banking system (in June 2007, the average was 15.8 percent, against an average for the system of 10.9 percent).

PROFIT

Lastly, with regard to profit, notwithstanding the strong increase in the quantities of business, the profit of the BCC, in the middle of 2007, was lower than that of the rest of the banking system, also due to higher unit costs linked to small dimensions, with limited operating scope and with the intensive use of human resources. The ROE for the first six months of 2007 was in fact 5.2 percent for the BCC-CR, against the system average of 6.9 percent.
The economic results for the first half of 2007, however, are in line with the system average, with considerable containment of the cost-income ratio, which is known as the weak factor in cooperative lending on the competitive front, and which has decreased from 66.5 percent at the end of 2006 to 61.6 percent in June 2007.

3. BUSINESS TREND AND MAIN AGGREGATE DYNAMICS OF THE BALANCE SHEET AND THE STATEMENT OF INCOME

EQUITY

At 31st December 2007, the balance of total assets and liabilities was Euro 9,564.7 million, against Euro 8,920.6 million in 2006. There was an increase in assets mainly concentrated in the financial assets held for trading, +89.7 percent, and for sale, +260.8 percent. Loans to customers decreased by 41.8 percent (subsequent to the sale of the corporate branch to Agrileasing). The increase in liabilities is due to a growth of 59.3 percent in due to customers. The equity itself has also increased.

EQUITY DATA (in millions of Euro)

ASSETS AGGREGATES	2007	2006	DELTA	DELTA %
Loans to Banks	7,114.8	6,799.4	315.4	4.6%
Customer loans	606.8	1,042.3	-435.5	-41.8%
Financial assets held for trading	1,407.3	742.0	665.3	89.7%
Financial assets carried at fair value	30.0	49.0	-19.0	-38.7%
Financial assets available for sale	215.4	59.7	155.7	260.8%
Total interest bearing assets	**9,374.4**	**8,692.4**	**682.0**	**7.8%**
Other non-interest bearing assets	190.3	228.2	-37.9	-16.6%
TOTAL ASSETS	**9,564.7**	**8,920.6**	**644.1**	**7.2%**
LIABILITIES				
Due to banks	7,095.1	6,967.7	127.4	1.8%
Due to customers	1,398.6	877.7	520.9	59.3%
Securities and financial liabilities	498.2	500.0	-1.8	-0.4%
Total onerous liabilities	**8,991.9**	**8,345.4**	**646.5**	**7.7%**
Other non-interest bearing liabilities	205.6	222.8	-17.2	-7.7%
Equity and risk reserves	342.0	322.2	19.8	6.2%
Profit for the year	25.1	30.2	-5.1	-16.7%
TOTAL LIABILITIES	**9,564.7**	**8,920.6**	**644.1**	**7.2%**

The trend of the main aggregates of the assets and liabilities on the Balance Sheet is shown below.

ASSETS

The total of interest bearing assets has increased from 8,692.4 million in 2006 to 9,374.4 million in 2007 (+7.8 percent). The increase particularly regards loans to Banks prevalently in the form of time deposits.

BREAKDOWN OF LOANS TO BANKS (in thousands of Euro)

	31/12/2007	31/12/2006	DELTA	DELTA %
Loans to central banks	**242,196**	**353,683**	**-111,487**	**-31.5%**
Obligatory reserve	242,196	353,683	-111,487	-31.5%
Loans to banks	**6,872,647**	**6,445,776**	**426,871**	**6.6%**
Current accounts and unrestricted deposits	1,007,788	1,267,408	-259,620	-20.5%
Time deposits	4,615,415	4,045,847	569,568	14.1%
Other loans	890,207	842,188	48,019	5.7%
Debt securities	359,237	290,333	68,904	23.7%
Total Bank Assets	**7,114,843**	**6,799,459**	**315,384**	**4.6%**

Loans to customers show a decrease, of 41.8 percent, from 1,042.3 million in 2006 to 606.8 million, subsequent to the sale of the company's corporate branch to Agrileasing. Impaired assets, equal to 20.0 million, have decreased by 21.9 percent compared to 2006 (equal to 25.6 million). By effect of the decrease in the lending business due to the said company branch sale, the ratio between impaired assets and ordinary customer loans has increased from 2.5 percent in 2006 to 3.3 in 2005.

BREAKDOWN OF CUSTOMER LOANS (in thousands of Euro)

	31/12/2007	31/12/2006	DELTA	DELTA %
Current accounts	133,799	220,467	-86,668	-39.3%
Mortgage loans	356,157	643,848	-287,691	-44.7%
Other transactions	46,097	48,399	-2,302	-4.8%
Debt securities	42,161	104,003	-61,842	-59.5%
Repurchase agreements	8,622	0	8,622	
Impaired assets	19,963	25,554	-5,591	-21.9%
Total Customer Assets	**606,799**	**1,042,271**	**-435,472**	**-41.8%**

The financial assets portfolio held for trading increased by 665.3 million (from 742.0 million to 1,407.3 million) representing an 89.7 percent increase on the previous year.

BREAKDOWN OF FINANCIAL ASSETS HELD FOR TRADING (in thousands of Euro)

	31/12/2007	31/12/2006	DELTA	DELTA %
Debt securities	1,033,782	410,634	623,148	151.8%
Equity securities	2,084	1,809	275	15.2%
UCITS units	52,616	49,384	3,232	6.5%
Total cash assets	**1,088,482**	**461,827**	**626,655**	**135.7%**
Derivative instruments	318,828	280,138	38,690	13.8%
Total derivative instruments	**318,828**	**280,138**	**38,690**	**13.8%**
Total Financial Assets	**1,407,310**	**741,965**	**665,345**	**89.7%**

The financial assets portfolio available for sale has increased from 59.7 million in 2006 to 215.4 million, and is mainly composed of debt instruments and UCITS units of the Securfondo and Melograno real estate funds.
Further details are given in Part B, sections from 2 to 4, of the Explanatory Notes.

LIABILITIES

The non-gratuitous deposits amount to an overall total of 8,991 million, with an increase on an annual basis of 7.7 percent, mainly consequent to an increase in due to customers.
The balance of interbank deposits is 7,095.1 million, with an increase of 1.8 percent on 2006.

BREAKDOWN OF BANK LOANS (in thousands of Euro)

	31/12/2007	31/12/2006	DELTA	DELTA %
Current accounts and unrestricted deposits	3,930,601	3,718,109	212,492	5.7%
Time deposits	2,879,590	2,822,392	57,198	2.0%
Loans	169,721	317,273	-147,552	-46.5%
Payables for assets sold and not derecognized	115,203	109,918	5,285	4.8%
Total Bank Liabilities	**7,095,115**	**6,967,692**	**127,423**	**1.8%**

The increase of interbank deposits is linked to ordinary due to customers, which have increased from 877.6 million in 2006 to 1,398.3 million in 2007, mainly concentrated in Repurchase operations.

BREAKDOWN OF CUSTOMER LOANS (in thousands of Euro)

	31/12/2007	31/12/2006	DELTA	DELTA %
Current accounts and unrestricted deposits	545,079	439,716	105,363	24.0%
Time deposits	17,155	0	17,155	0.0%
Deposits received for administration	4,546	0	4,546	0.0%
Payables for assets sold and not derecognized	420,976	28,130	392,846	1396.5%
Other payables	410,805	409,812	993	0.2%
Total Bank Liabilities	**1,398,561**	**877,658**	**520,903**	**59.4%**

Deposits in the form of securities valued at written down cost have decreased (from 153.3 million in 2006 to 123.4 million in 2007). The fair value of this aggregate has been hedged against the interest rate risk for 93.3 million.
With regard to the classified financial liabilities in the trading portfolio, these are composed exclusively of derivative instruments, and have increased from 241.6 million in 2006 to 269.5 million at 31st December 2007.
The book value of the shareholders' equity (net of the profit of the period) is 329.8 million, with an increase of 20.7 million (6.7 percent), compared to 309.0 million at the end of 2006.
The increase is the result of the growth in the reserves, into which profits valued at 7.9 million have flowed.
The core business of credit brokerage carried out by the Bank in 2007 is linked to an intense activity in other sectors, especially those concerned with the offer of collection and payment services and management and consultancy for financial products and services.
Specific information on the assets and the main results achieved during the year are given hereinafter in the part entitled "Bank Activities".

STATEMENT OF INCOME

AGGREGATES ON THE STATEMENT OF INCOME (in thousands of Euro)

AGGREGATES	2007	2006	DELTA	DELTA %
Interest receivable and similar income	344,505.7	252,850.5	91,655.2	36.2%
Interest payable and similar charges	-305,492.2	-215,262.1	-90,230.1	41.9%
Net Interest receivable	**39,013.5**	**37,588.4**	**1,425.1**	**3.8%**
Commission receivable	209,398.0	204,412.5	4,985.5	2.4%
Commission payable	-104,558.5	-102,752.0	-1,806.5	1.8%
Net commissions	**104,839.4**	**101,660.5**	**3,179.0**	**3.1%**
Dividends and similar income	2,183.8	5,920.8	-3,737.0	-63.1%
Net gain (loss) on trading activities	13,217.1	17,518.5	-4,301.4	-24.6%
Net gain (loss) on hedging activities	251.3	1,010.5	-759.1	-75.1%
Gains (Losses) on disposal or repurchase	1,270.4	5,198.7	-3,928.3	-75.6%
Net gain (loss) on financial assets and liabilities carried at fair value	1,292.8	-1,308.0	2,600.8	-198.8%
Other operating income (expenses)	10,050.6	10,738.9	-688.3	-6.4%
Total revenue	**172,118.9**	**178,328.2**	**-6,209.3**	**-3.5%**
Administrative expenses	-127,529.3	-129,056.3	1,527.0	-1.2%
Net adjustments of tangible assets	-3,377.7	-3,463.2	85.4	-2.5%
Net adjustments of intangible assets	-2,517.9	-2,404.0	-113.9	4.7%
Operating charges	**-133,424.9**	**-134,923.5**	**1,498.5**	**-1.1%**
Gross operating profit (loss)	**38,694.0**	**43,404.7**	**-4,710.7**	**-10.9%**
Net provisions for risks and charges	-251.4	208.2	-459.6	-220.7%
Net Impairment adjustment	-1,490.7	1,939.0	-3,429.7	-176.9%
Writedowns on goodwill				
Total provisions and impairment adjustments	**-1,742.1**	**2,147.3**	**1,498.5**	
Net operating profit (loss)	**36,951.9**	**45,552.0**	**-3,212.2**	**-7.1%**
Profits (losses) on equity investments				
Total profit before taxes	**36,951.9**	**45,552.0**	**-3,429.7**	**-7.5%**
Income taxes for the year on continuing operations	-15,509.8	-19,177.7	3,667.8	-19.1%
After tax profit (loss) on non-current assets and groups of assets in the process of being sold off	3,707.5	3,836.3	-128.9	-3.4%
Profit for the year	**25,149.5**	**30,210.6**	**-5,061.1**	**-16.8%**

NET INTEREST INCOME

The net interest income at 31st December 2007 was 39.0 million, representing an increase of 3.8 percent compared to 2006 (37.6 million).
The incidence on total revenues has increased from the 21.1 percent for 2006 to 22.7 percent for 2007.

NET COMMISSIONS

Commissions net of services, at 31st December 2007, amounted to 104.8 million, with an increase of 3.1 compared to 2006 (101.7 million). Growth was mainly sustained by net commissions received from other services (mainly regarding money services) with an increase of about 18.4% on the previous financial period (+5.9 million).

BREAKDOWN OF COMMISSIONS (in thousands of Euro)

	31/12/2007	31/12/2006	DELTA	DELTA %
Collection and payment services	48,581	49,497	-916	-1.90%
Management, broking and consulting services	18,173	19,987	-1,814	-9.10%
Other services	38,085	32,176	5,909	18.40%
Total net commissions	**104,839**	**101,660**	**3,179**	**3.10%**

TOTAL REVENUE

In 2007, the Bank's total revenue was 172.1 million (-3.5 percent): a decrease of about 6.2 million on the preceding year (178.3 million). The decrease is principally linked to the lower dividend paid by Securfondo, the positive impact on net broking profit in 2006 (about 4.8 million) deriving from the sales of stakes in SI Holding and in MTS, and to the regression of the profit from trading due to the international financial crisis subsequent to the sub-prime mortgage crisis, which more than compensated the positive trend registered in the first six months of the year.

OPERATING CHARGES

Operating charges sustained in 2007 decreased by 1.1 percent on an annual basis. The total amounted to 133.4 million (134.9 million in 2006), including personnel costs, administrative expenses, indirect taxes and net writedowns on tangible and intangible assets.

PERSONNEL EXPENSES

Personnel expenses in 2007 amounted to 58.5 million, compared with 61.9 million for the previous period, representing a decrease of 5.5 percent, subsequent to the sale of the corporate loans branch of the company to Agrileasing.

OTHER ADMINISTRATIVE EXPENSES

The other administrative expenses for 2007 were equal to 69.0 million: an increase of 2.6 percent on the previous year (67.3 million). The increase was mainly due to higher costs for correspondence, outsourcing, and real estate maintenance; there was also a significant decrease in data processing costs and for electronic connections, as well as for image transmission and telephony.

CATEGORIES OF OTHER ADMINISTRATIVE EXPENSES (in Euro units)

	31/12/2007	31/12/2006	DELTA	DELTA %
Data processing, program maintenance	18,721,830	19,238,913	-517,083	-2.7%
Services/outsourcing	6,946,028	5,855,938	1,090,090	18.62%
Electronic links	6,531,808	7,206,700	-671,892	-9.4%
Ordinary services	10,695,324	10,509,014	186,310	1.8%
Supplies	1,244,102	1,239,186	4,916	0.4%
Buildings and furniture maintenance	1,340,040	999,853	340,187	34.0%
Corporate organs	84,632	82,544	2,088	2.5%
Correspondence and postal expenses	7,031,240	4,631,081	2,400,159	51.8%
Transport expenses	431,363	450,493	-19,130	-4.3%
Advisory services and fees	2,490,548	2,602,920	-112,372	-4.3%
Telephony	761,899	969,954	-208,055	-21.5%
Image transmission	570,282	854,742	-284,460	-33.3%
Membership fees	1,307,589	1,299,939	7,650	0.6%
Insurances	735,440	783,229	-47,789	-6.1%
Sundry	409,526	549,170	-240,063	-37.0%
Indirect taxes	9,737,875	9,889,037	-151,162	-1.5%
Total	**69,039,527**	**67,162,713**	**1,776,395**	**2.6%**

NET ADJUSTMENTS ON TANGIBLE AND INTANGIBLE ASSETS

Net writedowns on tangible and intangible assets have remained substantially the same in 2007, at 5.9 million, as in 2006.

GROSS OPERATING PROFIT

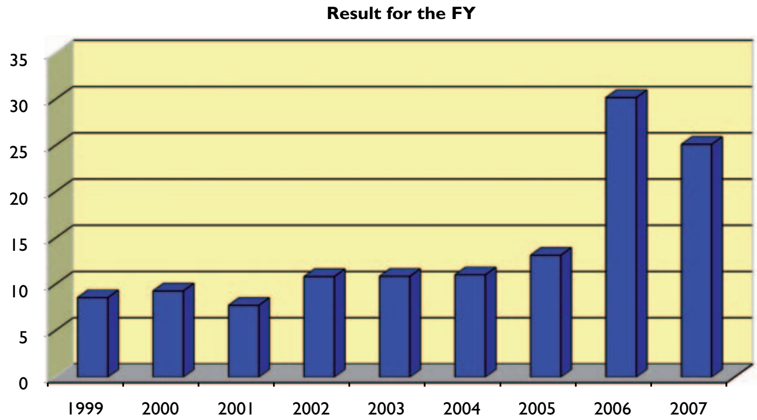
By effect of the described trends, the gross profit on ordinary management decreased by 10.9 percent, to 38.7 million.

NON-CURRENT PROFITS ON ASSETS

The profit on non-current assets in the process of being sold off amounted to 3.7 million subsequent to the sale of a building.

PROFIT FOR THE PERIOD

The profit for the period on ordinary current and non-current assets, net of variation for direct taxes for the period, was 25.1 million. For a complete picture of the situation, it must be considered that in 2007 profit for 7.9 million from assessment flowed into the equity reserves. Taking this component into account, the adjusted profit for the period increases to over 33.0 million, compared to just under 30.2 million in 2006 (+9.4%).



4. BANK ACTIVITIES

An indication of the main profit and results of the various company structures is given below.

MARKETS AND FINANCIAL SERVICES

With the 2008-2010 Industrial Plan, the direction followed by the Finance department has been confirmed as a service activity for BCC operations, therefore excluding speculation.

The various sectors of activity in which the Finance area is divided have coherently supplied adequate support in response to the operating demands of the BCC, keeping a low ownership risk profile. The following comments regard the diverse operating spheres, examined in more detail.

MONEY MARKETS

Total volumes of treasury balances in Euro deposited by the BCC at Iccrea Banca have increased by about 20% (from approximately Euro 3.1 billion to around Euro 3.7 billion). During the period, initiatives were adopted in pursuit of fostering the loyalty of the BCC (introduction of an additional remuneration level, and organic revision of the rules for application of the remuneration conditions of the CRG).

In the last quarter, the BCC have increased their fixed term investments on the monetary market (above all at 3 months) in consideration of the particularly interesting movements on the market.

The BCC brokered through TARGET numbered 310. The obligatory reserve was managed for 312 brokered transactions for an average amount of about Euro 900 million. Currency transactions produced a profit of Euro 2.6 million. There was a slight increase of volumes traded with the BCC and with Aureo.

MANAGEMENT

At the end of December 2007, the total value of assets managed on behalf of institutional customers (BCC, National Pension Fund and BCC Vita) amounted to 3.0 billion, against 3.7 billion in 2006, with a reduction of about 18%.
Conferment in 2007 amounted to 126.5 million, against withdrawals for 813.0 million. The net balance of deposits is equal to -686.4 million.
At the end of 2007, the bank managed the assets of 112 BCC, compared to 139 in the preceding year.
During the period, the GTO Service started up a series of new projects to become operative in 2008, in order to satisfy the financial needs of the BCC with increasingly more customised solutions. In particular, nine new lines with benchmark management have been prepared, especially designed for the BCC and more oriented towards the product rather than service, and representing the more widespread classes of assets.
At the same time as the benchmark project, the investment advisory service was developed, to give informative support for BCC investments, in order to define investments coherent with the risk-yield profile and with the legislative and statutory restrictions of the BCC themselves.

THE BANK'S OWN SECURITIES PORTFOLIO

Taking into account the market evolution, the Bank's own securities portfolio was created in order to achieve coherent economic returns with respect for the risk limits assigned. The placing of securities corresponding to the needs of the BCC customers was also started up.

CUSTOMER DESK

Listed Securities Trading and the Collection of Orders:

- the collection of orders from the BCC: With regard for volumes of shares traded in 2007, the data registered are substantially in line with the 2006 figures (8,136 million in 2007 against 8,086 million in 2006). In the first half of 2007, there was a decisive increase in volumes traded compared to the previous year, while in the second half of the year, subsequent to the worsening of the international financial crisis linked to the sub-prime mortgages situation, there was a decrease in volumes which practically annulled the positive trend of the first half of the year. For volumes of bonds traded, the effect of the sub-prime crisis led to a diversification of flows from the share compartment towards the fixed yield section, which registered an increase in volumes, considering the year as a whole, from 8,524 million in 2006 to 9,549: an increase of 1,025 million, equal to 12%;
- the collection of orders from Aureo Gestioni: in 2007, there was a fall in asset management of around 400 million (equal to 8.4%); however, the economic contribution from Aureo Gestioni business was slightly higher than the 2007 budget target.

OTC trading and order collection:

- the Eurobond sector also suffered from the sub-prime mortgages crisis, which led to a drastic widening of the credit spreads of all categories of issuers, both banks and corporate issuers.

INNOVATIVE FINANCE

With regard to deposits from banks in 2007, there was a significant decrease in volumes traded and in the number of transactions concluded. This contraction featured both lines of business (Front Office and Distribution), where the demand of the banks was satisfied by the offer, in the various compartments, of plain vanilla and/or structured products with a high defensive content. The comparison between volumes and contracts concluded in 2006 and those concluded in 2007 shows a 3.1% decrease in volumes and a 28.9% decrease in the number of transactions concluded.
With regard to bank loans, the financial year 2007 featured a progressive increase in activities to hedge the risks relative to the loans issued; in this context there was a progressive growth in cap, collar and IRS amortising transactions.
The comparison between 2006 and 2007 shows an 35.2% increase in volumes and a 38.8% increase in transactions concluded.
In order to overcome all difficulties in the management of financial derivative instruments to hedge mortgages, at the request of the BCC, a programme was prepared for the issue of financial derivatives of the securitisation type known as Covered Warrants. These instruments represent an insurance for the underwriter - the holder of a mortgage - against the risk of a rise in rates.
There was intense collaboration with Banca Agrileasing to complete the project relative to the Corporate branch, assisting the Financial Innovation company for the formulation of an accurate work process, conclusion of which is expected in March 2008.
A back office procedure is being developed for derivatives dedicated to the BCC. This application, with automatic interface with the Bank, will allow for the opening of positions (mirroring), the supply of assessments (fair value), rate resetting, frameworks for surveillance reporting and, not least important, the results of the effectiveness tests.

SECURITISATION

In 2007, a securitisation operation was concluded for bonds issued by BCC (CBO3). In this operation, the Bank was the Servicer, Custodian and Financing Bank. Bank securities for 1.2 billion with coupon at Euribor 3 months plus a spread of 38 bps have been underwritten. For the securitisation process, the vehicle company "Credit Funding 3 s.r.l." issued ABS securities which were placed on international markets, except for those of the "F" class (Junior notes) which were underwritten by Iccrea Bank and simultaneously sold to certain BCC for a quota representing 53.54% of the nominal total.

A credit line was granted to the Vehicle Company "Credito Funding 3". Iccrea Banca was recognised an interest rate equal to the 3 month Euribor rate.

Conclusion of this operation allowed the BCC to:
- find funding outside the traditional channels, on the Euromarket at advantageous conditions and in line with the pricing normally obtained by operators of primary standing;
- obtain improved balancing of the maturity structure of the assets and liabilities;
- sustain the growth in loans, particular for the medium-long term component.

In December 2007, the first of the three securitisation operations in bonds relative to the Credit Funding operation, entitled CBO1, was also concluded. We were fully reimbursed for the ABS securities issued by the Vehicle Company "Credit Funding s.r.l.", thanks to the prompt reimbursement of the underlying bonds issued by 116 BCC and by Iccrea Banca in December 2001.

ALM

Activities performed by the ALM Service focussed on:
- presenting "analytic" and "synthetic" reports, privileging where possible the conclusion of framework agreements with the Federations, leading to the implementation of the Iccrea Holding strategies regarding the synergies to be developed within the cooperative system. On 31st December 2007, the agreement with the Sicilian federation was concluded. In the early months of 2008, the Emilia and Tuscany federations also joined. The agreements with the Marches, Piedmont, Puglia and Basilicata federations are being defined;
- producing and supplying reports for the BCC. At 31st December 2007 contracts for analytical reporting and 22 for synthetic reporting had been signed;
- developing internal risk assessment systems and methods, always in compliance with the relative legislation;
- defining an ALM oriented accounts plan with the application centres;
- preparing the first ALM case studies report through certain BCC pilots.

LOANS

In 2007, the company's Corporate branch was sold to Banca Agrileasing.
This extraordinary spin off operation naturally limited total loans to ordinary clientele, equal to Euro 466 million at 31st December 2007 (70 million for current account overdrafts, 236 million in ordinary mortgages, 157 million for special loans, and 3 million for unsecured loans), against Euro 992 million at 31st December 2006.
Thus, operations were redirected towards the special loans sector, where competition was intensified through products with very competitive rates and terms.
The reinforcement of the Special Loans compartment - which had long suffered from the absence of subsidised loans granted by the Public Administration - will be hedged by the stipulation of agreements with cooperative companies. In fact, agreements have recently been finalised with Fondosviluppo, to satisfy the needs linked to the execution of investment projects and the needs deriving from the new Severance Indemnity legislation for companies adhering to Confcooperative. The agreements concern loans issued by the Institute for which there may be, on the part of Fondosviluppo, a contribution to interest in the case of new investments, or greater support through the Loan Consortiums with severance indemnity as collateral.
In terms of total agreements, at 31st December 2007, credit lines (excluding maximum amounts, but including bonds/certificates of deposit issued by the BCC and bought by the Institute) amounting to over Euro 6.7 billion (88% of which to banks - mainly BCC - and 12% for non-institutional clientele with expiry at the end of 2007) regarded: 48% mortgages, 51% on current accounts, and the remaining 1% unsecured loans.
Always within the sphere of credit lines (excluding the maximum amounts and the loan for the spin off), 721 transactions were approved in 2007 (70 of which were special loans, 321 ordinary overdrafts and 330 were to Banks/BCC, for a total amount of 4.6 billion approved by resolution, 4.3 billion of which were for institutional counterparts. During the financial year 2006, 1,356 loans were approved by resolution, for Euro 4.1 billion.

SUBSIDISED LOANS

In 2007, the Bank continued its activity as the "Agent Bank" for government agencies (mainly the Ministry of Economic Development) for the assessment and management of applications for grants and the relative investment projects, presented by companies in response to specific Public Announcements issued by the managers of funds established by the various subsidy laws.

FOREIGN BUSINESS

As described in the introduction, the project approved by the Bank's Board of Directors on 26th June 2007 is being implemented, and is expected to give a significant boost to business in this field, also through the expansion of the offer formats.

PAYMENT SERVICES

Collections and payments

In 2007, the Collection and Payment Service focused on the development of new SEPA Credit transfer and Cash products, as well as on ensuring full coherence of the internal procedures with the evolution of national and international market standards. At the same time, the efficiency of management processes was significantly improved.

Antitrust action resulted, for the Bank, in:
- the annulment of interbank commissions for intermediation, received from the directly adhering banks;
- a reduction in the commission which the contracting bank recognised to the paying agent, which led to a reduction in the portfolio fee applied to institutional customers, with a consequent decrease of Euro 2 million in revenue.

In spite of the increase in the total volumes of the "Collection" product thanks to the Category Circuit, to which almost all the brokered BCC belong, the compartment substantially maintained the contribution levels of 2006.
In the "Counting" compartment, the new procedure. in line with SECA expectations, has allowed for:
- reducing to zero the BCC statistical reporting activities, to be sent to the Bank of Italy, as requested by the CEB;
- recovering activities from the BCC which previously carried out the service automatically;
- an increase in the automatic management of requests, previously carried out manually.

In the "Foreign" compartment, the implementation of the new brokerage procedure has allowed for producing greater STP payments and the renegotiation with foreign banks for the OUR payments.

THE APPLICATIONS CENTRE

The Applications Centre has taken on an important role in the banking system as regards the National Interbank Network. The series of applications on the N.I.N. has satisfied the needs of the BCC and of the local technical structures, also in this period of high "handling" levels for the BCC branches.

Within the sphere of the pan-European infrastructures, appointed to deal with clearance and the settlement of new SEPA products (ACH SEPA compliant), the applications necessary to manage clearance and settlement in a coherent and functional manner in accordance with the EPC (European Payment Council) have been developed. The Bank has also drafted an agreement with SECETI for the creation of a single centre to satisfy the SEPA requisites, with the outsourced management of the applications of the Application Centre, whose progressive implementations, which began in September 2007, will be concluded within the first six months of 2008.

In order to implement a pan-European structure for clearance and settlement of small payments (PEACH), the Institute has drafted an agreement with SECETI for the creation of a central unit which will satisfy the SEPA requisites and which will process over 40% of the payments of the whole Italian system.

E-BANKING

With regard to the money sector, the Cooperative Credit Card has been further reinforced during the period, with an increase in cards issued which have gone from 834,382 at the end of 2006, to 965,497 at the end of 2007.
Growth in the money sector is also linked to the development of the Tasca Card: cards in circulation have increased by 47.7 percent, from 190,798 in 2006 to 281,861 in 2006.
With regard to Project 8000, almost all the Bank users of the National Bancomat Application Centre managed by the bank have signed up. Internal tests with test chip cards, verifying the ATM and POS acceptance networks and the accounting phases, have given positive results. In January 2008, the banded card migration plan, prepared together with the local federations and the regional technical structures of the Cooperative Bank System, was started up.
In order to ensure standardised spendability of the 8000 cards throughout the Euro area, the Bank has signed agreements with the VISA and Mastercard networks for the production of co-branded cards which foresee incentives, and organisational and commercial support in favour

of the migration of the same. These incentives will allow the BCC which have adhered to Project 8000 to maintain the same production costs of the debit cards in the migration to micro circuit technology, for that matter without negative impact on the Institute's profitability.
The activities and planning in progress therefore ensure respect for the migration plan foreseen by SEPA, making the SEPA 8000 cards compliant without economic charges for the BCC which adhere to the project.

AGENCY SERVICE

In 2007, the Correspondent Bank has extended the range of products on the Sicav "FinV" placing platform, concluding commercial agreements with seven product companies. It has also taken part in the execution of the implementations applied to the said platform in the web version of the "FinV Web Portal".
In 2007, the activity of custodian bank for 5 new real estate funds was started up.
For pension funds, the role of custodian was undertaken for a new open pension fund, and the organisational design has also been drawn up in order to start the activity of custodian bank in 2008, with delegation for the valorisation of the National Pension Fund for BCC/CR staff.
The number of BCC which have decided to hold the obligatory reserve indirectly, through ICCREA Bank, in some cases undersigning the agreement for mobilisation of the Obligatory Reserves, increased from 18 to 70 BCC.
Securities under management at 31st December 2007, amounted to about Euro 70 billion.
During the year, the use of MTX, the platform for dialogue with Monte Titoli for the electronic management of the services rendered to security issuers, got completely underway.
In 2007, the supervisory reports for about 180 BCC ISED users and for 8 vehicle companies were guaranteed.

SALES DEVELOPMENT AND THE DISTRIBUTION NETWORK

The sales activity continued according to the guidelines drawn up by the 2007-2009 Industrial Plan, both in terms of rationalisation and revision of the products portfolio, and in terms of improvement in the effectiveness of sale processes. In accordance with the entrepreneurial choice, oriented to give more decisive support to the business areas and for the needs of the BCC for support, the sales network has been further expanded. Thus the development and consolidation of the Bank's sales network within the sphere of its own institutional clientele has continued, particularly as regards monetics and financial business, through a targeted plan of visits and the organisation of numerous meetings on the territory.

5. INFORMATION SYSTEMS AND ORGANISATION

IT GOVERNANCE

Governance of the Information Technology projects has been reinforced, with action both in the planning and monitoring phases, with quarterly reports, as of June, sent to the Head Office giving full information on production and productivity of the sector. Monitoring of the service levels has been extended and is accompanied by an accurate process for the managing of unforeseen events.

EDP APPLICATIONS

The introduction of the new MiFID legislation has required great effort for the adaptation of the entire park of software procedures of the finance area. So far, over 5 million lines of code have been modified, and further implementations are foreseen during the first half of 2008. The application of procedures to comply with the new Market Abuse, Transaction Reporting and Post Trade Transparency regulations has also been started.
Preparation of the infrastructure for the market maker and negotiator activities which Iccrea will carry out on the HiMTF (the new trading system developed together with the Popolari banks) is being completed.
Implementation of the new component of the Webfin system, for automating the negotiation of unlisted securities, has been started.
The testing of the procedures of the new pan-European settlement system, TARGET2, has continued successfully.
The applications for the group's personal identity database and for Bank/Tax inspections have been completed and put into use.

SECURITY AND OPERATIVE CONTINUITY AND RECOVERY

In our role as main operators, it was necessary to analyse the possibility of extending the present recovery functions also to scenarios which foresee the simultaneous destruction of the primary and secondary sites.
For this purpose, together with SECETI, a first study has been carried out in order to design the macro-architecture of the system, assess technical feasibility, define possible implementation modalities, and identify the main cost variables.

Activities for acquiring ISO 27001 certification (information security) and BS25999 certification (service continuity) have been started and are expected to be completed in 2008.

GROUP LEVEL INFORMATION SYNERGIES

We have adhered to all the Parent Company's initiatives drawn up until now to foster synergy, and in particular:

- the creation of an identification/authorisation infrastructure (the so-called "Group Forest") which will simplify access to infragroup applications;
- the acquisition of Business Object technology for the analysis and reporting activities of all the companies of the Banking Group;
- the updating of the original plan for the constitution of a centralised structure for job assistance management.

THE ORGANISATION

The year 2007 featured constant updating of the Institute's processes, structures and behaviour, in order to guarantee operating conformity with external legislation and internal regulations, and to increase effectiveness and efficiency of the same.

Activities regarding the sale of the corporate credit sector to Banca Agrileasing took on particular importance, as well as the adaptation of finance to the new operating context outlined by the MiFID directive.

Work also continued on the adaptation to/implementation of the new Prudential Supervisory Instructions for Banks (Basel II).

PERSONALE

Human resources management focussed on guaranteeing consolidation of the structures, particularly regarding pursuit of the efficiency targets, also taking into account the modifications to the organisation which occurred during the year.
At the end of the period, Bank personnel counted 721 employees, 36 fewer than at 31st December 2006 subsequent to the sale of the company branch.
In 2007, 33 employees were on transfer to companies of the Banking Group: 15 of these were then hired by the companies concerned (BCC Solutions and Iccrea Holding).
On 21/12/2007, the renewal of the National Collective Labour Agreement was signed for administrative middle managers and for the personnel of the professional departments of the BCC/CRA.

BREAKDOWN OF PERSONNEL ACCORDING TO POSITION (present values)

	2007	2006
Managers	16	13
Middle managers	246	244
Others	459	500
Total	**721**	**757**

BREAKDOWN OF PERSONNEL ACCORDING TO POSITION (present % values)

	2007	2006
Managers	2.2	1.7
Middle managers	34.1	32.2
Others	63.7	66.1
Total	**100**	**100**

During the financial year 2007, the Bank's human resources development and assessment process continued, in pursuit of harmonisation and consolidation of the policies and instruments used and to foster greater involvement of the human resources in the life of the Bank.
The strategic guidelines were a reference point for the Bank's actions and training activities. The training project will continue in 2008, according to the strategic direction followed by the Bank, involving an increase in the Bank's complexity and dimensions. The project will support the pursuit and reinforcement of company stability through knowledge, sharing, adoption of values, the mission, and the Bank's strategies, and will represent one of the main instruments for sustaining the overall growth of the organisation at all levels.
Technical-specialist, IT, language and managerial-behavioural training has been provided, involving all 721 employees, for a total of about 28,068 hours. In 2007, all the Bank's administrative middle managers were involved in the High Training project of SEF Consulting.
To complete the training project on "The Development of the Role of the Account", held in 2007, a new project, "Making the team effective and efficient", was defined, using notice no. 5 of the National Joint Inter-professional Fund (FON.COOP), and the project is now being started up. In view of the training given, in the October-December 2007 period, an application for a sinking fund was made to the Solidarity Fund, to obtain a grant, on the grounds of "loss of work performance", for a total of 9,226.25 hours' training.

INTERNAL AUDITING

Pursuant to the resolution of 30/11/2007 passed by the Holding Company's Board of Directors, which approved the suppression of the Inspectorate Service, with transfer of tasks and resources to the Auditing Service of the same management, the Inspectorate Service of Iccrea Banca was incorporated into the Auditing Department and thus centralised at the Holding Company; this allowed for further benefits, also for the former Inspectorate Department of the Agrileasing company, due to the synergies thus made available.

In short, having made use of the benefits made possible by outsourcing the audit and inspection activities in 2006, the conditions were laid for considering a full and organic use of the structure. In addition, resolution was also passed in favour of procedures, parallel to the constitution of the Conformity Department, for the review of the outsourcing contract on matters such as:

- maintenance (number and quality) of the present internal auditing services performed, through the inclusion of all activities outsourced to DISAG (review and inspections), avoiding separations which are sometimes hard to track down;
- standardised applications for cost reporting on the basis of use, in lieu of the preceding logic based on the application of "texts" contained in addenda on the Inspectorate; in other words, with substantially the same maximum total cost of standard auditing (as the cost of the last three-year period, which was much lower than the original contract) and the application of inspections on consumption. Economic benefits also derive from the elimination of the costs for the coordination of the structures foreseen by the contractual addendum, thanks to the absorption of the inspection department;
- fulfilment of the obligation to review "all organisational units over a three-year period" which no longer conform with recent (more efficient) operating standards of the department (risk-based).

The Organisational Model, prescribed by Lgs. Decree 231/01, has been approved with the active contribution of the supervisory body and the Work Group which provided, on a continuous basis, for updating and additions to the same.
Operating procedures have been decided which, in respect of the Supervisory Regulations, will lead to the institution of the Conformity Department and consequent transfer of the operating tasks at the moment entrusted to the centralised Internal Auditing Department.

6. INFORMATION ON THE PREPARATION AND UPDATING OF THE SECURITY PROGRAMMATIC DOCUMENT PURSUANT TO LGS. DECREE 196 OF 30/6/2003, APP. B, POINT 26

The Bank has updated the Security Programmatic Document, according to the modalities and in respect of the terms prescribed by Lgs. Decree 196 of 30th June 2003 - the so-called "Personal Data Protection Code".

7. OTHER BUSINESS INFORMATION

(Chap. 2, Paragraph 7, Bank of Italy circular n. 262 of 22/12/2005)

Dear Shareholders,

Pursuant to the Bank of Italy's Instructions on the Financial Statements of Credit Institutions (circular n. 262/05 and successive amendments, chapter 2, paragraph 7), we inform you that:
1. the Bank does not engage resources in research and development activities in the strict sense;
2. the Bank does not hold, and has not directly or indirectly, through trusts or proxies, bought or sold any of its own or the Holding Company's shares;
3. full information is given, in the specific sections of the Explanatory Notes to the Bank's Financial Statements, on:
   - the corporate aims and policies regarding the assumption, management and hedging of financial risks (Part E "Comments on risks and related hedging policies");
   - fees paid to directors and managers (Part H - Section 1);
   - transactions with allied parties, infra-group transactions, with separate indication for subsidiaries, holding companies, other companies subject to the control of the latter, and companies subject to considerable influence of the same (Part H - Section 2).

8. IMPORTANT EVENTS AFTER CLOSURE OF THE FINANCIAL YEAR

The most significant events after closure of the financial year are mentioned below:
- Pursuant to the resolution passed by the Bank's Board of Directors on 21st December 2007, on 4th March 2008 the purchase of the Treviglio BCC stakes in CIM Italia was concluded. This operation was carried out in order to have single Cooperative Bank representation under the Holding Company Iccrea Bank and to allow for ensuring a relevant stake subsequent to the planned merger by incorporation of CIM Italia SpA by Key Client.
- On 28th January 2008, within the sphere of the National Migration to SEPA (Single Euro Payments Area), the relative phase of activation of currency exchange and settlement of bank drafts, relative to the SCT (SEPA Credit Transfers) was started up. As for other interbank initiatives and the systems in which the BCC are involved, the Institute, in its role as "facilitator", has undertaken all initiatives necessary in order to respect the said deadline. To this regard, the "Single Bank Draft" project was developed, which involved the centralisation in the Institute of the SEPA implementations, so that action to be taken by the banks intermediated will be reduced to a minimum. This arrangement was met with favour by the BCC almost all of which adhered to the Iccrea-Seceti CSM (Clearing Settlement Mechanism), the structure generated as the natural evolution of the Applications Centre to meet the challenge of the demands imposed by new European architecture.
- In a letter of 31st December 2007, the Bank of Italy requested all banks to formalise their adhesion to the new TARGET2 system. Confirming its role as a direct participant and Institute, through the BCC which intend to indirectly adhere to TARGET2, also within this new system of regulations, Iccrea Banca has given instructions for its own brokered activities of the administrative type, to be carried out both directly and through the Institute.
- With CONSOB resolution of 29th January 2008, Hi-MTF SIM has been authorised to manage multilateral negotiating systems. Operations started on 7th February 2008.
- On 20th March 2008, the Fitch rating company assigned the bank an "A" rating for the long term with stable outlook, and F1 on the short term, recognising the central nature of the role undertaken by the Bank for the BCC both on the interbank market and in the long-term funding activity.

9. OUTLOOK FOR THE FUTURE

(Chap. 2, Paragraph 7, Bank of Italy circular n. 262 of 22/12/2005)

In an operating context which, in the course of 2008, should confirm the signs which appeared in 2007, indicating the recovery of the dynamics of the economic situation, the Bank will pursue business development consistent with the targets of the 2007-2009 industrial plan.

10. COMMENTS ON THE 2008-2010 COMPANY PLAN

With respect for the timing defined by the Holding Company, planning activities are in progress which will lead to the definition of the 2008-2010 three-year plan which will be presented to the Bank's Board of Directors meeting of 28th April 2008.

Dear Shareholders,

On conclusion of this Report, the Board again wishes to sincerely thank you for having accompanied the activity of the Administration and Management with your usual participation.

The Cooperative Banks therefore express their warm thanks for the trust and preference which you have reserved for the Institute.

We also express our sincere appreciation to the General Management and to all staff for the collaboration, commitment and joint efforts which feature this present evolutionary phase.

Our thanks and appreciation also go to the Personnel Offices for the responsibility and the constructive spirit shown.

As usual, we must also remember the work which the Board of Auditors has performed with commitment and professional skill, in a spirit of collaboration which has gone beyond the call of duty.

Our recognition also extends to the Bank of Italy, the CONSOB and the bank rating agencies, which have always followed the Institutes activities with attention, and for their constant availability and the collaboration give during the course of the period.

And lastly, our greetings go to all central and local Cooperative Banks, especially ICCREA Holding and Federcasse, and to all those which, with competence and in the name of reciprocal collaboration, have helped us in performing our business.

PROPOSAL FOR THE ALLOCATION OF THE NET PROFIT

(Chap. 2, Paragraph 7, letter e), Bank of Italy circular n. 262 of 22/12/2005)

Dear Shareholders,

We invite you to approve the Financial Statements for the year ending on 31.12.2007, together with the Board of Directors' Management Report, and subject to auditing by the company Reconta Ernst & Young S.p.A. We also propose the following use of the net profits, which amount to a total Euro 25,149,491:

Legal reserve	€	7,750,000
Remuneration of the shareholders' equity, of Euro 41.32 per share	€	17,354,400
Available for the Board of Directors	€	45,091

Rome, 25th March 2008

THE BOARD OF DIRECTORS

ICCREA BANCA

ISTITUTO
CENTRALE DEL
CREDITO
COOPERATIVO

THE COMPANY'S FINANCIAL STATEMENT SCHEDULES

THE COMPANY'S FINANCIAL STATEMENTSSCHEDULES

BALANCE SHEET

Asset items	31/12/2007		31/12/2006	
10. Cash and cash equivalents		57,845,881		53,861,715
20. Financial assets held for trading		1,407,309,745		741,965,134
30. Financial assets carried at fair value		30,049,745		49,023,787
40. Financial assets available for sale		215,377,024		59,680,743
60. Due from banks		7,114,843,420		6,799,459,449
70. Customer loans		606,798,776		1,042,270,581
80. Hedging derivatives		3,876,134		-
100. Equity investments		1,533,368		741,986
110. Tangible assets		21,869,264		26,883,408
120. Intangible assets		3,552,631		1,836,274
130. Tax assets		46,078,147		38,993,119
a) current	36,821,072		28,153,780	
b) prepaid	9,257,075		10,839,339	
140. Non-current assets and groups of assets in the process of being sold off		-		42,320,914
150. Other assets		55,542,251		63,579,808
Total assets		**9,564,676,386**		**8,920,616,918**

Liability and Shareholders' equity items	31/12/2007		31/12/2006	
10. Due to banks		7,095,114,733		6,967,692,273
20. Due to customers		1,398,560,723		877,657,530
30. Debt securities in issue		123,430,199		153,373,861
40. Financial liabilities held for trading		272,027,312		241,637,899
50. Financial liabilities carried at fair value		100,081,321		102,603,478
60. Hedging derivatives		2,682,794		2,429,091
80. Tax liabilities		30,542,999		27,619,916
a) current	11,669,260		11,370,008	
b) deferred	18,873,739		16,249,908	
100. Other liabilities		159,583,615		176,626,664
110. Provision for employee severance indemnity		15,466,540		18,573,419
120. Provisions for risks and charges		12,278,368		13,171,111
b) other provisions	12,278,368		13,171,111	
130. Valuation reserves		53,910,134		47,854,887
160. Reserves		58,934,957		44,252,957
180. Share capital		216,913,200		216,913,200
200. Profit (Loss) for the year (+/-)		25,149,491		30,210,632
Total liabilities and Shareholders' equity		**9,564,676,386**		**8,920,616,918**

STATEMENT OF INCOME

Items	31/12/2007		31/12/2006	
10. Interest receivable and similar income		344,505,665		252,850,488
20. Interest payable and similar charges		(305,492,213)		(215,262,138)
30. Net Interest income		**39,013,452**		**37,588,350**
40. Commission receivable		209,397,991		204,412,466
50. Commission payable		(104,558,546)		(102,752,005)
60. Net commissions		**104,839,445**		**101,660,461**
70. Dividends and similar income		2,183,775		5,920,788
80. Net gain (loss) on trading activities		13,217,091		17,518,461
90. Net gain (loss) on hedging activities		251,344		1,010,493
100. Gains (losses) on disposal or repurchase of:		1,270,427		5,198,743
a) loans	(17,479)		152,252	
b) financial assets available for sale	1,340,870		5,039,790	
d) financial liabilities	(52,964)		6,701	
110. Net gain (loss) on financial assets and liabilities carried at fair value		1,292,751		(1,308,034)
120. Intermediation margin		**162,068,285**		**167,589,262**
130. Net impairment adjustment of:		(1,490,692)		1,939,017
a) loans	(1,282,074)		1,939,017	
d) other financial transactions	(208,618)			
140. Profit (loss) from financial operations		**160,577,593**		**169,528,279**
150. Administrative expenses:		(127,529,259)		(129,056,262)
a) personnel expenses	(58,489,732)		(61,893,549)	
b) other administrative expenses	(69,039,527)		(67,162,713)	
160. Net provisions for risks and charges	(251,393)		208,238	
170. Net adjustment of tangible assets		(3,377,745)		(3,463,161)
180. Net adjustment of intangible assets	(2,517,915)		(2,404,030)	
190. Other operating income (expenses)		10,050,608		10,738,906
200. Operating expenses		**(123,625,704)**		**(123,976,309)**
250. Profit (loss) before tax on continuing operations		**36,951,889**		**45,551,970**
260. Income taxes for the year on continuing operations		(15,509,849)		(19,177,675)
270. Profit (loss) after tax on continuing operations		**21,442,040**		**26,374,295**
280. After tax profit (loss) on non-current assets and groups of assets in the process of being sold off		3,707,451		3,836,337
290. Profit (Loss) for the year		**25,149,491**		**30,210,632**

CHANGES IN SHAREHOLDERS' EQUITY YEAR 2007

	Balances at 31.12.2006	Changes to initial balances	Balances at 01.01.2007	Allocation of profit of the previous period		Change during the period								Shareholders' equity at 31.12.2007
							Operations on Shareholders' equity							
				Reserves	Dividends and other uses	Changes in reserves	New share issues	Own share purchases	Extraordinary distribution of dividends	Changes in capital instruments	Derivatives on own shares	Stock options	Profit (Loss) for the year at 31.12.2007	
Share capital:														
a) ordinary shares	216,913,200		216,913,200	-			-	-						216,913,200
b) other shares	-		-	-			-	-						-
Issuance premiums	-		-	-			-							-
Reserves: a) of profits	44,252,957	-	44,252,957	12,839,000		-	-	-	-					57,091,957
b) others	-	-	-	-		1,843,000	-		-		-	-		1,843,000
Valuation reserves:														
a) available for sale	(10,763)	-	(10,763)			6,055,247								6,044,484
b) cash flow hedging	-	-	-			-								-
c) others: special revaluation laws	47,865,650	-	47,865,650			-								47,865,650
Equity instruments	-		-							-				-
Own shares	-		-				-	-						-
Profit (Loss) for the year	**30,210,632**	**-**	**30,210,632**	**(12,839,000)**	**(17,371,632)**								**25,149,491**	**25,149,491**
Shareholders' equity	**339,231,676**		**339,231,676**	**-**	**(17,371,632)**	**7,898,247**	**-**	**-**	**-**	**-**	**-**	**-**	**25,149,491**	**354,907,782**

The amount of "reserves: others" corresponds to the goodwill value from the sale of the Corporate branch of the company, as specified at the foot of table 7.2 of the Assets.

CHANGES IN SHAREHOLDERS' EQUITY YEAR 2006

	Balances at 31.12.2005	Changes to initial balances	Balances at 01.01.2006	Allocation of profit of the previous period		Change during the period								Shareholders' equity at 31.12.2006
							Operations on Shareholders' equity							
				Reserves	Dividends and other uses	Changes in reserves	New share issues	Own share purchases	Extraordinary distribution of dividends	Changes in capital instruments	Derivatives on own shares	Stock options	Profit (Loss) for the year at 31.12.2006	
Share capital:														
a) ordinary shares	216,913,200		216,913,200	-			-	-						216,913,200
b) other shares	-		-	-			-	-						-
Issuance premiums	-		-	-			-							-
Reserves: a) of profits	39,819,733	-	39,819,733	4,433,224		-	-	-	-					44,252,957
b) others	-	-	-	-		-	-		-		-	-		-
Valuation reserves:														
a) available for sale	1,034,805	-	1,034,805			(1,045,568)								(10,763)
b) cash flow hedging	-	-	-			-								-
c) others: special revaluation laws	47,865,650	-	47,865,650			-								47,865,650
Equity instruments	-		-							-				-
Own shares	-		-				-	-						-
Profit (Loss) for the year	**13,167,283**	**-**	**13,167,283**	**(4,433,224)**	**(8,734,059)**								**30,210,632**	**30,210,632**
Shareholders' equity	**318,800,671**		**318,800,671**	**-**	**(8,734,059)**	**(1,045,568)**	**-**	**-**	**-**	**-**	**-**	**-**	**30,210,632**	**339,231,676**

CASH FLOWS: INDIRECT METHOD

	31/12/2007	31/12/2006
A. BUSINESS ACTIVITIES		
1. Operating activities	**41,732,868**	**45,558,817**
- profit (loss) for the year (+/-)	25,149,491	30,210,632
- capital gains/losses on financial assets held for trading and on assets/liabilities carried at fair value (-/+)	2,598,834	(13,351,499)
- capital gains/losses on hedging assets (+/-)	1,608,402	(1,010,493)
- net impairment adjustment (+/-)	2,743,426	(1,939,017)
- net adjustment of tangible and intangible fixed assets (+/-)	5,895,660	5,867,191
- net provisions for risks and charges and other costs/revenues (+/-)	8,644,726	8,754,189
- unpaid taxes and duties (+)	15,509,849	19,177,675
- net adjustment of non-current assets and groups of assets in the process of being sold off, net of taxation (+/-)	(3,707,451)	-
- other adjustments (+/-)	(16,710,069)	(2,149,861)
2. Liquidity generated/absorbed by financial assets	**(666,750,900)**	**(1,605,203,593)**
- financial assets held for trading	(659,112,382)	45,939,718
- financial assets carried at fair value	16,456,997	1,127,934,556
- financial assets available for sale	(146,510,346)	412,365,489
- due from banks: on demand	(38,880,868)	(670,651,132)
- due from banks: other receivables	(264,205,201)	(2,440,884,564)
- customer loans	425,707,103	(54,708,758)
- other assets	(206,203)	(25,198,902)
3. Liquidity generated/absorbed by financial liabilities	**601,949,910**	**1,558,151,846**
- due to banks: on demand	1,118,037,770	438,607,230
- due to banks: other payables	(989,632,782)	922,986,622
- due to customers	521,069,134	489,463,042
- securities outstanding	(29,802,022)	(320,419,082)
- financial liabilities held for trading	30,357,366	23,430,310
- financial liabilities carried at *fair value*	(250,724)	(5,331,813)
- other liabilities	(47,828,832)	9,415,537
Net liquidity generated/absorbed by operating activities (A)	**(23,068,122)**	**(1,492,930)**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by	**50,891,324**	**32,020,902**
- sales of equity investment	-	-
- dividends collected from equity investments	150,428	-
- sales of financial assets held to maturity	-	-
- sales of tangible assets	48,897,896	32,020,902
- sales of intangible assets	-	-
- sales of subsidiaries and business units	1,843,000	-
1. Liquidity absorbed by	**(6,467,404)**	**(1,318,990)**
- purchases of equity investment	(1,000,000)	-
- purchases of financial assets held to maturity	-	-
- purchases of tangible assets	(1,233,132)	-
- purchases of intangible assets	(4,234,272)	(1,318,990)
- purchases of subsidiaries and business units	-	-
Net liquidity generated/absorbed by investment activities (B)	**44,423,920**	**30,701,912**
C. FUNDING	-	-
- issues/purchases of own shares	-	-
- issues/purchases of capital instruments	-	-
- distribution of dividends and other	(17,371,632)	(8,738,654)
Net liquidity generated/absorbed by funding activities C(+/-)	**(17,371,632)**	**(8,738,654)**
INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (D)=A+/-B+/-C	**3,984,166**	**20,470,328**

RECONCILIATION

Balance sheet items	31/12/2007	31/12/2006
Cash and cash equivalents at the start of the period (E)	53,861,715	33,391,387
Total net liquidity generated/absorbed in the period (D)	3,984,166	20,470,328
Cash and cash equivalents: effect of variations in exchange rates (F)	-	-
Cash and cash equivalents at the end of the period (G)=E+/-D+/-F	57,845,881	53,861,715

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EXPLANATORY NOTES

EXPLANATORY NOTES

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PART A

Accounting Policies

PART A - ACCOUNTING POLICIES

A.1 - GENERAL INFORMATION

The accounting standards adopted for the preparation of the financial statements at 31st December 2007 are given in this chapter. The accounting standards, which are shared by the whole Group, are set out under the headings of classification, recognition, valuation and derecognition of the various asset and liability items. The description of the related financial effects is given for each of the aforesaid stages, where relevant.

SECTION 1: DECLARATION OF CONFORMITY TO INTERNATIONAL ACCOUNTING STANDARDS (IAS/IFRS)

The financial statements of Iccrea Banca, in application of Lgs. Decree no. 38 of 28th February 2005, have been prepared in accordance with the accounting standards issued by the International Accounting Standard Board (IASB) and related interpretations by the International Financial Reporting Interpretation Committee (IFRIC) and approved by the European Commission, as established by Community Regulation No.1606 of 19th July 2002.
The financial statements at 31st December 2007 have been drawn up on the basis of Circular no. 262 of 22nd December 2005 "Financial statements of banks: compilation methods and regulations" issued by the Bank of Italy.
The accounting policies described below have been applied in drawing up the accounting schedules for all the periods presented.

SECTION 2: GENERAL ACCOUNTING PRINCIPLES

The financial statements consist of the balance sheet, the statement of income, the Changes in shareholders' equity, the Cash Flow Statement and the Explanatory Notes, accompanied by the Directors' report on the business trend, economic results and the equity and financial situation of Iccrea Banca. In compliance with the provisions of Art. 5 of Lgs. Decree no. 38/2005, the financial statements are drawn up with the Euro as the accounting currency.
The amounts in the schedules are expressed in units of Euro, while those in the Explanatory Notes and the Management Report are expressed in thousands of Euro unless otherwise specified.
The financial statements have been drawn up by applying the general standards of IAS 1 and the specific accounting standards approved by the European Commission and described in Part A.2 of these Explanatory Notes, and also in compliance with the general assumptions provided by the framework classification used for the preparation and presentation of financial statements issued by the IASB. No waiver from application of the IAS/IFRS accounting standards was necessary.
The Accounting Schedules and the Explanatory Notes give not only the amounts relative to the period of reference but also the corresponding data of at 31st December 2006 for comparison.

CONTENTS OF THE SCHEDULES

Balance sheet and statement of income
The balance sheet and statement of income schedules are composed of items, sub-items, and further details (the "of which" lines of the items and sub-items). In compliance with the provisions of Circular no. 262 of 22nd December 2005 issued by the Bank of Italy, items with no corresponding amount have been omitted, for both the financial period of reference and the previous financial period. On the statement of income and in the relative sections of the Explanatory Notes revenues are indicated without any sign, while costs are indicated in brackets.

Changes in shareholders' equity

The changes in shareholders' equity is presented according to the format prescribed by Circular no. 262/2005 of the Bank of Italy. The composition and movement of the shareholders' equity accounts occurring in the period of reference and in the previous period are divided under share capital (ordinary shares and others), capital reserves, reserves of profits and from evaluation of assets or liabilities on the balance sheet and the statement of income.

Cash flows

The cash flow statement for the period of reference and the previous period have been drawn up according to the indirect method, according to which cash flows from business operations are represented by the result of the financial period adjusted by the effects of non-monetary operations The cash flows arising from business operations, from investment activities, and from funding activities are indicated separately. Cash generated during the financial period is shown without any sign, while cash used is indicated in parentheses.

Contents of the Explanatory Notes

The Explanatory Notes give the information as prescribed by Circular no. 262/2005 of the Bank of Italy and other information as prescribed by the international accounting standards. For full information on the schedules as defined by the Bank of Italy, items with no corresponding amount in the period of reference and in the previous period are nevertheless listed on the financial statements.

SECTION 3: SUBSEQUENT EVENTS AFTER THE RELEVANT DATE OF THE FINANCIAL STATEMENT.

Events occurring after the closure of the financial period and which would affect the results of the financial statement at 31st December 2007 are mentioned in the Management Report.

However, no significant events have occurred after the closure of the period which could significantly alter the values and results reported

SECTION 4: OTHER ASPECTS

Option to use the national consolidated tax return

As from 2004, Iccrea Holding and all the companies of the Group including Iccrea Banca, have adopted the so-called "national consolidated tax return" disciplined by arts. 117-129 of the TUIR (consolidated act on income tax) introduced by Lgs. Decree no.344/2003. This is an optional regime pursuant to which the total net income or tax loss of each subsidiary company included in the consolidation area - together with the taxes withheld, deductions, and tax credits - are transferred to the parent company, for which a single taxable income or tax loss is calculated (resulting from the algebraic sum of the income/losses of the parent company and the subsidiaries, and therefore a single tax debit/credit), which can also be carried forward.

Due to this option, each of the companies of the Group which have adhered to the "national consolidated tax return" system calculate their own tax burden and the corresponding taxable income is transferred to the Parent Company. If one or more of the participants have a negative taxable income, and if there is a consolidated income for the financial year or a high probability of a future taxable income, the tax losses will be transferred to the Parent Company.

A.2 - THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

The main accounting standards adopted for the most important items on the financial statements are indicated in this chapter. The said items are posted according to the classification, recognition, valuation, and derecognition stages of the same in the assets and liabilities. The description of the relative financial effect is given for each of the aforesaid stages, where relevant.

1 - FINANCIAL ASSETS HELD FOR TRADING

Classification criteria

Financial assets held for short term trading purposes are included in this category, regardless of their technical form. Derivatives with positive values, also including those from implicit derivate unbundling operations which do not form part of effective hedging operations, have been entered.

Recognition criteria

For financial assets, debt and capital instruments are first entered on settlement date, while derivatives are entered on the date they are undersigned. Financial assets are initially entered at fair value, which normally corresponds to the amount paid or collected. If the amount is different from fair value, the financial asset is entered at its fair value and the difference between the actual amount and the fair value is entered on the statement of income.

Derivative contracts incorporated into financial instruments or other contractual forms that present economic and risk characteristics not connected to the host instrument or which have elements to be qualified as derivative contracts themselves, are entered separately in the category of financial assets held for trading, unless the complex instrument in which they are contained is valued at fair value with an effect on the statement of income. Following the separation of the implicit derivative, the main contract will be treated according to the accounting rules of its own classification category.

Valuation criteria

After initial recognition, financial assets held for trading are booked at fair value. For financial instruments listed on active markets, determination of the fair value of financial assets or liabilities is based on official prices recognised on the date of the financial statements. For financial instruments, including capital securities, which are not listed on active markets, the fair value is determined using valuation techniques and data available on the market, such as market listings for similar instruments, the calculation of discounted cash flows, models for the calculation of option prices, or values recognised in recent comparable transactions.

If the fair value obtained by technical valuation cannot be reliably determined for the capital securities and the related derivative instruments, the financial instruments are measured at cost and adjusted for any losses due to impairment.

Derecognition criteria

Financial assets for trading are derecognized from the balance sheet if the contractual rights regarding the cash flows have expired or if assignments have been made which transfer all the risks and benefits connected to ownership of the transferred asset to third parties. However, if a prevalent percentage of the risks and benefits of financial assets sold are maintained, they will continue to be entered on the financial statements, even if the ownership of such assets has effectively been transferred.

If substantial transfer of the risks and benefits cannot be ascertained, but no type of control is exercised over the same, the financial asset is derecognized from the financial statements. Otherwise, when such control is maintained, even partially, the asset is entered on the balance sheet to the extent to which the said control is maintained, calculated according to the change in the value of the asset sold and the variations in the cash flows of the same.

Criteria for recognising income components

The results of the valuation of financial trading assets are recorded on the statement of income. Dividends on a representative capital instrument held for trading are recognised on the statement of income when the right to receive payment matures.

2 - FINANCIAL ASSETS AVAILABLE FOR SALE

Classification criteria

Financial assets other than derivatives and which are not classified as assets on the balance sheet, are included in this category as "Financial assets held for trading", "Financial assets carried at fair value", "Bank receivables" and "Customer receivables".

Specifically, this item includes: non-controlling equity holdings, equity with joint control, and equity in associated companies not held for the purpose of trading; unit trusts which are either non-listed or with low movement; specific bond instruments, identified on a case by case basis according to the purposes for which they are purchased/held.

Recognition criteria

Financial assets available for sale are first entered on payment date. They are initially entered at fair value, which normally corresponds to the amount paid or received. If the amount is different from fair value, the financial asset is entered at its fair value and the difference between the actual amount and the fair value is entered on the statement of income. The value of the initial entry includes the charges and profit directly associated with the transaction and quantifiable on the date of entry, even if cashed later.

Valuation criteria

After initial recognition, financial assets held for trading are booked at fair value. In order to determine fair value, the criteria previously noted in the paragraph on financial assets held for trading are applied. If the fair value obtained by technical valuation cannot be reliably determined, the financial instruments are measured at cost and adjusted for any losses due to impairment.

Derecognition criteria

Financial assets for trading are derecognized from the balance sheet if the contractual rights regarding the cash flows have expired or if transactions have been concluded which transfer all the risks and benefits connected to ownership of the transferred asset to third parties. However, if a prevalent percentage of the risks and benefits of financial assets sold are maintained, they will continue to be entered on the financial statements, even if the ownership of has effectively been transferred.

If substantial transfer of the risks and benefits cannot be ascertained, but no type of control is exercised over the same, the financial asset is derecognized from the financial statements. Otherwise, when such control is maintained, even partially, the asset is entered on the balance sheet to the extent to which the said control is maintained, calculated according to the change in the value of the asset sold and the variations in the cash flows of the same. They are derecognized from the financial statements if the contractual rights to receive the relative cash flows are maintained but with the commitment to pay such flows, and only those, to third parties.

Criteria for recognising income components

Profits and losses deriving from variations in fair value are registered in a special shareholders' equity provision, until the moment at which they are derecognized, while the value of the written-down cost is entered on the statement of income.

Financial assets available for sale are examined in order to verify the existence of real evidence of a fall in value. If such evidence is found, the accumulative loss is entered directly in the shareholders' equity and offset on the statement of income; the amount of the loss is calculated as the difference between the purchase cost, net of any reimbursement of capital and net of depreciation, and the current fair value, after deduction of any loss for impairment previously registered on the statement of income. If the reasons for the loss in value no longer exist subsequent to an event occurring after the registration of the reduction in value, the increase in the value of securities or debt instruments is posted on the statement of income, and for capital instruments in the shareholders' equity. The amount of the recovery cannot, however, exceed the amount of the write-downs previous applied to the instrument.

Apart from recording any impairment in value, the profits and losses accumulated in the shareholders' equity provision, as mentioned above, are entered on the statement of income under item 100 ("profit/loss from the sale of financial assets available for sale") when the asset is sold. Dividends on a representative capital instrument held for trading are recognised on the statement of income when the right to receive payment matures.

3 - FINANCIAL ASSETS HELD TO MATURITY

At the relevant date of the financial statements, there were no financial assets in this category.

4 - LOANS

Classification criteria
Loans are classified under the items "Due From banks" and "Customer Loans" whether provided directly or acquired from third parties not listed on active markets, and which have set, fixed payments with the exception of those classified under the items: "Financial assets held for trading", "Financial assets carried at fair value" and "Financial assets available for sale". Among others, any securities that have similar characteristics to receivables are included, as well as operating credit and repurchase agreements.

Recognition criteria
Loans are entered on the balance sheet at the date they are issued or, in the case of debt instruments, on the settlement date. They are initially entered at amount paid out or at the underwriting value, including any costs/income directly resulting from the transaction and determined on the entry date, even if paid or received later. Costs relative to repayment on the part of the borrower or relative to normal internal administrative costs are excluded the first time the loan is entered. Loans granted at other than normal market conditions are initially entered at the fair value of the receivable , determined by means of valuation techniques; the difference between fair value and the sum issued or the underwriting price is entered on the statement of income.

Contangos and repurchase agreements with forward repurchase or resell obligation are recognised on the financial statements as deposit or loan transactions; cash sale and forward repurchase transactions are recognised on the financial statements as debts for the cash amount received, while cash purchase and forward re-sale operations are recognised as receivables valued at the cash amount paid. Transactions with banks, with which giro accounts exist, are recorded at the time of payment, and therefore these accounts are adjusted for all the non-liquid items regarding the deeds and documents received or sent, recognised as 'subject to collection' or registered after actual collection.

Valuation criteria
After the initial recognition, receivables are entered at their written down value. The depreciated cost of a financial asset is equal to the initial recognition value, net of any capital reim-

bursements, and increased or decreased by total depreciation calculated by application of the effective interest method on any difference between the initial value and the value on expiry, and taking into account any deduction (directly or through an allocation) subsequent to a reduction in value or non-recoverability.

The cost thus written down is not applied to short-term receivables, technical instruments without a defined maturity date and revoked loans, for which the application of such a criterion would be devoid of significance. These values are entered at cost.

The receivables portfolio is subject to periodic valuation, but is in any case also examined when financial statements are closed in order to check on the existence of any elements which would cause impairment due to losses Non performing credit, watchlisted credit, restructured exposure, and expired exposure and credit outstanding for more than 180 days as prescribed by the current rules of the Bank of Italy, in compliance with IAS/IFRS rules, are considered as impaired. After the initial entry of the receivable, impairment is only recorded, however, when there is objective evidence of the occurrence of events which cause impairment of the same to the extent that there is a variation in cash flows which can be reliably calculated.

Receivables that are impaired due to objective evidence of loss are subject to analytical valuation. The amount of the loss is the difference between the initial entry value of the asset and the current value of the expected cash flows discounted at the original effective interest rate of the financial asset.

The valuation of receivables takes into consideration: the "maximum recoverable" amount, corresponding to the most precise calculation possible according to expected cash flows and interest from the receivable; the sale value of any guarantees net of expenses for recovery; recovery times, estimated on the basis of the contractual expiry dates if present, and on reasonable estimates if there are no contractual agreements; the discount rate, i.e. the original effective interest rate; and for impaired receivables existing at the transition date for which it would be excessively costly to obtain data, reasonable estimates such as the average rate of the loans which have became non-performing in the year, or the restructuring rate.

If recovery is expected in the short term, the analytical evaluation does not discount back cash flows. The original effective rate of each receivable does not change over time, even if the contractual rate has been varied subsequent to debt restructuring, and even if the contractual interest is no longer valid.

Receivables without objective evidence of loss for impairment are subject to collective valuation by the creation of groups of positions with a similar risk profile. They are then written down on the basis of the historical performance of loss for each specific group. In order to determine the historical series, the positions subject to analytical valuation are not included in such groups. The consequent collective value adjustments are entered on the statement of income. Impairment of unsecured credit is also subjected to collective valuation according to the same criteria.

Derecognition criteria

Receivables are derecognized when they reach expiry or are transferred. Sold credit is derecognized from the assets on the financial statements only when the sale has involved the substantial transfer of all the risks and benefits linked to the same. However, if risks and benefits of the sold credit are maintained, it will continue to be booked to the assets, even if the ownership of such credit has effectively been transferred.
If substantial transfer of the risks and benefits cannot be ascertained, the credit is derecognized from the financial statements when no type of control is exercised over the same. Otherwise, when such control is maintained, even partially, the credit is entered on the ba-

lance sheet to the extent of the said control, calculating the loan according to the change in the value of the credit sold and the variations in the cash flows of the same. Such credit is derecognized from the financial statements, however, if the contractual rights to receive the relative cash flows are maintained but with the commitment to pay such flows, and only those, to third parties.

Criteria for recognising income components
Subsequent to initial entry, receivables are then valued at the written down cost, corresponding to the first entry net of capital repayments, writedowns/writebacks in value and increased or decreased by the amortisement - calculated with the effective interest rate method - applied to the difference between the amount paid out and that repayable at maturity date, based on costs/income directly connected to each single loan. The effective interest rate is the rate that equals the present value of the future receivable flows, for capital and interest, applied to the amount paid inclusive of costs/income connected to the receivable. This financial accounting logic allows the financial effect of costs/income to be distributed over the expected residual life of the receivable.

The depreciated cost method is not used for receivables that have such a brief duration since application of the discounting-back logic would be negligible. Such receivables are entered at their original cost. The same valuation principle is adopted for receivables without a definite expiry or which are revocable.

Loss due to impairment, as defined in the previous paragraph on the valuation of receivables, is recognised on the statement of income. If the reasons for the loss in value no longer exist, subsequent to an event occurring after the registration of the reduction in value, the recovered value is posted on the statement of income. The adjusted value, however, may never be higher than the value of the depreciated cost that the receivable would have had if the loss due to impairment had never been recorded. Reinstatement of value linked to the passing of time, corresponding to interest matured during the financial period on the basis of the original effective interest rate previously used to calculate the loss due to impairment, is entered as recovery of value previously lost due to impairment.

5 - FINANCIAL ASSETS CARRIED AT FAIR VALUE

Classification criteria
The item "Financial assets carried at fair value" includes financial assets that have been estimated at their fair value as from their first entry, in accordance with the requirements for the classification of that item, regardless of their technical form..

Recognition criteria
Financial assets carried at fair value are first entered on the date of payment for debt and capital instruments. The fair value for the initial entry of financial assets normally corresponds to the amount paid or collected. If the amount paid or received is different from fair value, the financial asset is entered at its fair value and the difference between the actual sum and the fair value is entered on the statement of income.

Valuation criteria
Subsequent to the initial entry, the financial assets of this item are booked at fair value. In order to determine fair value, the criteria previously noted in the paragraph on financial assets held for trading are applied.

Derecognition criteria
Financial assets carried at fair value are derecognized from the balance sheet if the contractual rights regarding the cash flows have expired or if all the risks and benefits connected to

ownership have been transferred to third parties. However, if a prevalent percentage of the risks and benefits of financial assets sold are maintained, they will continue to be entered on the financial statements, even if the ownership of such assets has effectively been transferred.

If substantial transfer of the risks and benefits cannot be ascertained, but no type of control is exercised over the same, the financial asset is derecognized from the financial statements. Otherwise, when such control is maintained, even partially, the asset is entered on the balance sheet to the extent to which the said control is maintained, calculated according to the change in the value of the asset sold and the variations in the cash flows of the same. They are derecognized from the financial statements if the contractual rights to receive the relative cash flows are maintained but with the commitment to pay such flows, and only the same, to third parties.

Criteria for recognising income components
The results of the valuation are entered on the statement of income.

6 - HEDGING OPERATIONS

Classification criteria
Derivative contracts for hedging purposes are used to protect against different types of risk (interest rate risks, exchange rate risks, price risks, credit risks, etc.). Specifically, fair value is hedged in order to cover the risk of variations in fair value; cash flow is hedged to cover the risk of variations in cash flows. The "hedge derivatives" of the assets and liabilities on the balance sheet include the positive and negative value of derivatives which are effectively used for hedging operations.

Recognition criteria
Hedging derivates and the financial assets and liabilities for effective hedging are posted on the financial statements according to the accounting criteria for hedging operations. Operations classified as hedging, with formal documentation of the transaction between the instrument hedged and the hedging instrument, are considered effective if initially and for the entire duration of the hedge the variations in fair value or cash flows of the instrument hedged are almost completely compensated by variations in the fair value and cash flows of the derivative hedging instrument.

On closure of the financial statements, effectiveness must be tested using prospective and retrospective tests, and the cover relationship is considered as effective if the ratio between the variations in value does not exceed the established limit of 80-125 per cent.

Valuation and entry criteria for income components
Hedging derivatives entered under the assets and liabilities are carried at fair value and the variation in fair value, for derivatives included in fair value hedging, is entered on the statement of income. For cash flow hedging, for the part of the derivative which effectively covers the flow, variations in fair value are entered in the shareholders' equity, and only when, with reference to the item covered, there is a variation in the cash flows to be compensated, are they entered on the statement of income.

In the case of fair value hedging, the change in the fair value of the part actually covering the risk, is entered on the statement of income. In the case of specific hedging, the asset or liability hedged, entered on the financial statements according to the pertinent classification, is written down or up for the amount of the variation in the fair value of the part actually hedged.

Derecognition criteria
If the tests carried out do not confirm the effectiveness of the hedging, the accounting of the hedge operations is discontinued according to the criteria in this paragraph, and the accounting principles foreseen for the category to which the derivative belongs are applied and the

derivative is reclassified as a trading instrument; successive variations in fair value are entered on the statement of income. For cash flow hedging, if the transaction covered is no longer expected to be carried out, the accumulated profit or loss entered in the shareholders' equity reserve is transferred to the statement of income.

7 - EQUITY INVESTMENTS

Classification criteria

The item "Equity investments" includes shareholdings in subsidiary, associated and jointly controlled companies. Companies of which more than half of the voting rights are held, unless it can be demonstrated that such possession does not involve any control, and companies for which the power of determining financial and management policies is exercised, are considered as subsidiaries. The consolidated financial statements are drawn up by the parent company.
Jointly controlled companies are those in which control is shared with other parties pursuant to contract. Associated companies are those of which at least 20 per cent of the voting rights are held directly or indirectly, or, even if a lower percentage of voting rights is held, considerable influence can be shown in the sense of influencing financial and management policies without, however, having control or joint control. Control, joint control, or association will be considered as terminated when the financial and management policies of the subsidiary/joint/associated company can no longer be influenced by the administrative organ and is placed under the authority of a single government entity or a court, and in similar situations. Equity holdings in these cases will be ruled by IAS 39 as prescribed for financial instruments

In determining equity holdings, only the elements (percentage of holding, effective and potential voting rights, considerable influence) that exist at the level of individual financial statements are considered. Equity holdings of subsidiary, jointly controlled and associated companies due to be sold are recorded separately on the financial statements as a group in the process of being sold off, and valuated at the lesser of either the book value or the fair value, net of the divestment costs.

Recognition criteria

Equity holdings are initially entered at cost on the date of payment, inclusive of costs or income directly related to the transaction.

Valuation criteria

Equity investments in subsidiary, associated and jointly controlled companies are valued at cost. If there is evidence that the value of any stake may have suffered a reduction in value, the recoverable value of the investment is assessed taking into account the market value or the present value of future financial flows. If the recoverable value is lower than the book value, the difference is posted on the Statement of income as a loss equal to the reduction in value.

Derecognition criteria

Equity investments are derecognized when contractual rights on financial cash flows from the same either expire or are sold with the substantial transfer of all relative risks and benefits.

Criteria for recognising income components

Dividends on equity investments valued at cost are entered on the statement of income when the right to receive payment matures. The loss due to impairment of holdings in subsidiary, associated, or jointly controlled companies valuated at cost is entered on the statement of income. If the reasons for the loss due to the reduced value are removed subsequent to an event occurring after the registration of the reduction in value, the increase in value is posted on the Statement of income.

8 - TANGIBLE ASSETS

This item includes tangible assets with a functional use and those held for investment.

Tangible assets with a functional use

Classification criteria
Such tangible assets include land, instrumental fixed assets, technical plant, furniture and fittings and equipment of any kind. These are tangible assets for use in production or for the supply of goods and services or for administrative uses, which are expected to be used for more than one financial period.

Recognition criteria
Tangible fixed assets are initially entered at cost, which includes not only the purchase price but also any connected charges directly ensuing from the purchase and costs involved in starting up use of the object. Extraordinary maintenance costs which involve an increase in future economic benefits are entered as an increase in the value of the asset, whereas ordinary maintenance costs are entered on the statement of income.

Valuation criteria
Tangible assets, including real estate investments, are valued at cost after deduction of any writedowns and loss in value. Depreciation is systematically determined according to the remaining useful lifetime of the asset. The depreciable value is represented by the cost of the goods, since the residual value at the end of the depreciation process is not held to be significant. Depreciation rates are determined according to the remaining possibility of use of the asset, taking into consideration the depreciation in their value and consumption, which is 3% in the case of fixed assets.

The useful lifetime of the tangible assets is reviewed at the closure of every financial period, and if it differs from previous estimates, the depreciation rate is adjusted for the current and subsequent financial periods. Land which is acquired separately or incorporated into the value of a building held from ground to roof level is not subject to depreciation.

Derecognition criteria
Tangible assets are removed from the balance sheet when they are sold off or when no further financial benefits are expected from their use or sale.

Criteria for recognising income components
Depreciation is entered on the statement of income. If there are indications that point to a potential loss in the value of an element of the tangible assets, a comparison is made between the carrying amount and the recoverable amount, which is the greater of either the usage value, understood as the present value of future cash flows originating from the asset, and the fair value net of divestment costs. If the reasons that led to the value adjustment are no longer valid, the value is written back on the statement of income. However, the write-back may not result in a value greater than that which the asset would have had if it had not been previously subjected to impairment.

Investments in fixed assets
Fixed assets are those that are owned for the purposes of receiving rental income and/or for the appreciation of the invested capital. The same criteria for initial recognition, valuation, and elimination that are used for assets held for instrumental use, are applied to investments in fixed assets.

9 - INTANGIBLE ASSETS

Classification criteria

Intangible assets are entered as such if they can be identified and if they are based on legal or contractual rights. The also include software.

Recognition criteria

Intangible assets are entered on the balance sheet at cost, plus any connected charges, only if probable future economic benefits ascribable to the asset can feasibly be expected and if the cost of the asset itself can be reliably determined. Otherwise, the cost of the intangible assets is entered on the statement of income in the year in which the expenditure is effectively sustained.

Valuation criteria

Intangible assets recognised at cost are subject to amortisation at a linear rate, in accordance with the estimated residual life of the asset.

Derecognition criteria

Intangible assets are written off when they are scrapped or sold and if no future financial benefits are expected from their use or divestment.

Criteria for recognising income components

Depreciation is entered on the statement of income. Where there are indications that suggest impairment of an intangible asset, a test is carried out to check on the impairment loss. Any difference between the book value and the recoverable amount is recorded on the statement of income. If the reasons that led to the value adjustment are no longer valid, the value is written back on the statement of income. However, the write-back may not result in a value greater than that which the asset would have had if it had not been previously subjected to impairment.

10 - NON-CURRENT ASSETS AND GROUP OF ASSETS IN THE PROCESS OF BEING SOLD OFF

Entry and classification criteria

This item includes non-current assets destined for sale, and assets and liabilities attached to groups for which sale is expected within twelve months from classification date, such as any equity investments in subsidiary, associated, or jointly controlled companies, and tangible or intangible fixed assets or assets and liabilities attached to a company branch subject to conveyance.

Valuation and entry criteria for income components

The assets and liabilities included in this item are valued at the lesser of either the book value or the fair value net of sales costs. The related income and charges are shown on the statement of income under a separate item, net of any tax effect.

11 - CURRENT AND DEFERRED TAXES

Classification criteria

Prepaid and deferred taxes are entered on the balance sheet with open balances and without compensation, the former under "Tax assets" and the latter under "Tax liabilities".

Recognition criteria

Prepaid taxes are entered as assets when their recovery is probable. Deferred taxes are entered when the relative liability is probable.

Valuation criteria

When the results of the operations are entered directly in the shareholders' equity, the current taxes, prepaid tax assets, and deferred tax liabilities are also charged to the shareholders' equity.

Tax assets and liabilities entered for prepaid and deferred taxes are periodically assessed to take into account any amendments in legal provisions or changes in rates.

Criteria for recognising income components

Income taxes are entered on the Statement of income, except those relative to items debited or credited directly to the shareholders' equity. Income taxes are calculated according to the tax laws in force. Current tax debits and credits are recognised at the value that is expected to be paid to/received from the tax authorities applying tax rates and laws in force. Deferred and prepaid taxes are calculated on the temporary differences between the values of the assets and the liabilities entered on the financial statements and the corresponding amounts recognised for tax purposes.

12 - PROVISIONS FOR RISKS AND CHARGES

Other provisions for risks and charges

Entry and classification criteria

The risk and charge allocations are entered on the statement of income and recognised as liabilities in the shareholders' equity if there is an existing, legal, or implicit obligation arising from a past event for which it is likely that the obligation must be honoured, on condition that the loss associated with the liability can be reliably estimated. The provisions are recorded at the value that represents the best estimate of the amount requested to settle the obligation, or to transfer it to third parties, at the closure date of the financial statements.

When the financial effect linked to the passing of time is significant and the payment dates of the obligations can be estimated reliably, the provision is discounted back at the market rates in force on the date of the financial statements.

Valuation and entry criteria for income components

These provisions are reviewed at the end of each financial period and are adjusted to reflect updated estimates of expenses necessary to perform the obligations existing at the date of closure of the financial statements. The effect of the passing of time and the variation in interest rates are recorded on the statement of income in the net provisions for the period.

Derecognition criteria

The provisions are only used for the charges against which they were originally recorded. If it is deemed improbable that fulfilment of the obligation will probably call for the use of resources, the provision is reversed and re-allocated on the statement of income.

13 - DEBT INSTRUMENTS AND SECURITIES IN CIRCULATION

Classification criteria

Financial liabilities which are not held for short term trading purposes are classified under loans and securities in circulation, and include the different technical forms of interbank and customer funding and the deposits made through the issue of bond securities, net of any repurchased amounts.

Recognition criteria

The first entry is on the basis of the fair value of the liability, normally for the amount paid or at the issue price, increased/decreased by any costs or income directly connected to the single operation of the provision of funds or the issue and not repaid by the lender, and excluding internal administrative costs. Loans granted at other than prevalent market conditions are entered at fair value according to the best estimate, and the difference between this value and the amount paid or the value of the issue is entered on the statement of income.

Valuation and entry criteria for income components

Subsequent to the initial entry, these items are booked at the depreciated cost, calculated according to the effective interest rate method, except for short term liabilities for which the temporal factor is negligible, which are posted at the cash-in value. Criteria for calculating the depreciated cost are those indicated in the paragraph further above on receivables.

Derecognition criteria

Financial liabilities entered under the present items are removed from the balance sheet not only consequent to extinction or expiry, but also in the case of the repurchase of securities issued previously. In this case, the difference between the book value of a liability and the amount paid for purchase is entered on the statement of income. The replacing on the market of own securities after buyback is considered as a new issue with entry at the new placing price and with no effect on the statement of income.

14 - FINANCIAL LIABILITIES HELD FOR TRADING

Classification criteria

This item includes the negative value of derivative contracts that are not included in hedging and the negative value of the implicit derivatives in complex contracts. Liabilities that derive from technical overdrafts generated by security trading activities are entered under "Financial liabilities held for trading".

Recognition criteria

Financial liabilities relative to debt and capital instrument are entered on settlement date, while derivatives are entered on the date they are undersigned. Financial liabilities are initially entered at fair value, which normally corresponds to the amount collected. If the amount paid is different from fair value, the financial liability is entered at its fair value and the difference between the actual payment and the fair value is entered on the statement of income.

Derivative contracts incorporated into financial instruments or other contractual forms that present economic and risk characteristics not connected to the host instrument or which have elements to be qualified as derivative contracts themselves, are entered separately, in the category of financial liabilities held for trading if they have a negative value, unless the complex instrument which contains them is valued at fair value with an effect on the statement of income.

Valuation criteria

After initial entry, financial liabilities held for trading are then booked at fair value. In order to determine fair value, the criteria previously noted in the paragraph on financial assets held for trading are applied.

Derecognition criteria

Financial liabilities for trading are derecognized when they are extinguished and on expiry.

Criteria for recognising income components

The results of the valuation of Financial liabilities held for trading are recorded on the statement of income.

15 - FINANCIAL LIABILITIES CARRIED AT *FAIR VALUE*

Classification criteria

The item "Financial liabilities carried at fair value" includes financial liabilities that have been estimated at their fair value as from their first entry, in accordance with the requirements for the classification of that item, regardless of their technical form.

Recognition criteria

In the case of debt and capital instruments, financial liabilities carried at fair value are first entered on the date of payment. Financial liabilities are first entered at fair value, which normally corresponds to the amount paid or collected. If the amount paid is different from fair value, the financial liability is entered at its fair value and the difference between the actual payment and the fair value is entered on the statement of income.

Valuation criteria

Subsequent to the initial entry, the financial liabilities of this item are booked at fair value. In order to determine fair value, the criteria previously noted in the paragraph on financial liabilities held for trading are applied. No variations in fair value depending on variations of the creditworthiness of the items have been found.

Derecognition criteria

Financial liabilities carried at fair value are derecognized from the balance sheet if the contractual rights regarding the cash flows have expired or if all the risks and benefits connected to ownership have been transferred to third parties.

Criteria for recognising income components

The results of the valuation are entered on the statement of income.

16 - CURRENCY TRANSACTIONS

Recognition criteria

Operations in foreign currency are first entered in the accounting currency, applying the exchange rate in force at the moment of the operation.

Criteria for recognising income components

At the end of every financial period, foreign currency entries are valued as follows:

- cash entries are converted at the exchange rate quoted on the statement closure date;
- non-cash entries are carried at their original cost converted at the exchange rate quoted on the date of the operation;
- non-cash entries carried at fair value are converted at the exchange rate quoted on the statement closure date.

Exchange differences resulting from the settlement of cash elements or from the conversion of non-cash elements at rates other than those of the initial conversion or the conversion rate of the previous financial statements, are entered on the statement of income of the financial period in which they arise. When a gain or a loss relative to a non-cash element is entered in the shareholders' equity, the exchange difference for that element is also entered on the balance sheet. However, when a gain or loss is entered on the statement of income, the relative exchange difference is also entered on the said statement.

17 - OTHER INFORMATION

Provision for employee severance indemnity

Subsequent to the complementary pension reform of Lgs. Decree n. 255 of 5th December 2005, modifications have been introduced in the way of registering severance indemnity. Severance indemnity quotas matured at 31st December 2006 are classified as "defined benefit" schemes, since the company must pay the employee, in the cases prescribed to law, the amount specified in art. 2120 of the civil code. The changes compared to the situation prior to 31st December 2006, regard the cases of actuarial calculations of the model, which must include the revaluation foreseen by art. 2120 of the civil code (application of a rate of which 1.5 percent is a fixed sum and 75 percent depends on the ISTATE inflation index) and must no longer represent the company's estimate. Consequently the provision at 31st December 2006 must be valued on a new model which no longer takes into account any variable such as mean annual salary increase rate, remuneration framework, seniority, or percentage salary increases on promotion.

However, severance indemnity quotas maturing as of 1st January 2007 destined for complementary pension schemes and those destined for the INPS treasury fund, are classified as "defined contribution" schemes, since the company's obligation towards the employee ceases on payment of the fund quota that has fallen due.
According to the above, as of 1st January 2007 the Bank:
- continues to fulfil its obligation for quotas which have matured up to 31st December 2006 pursuant to the rules of the defined benefit schemes; this means that the obligation for benefits matured by employees by the use of actuarial techniques must be calculated, on the basis of which the total actuarial gains and losses must be calculated, as well as the part of these which must be then calculated according to the "corridor method" previously used;
- fulfils its obligation for the quotas maturing as of 1st January 2007 pursuant to the complementary pension schemes or the INPS treasury fund, paying the contributions due each financial period, since these are "defined contribution" schemes. In the case of severance indemnity provisions destined for complementary pension schemes, this system starts as of the moment the choice is made or, if the employee does not express any preference, as of 1st July 2007.

Consequent to the new legislation, the severance indemnity provision was recalculated at 31st December 2006 according to the new actuarial methodology. The difference resulting from the actuarial recalculation presents a variation in the defined benefit schemes and the resulting gains or losses (including the actuarial component not previously entered in application of the corridor method) have been entered on the statement of income pursuant to IAS 19.

Recognition of revenues
Revenues are recognised when they are perceived, or at least when future benefits are expected or produced, and when such future benefits can be reliably expected and quantified. In the case of services rendered, the revenues are recognised when the service is actually performed.

In particular:
- interests are recognised on an accruals basis according to the contractual interest rate or the effective rate in the case of the application of the depreciated cost;
- interests on arrears, if foreseen contractually, are entered on the statement of income only when they are effectively collected;
- dividends are entered on the statement of income when resolution is passed in favour of their distribution;
- commission on revenues from services are entered in the period in which the services are performed;
- revenue from financial instruments brokerage, calculated as the difference between the price of the transaction and the fair value of the instrument, are entered on the statement of income when the operation is registered if the fair value can be determined according to recently observed parameters or transactions relative to the same market. If such values are difficult to obtain or if they present reduced liquidity, the financial instrument is entered at the transaction price, after deduction of the mark up; the difference between this and fair value is entered on the statement of income for the entire period of the operation, with gradual reduction, in the assessment model, of the corrective factor linked to the reduced liquidity of the instrument;
- revenue from the sale of non-financial assets are entered at the moment of the conclusion of the sale, unless the bank has maintained a majority of the risks and benefits connected to the same.

Expenditure for improvements on property belonging to third parties
Expenses for refurbishing buildings belonging to third parties, without an independent function or use, are classified on the financial statements under other assets, pursuant to the Bank of Italy's circular n. 262; relative amortisation, applied for a period which does not exceed the rental contract, is entered on the balance under other management costs.

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PART B

Comments on the Balance Sheet

PART B - COMMENTS ON THE BALANCE SHEET

ASSETS

SECTION 1: CASH AND CASH EQUIVALENTS - ITEM 10

Values in legal tender are entered in this item, including banknotes and coins in foreign currency and unrestricted deposits with the Central Bank.

1.1 CASH AND CASH EQUIVALENTS: BREAKDOWN

Voci	31/12/2007	31/12/2006
a) Cash	57,846	53,862
b) Unrestricted deposits at Central Banks	-	-
Total	**57,846**	**53,862**

SECTION 2: FINANCIAL ASSETS HELD FOR TRADING - ITEM 20

This item lists financial assets (debt securities, capital securities, derivative instruments) classified in the trading portfolio. Assets transferred but not derecognized include own shares used for repurchase operations.

2.1 FINANCIAL ASSETS HELD FOR TRADING: BREAKDOWN BY TYPE

	31/12/2007		31/12/2006	
Items/Amounts	Listed	Unlisted	Listed	Unlisted
A. Cash assets				
1. Debt securities	**526,491**	**20,681**	**351,378**	**8,772**
1.1 Structured securities	17	289	68	133
1.2 Other debt securities	526,474	20,392	351,310	8,639
2. Equity securities	**2,057**	**27**	**1,801**	**8**
3. UCITS units	**52,616**	**-**	**49,384**	**-**
4. Loans	**-**	**-**	**-**	**-**
4.1 Repurchase agreements receivable	-	-	-	-
4.2 Other	-	-	-	-
5. Impaired assets	**-**	**-**	**-**	**-**
6. Assets transferred but not derecognized	**486,610**	**-**	**50,484**	**-**
Total A	**1,067,774**	**20,708**	**453,047**	**8,780**
B Derivatives				
1. Financial derivatives	**576**	**318,179**	**307**	**279,793**
1.1 from trading	576	311,876	307	272,288
1.2 tied to fair *value option*	-	6,303	-	7,505
1.3 other	-	-	-	-
2. Credit derivatives	**-**	**73**	**-**	**38**
2.1 from trading	-	73	-	38
2.2 tied to fair *value option*	-	-	-	-
2.3 other	-	-	-	-
Total B	**576**	**318,252**	**307**	**279,831**
Total (A+B)	**1,068,350**	**338,960**	**453,354**	**288,611**

2.2 FINANCIAL ASSETS HELD FOR TRADING: BREAKDOWN ACCORDING TO DEBTORS/ISSUERS

Items/Amounts	Total at 31/12/2007	Total at 31/12/2006
A. Cash assets		
1. Debt securities	**547,172**	**360,150**
a) Governments and Central banks	536,904	345,205
b) Other government agencies	220	253
c) Banks	6,735	12,041
d) Other issuers	3,313	2,651
2. Equity securities	**2,084**	**1,809**
a) Banks	3	4
b) Other issuers:	2,081	1,805
- insurance companies	7	8
- financial companies	20	20
- non financial companies	2,054	1,777
- other	-	-
3. UCITS units	**52,616**	**49,384**
4. Loans	**-**	**-**
a) Governments and Central banks	-	-
b) Other government agencies	-	-
c) Banks	-	-
d) Other subjects	-	-
5. Impaired assets	**-**	**-**
a) Governments and Central banks	-	-
b) Other government agencies	-	-
c) Banks	-	-
d) Other subjects	-	-
6. Assets transferred but not derecognized	**486,610**	**50,484**
a) Governments and Central banks	486,610	50,484
b) Other government agencies	-	-
c) Banks	-	-
d) Other issuers	-	-
Total A	**1,088,482**	**461,827**
B. Derivatives		
a) Banks	286,477	248,049
b) Customers	32,351	32,089
Total B	**318,828**	**280,138**
Total (A+B)	**1,407,310**	**741,965**

The financial assets have been divided according to economic compartment of the debtors or issuers (for securities) according to the classification criteria indicated by the Bank of Italy.
The UCITS units at the date of these financial statements are open-end share funds.

2.3 FINANCIAL ASSETS HELD FOR TRADING: DERIVATIVE INSTRUMENTS

Type of derivatives/underlying assets	Interest rates	Currency and gold	Equity securities	Loans	Other	Total at 31/12/2007	Total at 31/12/2006
A) Listed derivatives							
1. Financial derivatives:	**479**	**-**	**97**	**-**	**-**	**576**	**307**
• *with principal exchange*	*179*	-	*1*	-	-	*180*	*127*
- Options bought	-	-	-	-	-	-	-
- Other derivatives	179	-	1	-	-	180	127
• *without principal exchange*	*300*	-	*96*	-	-	*396*	*180*
- Options bought	-	-	-	-	-	-	-
- Other derivatives	300	-	96	-	-	396	180
2. 2. Credit derivatives:	**-**	**-**	**-**	**-**	**-**	**-**	**-**
• *with principal exchange*	-	-	-	-	-	-	-
• *without principal exchange*	-	-	-	-	-	-	-
Total A	**479**	**-**	**97**	**-**	**-**	**576**	**307**
B) Unlisted derivatives							
1. Financial derivatives:	**235,221**	**26,251**	**52,057**	**-**	**4,650**	**318,179**	**279,793**
• *with principal exchange*	*1,422*	*26,251*	*4,506*	-	-	*32,179*	*3,100*
- Options bought	1,418	735	4,506	-	-	6,659	3,100
- Other derivatives	4	25,516	-	-	-	25,520	-
• *without principal exchange*	*233,799*	-	*47,551*	-	*4,650*	*286,000*	*276,693*
- Options bought	15,577	-	47,551	-	-	63,128	2,443
- Other derivatives	218,222	-	-	-	4,650	222,872	274,250
2. Credit derivatives:	**-**	**-**	**-**	**73**	**-**	**73**	**38**
• *with principal exchange*	-	-	-	*73*	-	*73*	*38*
• *without principal exchange-*	-	-	-	-	-	-	
Total B	**235,221**	**26,251**	**52,057**	**73**	**4,650**	**318,252**	**279,831**
Total (A+B)	**235,700**	**26,251**	**52,154**	**73**	**4,650**	**318,828**	**280,138**

2.4 FINANCIAL ASSETS HELD FOR TRADING, OTHER THAN THOSE TRANSFERRED AND NOT DERECOGNIZED AND IMPAIRED FINANCIAL ASSETS: ANNUAL VARIATION

	Debt securities	Equity securities	UCITS units	Loans	Total at 31/12/2007
A. Opening balances	**360,150**	**1,809**	**49,384**	**-**	**411,343**
B. Increases	**45,069,000**	**689,987**	**27,070**	**-**	**45,786,057**
B1. Purchases	44,997,093	689,778	16,052	-	45,702,923
B2. Increases in *fair value*	285	76	10,138	-	10,499
B3. Other changes	71,622	133	880	-	72,635
C. Decreases	**44,881,978**	**689,712**	**23,838**	**-**	**45,595,528**
C1. Sales	44,875,160	689,697	23,305	-	45,588,162
C2. Redemptions	405	-	-	-	405
C3. Decreases in *fair value*	1,380	4	426	-	1,810
C4. Other changes	5,033	11	107	-	5,151
D. Closing balances	**547,172**	**2,084**	**52,616**	**-**	**601,872**

SECTION 3: FINANCIAL ASSETS CARRIED AT FAIR VALUE - ITEM 30

Debt securities with embedded derivatives are classified in this category.

3.1 FINANCIAL ASSETS CARRIED AT FAIR VALUE: BREAKDOWN BY TYPE

	31/12/2007		31/12/2006	
Items/Amounts	Listed	Unlisted	Listed	Unlisted
1. Debt securities	**-**	**30,050**	**-**	**49,024**
1.1 Structured securities	-	30,050	-	49,024
1.2 Other debt securities	-	-	-	-
2. Equity securities	**-**	**-**	**-**	**-**
3. UCITS units	**-**	**-**	**-**	**-**
4. Loans	**-**	**-**	**-**	**-**
4.1 Structured	-	-	-	-
4.2 Other	-	-	-	-
5. Impaired assets	**-**	**-**	**-**	**-**
6. Assets transferred but not derecognized	**-**	**-**	**-**	**-**
Total	**-**	**30,050**	**-**	**49,024**
Cost	**-**	**27,844**		**47,067**

The amounts indicated as "cost" refer to the purchase cost of the closing balances of the financial assets on closure of the period.

The *Fair Value* option was used for:

- two structured loans in the portfolio hedged by several derivative contracts, in order to avoid accounting mismatching which would otherwise occur by posting such instruments at written down cost and the derivatives at fair value on the statement of income, thus creating a natural hedge;
- a structured debenture loan in order to avoid the unbundling of the embedded derivative.

3.2 FINANCIAL ASSETS CARRIED AT FAIR VALUE: BREAKDOWN BY DEBTORS/ISSUERS

Items/Amounts	Total at 31/12/2007	Total at 31/12/2006
1. Debt securities	**30,050**	**49,024**
a) Governments and Central banks	-	-
b) Other government agencies	-	-
c) Banks	30,050	49,024
d) Other issuers	-	-
2. Equity securities	**-**	**-**
a) Banks	-	-
b) Other issuers:	-	-
- insurance companies	-	-
- financial companies	-	-
- non financial companies	-	-
- altri	-	-
3. UCITS units	**-**	**-**
4. Loans	**-**	**-**
a) Governments and Central banks	-	-
b) Other government agencies	-	-
c) Banks	-	-
d) Other subjects	-	-
5. Impaired assets	**-**	**-**
a) Governments and Central banks	-	-
b) Other government agencies	-	-
c) Banks	-	-
d) Other subjects	-	-
6. Assets transferred but not derecognized	**-**	**-**
a) Governments and Central banks	-	-
b) Other government agencies	-	-
c) Banks	-	-
d) Other subjects	-	-
Totale	**30,050**	**49,024**

The financial assets have been divided according to economic compartment of the debtors or issuers (for securities) according to the classification criteria indicated by the Bank of Italy.

3.3 FINANCIAL ASSETS CARRIED AT FAIR VALUE OTHER THAN THOSE TRANSFERRED AND NOT DERECOGNIZED: ANNUAL VARIATION

	Debt securities	Equity securities	UCITS units	Loans	Total at 31/12/2007
A. Opening balances	**49,024**	**-**	**-**	**-**	**49,024**
B. Increases	**786**	**-**	**-**	**-**	**786**
B1. Purchases	-	-	-	-	-
B2. Increases in fair value	455	-	-	-	455
B3. Other changes	331	-	-	-	331
C. Decreases	**19,760**	**-**	**-**	**-**	**19,760**
C1. Sales	-	-	-	-	-
C2. Redemptions	19,760	-	-	-	19,760
C3. Decreases in *fair value*	-	-	-	-	-
C4. Other changes	-	-	-	-	-
D. Closing balances	**30,050**	**-**	**-**	**-**	**30,050**

The sub-item "redemptions" includes the UBS Creditlink security which expired during the period.

SECTION 4: FINANCIAL ASSETS AVAILABLE FOR SALE - ITEM 40

This item lists all the financial assets (debt securities, capital securities …) classified in the "available for sale" portfolio. The capital securities are mainly equity investments which are no longer classified as such pursuant to the international accounting standards; the UCITS units are those of the Securfondo and Melograno real estate trusts.

4.1 FINANCIAL ASSETS AVAILABLE FOR SALE: BREAKDOWN BY TYPE

	31/12/2007		31/12/2006	
Items/Amounts	Listed	Unlisted	Listed	Unlisted
1. Debt securities	**54,975**	**70,746**	**-**	**-**
1.1 Structured securities	-	-	-	-
1.2 Other debt securities	54,975	70,746	-	-
2. Equity securities	**897**	**14,608**	**-**	**1,964**
2.1 Carried at *fair value*	897	12,886	-	-
2.2 Carried at cost	-	1,722	-	1,964
3. UCITS units	**57,945**	**16,206**	**57,717**	**-**
4. Loans	**-**	**-**	**-**	**-**
5. Impaired assets	**-**	**-**	**-**	**-**
6. Assets transferred but not derecognized	**-**	**-**	**-**	**-**
Total	**113,817**	**101,560**	**57,717**	**1,964**

4.2 FINANCIAL ASSETS AVAILABLE FOR SALE: BREAKDOWN BY DEBTOR/ISSUER

Items/Amounts	Total at 31/12/2007	Total at 31/12/2006
1. Debt securities	**125,721**	**-**
a) Governments and Central banks	125,721	-
b) Other government agencies	-	-
c) Banks	-	-
d) Other issuers	-	-
2. Equity securities	**15,505**	**1,964**
a) Banks	-	-
b) Other issuers	15,505	1,964
- insurance companies	620	470
- financial companies	1,484	609
- non financial companies	13,401	885
- other	-	-
3. UCITS units	**74,151**	**57,717**
4. Loans	**-**	**-**
a) Governments and Central banks	-	-
b) Other government agencies	-	-
c) Banks	-	-
d) Other subjects	-	-
5. Impaired assets	**-**	**-**
a) Governments and Central banks	-	-
b) Other government agencies	-	-
c) Banks	-	-
d) Other subjects	-	-
6. Assets transferred but not derecognized	**-**	**-**
a) Governments and Central banks	-	-
b) Other government agencies	-	-
c) Banks	-	-
d) Other subjects	-	-
Total	**215,377**	**59,681**

The financial assets have been divided according to economic compartment of the debtors or issuers (for securities) according to the classification criteria indicated by the Bank of Italy.

4.3 FINANCIAL ASSETS AVAILABLE FOR SALE: HEDGED ASSETS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

4.4 FINANCIAL ASSETS AVAILABLE FOR SALE: ASSETS WITH SPECIFIC HEDGING

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

4.5 FINANCIAL ASSETS AVAILABLE FOR SALE, OTHER THAN THOSE TRANSFERRED AND NOT DERECOGNIZED AND THOSE IMPAIRED: ANNUAL VARIATION

	Debt securities	Equity securities	UCITS units	Loans	Total at 31/12/2007
A. Opening balances	**-**	**1,964**	**57,717**	**-**	**59,681**
B. Increases	**150,790**	**14,465**	**51,386**	**-**	**216,641**
B1. Purchases	147,703	6,350	50,167	-	204,220
B2. Increases in *fair value*	37	6,923	1,206	-	8,166
B3. Writebacks	-	-	-	-	-
- booked to the statement of income	-	x	-	-	-
- booked to shareholders' equity	-	-	-	-	-
B4. Transfers from other portfolios	-	-	-	-	-
B5. Other changes	3,050	1,192	13	-	4,255
C. Decreases	**25,069**	**924**	**34,952**	**-**	**60,945**
C1. Sales	24,545	924	34,754		60,223
C2. Redemptions	-	-	-	-	-
C3. Decreases in *fair value*	495	-	198	-	693
C4. Depreciation for impairment	-	-	-	-	-
- booked to the statement of income	-	-	-	-	-
- booked to shareholders' equity	-	-	-	-	-
C5. Transfers to other portfolios	-	-	-	-	-
C6. Other changes	29	-	-		29
D. Closing balances	**125,721**	**15,505**	**74,151**	**-**	**215,377**

The main changes regard:

- **debt securities:** net purchase of listed and unlisted government securities for Euro 126,000 thousand;
- **equity securities:** purchase of Key-Client S.p.A. shares for Euro 5,276 thousand, of Bcc Vita shares for Euro 150 thousand and London Stock Exchange shares for Euro 819 thousand. Extraordinary transactions were also concluded during the period relative to the Bank's equity classified under this item. Specifically, at the financial statements date, the Borsa Italiana - London Stock Exchange operation (adhesion to the swap offer promoted by London Stock Exchange) and the merger operation of SIA S.p.A. by SSN S.p.A. (at the date of the merger the Bank held a percentage of both companies) had been concluded. In addition, at the

financial statements date, the respective boards of directors had approved the project of the merger of CIM Italia S.p.A. and Key - Client S.p.A., which will be concluded in 2008. When the equity was valued, the valued determined on the basis of the estimates/surveys carried out pursuant to law, were taken into account to determine the swap ratio.

It is also mentioned that for the above extraordinary operations, concluded within closure of the period, in virtue of the ruling of IAS 39, paragraphs 26 and 35b, and also pursuant to the indications in the Guidance on Implementation of IAS 39, paragraph 3.1, the cancellation of the "Borsa Italiana" and "SIA" securities was considered a condition for entering on the statement of income the result calculated according to the difference between the book value and the value of the equity on the basis of the aforesaid swap ratios.

The said operations involved:

1. revaluation for a total of Euro 6,844 thousand, offset in the equity reserve:

• Key-Client S.p.A	Euro 3,156 thousand
• Cim Italia S.p.A.	Euro 2,131 thousand
• SIA SSB S.p.A.	Euro 1,557 thousand

2. economic effects for a total of Euro 1,193 thousand resulting from the securities derecognition:

• Merger of Sia SpA by SSB S.p.A.	Euro 396 thousand
• Share swap of Borsa Italiana and London Stock Exchange	Euro 797 thousand

- **UCITS units:** in May 2007 the real estate property in Rome at Via Torino nos. 135, 153, 148 and 150, and at Via Massimo d'Azeglio no. 33 was acquired by the closed end real estate trust named "Fondo Melograno". The total value was established at Euro 49,530 thousand, Euro 30 thousand of which was paid in cash and Euro 49,500 thousand by the underwriting of 99 shares of a nominal unit value of Euro 500 thousand. Successively, 69 shares were transferred to the National Pension Fund for BCC/CRA personnel at nominal value. At the end of the period the fair value of the shares still held by the Bank was Euro 1,206 thousand higher than the nominal value, calculated on the basis of the Net Value of the stake taken from the Trust financial report.

SECTION 5: FINANCIAL ASSETS HELD TO MATURITY - ITEM 50

At the relevant date of the financial statements ,there were no financial assets in this category.

SECTION 6: DUE FROM BANKS - ITEM 60

This item includes unlisted financial assets due from banks (current accounts, unrestricted and time deposits, guarantee deposits, debt securities …) classified in the receivables portfolio pursuant to IAS 39.

6.1 DUE FROM BANKS: BREAKDOWN BY TYPE

Type of transaction / Amounts	Total at 31/12/2007	Total at 31/12/2006
A. Receivable from Central Banks	**242,196**	**353,683**
1. Time deposits	-	-
2. Obligatory reserve	242,196	353,683
3. Repurchase agreements receivable	-	-
4. Others	-	-
B. Receivable from banks	**6,872,647**	**6,445,776**
1. Current accounts and unrestricted deposits	1,007,788	1,267,408
2. Time deposits	4,615,415	4,045,847
3. Other loans:	886,185	842,188
3.1 Repurchase agreements receivable	55,790	92,154
3.2 Financial lease	-	-
3.3 Other	830,395	750,034
4. Debt securities	359,237	290,333
4.1 Structured securities	-	-
4.2 Other debt securities	359,237	290,333
5. Impaired assets	-	-
6. Assets transferred but not derecognized	4,022	-
Total (book value)	**7,114,843**	**6,799,459**
Total (fair value)	**7,157,842**	**6,844,672**

The sub-item "obligatory reserve" includes the reserve managed on behalf of the BCC/CRA. The sub-item "current accounts and unrestricted deposits" includes the deposit relative to the available funds of the "Fondo centrale di garanzia" provision, for Euro 2,465 thousand.

6.2 DUE FROM BANKS: ASSETS WITH SPECIFIC HEDGING

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

6.3 FINANCIAL LEASE

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

SECTION 7: CUSTOMER LOANS - ITEM 70

This item includes financial instruments, including unlisted debt securities due from customers, which IAS 39 classifies as "loans and receivables".

7.1 CUSTOMER LOANS: BREAKDOWN BY TYPE

Type of transaction / Amounts	Total at 31/12/2007	Total at 31/12/2006
1. Current accounts	133,799	220,467
2. Repurchase agreements receivable	8,622	-
3. Mortgage loans	356,157	643,848
4. Credit cards, personal loans, salary-backed loans	-	-
5. Financial lease	-	-
6. Factoring	-	-
7. Other transactions	46,097	48,399
8. Debt securities	42,161	104,003
8.1 Structured securities	-	-
8.2 Other debt securities	42,161	104,003
9. Impaired assets	19,963	25,554
10. Assets transferred but not derecognized	-	-
Total (book value)	**606,799**	**1,042,271**
Total (fair value)	**630,570**	**1,078,868**

On 27th June 2007, with effect as of first July 2007, the Corporate branch of he company was sold to Banca Agrileasing S.p.A., a company belonging to the same Banking Group. This initiative involved the transfer of 198 current accounts, for a counter value of Euro 230,195 thousand and 614 mortgages for a counter value of Euro 377,511 thousand.

After sale of the contracts, also the relative quota of the provisions for both analytical and generic devaluation was sold, for Euro 2,056 thousand, calculated at 30th June 2007. Impaired assets (non-performing loans), amounting to Euro 7,523 thousand at the financial statements date, relative to the Corporate branch, were not transferred. In addition, the sale also involved the transfer of 36 employees with relative accounting skills at the date of the operation.

The aforesaid operation was entered in the accounts as conferment transactions between entities subject to the same parent company, since both the companies involved are controlled by Iccrea Holding. Because of the common control of the entities involved, the application of the prescriptions of IFRS 3 is not possible pursuant to express exclusion on the basis of the same standard. Furthermore, since the transactions were not specifically regulated by the international accounting standards, the Bank has operated in compliance with IAS 1 and IAS 8. For the accounts, the economic substance of the operation was entered and the principles ensuring continuity of values were privileged.

Application of this principle to Iccrea Banca, the transferor company, therefore involved the transfer of the assets and liabilities sold to be entered in the accounts at the book values on the transfer date, and the goodwill value acquired by the Bank subsequent to the sale was entered as an offset item in the shareholders' equity. Consequently, Iccrea Banca posted in its shareholders' equity a reserve of Euro 1,843 thousand, corresponding to the goodwill value, equal to Euro 2,500 thousand after the deduction of direct taxes.

7.2 CUSTOMER LOANS: BREAKDOWN ACCORDING TO DEBTORS/ISSUERS

Type of transaction / Amounts	Total at 31/12/2007	Total at 31/12/2006
1. Debt securities:	**42,161**	**104,003**
a) Governments	-	-
b) Other government agencies	-	-
c) Other issuers	42,161	104,003
- non financial companies	-	-
- financial companies	42,161	103,682
- insurance companies	-	321
- other	-	-
2. Loans to:	**544,675**	**912,714**
a) Governments	-	-
b) Other government agencies	6,431	6,712
c) Other subjects	538,244	906,002
- non financial companies	224,860	661,653
- financial companies	168,188	87,309
- insurance companies	73	-
- other	145,123	157,040
3. Impaired assets:	**19,963**	**25,554**
a) Governments	-	-
b) Other government agencies	-	538
c) Other subjects	19,963	25,016
- non financial companies	14,254	19,834
- financial companies	626	592
- insurance companies	-	-
- other	5,083	4,590
4. Assets transferred but not derecognized:	**-**	**-**
a) Governments		
b) Other government agencies	-	-
c) Other subjects	-	-
- non financial companies	-	-
- financial companies	-	-
- insurance companies	-	-
- other	-	-
Total	**606,799**	**1,042,271**

The financial assets have been divided according to economic compartment of the debtors or issuers (for securities) according to the classification criteria indicated by the Bank of Italy.

7.3 CUSTOMER LOANS: ASSETS WITH SPECIFIC HEDGING

Type of transaction / Amounts	Total at 31/12/2007	Total at 31/12/2006
1. Securities with specific hedging of fair value:	**96,595**	**104,190**
a) interest-rate risk	96,595	104,190
b) exchange-rate risk	-	-
c) credit risk	-	-
d) other risks	-	-
2. Securities with specific hedging of cash flows:	**-**	**-**
a) interest-rate risk	-	-
b) exchange-rate risk	-	-
c) other risks	-	-
Total	**96,595**	**104,190**

Loans subject to specific hedging of fair value are recorded at cost amended for fair value of the hedged risk The amount refers to 2 fixed rate mortgages - the first of which was stipulated with Iccrea Holding totalling Euro 68,089 thousand (residual debt at 31st December 2007) and the second stipulated with BCC Solutions for Euro 32,273 thousand (residual debt at 31st December 2007) - hedged against interest rate risk

7.4 FINANCIAL LEASE

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

SECTION 8: HEDGING DERIVATIVES - ITEM 80

This item include financial derivatives for hedging, which at the closure of the period presented a positive fair value.

8.1 HEDGING DERIVATIVES: BREAKDOWN BY TYPE OF CONTRACT AND UNDERLYING ASSETS

Type of derivatives/underlying assets	Interest rates	Currencies and gold	Equity securities	Loans	Other	Total at 31/12/2007
A) Listed derivatives						
1. Financial derivatives:	-	-	-	-	-	-
• *with principal exchange*	-	-	-	-	-	-
- options issued	-	-	-	-	-	-
- other derivatives	-	-	-	-	-	-
• *without principal exchange*	-	-	-	-	-	-
- options issued	-	-	-	-	-	-
- other derivatives	-	-	-	-	-	-
2. Credit derivatives:	-	-	-	-	-	-
• *with principal exchange*	-	-	-	-	-	-
• *without principal exchange*	-	-	-	-	-	-
Total A	-	-	-	-	-	-
B) Unlisted derivatives						
1. Financial derivatives:	**3,876**	-	-	-	-	**3,876**
• *with principal exchange*	-	-	-	-	-	-
- options issued	-	-	-	-	-	-
- other derivatives	-	-	-	-	-	-
• *without principal exchange*	*3,876*	-	-	-	-	*3,876*
- options issued	-	-	-	-	-	-
- other derivatives	3,876	-	-	-	-	3,876
2. Credit derivatives:	-	-	-	-	-	-
• *with principal exchange*	-	-	-	-	-	-
• *without principal exchange*	-	-	-	-	-	-
Total B	**3,876**	-	-	-	-	**3,876**
Total (A+B) at 31/12/2007	**3,876**	-	-	-	-	**3,876**
Total (A+B) at 31/12/2006	-	-	-	-	-	-

These amounts refer to financial derivatives (Interest Rate Swaps) with the purpose of covering risks of variations in the current value, due to the volatility of interest rates, of financial instruments in the "receivables" portfolio, as detailed in the following table.

8.2 HEDGING DERIVATIVES: BREAKDOWN BY PORTFOLIOS HEDGED AND TYPE OF HEDGING

Transaction/Type of hedging	Fair Value						Cash flows	
	Specific					Generic	Specific	Generic
	interest rate risk	exchange rate risk	credit risk	price risk	more than one risk			
1. Financial assets available for sale	-	-	-	-	-	x	-	x
2. Loans	3,876	-	-	x	-	x	-	x
3. Financial assets held to maturity	x	-	-	x	-	x	-	x
4. Portfolio	x	x	x	x	x	-	x	-
Total assets at 31/12/2007	**3,876**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	-	-	-	x	-	x	-	x
2. Portfolio	x	x	x	x	x	-	x	-
Total liabilities at 31/12/2007	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The credits for which the "interest rate risk" is hedged are those of two fixed rate mortgages stipulated with Iccrea Holding and BCC Solutions.

SECTION 9: VALUE ADJUSTMENTS OF FINANCIAL ASSETS WITH GENERIC HEDGING - ITEM 90

At the relevant date of the financial statements, there were no financial assets in this category.

SECTION 10: EQUITY INVESTMENTS - ITEM 100

10.1 EQUITY INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND COMPANIES SUBJECT TO SIGNIFICANT INFLUENCE: INFORMATION ON THE INVESTMENTS

Company	Head office	% of equity held	% of votes held
A. Wholly - owned subsidiaries			
1. Credico Finance s.r.l.	Rome	92.00	92.00
2. Bcc Securis s.r.l.	Rome	90.00	90.00
B. Joint venture			
C. Companies subject to significant influence			
1. Prominvestment S.p.A.	Rome	30.00	30.00
2. Hi-MTF S.p.A.	Milan	25.00	25.00

10.2 EQUITY INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND COMPANIES SUBJECT TO SIGNIFICANT INFLUENCE: ACCOUNTING INFORMATION

	Total assets	Total revenue	Profit (Loss)	Shareholders' equity	Book value	*Fair value*
A. Wholly - owned subsidiaries						
Credico Finance s.r.l.	71	72	1	56	48	-
Bcc Securis s.r.l.	38	74	-	10	9	x
	-	-	-	-	-	x
B. Joint venture						
C. Companies subject to significant influence						
Prominvestment S.p.A.	8,912	1,892	(81)	1,877	476	-
Hi-MTF S.p.A.	3,828	53	(574)	3,426	1,000	-
Total at 31/12/2007	**12,849**	**2,091**	**(654)**	**5,369**	**1,533**	**-**

The data relate to the financial statements at 31st December 2007, except for those relative to Prominvestment S.p.A. which were recorded at 30th June 2007.

The Bank, making use of the faculty foreseen by IAS/IFRS 27, 10 par. d), does not prepare consolidated financial statements since this is drawn up by the parent company Iccrea Holding for public use in compliance with the International Financial Reporting Standards

10.3 EQUITY INVESTMENTS: ANNUAL VARIATION

	Total at 31/12/2007	Total at 31/12/2006
A. Opening balances	**742**	**742**
B. Increases	**1,000**	**-**
B.1 Purchases	1,000	-
B.2 Writebacks	-	-
B.3 Revaluations	-	-
B.4 Other changes	-	-
C. Decreases	**209**	**-**
C.1 Sales	-	-
C.2 Writedowns	209	-
C.3 Other changes	-	-
D. Closing balances	**1,533**	**742**
E. Total revaluations	**-**	**-**
F. Total adjustments	**-**	**-**

The changes regard the purchase of Hi-MTF S.p.A. for Euro 1,000 thousand, of which full information is given in the Management Report.

With regard to the stake in Prominvestment S.p.A., valued at 31st December 2006 at cost - considering the results of the year at 30th June 2007 and those expected for 31st December 2007, as well as future prospects - it was deemed necessary to write down the same, adjusting the shareholders' equity resulting from the half-yearly situation at 31st December 2007, approved by the company's Board of Directors on 19th February 2008. With regard to Hi-MTF S.p.A., the same is in the start-up phase since it started up its business activities in 2008.

10.4 COMMITMENTS RELATING TO EQUITY INVESTMENT IN SUBSIDIARIES

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

10.5 COMMITMENTS RELATING TO EQUITY INVESTMENT IN JOINT VENTURE

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

10.6 COMMITMENTS RELATING TO EQUITY INVESTMENT IN COMPANIES SUBJECT TO SIGNIFICANT INFLUENCE

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

SECTION 11: TANGIBLE ASSETS - ITEM 110

11.1 TANGIBLE ASSETS: BREAKDOWN OF ASSETS CARRIED AT COST

Assets/Amounts	Total at 31/12/2007	Total at 31/12/2006
A. Assets used in operations		
1.1 company owned	**21,869**	**26,883**
a) land	-	-
b) buildings	14,434	17,439
c) furniture	578	673
d) electronic systems	5,718	7,322
e) other	1,139	1,449
1.2 acquired under leasing	**-**	**-**
a) land	-	-
b) buildings	-	-
c) furniture	-	-
d) electronic systems	-	-
e) other	-	-
Total A	**21,869**	**26,883**
B. Assets held as investments		
2.1 company owned	**-**	**-**
a) land	-	-
b) buildings	-	-
c) furniture	-	-
2.2 acquired under leasing	**-**	**-**
a) land	-	-
b) buildings	-	-
c) furniture	-	-
Total B	**-**	**-**
Total (A+B)	**21,869**	**26,883**

This item includes tangible assets used in the business (property, furniture, plant and machinery).

11.2 TANGIBLE ASSETS: BREAKDOWN OF ASSETS CARRIED AT FAIR VALUE OR REVALUED

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

11.3 TANGIBLE ASSETS USED IN OPERATIONS: ANNUAL VARIATION

	Land	Buildings	Furniture	Electronic systems	Other	Total at 31/12/2007
A. Gross opening balances	**-**	**17,439**	**673**	**7,322**	**1,449**	**26,883**
A.1 Total net write downs	-	-	-	-	-	-
A.2 Net opening balances	**-**	**17,439**	**673**	**7,322**	**1,449**	**26,883**
						-
B. Increases:	**-**	**-**	**30**	**929**	**275**	**1,234**
B.1 Purchases	-	-	18	929	275	1,222
B.2 Expenses for capitalised improvements	-	-	-	-	-	-
B.3 Writebacks	-	-	-	-	-	-
B.4 Positive changes in fair value recognised in	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) statement of income		-	-	-	-	-
B.5 Positive exchange-rate differences	-	-	-	-	-	-
B.6 Reclassification from fixed assets held as investments	-	-	-	-	-	-
B.7 Other changes	-	-	12	-	-	12
C. Decreases:	**-**	**3,005**	**125**	**2,533**	**585**	**6,248**
C.1 Sales	-	2,488	4	360	18	2,870
C.2 Depreciation	-	517	121	2,173	567	3,378
C.3 Write downs recognised in	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) statement of income	-	-	-	-	-	-
C.4 Negative changes in fair value recognised in	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) statement of income	-	-	-	-	-	-
C.5 Negative exchange-rate differences	-	-	-	-	-	-
C.6 Transfer to:	-	-	-	-	-	-
a) tangible assets held for investments	-	-	-	-	-	-
b) assets in the process of being sold off	-	-	-	-	-	-
C.7 Other changes	-	-	-	-	-	-
						-
D. Net closing balances	**-**	**14,434**	**578**	**5,718**	**1,139**	**21,869**
D.1 Total net write downs	-	-	-	-	-	-
D.2 Gross closing balances	-	14,434	578	5,718	1,139	21,869
E. valuation at cost	**-**	**14,434**	**578**	**5,718**	**1,139**	**21,869**

The main change, a decrease of Euro 2,488 thousand, is due to the conferment of the buildings to the closed-end real estate trust named "Fondo Melograno" and indicated in more detail at the foot of table 4.5 of the assets.

11.4 TANGIBLE ASSETS HELD FOR INVESTMENTS: ANNUAL VARIATION

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

11.5 COMMITMENTS FOR THE PURCHASE OF TANGIBLE ASSETS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

SECTION 12: INTANGIBLE ASSETS - ITEM 120

This item includes the intangible assets referred to in IAS 38, which are all valued at cost.

12.1 INTANGIBLE ASSETS: BREAKDOWN ACCORDING TO CATEGORY OF BUSINESS

	Total at 31/12/2007		Total at 31/12/2006	
Assets / Amounts	Limited duration	Unlimited duration	Limited duration	Unlimited duration
A.1 Goodwill	x	-	x	
A.2 Other intangible assets	**3,553**	**-**	**1,836**	**-**
A.2.1 Assets carried at cost:	3,553	-	1,836	-
a) Intangible assets generated in house	-	-	-	
b) Other assets	3,553	-	1,836	-
A.2.2 Assets carried at *fair value:*	-	-	-	-
a) Intangible assets generated in house	-	-	-	-
b) Other assets	-	-	-	-
Total	**3,553**	**-**	**1,836**	**-**

In accordance with IAS 38, software is classified entirely under intangible assets with a limited life; the relative amortisation is calculated at constant rates over a three year period.

12.2 INTANGIBLE ASSETS: ANNUAL VARIATION

	Goodwill	Other intangible assets: generated in-house		Other intangible assets: other		Total at 31/12/2007
		Lim.	Unlim.	Lim.	Unlim.	
A. Opening balances	**-**	**-**	**-**	**1,836**	**-**	**1,836**
A.1 Total net write - downs	-	-	-	-	-	-
A.2 Net opening balances	**-**	**-**	**-**	**1,836**	**-**	**1,836**
B. Increases	**-**	**-**	**-**	**4,235**	**-**	**4,235**
B.1 Purchases	-	-	-	4,235	-	4,235
B.2 Increases in in-house generated intangible assets	x	-	-	-	-	-
B.3 Writebacks	x	-	-	-	-	-
B.4 Positive changes in fair value recognised in		-	-	-	-	-
a) shareholders' equity	x	-	-	-	-	-
b) statement of income	x	-	-	-	-	-
B.5 Positive exchange-rate differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. Decreases	**-**	**-**	**-**	**2,518**	**-**	**2,518**
C.1 Sales	-	-	-	-	-	-
C.2 Writedowns		-	-	2,518	-	2,518
- Depreciation	x	-	-	2,518	-	2,518
- Write downs recognised in		-	-	-	-	-
+ shareholders' equity	x	-	-	-	-	-
+ statement of income	-	-	-	-	-	-
C.3 Negative changes in fair value recognised in		-	-	-	-	-
a) shareholders' equity	x	-	-	-	-	-
b) statement of income	x	-	-	-	-	-
C.4 Reclassification to non-current assets in the process of being sold off	-	-	-	-	-	-
C.5 Negative exchange-rate differences	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
	-	-	-	-		
D. Net closing balances	**-**	**-**	**-**	**3,553**	**-**	**3,553**
D.1 Total net write downs	-	-	-	-	-	-
E. Gross closing balances	**-**	**-**	**-**	**3,553**	**-**	**3,553**
R. Evaluations at cost	**-**	**-**	**-**	**3,553**	**-**	**3,553**

12.3 OTHER INFORMATION

Pursuant to IAS 38, paragraphs 122 and 124, the following is stated:

- there are no revalued intangible assets; subsequently, there were no impediments to the distribution of capital gains to shareholders relating to revalued intangible assets (IAS 38, paragraph 124, letter b);

- there are no intangible assets purchased though government concessions (IAS 38, paragraph 122, letter c);
- there are no intangible assets used as collateral for debt (IAS 38, paragraph 122, letter d);
- there are no intangible assets on lease.

SECTION 13: TAX ASSETS AND LIABILITIES - ITEM 130 OF THE ASSETS AND ITEM 80 OF THE LIABILITIES

This item includes tax assets (current and deferred) and tax liabilities (current and deferred) recorded respectively under item 130 of assets and item 80 of liabilities.

13.1 PREPAID TAX ASSETS: BREAKDOWN

Items/Amounts	Total at 31/12/2007	Total at 31/12/2006
Receivables (including securitisations)	1,143	1,621
Other financial instruments	5,266	5,083
Goodwill	144	242
Tangible fixed assets	32	21
Provisions for risks and charges	1,122	1,494
Agency costs	35	31
Personnel costs	1,515	2,347
Total	**9,257**	**10,839**

13.2 DEFERRED TAX LIBIABILITIES: BREAKDOWN

Items/Amounts	Totale al 31/12/2007	Totale al 31/12/2006
Capital gains to be spread over several periods	2,928	2,675
Tangible fixed assets	-	403
Financial instruments	13,846	10,753
Personnel costs	680	523
Other	1,420	1,895
Total	**18,874**	**16,249**

Current tax assets for Corporate Income Tax which are subject to the tax consolidation regime have been reclassified under "Other assets" and "Other liabilities" in sub-item "Receivables/Payables due to Parent company for tax consolidation". It is to be noted that the sale of the Corporate branch of the company, carried out under Group tax neutrality, involved a burden for the Bank amounting to Euro 657 thousand for current taxes.

DEFERRED TAXES NOT ENTERED

The extent and variation of temporary taxable differences (and the relative components) for which the conditions for entering deferred tax liabilities were not met, given that they are characterised by the unlikelihood of liquidation:

- have not been recorded, in the case of deferred taxes payable on the revaluation reserve, established in 2003 pursuant to Law n. 342 of 22/11/2000, on which substitution taxes (Euro 11,227 thousand) have already been paid. Since the distribution of the said reserve to shareholders has not been contemplated, the relative deferred taxes, of approximately Euro 11.4 million, have not been allocated.

13.3 CHANGES IN PREPAID TAXES (OFFSET ON THE STATEMENT OF INCOME)

	Total at 31/12/2007	Total at 31/12/2006
1. Opening balance	**10,839**	**14,011**
2. Increases	**2,987**	**4,157**
2.1 Prepaid taxes arising in the year	2,987	4,157
a) pertaining to previous periods	-	-
b) due to change in accounting standards	-	-
c) writebacks	-	-
d) other	2,987	4,157
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**4,569**	**7,329**
3.1 Prepaid taxes cancelled in the period	2,826	7,329
a) reversal	2,826	7,329
b) write offs for uncollectability	-	-
c) due to change in accounting standards	-	-
3.2 Reductions in tax rates	1,743	-
3.3 Other decreases	-	-
4. Closing balance	**9,257**	**10,839**

13.4 CHANGES IN DEFERRED TAXES (OFFSET ON THE STATEMENT OF INCOME)

	Total at 31/12/2007	Total at 31/12/2006
1. Opening balance	**16,167**	**14,925**
2. Increases	**7,958**	**5,088**
2.1 Deferred taxes arising in the year	7,958	5,088
a) pertaining to previous periods	-	-
b) due to change in accounting standards	-	-
c) other	7,958	5,088
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**6,938**	**3,846**
3.1 Deferred taxes cancelled in the period	3,794	3,846
a) reversal	3,794	3,846
b) due to change in accounting standards		
c) other	-	-
3.2 Reductions in tax rates	3,144	-
3.3 Other decreases	-	-
4. Closing balance	**17,187**	**16,167**

Subsequent to coming into effect of the 2008 Finance Law (Law 244/2007), which has reduced the Corporate Income Tax and Regional Business Tax rates from, respectively, 33% to 27.5% and from 4.25% to 3.9%, the remaining amount of the assets for prepaid taxes and the liabilities for deferred taxes has been corrected according to the new rates. This effect is entered under the sub-item "reduction in tax rates".

13.5 CHANGES IN PREPAID TAXES (OFFSET IN THE NET EQUITY)

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

13.6 CHANGES IN DEFERRED TAXES (OFFSET IN THE NET EQUITY)

	Total at 31/12/2007	Total at 31/12/2006
1. Opening balance	**82**	**730**
2. Increases	**1,682**	**82**
2.1 Deferred taxes arising in the year	1,682	82
a) pertaining to previous periods	-	-
b) due to change in accounting standards	-	-
c) other	1,682	82
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**77**	**730**
3.1 Deferred taxes cancelled in the period	76	730
a) reversal	76	730
b) write offs for uncollectability	-	-
c) due to change in accounting standards	-	-
3.2 Reductions in tax rates	1	-
3.3 Other decreases	-	-
4. Closing balance	**1,687**	**82**

13.7 OTHER INFORMATION

With regard to the Bank's tax position:

- for the financial years 2003, 2004, 2005 and 2006 (for which the terms of assessment have not expired), no formal notice of assessment has yet been served;

- an inspection by the Italian tax police, Regional Tax Police Headquarters of Lazio, in the financial year 2004, was concluded with the drafting of a report on findings, following which no further news and/or information has been requested, nor has any formal notice of assessment has been issued; in our opinion, and in that of our consultants, the findings reported do not seem to have grounds from either a legal standpoint or as regards administrative practice; however, in the case of any future notification, the Bank will do its best to counteract any claims by the Revenue Authority;

- at the end of the financial year 2007, the Bank received a demand for the payment of the register tax for the sale of the Corporate branch to Banca Agrileasing. The payment was made in January, and a claim was simultaneously filed with the Provincial Tax Commission of Rome, since in our opinion, and in that of our consultants, there were no grounds for the demand received from the Revenue Authority either from a legal standpoint or according to administrative practice.

SECTION 14: NON-CURRENT ASSETS AND GROUPS OF ASSETS IN THE PROCESS OF BEING SOLD OFF AND CONNECTED LIABILITIES - ITEM 140 OF THE ASSETS AND ITEM 90 OF THE LIABILITIES

14.1 NON-CURRENT ASSETS AND GROUPS OF ASSETS IN THE PROCESS OF BEING SOLD OFF: BREAKDOWN BY CATEGORY OF BUSINESS

	Total at 31/12/2007	Total at 31/12/2006
A. Single assets		
A.1 Equity investments	-	-
A.2 Tangible assets	-	42,321
A.3 Intangible assets	-	-
A.4 Other non-current assets	-	-
Total A	**-**	**42,321**
B. Groups of assets (operating units sold off)		
B.1 Financial assets held for trading	-	-
B.2 Financial assets carried at *fair value*	-	-
B.3 Financial assets available for sale	-	-
B.4 Financial assets held to maturity	-	-
B.5 Due from banks	-	-
B.6 Customer loans	-	-
B.7 Equity investments	-	-
B.8 Tangible assets	-	-
B.9 Intangible assets	-	-
B.10 Other assets	-	-
Total B	**-**	**-**
C. Liabilities linked to assets in the process of being sold off		
C.1 Payables	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	-
Total C	**-**	**-**
D. Liabilities linked to assets in the process of being sold off		
D.1 Due to banks	-	-
D.2 Due to customers	-	-
D.3 Securities in circulation	-	-
D.4 Financial liabilities for trading	-	-
D.5 Financial liabilities carried at fair value	-	-
D.6 Provisions	-	-
D.7 Other liabilities	-	-
Total D	**-**	**-**

14.2 OTHER INFORMATION

During the period, the real estate property classified under this item at 31st December 2006, together with the real estate already mentioned in these Notes under the comment on table 11.3, were sold within the sphere of the "Fondo Melograno" conferment operation.

14.3 INFORMATION ON EQUITY INVESTMENTS IN COMPANIES UNDER SIGNIFICANT CONTROL NOT ENTERED IN THE SHAREHOLDERS' EQUITY

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

SECTION 15: OTHER ASSETS - ITEM 150

15.1 OTHER ASSETS: BREAKDOWN

	Total at 31/12/2007	Total at 31/12/2006
Items being processed	27,776	22,820
Receivables for future premiums	10,540	26,852
Commissions	7,717	7,992
Receivables due from parent company for tax consolidation	9,509	5,916
Total	**55,542**	**63,580**

The item relative to tax credit at 31st December 2006 has been reclassified under current "tax credit".

LIABILITIES

SECTION 1: DUE TO BANKS - ITEM 10

This item includes amounts owed to banks regardless of their technical form

1.1 DUE TO BANKS: BREAKDOWN BY TYPE

Type of transaction / Amounts	Total at 31/12/2007	Total at 31/12/2006
1. Due to Central Banks	**30,042**	**-**
2. Due to Bank	**7,065,073**	**6,967,692**
2.1 Current accounts and unrestricted deposits	3,930,601	3,718,109
2.2 Time deposits	2,879,590	2,822,392
2.3 Loans	169,721	317,273
2.3.1 Financial leases	-	-
2.3.2 Other	169,721	317,273
2.4 Payables for commitments to repurchase own equity instruments	-	-
2.5 Liabilities for assets sold and not derecognized from the balance sheet	85,161	109,918
2.5.1 Repurchase agreements payable	85,161	109,918
2.5.2 Other	-	-
2.6 Other payables	-	-
Total	**7,095,115**	**6,967,692**
Fair value	**7,106,519**	**6,976,077**

1.2. BREAKDOWN OF ITEM 10 "DUE TO BANKS": SUBORDINATE PAYABLES

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

1.3. BREAKDOWN OF ITEM 10 "DUE TO BANKS": STRUCTURED DEBTS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

1.4 DUE TO BANKS: LIABILITIES WITH SPECIFIC HEDGING

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

1.5 PAYABLES FOR LEASE CONTRACTS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

SECTION 2: DUE TO CUSTOMERS - ITEM 20

This item represents amounts owed to customers regardless of their technical form (deposits, current accounts, loans …).

2.1 DUE TO CUSTOMERS: BREAKDOWN BY TYPE

Type of transaction / Amounts	Total at 31/12/2007	Total at 31/12/2006
1. Current accounts and unrestricted deposits	545,079	439,716
2. Time deposits	17,155	-
3. Deposits received for administration	4,546	-
4. Loans	-	-
4.1 Financial Lease	-	-
4.2 Other	-	-
5. Payables for commitments to repurchase own equity instruments	-	-
6. Liabilities for assets sold and not derecognized from the balance sheet	420,976	28,130
6.1 Repurchase agreements payable	420,976	28,130
6.2 Other	-	-
7. Other payables	410,805	409,812
Total	**1,398,561**	**877,658**
Fair value	**1,398,310**	**877,438**

The sub-item "other payables" includes banker's cheques issued and not yet presented for payment.

2.2 BREAKDOWN OF ITEM 20 "DUE TO CUSTOMERS": SUBORDINATE PAYABLES

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

2.3 BREAKDOWN OF ITEM 20 "DUE TO CUSTOMERS": STRUCTURED DEBTS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

2.4 DUE TO CUSTOMERS: LIABILITIES WITH SPECIFIC HEDGING

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

2.5 PAYABLES FOR LEASE CONTRACTS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

SECTION 3: DEBT SECURITIES IN ISSUE - ITEM 30

3.1 DEBT SECURITIES IN ISSUE: BREAKDOWN BY TYPE

	31/12/2007		31/12/2006	
Type of instrument/Amount	Book value	*Fair Value*	Book value	*Fair Value*
A. Listed securities				
1. Bonds	**-**	**-**	**-**	**-**
1.1 structured	-	-	-	-
1.2 other	-	-	-	-
2. Other securities	**-**	**-**	**-**	**-**
2.1 structured	-	-	-	-
2.2 other	-	-	-	-
B) Unlisted securities				
1. Bonds	**123,430**	**123,280**	**153,374**	**153,487**
1.1 structured	-	-	6,487	6,532
1.2 other	123,430	123,280	146,887	146,955
2. Other securities	**-**	**-**	**-**	**-**
2.1 structured	-	-	-	-
2.2 other	-	-	-	-
Total	**123,430**	**123,280**	**153,374**	**153,487**

3.2 BREAKDOWN OF ITEM 30 "DEBT SECURITIES IN ISSUE": SUBORDINATED SECURITIES

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

3.3 DEBT SECURITIES IN ISSUE: SECURITIES WITH SPECIFIC HEDGING

	Total at 31/12/2007	Total at 31/12/2006
1. Securities with specific hedging of fair value:	**93,302**	**93,251**
a) interest-rate risk	93,302	93,251
b) exchange-rate risk	-	-
c) more than one risk	-	-
2. Securities with specific hedging of cash flows:	**-**	**-**
a) interest-rate risk	-	-
b) exchange-rate risk	-	-
c) other risks	-	-

SECTION 4: FINANCIAL LIABILITIES HELD FOR TRADING - ITEM 40

This item includes derivative instruments as well as "technical exposure" of securities.

4.1 FINANCIAL LIABILITIES HELD FOR TRADING: BREAKDOWN BY TYPE

Type of transaction / Amounts	Total at 31/12/2007				Total at 31/12/2006			
	NV	FV		FV *	NV	FV		FV *
		Listed	Unlisted			Listed	Unlisted	
A. Cash liabilities								
1. Due to Banks	-	-	-	-	-	-	-	-
2. Due to customers	**2,527**	**2,482**	-	**2,482**	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	x	-	-	-	x
3.1.2 Other bonds	-	-	-	x	-	-	-	x
3.2 Other securities	-	-	-	-	-	-	-	-
3.2.1 Structured	-	-	-	x	-	-	-	x
3.2.2 Other	-	-	-	x	-	-	-	x
Total A	**2,527**	**2,482**	**-**	**2,482**	**-**	**-**	**-**	**-**
B. Derivatives	**x**			**x**	**x**			**x**
1. Financial derivatives	-	**387**	**265,444**	-	-	**387**	**241,092**	-
1.1 For trading	x	387	261,492	x	x	387	234,703	x
1.2 Tied to fair value option	x	-	3,952	x	x	-	6,389	x
1.3 Other	x	-	-	x	x	-	-	x
2. Credit derivatives	-	-	**3,714**	-	-	-	**159**	-
2.1 For trading	x	-	73	x	x	-	38	x
2.2 Tied to fair value option	x	-	3,641	x	x	-	121	x
2.3 Other	x	-	-	x	x	-	-	x
Total B	**x**	**387**	**269,158**	**x**	**x**	**387**	**241,251**	**x**
Total (A+B)	**x**	**2,869**	**269,158**	**x**	**x**	**387**	**241,251**	**x**

Key
FV = fair value
FV* = fair value calculated excluding value changes due to variation in issuer's creditworthiness compared to the date of issue.
NV = nominal or notional value
L = Listed
NL = Not listed

4.2 BREAKDOWN OF ITEM 40 "FINANCIAL LIABILITIES HELD FOR TRADING": SUBORDINATED DEBT

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

4.3 BREAKDOWN OF ITEM 40 "FINANCIAL LIABILITIES HELD FOR TRADING": STRUCTURED DEBTS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

4.4 FINANCIAL LIABILITIES HELD FOR TRADING: DERIVATIVE INSTRUMENTS

Type of derivative/ underlying assets	Interest rates	Currencies and gold	Equity securities	Loans	Other	Total at 31/12/2007	Total at 31/12/2006
A) Listed derivatives							
1. Financial derivatives:	**338**	**-**	**49**	**-**	**-**	**387**	**387**
• *with principal exchange*	*338*	*-*	*29*	*-*	*-*	*367*	*85*
- options issued	-	-	-	-	-	-	-
- other derivatives	338	-	29	-	-	367	85
• *without principal exchange*	*-*	*-*	*20*	*-*	*-*	*20*	*302*
- options issued	-	-	-	-	-	-	-
- other derivatives	-	-	20	-	-	20	302
2. Credit derivatives:	**-**	**-**	**-**	**-**	**-**	**-**	**-**
• *with principal exchange*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
• *without principal exchange*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Total A	**338**	**-**	**49**	**-**	**-**	**387**	**387**
B) Unlisted derivatives							
1. Financial derivatives:	**173,076**	**25,351**	**41,678**	**-**	**25,339**	**265,444**	**241,092**
• *with principal exchange*	*1,005*	*25,351*	*4,947*	*-*	*-*	*31,303*	*2,884*
- options issued	1,004	707	4,947	-	-	6,658	2,884
- other derivatives	1	24,644	-	-	-	24,645	-
• *without principal exchange*	*172,071*	*-*	*36,731*	*-*	*25,339*	*234,141*	*238,208*
- options issued	5,596	-	36,731	-	-	42,327	3,423
- other derivatives	166,475	-	-	-	25,339	191,814	234,785
2. Credit derivatives:	**-**	**-**	**-**	**3,714**	**-**	**3,714**	**159**
• *with principal exchange*	*-*	*-*	*-*	*3,714*	*-*	*3,714*	*159*
• *without principal exchange*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Total B	**173,076**	**25,351**	**41,678**	**3,714**	**25,339**	**269,158**	**241,251**
Total (A+B)	**173,414**	**25,351**	**41,727**	**3,714**	**25,339**	**269,545**	**241,638**

4.5 FINANCIAL LIABILITIES HELD FOR TRADING IN CASH (EXCLUDING "UNCOVERED SHORT POSITION"): ANNUAL VARIATION

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

SECTION 5: FINANCIAL LIABILITIES CARRIED AT *FAIR VALUE* - ITEM 50

This item includes issued debt securities, carried at fair value, with the valuation results entered in the statement of income.

5.1 FINANCIAL LIABILITIES CARRIED AT FAIR VALUE: BREAKDOWN BY TYPE

	Total at 31/12/2007				Total at 31/12/2006			
	NV	FV		FV *	NV	FV		FV *
Type of operation/Amount		Listed	Unlisted			Listed	Unlisted	
1. Bank payables	**-**	**-**	**-**		**-**	**-**	**-**	
1.1 Structured	-	-	-	x	-	-	-	x
1.2 Other	-	-	-	x	-	-	-	x
2. Due to customers	**-**	**-**	**-**		**-**	**-**	**-**	
2.1 Structured	-	-	-	x	-	-	-	x
2.2 Other	-	-	-	x	-	-	-	x
3. Debt securities	**98,922**	**-**	**100,081**		**99,060**	**-**	**102,603**	
3.1 Structured	86,285	-	87,051	x	86,285	-	89,208	x
3.2 Other	12,637	-	13,030	x	12,775	-	13,395	x
Total	**98,922**	**-**	**100,081**		**99,060**	**-**	**102,603**	

Key:
FV = Fair value
FV* = Fair value calculated excluding value changes due to variation in issuer's creditworthiness compared to that on issue date
NV = Nominal value

The Fair Value Option was used - for three structured bonds issued covered by various derivative contracts - in order to avoid accounting mismatching which would otherwise occur by posting such instruments at written down cost and the derivatives at fair value on the statement of income, thus creating a natural hedge.

5.2 BREAKDOWN OF FINANCIAL LIABILITIES CARRIED AT FAIR VALUE: SUBORDINATED DEBT

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

5.3 FINANCIAL LIABILITIES CARRIED AT FAIR VALUE: ANNUAL VARIATION

	Bank payables	Due to customers	Securities in circulation	Total at 31/12/2007
A. Opening balances	**-**	**-**	**102,603**	**102,603**
B. Increases	**-**	**-**	**1,540**	**1,540**
B1. Issues	-	-	-	-
B2. Sales	-	-	-	-
B3. Increases in *fair value*	-	-	179	179
B4. Other changes	-	-	1,361	1,361
C. Decreases	**-**	**-**	**4,062**	**4,062**
C1. Purchases	-	-	-	-
C2. Redemptions	-	-	137	137
C3. Decreases in *fair value*	-	-	3,919	3,919
C4. Other changes	-	-	6	6
D. Closing balances	**-**	**-**	**100,081**	**100,081**

SECTION 6: HEDGING DERIVATIVES - ITEM 60

This item includes hedging derivatives, which, on the date of the balance sheet under examination, show a negative fair value.

6.1 HEDGING DERIVATIVES: BREAKDOWN BY TYPE OF CONTRACT AND UNDERLYING ASSETS

Type of derivative/ Underlying assets	Interest rates	Currencies and gold	Equity securities	Loans	Other	Total at 31/12/2007
A) Listed derivatives						
1. Financial derivatives:	**-**	**-**	**-**	**-**	**-**	**-**
• *with principal exchange*	-	-	-	-	-	-
- options issued	-	-	-	-	-	-
- other derivatives	-	-	-	-	-	-
• *without principal exchange*	-	-	-	-	-	-
- options issued	-	-	-	-	-	-
- other derivatives	-	-	-	-	-	-
2. Credit derivatives:	**-**	**-**	**-**	**-**	**-**	**-**
• with principal exchange	-	-	-	-	-	-
• without principal exchange	-	-	-	-	-	-
Total A	**-**	**-**	**-**	**-**	**-**	**-**
B) Unlisted derivatives						
1. Financial derivatives:	**2,683**	**-**	**-**	**-**	**-**	**2,683**
• *with principal exchange*	-	-	-	-	-	-
- options issued	-	-	-	-	-	-
- other derivatives	-	-	-	-	-	-
• *without principal exchange*	2,683	-	-	-	-	2,683
- options issued	-	-	-	-	-	-
- other derivatives	2,683	-	-	-	-	2,683
2. Credit derivatives:	**-**	**-**	**-**	**-**	**-**	**-**
• *with principal exchange*	-	-	-	-	-	-
• *without principal exchange*	-	-	-	-	-	-
Total B	**2,683**	**-**	**-**	**-**	**-**	**2,683**
Total (A+B) at 31/12/2007	**2,683**	**-**	**-**	**-**	**-**	**2,683**
Total (A+B) at 31/12/2006	**2,429**	**-**	**-**	**-**	**-**	**2,429**

These amounts refer to financial derivatives to cover risks of variations in current value, due to the volatility of interest rates, of financial instruments in the "financial receivables" portfolio, as detailed in the following table.

6.2 HEDGING DERIVATIVES: BREAKDOWN BY PORTFOLIOS AND TYPE OF HEDGING

Transaction/ Type of hedging	Fair Value						Cash flows	
	Specific					generic	specific	generic
	interest rate risk	exchange rate risk	credit risk	price risk	more than one risk			
1. Financial assets available for sale	-	-	-	-	-	x	-	x
2. Loans	-	-	-	x	-	x	-	x
3. Financial assets held to maturity	x	-	-	x	-	x	-	x
4. Portfolio	x	x	x	x	x	-	x	-
Total assets at 31/12/2007	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	2,683	-	-	-	-	x	-	x
2. Portfolio	x	x	x	x	x	-	x	-
Total liabilities at 31/12/2007	**2,683**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Financial liabilities covered by the "rate risk" are bonds issued by the Bank and entered under item 30 of the liabilities "Securities in circulation" as indicated in table 3.3 of the liabilities.

SECTION 7: VALUE ADJUSTMENTS OF FINANCIAL LIABILITIES WITH GENERIC HEDGING - ITEM 70

At the relevant date of the financial statements , there were no financial assets in this category.

SECTION 8: TAX LIABILITIES - ITEM 80

See section 13 of the Assets.

SECTION 9: LIABILITIES LINKED TO ASSETS IN THE PROCESS OF BEING SOLD OFF - ITEM 90

See section 14 of the Assets.

SECTION 10: OTHER LIABILITIES - ITEM 100

This item includes liabilities not ascribable to other liability items on the Balance Sheet.

10.1 OTHER LIABILITIES: BREAKDOWN

	Total at 31/12/2007	Total at 31/12/2006
Due to national insurance institutions	7,903	8,361
Amounts at the disposal of customers	76,743	77,465
"Fondo centrale di garanzia" provision	2,290	2,007
Items being processed	19,760	36,863
Payables for future premiums	7,442	17,563
Due to parent company for tax consolidation	11,090	12,646
Invoices to be paid not yet received	15,637	17,215
Failed purchasing operations	18,719	4,507
Total	**159,584**	**176,627**

This item includes the "Fondo Centrale di Garanzia Provision" and refers to the remaining available amount of the theoretic equity of the management of the former fund established in 1979 for the purpose of safeguarding the image of the BCC-CRA. After the constitution of the new Guarantee Fund, all time deposits of the participating BCC have been gradually reimbursed. In recent years the "Fondo Centrale di Garanzia" has only provided for the closure of cases previously opened.

The assets and liabilities of this item at 31st December 2007 are the following:

	Total at 31/12/2007	Total at 31/12/2006
Assets		
Deposits with banks	2,465	2,062
Total assets	**2,465**	**2,062**
Liabilities		
Taxes payable	175	55
Payables to "Fondo Centrale di Garanzia"	2,290	2,007
Total liabilities	**2,465**	**2,062**

Management of the fund has no economic effects as regards the Bank's financial statements.

SECTION 11: PROVISION FOR EMPLOYEE SEVERANCE INDEMNITY - ITEM 110

This item refers to the provision for provision for employee severance indemnity, estimating an amount to be paid to each employee, considering when they are likely to leave the company. Valuation is carried out on an actuarial basis considering the future maturity date when the expenditure will effectively be sustained.

11.1 PROVISION FOR EMPLOYEE SEVERANCE INDEMNITY: ANNUAL VARIATION

	Total at 31/12/2007	Total at 31/12/2006
A. Opening balances	**18,573**	**17,520**
B. Increases	**2,512**	**3,080**
B.1 Provision for the period	945	3,080
B.2 Other increases	1,567	-
C. Decreases	**5,618**	**2,027**
C.1 Indemnities paid	1,943	1,141
C.2 Other decreases	3,675	886
D. Closing balances	**15,467**	**18,573**
Total	**15,467**	**18,573**

The sub-item "other decreases" includes Euro 1,018 thousand relative to the sale of the Corporate branch of the company and the transfer of the severance indemnity provision for the 36 workers transferred.

11.2 OTHER INFORMATION

The provision for employee severance indemnity covers the amounts accrued by employees at balance sheet date, in compliance with current legislation, collective labour agreements and specific company agreements. The amount calculated according to article 2120 of the civil code totals Euro 17,940 thousand (Euro 20,105 thousand at 31st December 2006).

The 2007 Finance Law (Law n. 296/2006) has brought forward to 1st January 2007 the coming into effect of Lgs. Decree 252/2005 on the forms of retirement benefits with complementary pension schemes, and foresees the possibility of allocating the severance indemnity in the process of maturing to the said complementary schemes: the same law has also established the setting up of an INPS treasury fund to which companies with more than 50 employees can deposit the severance indemnity contributions which cannot be destined to complementary pension schemes.

On the basis of such rulings, the actuary has provided for the recalculation of the cases involved at 31st December 2006; the difference, also pursuant to the ABI document, was entered on the statement of income in a lump sum, including the component relative to the actuarial gains and losses which do not result from the so-called "corridor" method; the said differences, amounting to Euro 1,567 thousand and Euro 2,657 are respectively entered under "other increases" and "other decreases".

The results of the actuarial calculations, carried out by an independent actuary, to determine the liabilities at balance sheet date, are as follows:

- **Demographic factors:** mortality rates for the Italian population were collected, distinguished by age and sex, as recorded by ISTAT in 2000 and reduced by 25 %, and probabilities of ceasing work due to total permanent disability and the probability of leaving the company subsequent to becoming disabled were taken from official disability statistics and those currently in use for insurance practice, distinguished by age and sex; employee turnover rate is 2.39 %.
- **Financial factors:** the estimates were made on the basis of an interest rate of 4.93 %;
- **Economic factors:** an inflation rate of 2 % was presumed, while the annual salary increase rate was estimated at 2.38 % for all categories of employees and only considering seniority of service.

SECTION 12: PROVISIONS FOR RISKS AND CHARGES - ITEM 120

12.1 PROVISIONS FOR RISKS AND CHARGES: BREAKDOWN

Items/Amounts	Total at 31/12/2007	Total at 31/12/2006
1 Provisions for retirement benefits	**-**	**-**
2. Other provisions for risks and charges	**12,278**	**13,171**
2.1 litigation	4,736	5,818
2.2 personnel expenses	7,542	7,353
2.3 other	-	-
Total	**12,278**	**13,171**

12.2 PROVISIONS FOR RISKS AND CHARGES: ANNUAL VARIATION

	Provisions for retirement benefits	Other provisions	Total at 31/12/2007
A. Opening balances	**-**	**13,171**	**13,171**
A.1 litigation	-	5,818	5,818
A.2 personnel expenses	-	7,353	7,353
B. Increases	**-**	**6,944**	**6,944**
B.1 Provision for the year	-	6,838	6,838
B.1.1 litigation	-	300	300
B.1.2 personnel expenses	-	6,538	6,538
B.2 Variation due to the passing of time		-	-
B.2.1 litigation	-	-	-
B.2.2 personnel expenses	-	-	-
B.3 Variation due to changes in discount rate		106	106
B.3.1 litigation	-	106	106
B.3.2 personnel expenses	-	-	-
B.4 Other increases	-	-	-
B.4.1 litigation	-	-	-
B.4.2 personnel expenses	-	-	-
C. Decreases	**-**	**7,837**	**7,837**
C.1 Use during the period	-	7,411	7,411
C.1.1 litigation	-	1,062	1,062
C.1.2 personnel expenses	-	6,349	6,349
C.2 Variation due to changes in discount rate		8	8
C.2.1 litigation	-	8	8
C.2.2 personnel expenses	-	-	-
C.3 Other decreases	-	418	418
C.3.1 litigation	-	418	418
C.3.2 personnel expenses	-	-	-
D. Closing balances	**-**	**12,278**	**12,278**
D.1 litigation	-	4,736	4,736
D.2 personnel expenses	-	7,542	7,542

Expenditure for personnel refers mainly to:
- productivity bonuses;
- contractual renewal;
- payment in lieu of holidays.

12.3 COMPANY DEFINED-BENEFIT PENSION FUNDS

The table has not been drafted since there were no balances for this item when the financial statement was drawn up.

12.3.1 DESCRIPTION OF THE FUNDS

The table has not been drafted since there were no balances for this item when the financial statement was drawn up.

12.3.2 CHANGES DURING THE PERIOD

The table has not been drafted since there were no balances for this item when the financial statement was drawn up.

12.3.3 CHANGES DURING THE PERIOD IN ASSETS AT THE SERVICE OF THE SCHEME AND OTHER INFORMATION

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

12.3.4 RECONCILEMENT BETWEEN CURRENT VALUE OF FUNDS, CURRENT VALUE OF ASSETS SERVING THE PLAN, AND ASSETS AND LIABILITIES BOOKED TO THE BALANCE SHEET

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

12.3.5 DESCRIPTION OF MAIN ACTUARIAL ASSUMPTIONS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

12.3.6 COMPARATIVE INFORMATION

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

12.4 PROVISIONS FOR RISKS AND CHARGE - OTHER PROVISIONS

Type	Opening balances	Utilisation	Provisions	Total at 31/12/2007	Total at 31/12/2006
Provision for revocation actions	1,876	1	71	1,946	1,876
Reserve for legal action and disputes	3,942	1,435	283	2,790	3,942
Reserve for future charges	7,353	6,349	6,538	7,542	7,353
Closing balance	**13,171**	**7,785**	**6,892**	**12,278**	**13,171**

SECTION 13: REDEEMABLE SHARES - ITEM 140

13.1 REDEEMABLE SHARES: BREAKDOWN

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

SECTION 14: COMPANY SHARE HOLDERS EQUITY ITEMS 130, 150, 160, 170, 180, 190 AND 200

14.1 COMPANY SHARE HOLDERS EQUITY: BREAKDOWN

Items/Amounts	Total at 31/12/2007	Total at 31/12/2006
1. Share capital	216,913	216,913
2. Issuance premiums	-	-
3. Reserves	58,935	44,253
4. (Own shares)	-	-
5. Valuation reserves	53,910	47,855
6. Equity instruments	-	-
7. Profit (Loss) for the year	25,149	30,211
Total	**354,907**	**339,232**

14.2 "CAPITAL" AND "OWN SHARES": BREAKDOWN

On the date of the balance sheet under examination, the capital was divided into 420,000 ordinary shares with a value of Euro 516.46 each - held by the Parent company Iccrea Holding S.p.A., the Federazione Lombarda of the BCC and by the Head Office of the Casse Rurali Trentine-North East BCC - for a total value of Euro 216,913,200 fully paid-up. On the date of the balance sheet under examination, the Bank did not hold any of its own shares.

14.3 CAPITAL - NUMBER OF SHARES: ANNUAL VARIATION

Items/Types	Ordinary	Other
A. Shares at start of the period	**420**	**-**
- fully paid up	420	-
- not fully paid up	-	-
A.1 Own shares (-)	-	-
A.2 Shares in circulation: opening balance	**420**	**-**
B. Increases	**-**	**-**
B.1 New issues	-	-
- against payment:		
- business combination	-	-
- bond conversion	-	-
- warrant exercise	-	-
- other	-	-
- free of charge:		
- for employees	-	-
- for directors	-	-
- other	-	-
B.2 Sale of own shares	-	-
B.3 Other changes	-	-
C. Decreases	**-**	**-**
C.1 Annulled	-	-
C.2 Purchase of own shares	-	-
C.3 Corporate sale transactions	-	-
C.4 Other changes	-	-
D. Shares in circulation: closing balance	**420**	**-**
D.1 Own shares (+)	-	-
D.2 Shares at end of period	420	-
- fully paid up	420	-
- not fully paid up	-	-

14.4 CAPITAL: OTHER INFORMATION

There is no other information, since the capital has remained unchanged over the financial year 2007.

14.5 PROFIT RESERVES: OTHER INFORMATION

Reserves total Euro 58,935 thousand and include: the legal reserve (37,648 thousand), the statutory reserve (205 thousand), the extraordinary reserve (3,861 thousand), a reserve (1,843 thousand) generated subsequent to the sale of the Corporate branch of the company to Banca Agrileasing as well as the effect generated by transition to the international accounting standards (15,378 thousand). In compliance with statutory provisions, at least three tenths of profit must be allocated to the legal reserve; the remaining seven tenths are available for distribution to shareholders, for directors' fees and for charity and advertising expenditure.

DISTRIBUTABILITY, AVAILABILITY AND FORMATION OF CAPITAL RESERVES

In compliance with the provisions of Art. 2427, n.4 and 7 bis of the civil code, composition of the Bank's net equity is shown below, with indication of the source, level of availability, and the distributability of the various items.

Items	Amount	Possibility of use (*)	Amount available	Summary of use in the last three financial periods	
				to cover losses	for other reasons
Share capital	216,913				
Reserves:					
a) legal reserve	37,648	B	37,648		
b) statutory reserve	205	A - B - C	205		
c) extraordinary reserve	3,861	A - B - C	3,861		
d) other reserves	1,843	A - B - C	1,843		
e) other reserves *(first time adoption)*	15,378	A - B - C	15,378		
Valuation reserves:					
a) available for sale	6,044		6,044		
Revaluation law reserves: (L. 22/11/2000, n.342)	47,866	A - B - C (**)	47,866		
Profit for the year	25,149				
TOTAL	**354,907**				

(*) A = for increase in capital; B = to cover losses; C = for distribution to shareholders
(**) In the event of use of the reserve to cover losses, allocation of profits cannot take place until the reserve is increased or decreased to its original valued by a corresponding amount. Reduction must be approved by a resolution of the extraordinary shareholders meeting, in compliance with the provisions made by paragraphs 2 and 3 of article 2445 of the Italian Civil Code.
If the reserve is not allocated to the capital, it can be reduced only in compliance with paragraphs 2 and 3 of article 2445 of the Civil Code.
If distributed to shareholders it constitutes taxable income for both the company and shareholders.

14.6 CAPITAL INSTRUMENTS: BREAKDOWN AND ANNUAL VARIATION

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

14.7 VALUATION RESERVES: BREAKDOWN

Items / Components	Total at 31/12/2007	Total at 31/12/2006
1. Financial assets available for sale	6,045	(11)
2. Tangible assets	-	-
3. Intangible assets	-	-
4. Foreign investment hedging	-	-
5. Cash flow hedging	-	-
6. Exchange-rate differences	(1)	-
7. Non-current assets in the process of being sold off	-	-
8. Special revaluation laws	47,866	47,866
Total	**53,910**	**47,855**

14.8 VALUATION RESERVES: ANNUAL VARIATION

	Financial assets available for sale	Tangible assets	Intangible assets	Foreign investment hedging	Cash flow hedging	Exchange-rate differences	Non-current assets in the process of being sold off	Special revaluation laws
A. Opening balances	**(11)**	**-**	**-**	**-**	**-**	**-**	**-**	**47,866**
B. Increases	**6,484**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B1. Increases in fair value	6,484	-	-	-	-	-	-	-
B2. Other changes	-	-	-	-	-	-	-	-
C. Decreases	**428**	**-**	**-**	**-**	**-**	**1**	**-**	
C1. Decreases in fair value	428	-	-	-	-	1	-	-
C2. Other changes	-	-	-	-	-	-	-	
D. Closing balances	**6,045**	**-**	**-**	**-**	**-**	**(1)**	**-**	**47,866**

14.9 RESERVES FROM VALUATION OF FINANCIAL ASSETS AVAILABLE FOR SALE: BREAKDOWN

Assets/Amounts	Total at 31/12/2007		Total at 31/12/2006	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	-	280	-	-
2. Equity securities	5,642	144	-	144
3. UCITS units	826	-	133	-
4. Loans	-	-	-	-
Total	**6,468**	**424**	**133**	**144**

Amounts are stated net of the related tax effects.

14.10 RESERVES FROM VALUATION OF FINANCIAL ASSETS AVAILABLE FOR SALE: ANNUAL VARIATION

	Debt securities	Equity securities	UCITS units	Loans
1. Opening balances	**-**	**(144)**	**133**	**-**
2. Increases	**25**	**5,643**	**815**	**-**
2.1 Increases in *fair value*	25	5,643	815	-
2.2 Switched to statement of income, negative reserves	-	-	-	-
- from deterioration				
- from sale	-			
2.3 Other changes	-	-	-	-
3. Decreases	**305**	**1**	**122**	**-**
3.1 Decreases in fair value	305	1	121	-
3.2 Switched to statement of income, positive reserves: from disposal	-	-		
3.3 Other changes	-	-	1	
D. Closing balances	**(280)**	**5,498**	**826**	**-**

OTHER INFORMATION

1. GUARANTEES GRANTED AND COMMITMENTS

Transactions	Total at 31/12/2007	Total at 31/12/2006
1) Financial guarantees granted	**158,568**	**246,677**
a) Banks	154,998	234,141
b) Customers	3,570	12,536
2) Commercial guarantees granted	**55,632**	**64,126**
a) Banks	54,541	59,238
b) Customers	1,091	4,888
3) Irrevocable payment commitments	**609,155**	**340,239**
a) Banks	200,503	69,530
i) with certain use	200,503	69,530
ii) with uncertain use	-	-
b) Customers	408,652	270,709
i) with certain use	403,439	251,620
ii) with uncertain use	5,213	19,089
4) Commitments underlying credit derivatives: protection sales	**119,245**	**139,005**
5) Assets lodged in guarantee for liabilities of third parties	**-**	**-**
6) Other commitments	**58,534**	**87,819**
Total	**1,001,134**	**877,866**

The amount of the guarantees granted by the bank is indicated at nominal value net of cash usages and any value adjustments.
Irrevocable commitments to issue funds are indicated on the basis of the commitment assumed net of sums already paid out and of any value adjustments.
Irrevocable commitment to issue funds, the use of which on the part of the applicant is certain and predefined, also include in particular purchases (of repurchase agreements) of securities which are no longer subjected to regulations and deposits and loans to be issued at a later date.
The amount of the "commitments underlying credit derivatives: sales of protection" are posted at notional value net of sums paid out and any value adjustments.

2. ASSETS USED AS COLLATERAL FOR OWN LIABILITIES AND COMMITMENTS

Portfolios	Total at 31/12/2007	Total at 31/12/2006
1. Financial assets held for trading	724,662	287,450
2. Financial assets carried at *fair value*	-	-
3. Financial assets available for sale	-	-
4. Financial assets held to maturity	-	-
5. Due from banks	-	-
6. Customer loans	-	-
7. Tangible assets	-	-

In particular, the items include securities used as collateral lodged with the Bank of Italy for banker's cheques for Euro 99,957 thousand, to guarantee payment of securities and derivatives for Euro 138,095 thousand, and to cover repurchase operations for Euro 486,610 thousand.

3. INFORMATION ON OPERATING LEASES

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

4. MANAGEMENT AND BROKING FOR THIRD PARTIES

This section shows operations carried out by the Bank on behalf of third parties.

Type of services	Total at 31/12/2007
1. Financial instrument trading for third parties	***16,237,567***
a) Purchases	10,035,584
1. paid	9,960,906
2. unpaid	74,678
b) Sales	6,201,983
1. paid	6,170,815
2. unpaid	31,168
2. Asset management	***2,907,257***
a) individual	2,907,257
b) collective	-
3. Custody and administration of securities	***142,173,512***
a) t a) third-party securities on deposit: connected to custodian bank Operations (excluding asset management)	3,296,406
1. securities issued by the reporting bank	-
2. other securities	3,296,406
b) third-party securities on deposit (excluding asset management): other	67,463,644
1. securities issued by the reporting bank	403,800
2. other securities	67,059,844
c) third-party securities on deposit with third parties	69,719,156
d) own securities on deposit with third parties	1,694,306
4. Other transactions	***-***

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PART C

Comments on the Statement of Income

PART C - COMMENTS ON THE STATEMENT OF INCOME

SECTION 1: INTEREST - ITEMS 10 AND 20

1.1 INTEREST RECEIVABLE AND SIMILAR INCOME: BREAKDOWN

Items/Technical types	Performing financial assets		Impaired financial assets	Other assets	Total 31/12/2007	Total 31/12/2006
	Debt securities	Loans				
1. Financial assets held for trading	16,585	-	-	-	**16,585**	**14,570**
2. Financial assets available for sale	2,912	-	-	-	**2,912**	**10,750**
3. Financial assets held to maturity	-	-	-	-	**-**	**-**
4. Due from banks	13,771	248,923	-	-	**262,694**	**155,552**
5. Customer loans	5,312	55,302	163	380	**61,157**	**68,368**
6. Financial assets carried at fair value	808	-	-	-	**808**	**851**
7. Hedging derivatives	x	x	x	-	**-**	**1,824**
8. Financial assets transferred but not derecognized	350	-	-	-	**350**	**-**
9. Other assets	x	x	x	-	**-**	**935**
Total	**39,738**	**304,225**	**163**	**380**	**344,506**	**252,850**

1.2 INTEREST RECEIVABLE AND SIMILAR INCOME: SPREADS RELATED TO HEDGING TRANSACTIONS

Items/Amounts	Total at 31/12/2007	Total at 31/12/2006
A. Positive differentials on transactions for:		
A.1 Specific hedging of fair value of assets	-	1,493
A.2 Specific hedging of fair value of liabilities	-	2,393
A.3 Generic interest-rate risk hedging	-	-
A.4 Specific hedging of asset cash flows	-	-
A.5 Specific hedging of liability cash flows	-	-
A.6 Generic cash flow hedging	-	-
Total positive differentials (A)	**-**	**3,886**
B. Negative differentials on transactions for:		
B.1 Specific hedging of fair value of assets	-	(639)
B.2 Specific hedging of fair value of liabilities	-	(1,423)
B.3 Generic interest-rate risk hedging	-	-
B.4 Specific hedging of asset cash flows	-	-
B.5 Specific hedging of liability cash flows	-	-
B.6 Generic cash flow hedging	-	-
Total negative differentials (B)	**-**	**(2,062)**
C. Balance (A - B)	**-**	**1,824**

1.3 INTEREST RECEIVABLE AND SIMILAR INCOME: OTHER INFORMATION

There is no other information to add other than that already given in the preceding table.

1.3.1 INTEREST RECEIVABLE AND SIMILAR INCOME ON FINANCIAL ASSETS IN FOREIGN CURRENCY

Items/Amounts	Total at 31/12/2007	Total at 31/12/2006
1. Debt securities	31	1
2. Due from banks	34,660	31,869
3. Due from BCC/CRA	8,034	6,817
Total	**42,725**	**38,687**

1.3.2 INTEREST RECEIVABLE AND SIMILAR INCOME ON LEASING OPERATIONS

The table is not filled in since there were no balances for this item when the financial statements were drawn up.

1.3.3 INTEREST RECEIVABLE AND SIMILAR INCOME ON LOANS WITH THIRD-PARTY FUNDS IN ADMINISTRATION

The table is not filled in since there were no balances for this item when the financial statements were drawn up.

1.4 INTEREST PAYABLE AND SIMILAR CHARGES: BREAKDOWN

Items/Technical types	Payables	Securities	Other	Total at 31/12/2007	Total at 31/12/2006
1. Due to banks	(264,675)	x	-	**(264,675)**	**(176,259)**
2. Due to customers	(28,787)	x	-	**(28,787)**	**(31,727)**
3. Debt securities in issue	x	(5,667)	-	**(5,667)**	**(4,081)**
4. Financial liabilities held for trading	-	(26)	-	**(26)**	-
5. Financial liabilities carried at *fair value*	-	(4,889)	(368)	**(5,257)**	**(3,195)**
6. Financial liabilities linked to assets sold but not derecognized	-	-	-	-	-
7. Other liabilities	x	x	-	-	-
8. Hedging derivatives	x	x	(1,080)	**(1,080)**	-
Total	**(293,462)**	**(10,582)**	**(1,448)**	**(305,492)**	**(215,262)**

1.5 INTEREST PAYABLE AND SIMILAR CHARGES: SPREADS RELATED TO HEDGING TRANSACTIONS

Items/Amounts	Total at 31/12/2007	Total at 31/12/2006
A. Positive differentials on transactions for:		
A.1 Specific hedging of *fair value* of assets	131	-
A.2 Specific hedging of *fair value* of liabilities	296	-
A.3 Generic interest-rate risk hedging	-	-
A.4 Specific hedging of asset cash flows	-	-
A.5 Specific hedging of liability cash flows	-	-
A.6 Generic cash flow hedging	-	-
Total positive differentials (A)	**427**	**-**
B. Negative differentials on transactions for:		
B.1 Specific hedging of *fair value* of assets	(201)	-
B.2 Specific hedging of *fair value* of liabilities	(1,306)	-
B.3 Generic interest-rate risk hedging	-	-
B.4 Specific hedging of asset cash flows	-	-
B.5 Specific hedging of liability cash flows	-	-
B.6 Generic cash flow hedging	-	-
Total negative differentials (B)	**(1,507)**	**-**
C. Balance (A - B)	**(1,080)**	**-**

1.6 INTEREST PAYABLE AND SIMILAR CHARGES: OTHER INFORMATION

It was deemed unnecessary to add further information to that already given in the preceding tables.

1.6.1 INTEREST PAID ON LIABILITIES IN FOREIGN CURRENCY

Items/Amounts	Total at 31/12/2007	Total at 31/12/2006
1. Due to banks	(26,644)	(20,404)
2. Due to BCC/CRA	(7,459)	(8,566)
3. Due to customers	(803)	(429)
Total	**(34,906)**	**(29,399)**

1.6.2 INTEREST PAYABLE AND SIMILAR CHARGES ON LIABILITIES OF LEASING OPERATIONS

The table is not filled in since there were no balances for this item when the financial statements were drawn up.

1.6.3 INTEREST PAYABLE AND SIMILAR CHARGES ON THIRD PARTIES FUNDS UNDER ADMINISTRATION

The table is not filled in since there were no balances for this item when the financial statements were drawn up.

SECTION 2: COMMISSIONS - ITEMS 40 AND 50

2.1 COMMISSION RECEIVABLE: BREAKDOWN

Type of service/Amount	Total at 31/12/2007	Total at 31/12/2006
a) guarantees given	**757**	**900**
b) credit derivatives	**-**	**828**
c) management, broking and consulting services:	**24,627**	**25,639**
1. financial instrument trading	6,857	6,570
2. foreign exchange trading	294	153
3. asset management	2,767	3,819
3.1. individual	2,767	3,819
3.2. collective	-	-
4. custody and administration of securities	5,546	5,098
5. custodian bank	5,371	5,731
6. placing of securities	1,413	2,163
7. order collection	1,994	1,862
8. advisory services	385	243
9. distribution of third-party services	-	-
9.1. asset management	-	-
9.1.1. individual	-	-
9.1.2. collective	-	-
9.2. insurance products	-	-
9.3. other products	-	-
d) collection and payment services	**58,485**	**61,604**
e) servicing of securitisation operations	**759**	**197**
f) factoring transaction services	**-**	**-**
g) management of rate and tax-collection agencies	**-**	**-**
h) other services	**124,770**	**115,244**
Total	**209,398**	**204,412**

2.2 COMMISSION RECEIVABLE: PRODUCT AND SERVICE DISTRIBUTION CHANNELS

Channels/Amount	Total at 31/12/2007	Total at 31/12/2006
a) through own branches:	**4,180**	**5,982**
1. asset management	2,767	3,819
2. placing of securities	1,413	2,163
3. third-party services and products	-	-
b) offered externally:	**-**	**-**
1. asset management	-	-
2. placing of securities	-	-
3. third-party services and products	-	-
c) other distribution channels:	**-**	**-**
1. asset management	-	-
2. placing of securities	-	-
3. third-party services and products	-	-

2.3 COMMISSION PAYABLE: BREAKDOWN

Type of service/Amount	Total at 31/12/2007	Total at 31/12/2006
a) guarantees received	**(726)**	**(1,141)**
b) credit derivatives	**-**	**(690)**
c) management and brokerage services:	**(6,454)**	**(5,652)**
1. financial instrument trading	(2,009)	(1,509)
2. foreign exchange trading	(36)	(28)
3. asset management:	(5)	(7)
3.1 own portfolio	-	-
3.2 third-party portfolio	(5)	(7)
4. custody and administration of securities	(3,345)	(3,264)
5. placing of financial instruments	(1,059)	(844)
6. external marketing of financial instruments, products and services	-	-
d) collection and payment services	**(9,904)**	**(12,107)**
e) other services	**(87,475)**	**(83,162)**
Total	**(104,559)**	**(102,752)**

The sub-item "other services" includes, among other things, Euro 7,198 thousand for commissions passed back to the BCC/CRA for BankAmericard and CartaSi credit cards, and Euro 77,182 thousand for commissions on Cooperative Credit Cards.

SECTION 3: DIVIDENDS AND SIMILAR INCOME - ITEM 70

3.1 DIVIDENDS AND SIMILAR INCOME: BREAKDOWN

Items/Income	Total at 31/12/2007		Total at 31/12/2006	
	Dividends	From UCITS units	Dividends	From UCITS units
A. Financial assets held for trading	132	16	39	-
B. Financial assets available for sale	150	1,886	876	5,006
C. Financial assets carried at fair value	-	-	-	-
D. Equity investments	-	x	-	x
Total	**282**	**1,902**	**915**	**5,006**

SECTION 4: NET GAIN (LOSS) ON TRADING ACTIVITIES - ITEM 80

4.1 NET GAIN (LOSS) ON TRADING ACTIVITIES: BREAKDOWN

Transactions / Income components	Gains (A)	Trading profits (B)	Losses (C)	Trading losses (D)	Net result [(A+B)-(C+D)]
1. Financial assets held for trading	**10,498**	**11,319**	**(1,810)**	**(3,360)**	**16,647**
1.1 Debt securities	285	10,280	(1,380)	(3,240)	5,945
1.2 Equity securities	75	152	(4)	(13)	210
1.3 UCITS units	10,138	887	(426)	(107)	10,492
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	**-**	**-**	**(6)**	**-**	**(6)**
2.1 Debt securities	-	-	(6)	-	(6)
2.2 Other	-	-	-	-	-
3. Other financial assets and liabilities: foreign exchange differences	**x**	**x**	**x**	**x**	**2,516**
4. Derivative instruments	**47,770**	**357,051**	**(60,084)**	**(349,236)**	**(5,940)**
4.1 Financial derivatives:	47,732	356,886	(60,031)	(349,073)	(5,927)
- on debt securities and interest rates	45,549	335,077	(44,811)	(324,288)	11,527
- on equity securities and share indices	95	21,809	(4,457)	(24,785)	(7,338)
- on currency and gold	x	x	x	x	(1,441)
- Other	2,088	-	(10,763)	-	(8,675)
4.2 Credit derivatives	38	165	(53)	(163)	(13)
Total	**58,268**	**368,370**	**(61,900)**	**(352,596)**	**13,217**

SECTION 5: NET GAIN (LOSS) ON HEDGING ACTIVITIES - ITEM 90

5.1 NET GAIN (LOSS) ON HEDGING ACTIVITIES: BREAKDOWN

Income components / Amounts	Total at 31/12/2007	Total at 31/12/2006
A. Income relating to:		
A.1 Derivatives for fair value hedging	5,591	-
A.2 Hedged financial assets (*fair value*)	-	87
A.3 Hedged financial liabilities (*fair value*)	349	2,783
A.4 Derivatives for cash flow hedging	-	-
A.5 Assets and liabilities in foreign currencies	-	-
Total income from hedging business (A)	**5,940**	**2,870**
B. Charges relating to:		
B.1 Derivatives for fair value hedging	(1,795)	(1,860)
B.2 Hedged financial assets (*fair value*)	(3,855)	-
B.3 Hedged financial liabilities (*fair value*)	(39)	-
B.4 Derivatives for cash flow hedging	-	-
B.5 Assets and liabilities in foreign currencies	-	-
Total charges on hedging business (B)	**(5,689)**	**(1,860)**
C. Net gain (loss) on hedging activities (A - B)	**251**	**1,010**

SECTION 6: GAINS (LOSSES) ON DISPOSAL OR REPURCHASE - ITEM 100

6.1 GAINS (LOSSES) ON DISPOSAL OR REPURCHASE: BREAKDOWN

Items/ Income components	Total at 31/12/2007			Total at 31/12/2006		
	Profits	Losses	Net result	Profits	Losses	Net result
Financial assets						
1. Due from banks	1	(1)	-	-	-	-
2. Customer loans	11	(28)	(17)	152	-	152
3. Financial assets available for sale	1,340	-	1,340	5,385	(345)	5,040
3.1 Debt securities	83	-	83	535	(345)	190
3.2 Equity securities	1,243	-	1,243	4,850	-	4,850
3.3 UCITS units	14	-	14	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Financial assets held to maturity	-	-	-	-	-	-
Total assets	**1,352**	**(29)**	**1,323**	**5,537**	**(345)**	**5,192**
Financial liabilities						
1. Due to banks	-	-	-	-	-	-
2. Due to customers			-			-
3. Securities in circulation	19	(72)	(53)	7	-	7
Total liabilities	**19**	**(72)**	**(53)**	**7**	**-**	**7**

The item “equity securities” also includes the profit from extraordinary transactions carried out by the London Stock Exchange for the purchase of Borsa Italiana for Euro 797 thousand and for the merger of the companies SIA and SSB for Euro 396 thousand.

SECTION 7: NET GAIN (LOSS) ON FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALU - ITEM 110

7.1 NET GAIN (LOSS) ON FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE: BREAKDOWN

Transactions / Income components	Capital gains (A)	Profits on sales (B)	Capital losses (C)	Losses on sales (D)	Net result [(A+B)-(C+D)]
1. Financial assets	**455**	**64**	**-**	**-**	**519**
1.1 Debt securities	455	64	-	-	519
1.2 Equity securities	-	-	-	-	-
1.3 UCITS units	-	-	-	-	-
1.4 Loans	-	-	-	-	-
2. Financial liabilities	**3,919**	**6**	**(179)**	**-**	**3,746**
2.1 Securities in circulation	3,919	6	(179)	-	3,746
2.2 Due to banks	-	-	-	-	-
2.3 Due to customers	-	-	-	-	-
3. Financial assets and liabilities in foreign currencies: foreign exchange differences	**x**	**x**	**x**	**x**	**-**
4. Derivative instruments	**2,604**	**-**	**(5,576)**	**-**	**(2,972)**
4.1 Financial derivatives:	2,604	-	(1,336)	-	1,268
- on debt securities and interest rates	2,242	-	(99)	-	2,143
- on equity securities and share indices	167	-	(347)	-	(180)
- on currency and gold	x	x	x	x	-
- other	195	-	(890)	-	(695)
4.2 Credit derivatives	-	-	(4,240)	-	(4,240)
Total derivatives	**2,604**		**(5,576)**		**(2,972)**
Total	**6,978**	**70**	**(5,755)**		**1,293**

SECTION 8: NET IMPAIRMENT ADJUSTMENT - ITEM 130

8.1 NET IMPAIRMENT ADJUSTMENT OF LOANS: BREAKDOWN

Transactions / Income components	Writedowns (1)			Writebacks (2)				Total at 31/12/2007	Total at 31/12/2006
	Specific		Of portfolio	Specific		Of portfolio			
	Write-offs	Other		A	B	A	B	(3)=(1)-(2)	
A. Receivables from banks	-	-	-	-	-	-	-	-	-
B. Customer loans	(203)	(3,037)	(192)	1,120	1,030	-	-	(1,282)	1,939
C. Total	**(203)**	**(3,037)**	**(192)**	**1,120**	**1,030**	**-**	**-**	**(1,282)**	**1,939**

Key:
A= from interest
B= other writebacks

The item "other writebacks" refers to the recovery of value connected to the passing of time, corresponding to interests matured during the period on the basis of the original effective interest rate used previously to calculate value adjustments.

8.2 NET IMPAIRMENT ADJUSTMENT OF FINANCIAL ASSETS AVAILABLE FOR SALE: BREAKDOWN

The table is not filled in since there were no balances for this item when the financial statements were drawn up.

8.3 NET IMPAIRMENT ADJUSTMENT OF FINANCIAL ASSETS HELD TO MATURITY: BREAKDOWN

The table is not filled in since there were no balances for this item when the financial statements were drawn up.

8.4 NET IMPAIRMENT ADJUSTMENT OF OTHER FINANCIAL TRANSACTIONS: BREAKDOWN

Transactions / Income components	Writedowns (1)			Writebacks (2)				Total at 31/12/2007	Total at 31/12/2006
	Specific		Of portfolio	Specifiche		Of portfolio			
	Write-offs	Altre		A	B	A	B	(3)=(1)-(2)	
A. Guarantees given	-	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Fund payment commitments	-	-	-	-	-	-	-	-	-
D. Other transactions	-	(209)	-	-	-	-	-	(209)	-
E. Total	**-**	**(209)**	**-**	**-**	**-**	**-**	**-**	**(209)**	**-**

Key:
A = from interest
B = other writebacks

SECTION 9: ADMINISTRATIVE EXPENSES - ITEM 150

Personnel expenses include, in addition to expenses relative to employees:
- expenses for Bank employees on transfer to other companies and the relative recovery of expenses;
- expenses relative to non-typical work contracts;
- reimbursement of expenses for employees of other companies on transfer to the Bank;
- directors' fees

9.1 PERSONNEL EXPENSES: BREAKDOWN

Type of expense/Amount	Total at 31/12/2007	Total at 31/12/2006
1) Employees	**(57,865)**	**(61,435)**
a) wages and salaries	(39,279)	(41,415)
b) social security contributions	(10,894)	(11,657)
c) severance indemnity	-	-
d) other pension schemes	-	-
e) provision for employee severance indemnity	(2,512)	(3,080)
f) provision for retirement benefits and similar:	-	-
- defined contribution	-	-
- defined benefit	-	-
g) payments to complementary external pension funds:	(1,400)	(1,404)
- defined contribution	(1,400)	(1,404)
- defined benefit	-	-
h) costs pursuant to payment agreements based on own equity instruments	-	-
i) other employee benefits	(3,780)	(3,879)
2) Other personnel	**(54)**	**(82)**
3) Directors	**(571)**	**(377)**
Total	**(58,490)**	**(61,894)**

9.2 AVERAGE NUMBER OF EMPLOYEES PER CATEGORY

	Total at 31/12/2007	Total at 31/12/2006
Employees:	**723**	**739**
a) managers	14	13
b) total junior managers	241	238
- of which: 3rd and 4th level	88	83
c) remaining employees	468	488
Remaining employees	**4**	**4**

During the period, subsequent to the sale of the Corporate branch of the company, 36 workers were transferred to Banca Agrileasing.

9.3 COMPANY DEFINED-BENEFIT PENSION FUNDS TOTAL COSTS

There were no balances for this item when the financial statements were drawn up.

9.4 OTHER EMPLOYEE BENEFITS

The item "other benefits in favour of employees" mainly include Euro 484 thousand for the resignation/early retirement incentive and about Euro 1,500 thousand for other indemnities such as tickets, insurance policies and training courses.

9.5 OTHER ADMINISTRATIVE EXPENSES: BREAKDOWN

Type of expense/Amount	Total at 31/12/2007	Total at 31/12/2006
Electronic data processing	**(25,162)**	**(25,810)**
For buildings and furniture	**(8,377)**	**(7,424)**
Rental expenses	(7,260)	(6,101)
Cleaning of premises	(426)	(509)
Surveillance	(691)	(814)
The purchase of non-professional goods and services	**(14,306)**	**(12,793)**
Telephone and data transmission	(2,233)	(2,776)
Postal expenses	(6,026)	(3,662)
Work outsourced to third parties	(2,794)	(3,058)
Transport and control of valuables	(302)	(332)
Electricity, heating and water	(970)	(776)
Transport	(741)	(950)
Stationery and printed matter	(1,156)	(1,147)
Subscriptions, magazines and newspapers	(84)	(92)
The purchase of professional goods and services	**(9,013)**	**(8,436)**
Professional fees	(3,156)	(2,849)
Legal fees, Information and inquiries	(171)	(249)
Insurance premiums	(735)	(783)
Services rendered by third parties	(4,951)	(4,555)
Advertising, promotion, marketing and representation	**(669)**	**(940)**
Membership subscriptions	**(1,450)**	**(1,426)**
Other expenses	**(325)**	**(451)**
Indirect taxes and dues	**(9,737)**	**(9,883)**
Stamp duty	(8,100)	(7,525)
Substitute tax Pres. Decree 601/73	(363)	(835)
Local property rates	(186)	(522)
Taxes on stock exchange contracts	(855)	(883)
Other indirect taxes and dues	(233)	(118)
Total administrative expenses	**(69,039)**	**(67,163)**

SECTION 10: NET PROVISIONS FOR RISKS AND CHARGES - ITEM 160

10.1 NET PROVISIONS FOR RISKS AND CHARGES: BREAKDOWN

	Total at 31/12/2007	Total at 31/12/2006
Net provisions for risks and charges	**(251)**	**208**

SECTION 11: NET ADJUSTMENT OF TANGIBLE ASSETS - ITEM 170

11.1 NET ADJUSTMENT OF TANGIBLE ASSETS: BREAKDOWN

Assets / Income components	Depreciation (a)	Writedowns for deterioration (b)	Writebacks (c)	Net result (a + b - c)
A. Tangible assets				
A.1 Company owned:	3,378	-	-	3,378
- for operating use	3,378	-	-	3,378
- for investment	-	-	-	-
A.2 Acquired on lease	-	-	-	-
- for operating use	-	-	-	-
- for investment	-	-	-	-
Total	**3,378**	**-**	**-**	**3,378**

SECTION 12: NET ADJUSTMENT OF INTANGIBLE ASSETS - ITEM 180

12.1 NET ADJUSTMENT OF INTANGIBLE ASSETS: BREAKDOWN

Assets / Income components	Depreciation (a)	Writedowns for deterioration (b)	Writebacks (c)	Net result (a + b - c)
A. Intangible assets				
A.1 Company owned:	2,518	-	-	2,518
- developped in-house by the company	-	-	-	-
- others	2,518	-	-	2,518
A.2 Purchased under financial lease	-	-	-	-
Total	**2,518**	**-**	**-**	**2,518**

SECTION 13: OTHER OPERATING INCOME (EXPENSES) - ITEM 190

13.1 OTHER OPERATING EXPENSES: BREAKDOWN

Income components/Amounts	Total at 31/12/2007	Total at 31/12/2006
premiums paid for hedging options abandoned	-	(196)
premiums paid for options	-	(150)
Other charges	(35)	(104)
Total	**(35)**	**(450)**

13.2 OTHER OPERATING INCOME: BREAKDOWN

Income components/Amounts	Total at 31/12/2007	Total at 31/12/2006
Real estate rent collected	23	604
Expenses recovered:		
- personnel on transfer	252	192
- stamp duty	6,066	5,694
- substitute tax	210	835
- Milano Finanza	410	422
Premiums on options	-	346
Revenue for subsidised financial services	20	476
Insourcing revenue	1,075	850
Other income	2,030	1,770
Total	**10,086**	**11,189**

SECTION 14: PROFITS (LOSSES) FROM EQUITY INVESTMENTS - ITEM 210

14.1 PROFITS (LOSSES) ON EQUITY INVESTMENTS: BREAKDOWN

The table is not filled in since there were no balances for this item when the financial statements were drawn up.

SECTION 15: NET RESULT OF EVALUATION AT FAIR VALUE OF TANGIBLE AND INTANGIBLE ASSETS - ITEM 220

15.1 NET RESULT OF EVALUATION AT FAIR VALUE OF TANGIBLE AND INTANGIBLE ASSETS: BREAKDOWN

The table is not filled in since there were no balances for this item when the financial statements were drawn up.

SECTION 16: WRITEDOWNS OF GOODWILL - ITEM 230

16.1 WRITEDOWNS ON GOODWILL: BREAKDOWN

The table is not filled in since there were no balances for this item when the financial statements were drawn up.

SECTION 17: PROFITS (LOSSES) FROM THE SALE OF EQUITY INVESTMENT - ITEM 240

17.1 PROFITS (LOSSES) FROM THE SALE OF EQUITY INVESTMENT: BREAKDOWN

The table is not filled in since there were no balances for this item when the financial statement was drawn up.

SECTION 18: INCOME TAXES FOR THE YEAR ON CONTINUING OPERATIONS - ITEM 260

18.1 INCOME TAXES FOR THE YEAR ON CONTINUING OPERATIONS: BREAKDOWN

Components/Amount	Total at 31/12/2007	Total at 31/12/2006
1. Current taxes (-)	(14,004)	(17,248)
2. Variations in current taxes compared to previous periods (+/-)	-	-
3. Reductions in current taxes for the period (+)	-	-
4. Changes in prepaid taxes (+/-)	(1,581)	(3,172)
5. Changes in deferred taxes (+/-)	75	1,242
6. Taxes relative to the period (-) (-1+/-2+3+/-4+/-5)	**(15,510)**	**(19,178)**

18.2 RECONCILIATION BETWEEN THEORETICAL TAX BURDEN AND TAX BURDEN ON THE FINANCIAL STATEMENTS

	CORPORATE INCOME TAX		REGIONAL BUSINESS TAX	
Reconciliation between theoretical tax burden and tax burden on financial statements	Taxable amount	Tax	Taxable amount	Tax
Total profit before taxes	**36,952**	**-**		
Theoretical tax burden (33%)	**-**	**12,194**		
Difference between production value and cost			**93,478**	
Theoretical tax burden (5.25%)				**4,909**
Effect of changeover to IAS/IFRS	-	-	-	-
Temporary taxable differences in future periods	(15,168)	(5,005)	(14,158)	(743)
Temporary differences in deductions in future periods	8,534	2,816	3,235	170
Shift of temporary differences of preceding periods:				
Annulment of temporary differences in deductions	(8,473)	(2,796)	(545)	(29)
Annulment of temporary differences in taxable amounts	7,922	2,614	6,385	335
Differences which cannot be shifted to future periods:				
Permanent negative variations in taxable income	(1,455)	(480)	(16,622)	(873)
Permanent positive variations in taxable income	1,800	594	5,682	298
Taxable income	**30,112**			
Current income taxes for the period		**9,937**		
Taxable income for Regional Business Tax			**77,455**	
Current Regional Business Tax for the period				**4,067**
Summary:				
CORPORATE INCOME TAX				9,937
REGIONAL BUSINESS TAX				4,067
Total current taxes				**14,004**

SECTION 19: AFTER TAX PROFIT (LOSS) ON NON-CURRENT ASSETS AND GROUPS OF ASSETS IN THE PROCESS OF BEING SOLD OFF - ITEM 280

19.1 AFTER TAX PROFIT (LOSS) ON NON-CURRENT ASSETS IN THE PROCESS OF BEING SOLD OFF: BREAKDOWN

Income components/Amounts	Total at 31/12/2007	Total at 31/12/2006
1. Income	846	-
2. Charges	-	-
3. Result of valuation of group of assets and of associated liabilities	-	-
4. Profits (losses) on sale	4,721	6,212
5. Taxes and dues	(1,860)	(2,376)
Profit (Loss)	**3,707**	**3,836**

The profit refers to the sale of the real estate, specified in more detail at the foot of table 4.5 of the assets.

19.2 BREAKDOWN OF INCOME TAXES RELATIVE TO THE NON-CURRENT ASSETS IN THE PROCESS OF BEING SOLD OFF

	Total at 31/12/2007	Total at 31/12/2006
1. Current taxation (-)	(765)	(475)
2. Changes in prepaid taxes (+/-)	(1)	-
3. Changes in deferred taxes (+/-)	(1,094)	(1,901)
4. Income taxes for the period (-1+/-2+/-3)	**(1,860)**	**(2,376)**

SECTION 20: OTHER INFORMATION

It was deemed unnecessary to add further information to that already given in the preceding tables.

SECTION 21: EARNINGS PER SHARE

	Total at 31/12/2007
Profit for the period	25,149,491
Attributable profit	17,354,400
Average number of ordinary shares in circulation	420,000
Earnings per share	59.88
Attributable profit per share	41.32

The above amounts are in euro units.

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PART D

Segment Reporting

PART D - SEGMENT REPORTING

In line with the provisions regarding segment reporting the Bank's main economic and equity aggregates are illustrated below.

PRIMARY REPORT

Iccrea Banca systematically draws up a management report, in accordance with a specific "data model", on the results obtained in the individual sectors into which the bank's activities are subdivided and which reflect the organizational structure These sectors are:

- finance;
- credit;
- payment systems;

in addition to which there are the central governance and support functions and the Agency Service grouped in the "Corporate Centre".
The detailed analysis of the sectors of activities and Business Lines of which they are composed is given in the chapter on the Bank's activities in the Management Report.

STATEMENT OF INCOME

The table below shows the main economic aggregates of the aforesaid segments of activity.

Item/ Business sector	Finance		Loans		Payment Services		Corporate Centre		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Net Interest income	11,243	6,196	8,731	17,203	5,109	5,474	13,930	8,716	39,013	37,588
Net income from services	27,156	34,079	2,052	3,301	90,479	86,324	13,417	17,036	133,105	140,740
Total income	**38,399**	**40,275**	**10,784**	**20,504**	**95,589**	**91,798**	**27,348**	**25,751**	**172,119**	**178,328**
Administrative expenses	(38,315)	(34,555)	(10,185)	(14,373)	(62,986)	(62,980)	(16,043)	(17,149)	(127,529)	(129,056)
Operating profit	**84**	**5,720**	**598**	**6,132**	**32,603**	**28,818**	**11,304**	**8,603**	**44,590**	**49,272**

(figures in thousands of euro)

With reference to the criteria for calculating the profitability of the Sectors, it should be noted that the statement of income was drawn up in accordance with the following procedures
- the net interest income was calculated by contribution on the basis of the internal transfer rate
- the margin from services was calculated by means of direct allocation of the economic components;
- the operating expenses were attributed in accordance with the "full costing" model which allocates the totality of the operating costs.

EQUITY AGGREGATES

The table below shows the main equity aggregates relating to the utilization of and deposits made by customers and banks. In particular, with reference to their composition, it may be noted that:

- the utilizations correspond to items 20, 30, 40, 60, 70, 80, 90 and 100 of the assets on the balance sheet;
- the deposits correspond to items 10, 20, 30, 40, 50 and 60 of the liabilities on the balance sheet.

Item/ Business sector	Finance		Loans		Payment Services		Corporate Centre		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Customer loans	129	104	510	938	-	-	-	-	639	1,042
Due from banks	7,402	6,677	-	122	-	-	-	-	7,402	6,799
Other assets	1,264	793	-	-	-	-	76	58	1,339	851
Total loans	**8,794**	**7,574**	**510**	**1,060**	**-**	**-**	**76**	**58**	**9,380**	**8,693**
Due to customers	438	283	5	-	762	410	194	185	1,399	878
Due to banks	7,470	6,968	-	-	-	-	123	-	7,593	6,968
Other liabilities	-	500	-	-	-	-	-	-	-	500
Total deposits	**7,908**	**7,750**	**5**	**-**	**762**	**410**	**317**	**185**	**8,992**	**8,345**

(figures in millions of euro)

SECONDARY REPORT

With regard to the secondary report, it should be noted that the Bank's activities are almost exclusively carried out in Italy.

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PART E

Comments on Risks and related hedging policies

PART E - COMMENTS ON RISKS AND RELATED HEDGING POLICIES

The Iccrea Banking Group attributes great importance to risk protection and to the control systems that constitute fundamental requirements for guaranteeing reliable and sustainable generation of value, protecting financial solidity over time and permitting adequate management of the portfolios of assets and liabilities

A progressive implementation method for the gradual upgrading of methods and tools with reference both to external regulations and to internal management and monitoring needs has been put in practice within the Group in recent years with regard to credit, market and operating needs.

The establishment of the Group's Risk Management Unit which supports Iccrea Banca on an outsourcing basis was realized in this context.

The Group's Risk Management Unit carries out the following activities for Iccrea Banca:

- planning activities for consolidating and developing the processes, methodologies and application solutions for risk assessment and management;
- current activities previously carried out by the internal Risk Management structure;
- maintenance/upgrading of the processes, methodologies and application solutions in relation to the evolution of the legislative, regulatory and operational context.

In this framework, a series of planning actions has already been carried out on the basis of an operational breakdown into risk management specialization areas, aimed at guaranteeing the consolidation and development of instruments and methodologies for risk assessment, with the involvement of resources belonging to different Companies of the Group in joint projects.

SECTION 1: CREDIT RISK

Qualitative information

1. General aspects

The ICCREA Banca S.p.A. 2007-2009 Plan confirms reinforcement of the Bank's mission as System interface for the BCC.

With reference to the credit activities, in 2007, within the framework of measures taken for strategic repositioning defined at the Group level, the corporate portfolio was sold to the sister company Banca Agrileasing. Subsequent to this operation, the Bank's credit activities aim to:

- ensure support to the BCC in the agricultural compartment;
- develop relations with companies with a strong international vocation located in the areas covered by the BCC;
- establish a "centre of excellence" for subsidised loans, capable of supporting and collaborating with all the parties in the System involved by this department;
- satisfy the funding needs of the BCC by granting overdrafts, ceilings and maximum operational limits.

The credit derivatives activity is strictly for supporting the needs relating to the preparation of financial products and instruments placed on the market by companies of the Group

2. Credit risk management policies

2.1 Organisational aspects

Organizational structures involved

The organizational structure of Iccrea Banca SpA for credit risk management is represented by the Loans Department, which is a section of the Central Finance and Credit Office.

Within the sphere of the Loans Department, the Institutional and Special Credit Service carries out the activities associated with credit granting procedures in national and foreign currency for the relative clientele (institutional, large corporate, retail ICCREA employees) and for special loans, and all activities connected with the same (development, pricing, management and monitoring). It deals with all procedures, including inquiries, for the mandate for issuing Iccrea Banca S.p.A. banker's cheques and for the granting of operational ceilings to counterparts.

The Controls Service and Credit Technical Office ensures monitoring of the progress of credit positions and of the correctness/adequacy of administration processes carried out by the Loans Department. It also manages doubtful debts and the data entry of the positions assigned into the computerised system and control of the same. It also produces an independent monthly report on the situation.

The Credit Risk Service of the Risk Management Department has the task of promoting the adoption of procedures for accepting, managing and controlling the credit risks and of carrying out operating procedures which can guarantee effective control of the risks in line with the principles of the supervisory regulations. Among other things, it also produces independent reporting on the matter, and takes part in the updating and development of the regulations governing the credit risk with particular regard to operational mandates and limits.

Inspections regarding Iccrea Banca are carried out by the Internal Audit Department for Companies of the Group.

Credit exposure segmentation criteria

For the purpose of managing the credit risk, the credit exposures are segmented into portfolios on the basis of the type of credit line/ceiling and type of counter part (BCC, other banks, private customers).

Further segmentation is carried out in the framework of each customer segment on the basis of the technical form (current account credit opening, loans, etc.) and duration (short, medium and long-term).

Credit worthiness assessment process

The assessment of the counterpart's creditworthiness is carried out on the basis of an analysis/diagnosis of a set of informative elements of a quantitative and qualitative nature.

The assessment framework, the preliminary process and the instruments used to investigate and attribute creditworthiness differ depending according to the counterpart and the type of action requested. In the case of a new request for a credit line/ceiling, for a counterpart who is already a borrower, the assessment framework also includes the acquisition of further information on the state of the previous position.

2.2 Management, assessment and audit systems

Accounting and statistical indicators are used in the assessment context to measure the credit risk.

Criteria have been established for determining the credit risk position, the value of which is used to decide credit lines and/or ceilings.

The risk is assessed using a position weighting factor, referred to the nominal value of the sums paid out in the loans and deposits, the nominal amount of the securities, the notional value of the securities, the notional value of the treasury and exchange derivative contracts, and the current positive value of the other derivative contracts.

The systematic supervision process, aimed at assessing anomalies, and controlling trends to correctly classify and activate the consequent action to be taken makes use of a specific computer program. In particular, the control procedure reports trend anomalies monthly, allocating the positions in different classes of anomaly. The discovery of anomalies activates the systematic supervisory process and managerial assessment process of amounts owed by customers.

The reporting of risk positions subject to a ceiling is carried out daily, by means of a special IT procedure.

Within the framework of the Group, bearing in mind the experiences and specializations specific to the main subsidiaries, activities have been initiated for the acquisition of instruments for defining internal ratings referable to the Bank's counterparts and ordinary clientele.

2.3 Credit risk mitigation techniques

The main types of credit risk mitigation instruments currently used by the ICCREA banking group consist essentially of the different kinds of unsecured and secured, financial and non-financial guarantees.

Iccrea Banca uses the "close out netting" mechanism, activated with Cooperative Credit Banks, involving the specific right to immediately close pending relationships with compensation of the reciprocal positions and payment of the net balance in the event of the counterpart's insolvency or bankruptcy. This mechanism is used in contracts aimed at regulating the operations in unlisted financial instruments (OTC).

In the context of upgrading to the new prudential discipline regarding credit risk mitigation, the Iccrea banking group has defined a series of actions for organisational and IT adaptation in order to guarantee the creation of effective and adequate structures and processes for ensuring full compliance with the organizational, economic and legal requirements required by the new regulations regarding credit risk mitigation.

2.4 Impaired financial assets

Procedure for classifying assets according to borrower quality

The Institute is organized with regulatory/IT structures and procedures for credit management, classification and control.
In line with the provisions of the IAS/IFRS, on the closure of every financial period, the presence of objective value loss (impairment) elements is assessed for every instrument or group of financial instruments.

Objective evidence of the impairment of a financial asset or group of financial assets is constituted by observable data regarding the following events:

- a borrower's significant financial difficulties;
- breach of contractual agreements, such as non-fulfilment or failure to pay interest or capital;
- for economic or legal reasons linked to the beneficiary's financial difficulties, the lender grants the borrower a concession which the lender would not otherwise have taken into consideration;
- high probability of the borrower's bankruptcy or other financial reorganization;
- disappearance of an active market for the financial asset following the borrower's financial difficulties (case not relevant for the current types of amounts owed by banks/customers);
- the existence of elements indicating a quantifiable decrease of estimated future cash flows for a group of assets, after their initial registration, even though this reduction cannot yet be ascribed to the individual position:
  - reduction of the borrower's ability to pay with regard to the group of assets held by the same;
  - national or local conditions that could generate default for a group of credits.

The above-mentioned check is carried out with the support of special IT screening procedures on the basis of the information from internal and external sources.

Within the scope of the check on the existence of objective impairment elements, non-performing credits are classified in the following categories:

- Bad loans: loans to parties in a state of insolvency (even if bankruptcy has not been declared by a court) or in substantially equivalent situations, regardless of any expectations of impairment formulated by the company;
- Sub standard loans: loans showing a temporary situation of objective difficulty, the removal of which can be foreseen within a reasonable period of time;
- restructured loans: credit for which a pool of banks (or a single bank) allows for modifications to the original contractual conditions giving rise to a loss;
- expired/overdue loans: with repayments in arrears for more than 180 days.

Factors which allow for a shift from impaired loans to performing loans:

Impaired loans may become performing loans again with the borrower's return to full solvency conditions, in particular:

- by reducing the entire exposure or of the debt in arrears to zero;
- with settlement of the risk position.

Procedure for assessment of the adequacy of the value adjustments:

Loans are entered on the financials statement at their presumable collectable value. This value is calculated by deducting the total devaluations - specifically analytical and of lumps sums - of capital and interest, net of the associated reimbursements from the total amount paid out.

The formulation of the loss forecast is based on analytical and statistical methodologies; the latter used for the category of outstanding personal loans and for calculating the physiological risk.

The analytical valuation of non-performing loans is based on standard criteria approved by the Board of Directors, inspired by prudential evaluations of any collateral covering the repayment capacity.

In particular, impaired loans are analytical evaluated on the basis of:

- expectation of the future recovery of the credit - with the exclusion of future losses that have not yet appeared - using different procedures according to the type of the loan:
  - he recovery forecast for outstanding personal loans is determined using a statistical methodology based on stratification according to age bracket, considering the sums collected and the losses on past cases from which, with appropriate calculations, a percentage loss to apply to the entire portfolio in existence can be deduced;
  - for other loans, flat-rate devaluation is applied on the basis of statistical techniques which, using the values calculated for the credit impairment rate and for the recoverability rate, contribute to the calculation of the percentage level of cover which must be ensured for prudence;
- recovery times;
- the possibility of cashing in any collateral, complete with the presumed collection/liquidation charges which must be incorporated into the future expected cash flows.

The amount of the loss, entered on the statement of income, is the difference between the initial entry value of the asset and the current value of the expected cash flows discounted at the original effective interest rate of the financial asset at the moment of classification as a non performing loan.

The original value of any loans that have been written down is written back again in subsequent years if the reasons for the writedown no longer apply.

QUANTITATIVE INFORMATION

A. Loan quality

A.1 Impaired and performing loans: amounts, writedowns, trends, economic and territorial distribution

A.1.1 DISTRIBUTION OF FINANCIAL ASSETS BY PORTFOLIO AND CREDIT QUALITY (BOOK VALUES)

Portfolio / quality	Bad loans	Sub standard loans	Restructured loans	Expired loans	Country Risk	Other assets	Total
1. Financial assets held for trading	-	-	-	-	218	1,407,092	**1,407,310**
2. Financial assets available for sale	-	-	-	-	-	215,377	**215,377**
3. Financial assets held to maturity	-	-	-	-	-	-	**-**
4. Due from banks	-	-	-	-	4,411	7,110,432	**7,114,843**
5. Customer loans	15,430	3,381	-	1,152	-	586,836	**606,799**
6. Financial assets carried at *fair value*	-	-	-	-	-	30,050	**30,050**
7. Financial assets in the process of being sold	-	-	-	-	-	-	**-**
8. Hedging derivatives	-	-	-	-	-	3,876	**3,876**
Total at 31/12/2007	**15,430**	**3,381**	**-**	**1,152**	**4,629**	**9,353,663**	**9,378,255**
Total at 31/12/2006	**9,973**	**12,082**	**217**	**3,282**	**4,622**	**8,662,224**	**8,692,400**

A.1.2 DISTRIBUTION OF FINANCIAL ASSETS ACCORDING TO PORTFOLIO AND CREDIT QUALITY (GROSS AND NET VALUES)

Portfolio / quality	Impaired assets				Other assets			Total (net exposure)
	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure	Gross exposure	Portfolio writedowns	Net exposure	
1. Financial assets held for trading	-	-	-	-	x	x	1,407,310	**1,407,310**
2. Financial assets available for sale	-	-	-	-	215,377	-	215,377	**215,377**
3. Financial assets held to maturity	-	-	-	-	-	-	-	**-**
4. Due from banks	-	-	-	-	7,114,843	-	7,114,843	**7,114,843**
5. Customer loans	42,913	22,937	13	19,963	587,755	919	586,836	**606,799**
6. Financial assets carried at *fair value*	-	-	-	-	x	x	30,050	**30,050**
7. Financial assets in the process of being sold off	-	-	-	-	-	-	-	**-**
8. Hedging derivatives	-	-	-	-	x	x	3,876	**3,876**
Total at 31/12/2007	**42,913**	**22,937**	**13**	**19,963**	**7,917,975**	**919**	**9,358,292**	**9,378,255**
Total at 31/12/2006	**48,222**	**22,647**	**21**	**25,554**	**7,878,473**	**2,616**	**8,666,846**	**8,692,400**

A.1.3 CASH AND OFF-BALANCE SHEET EXPOSURE TO BANKS: GROSS AND NET AMOUNTS

Type of exposure / amounts	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. CASH EXPOSURES				
a) Bad loans	-	-	-	**-**
b) Substandard loans	-	-	-	**-**
c) Restructured loans	-	-	-	**-**
d) Past Due Loans	-	-	-	**-**
e) Country risk	4,411	x	-	**4,411**
f) Other assets	7,147,220	x	-	**7,147,220**
TOTAL A at 31/12/2007	**7,151,631**	**-**	**-**	**7,151,631**
B. OFF-BALANCE SHEET EXPOSURE				
a) Impaired loans	-	-	-	**-**
b) Other	633,353	x	-	**633,353**
TOTAL B at 31/12/2007	**633,353**	**-**	**-**	**633,353**

A.1.4 CASH EXPOSURES TO BANKS: TREND OF GROSS IMPAIRED LOANS AND LOANS SUBJECT TO "COUNTRY RISK"

Reasons/Categories	Bad loans	Doubtful loans	Restructured loans	Past due loans	Country Risk
A. Gross initial exposure	**-**	**-**	**-**	**-**	**4,356**
- dof which: loans transferred but not derecognized	-	-	-	-	-
B. Increases	**-**	**-**	**-**	**-**	**1,565**
B.1 inflows from performing loans	-	-	-	-	-
B.2 transfers of impaired loans from other categories	-	-	-	-	-
B.3 other increases	-	-	-	-	1,565
C. Decreases	**-**	**-**	**-**	**-**	**1,510**
C.1 outflows to performing loans	-	-	-	-	-
C.2 write off	-	-	-	-	-
C.3 collections	-	-	-	-	1,510
C.4 disposals	-	-	-	-	-
C.5 transfers of impaired loans to other categories	-	-	-	-	-
C.6 other decreases	-	-	-	-	-
D. Gross closing exposure	**-**	**-**	**-**	**-**	**4,411**
- of which: loans transferred but not derecognized	-	-	-	-	-

A.1.5 CASH EXPOSURES TO BANKS: TREND OF TOTAL WRITEDOWNS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

A.1.6 CASH AND OFF-BALANCE SHEET EXPOSURES TO CUSTOMERS: GROSS AND NET AMOUNTS

Type of exposure/ amounts	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. CASH EXPOSURES				
a) Bad loans	38,289	22,859	-	**15,430**
b) Substandard loans	3,468	78	9	**3,381**
c) Restructured loans	-	-	-	**-**
d) Past Due Loans	1,156	-	4	**1,152**
e) Country risk	218	x	-	**218**
f) Other assets	1,884,667	x	919	**1,883,748**
TOTAL A at 31/12/2007	**1,927,798**	**22,937**	**932**	**1,903,929**
B. OFF-BALANCE SHEET EXPOSURE				
a) Impaired loans	-	-	-	**-**
b) Other	1,267,316	x	-	**1,267,316**
TOTAL B at 31/12/2007	**1,267,316**	**-**	**-**	**1,267,316**

A.1.7 CASH EXPOSURES TO CUSTOMERS: TREND OF GROSS IMPAIRED LOANS AND LOANS SUBJECT TO "COUNTRY RISK"

Reasons / Categories	Bad loans	Sub standard loans	Restructured loans	Past due loans	Country Risk
A. Gross initial exposure	**31,250**	**13,328**	**359**	**3,285**	**266**
- of which: loans transferred but not derecognized	-	-	-	-	-
B. Increases	**12,955**	**2,357**	**-**	**958**	**111**
B.1 inflows from performing loans	1,928	1,940	-	826	-
B.2 transfers of impaired loans from other categories	8,982	417	-	132	-
B.3 other increases	2,045	-	-	-	111
C. Decreases	**5,916**	**12,217**	**359**	**3,087**	**159**
C.1 outflows to performing loans	-	202	-	1,417	-
C.2 write off	604	23	-	-	-
C.3 collections	5,312	1,213	-	34	159
C.4 disposals	-	1,574	359	1,083	-
C.5 transfers of impaired loans to other categories	-	9,115	-	417	-
C.6 other decreases	-	90	-	136	-
D. Gross closing exposure	**38,289**	**3,468**	**-**	**1,156**	**218**
- of which: loans transferred but not derecognized	-	-	-	-	-

A.1.8 CASH EXPOSURES TO CUSTOMERS: TREND OF TOTAL WRITEDOWNS

Reasons / Categories	Bad loans	Sub standard loans	Restructured loans	Past due loans	Country Risk
A. Total initial writedowns	**21,277**	**1,246**	**142**	**3**	**-**
- of which: loans transferred but not derecognized	-	-	-	-	-
B. Increases	**4,176**	**29**	**-**	**1**	**-**
B.1 writedowns	3,169	29	-	1	-
B.2 transfers of impaired loans from other categories	1,007	-	-	-	-
B.3 other increases	-	-	-	-	-
C. Decreases	**2,594**	**1,188**	**142**	**-**	**-**
C.1 writebacks from valuation	749	155	-	-	-
C.2 writebacks for collections	1,241	-	-	-	-
C.3 write off	604	7	-	-	-
C.4 transfers of impaired loans to other categories	-	1,008	-	-	-
C.5 other decreases	-	18	142	-	-
D. Total final writedowns	**22,859**	**87**	**-**	**4**	**-**
- of which: loans transferred but not derecognized	-	-	-	-	-

A.2 Classification of exposures according to external and internal ratings

A.2.1 DISTRIBUTION OF ON AND OFF-BALANCE SHEET LOANS ACCORDING TO EXTERNAL RATINGS

Exposure	External rating classes						Without rating	Total at 31/12/2007
	AAA/ AA-	A+/ A-	BBB+/ BBB-	BB+/ BB-	B+/ B-	Inferi- ore a B-		
A. Cash exposure	**1,258,418**	**4,347,095**	**345,011**	**3,091**	**217**	**-**	**3,101,728**	**9,055,560**
B. Derivatives	**261,907**	**28,910**	**11,015**	**26**	**-**	**-**	**140,091**	**441,949**
B.1 Financial derivatives	152,589	18,910	11,015	26	-	-	140,091	322,631
B.2 Credit derivatives	109,318	10,000	-	-	-	-	-	119,318
C. Guarantees given	**679**	**127,832**	**3,815**	**264**	**-**	**-**	**81,611**	**214,201**
D. Commitments to supply funds	**12,272**	**1,573**	**463**	**-**	**-**	**-**	**1,230,211**	**1,244,519**
Total	**1,533,276**	**4,505,410**	**360,304**	**3,381**	**217**	**-**	**4,553,641**	**10,956,229**

A.2.2 DISTRIBUTION OF ON AND OFF-BALANCE SHEET LOANS ACCORDING TO INTERNAL RATINGS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

A.3 Distribution of guaranteed loans by type of guarantee

A.3.1 SECURED LOANS TO BANKS AND CUSTOMERS

	Amount of exposure	Real Guaranty (1)			Personal guaranty (2)								Total at 31/12/2007
					Credit derivatives				Unsecured loans				
		Real Estate	Securities	Other assets	Governments	Other government agencies	Banks	Other subjects	Governments	Other government agencies	Banks	Other subjects	(1)+(2)
1. Secured exposures to banks:	***410,389***	***2,231***	***265,577***	***1,633***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	***6,614***	***276,055***
1.1 fully secured	193,437	2,231	188,959	1,633	-	-	-	-	-	-	-	614	**193,437**
1.2 partially secured	216,952	-	76,618	-	-	-	-	-	-	-	-	6,000	**82,618**
2. Secured exposures to customers:	***295,041***	***243,558***	***24,377***	***13,109***	**-**	**-**	**-**	**-**	**-**	***952***	***9,185***	***3,556***	***294,737***
2.1 fully secured	291,607	243,549	24,377	10,209	-	-	-	-	-	952	8,964	3,556	**291,607**
2.2 partially secured	3,434	9	-	2,900	-	-	-	-	-	-	221	-	**3,130**

A.3.2 SECURED OFF-BALANCE SHEET LOANS TO BANKS AND CUSTOMERS

	Amount of exposure	Real Guaranty (1)			Personal guaranty (2)								Total at 31/12/2007
					Credit derivatives				Unsecured loans				
		Real Estate	Securities	Other assets	Governments	Other government agencies	Banks	Other subjects	Governments	Other government agencies	Banks	Other subjects	(1)+(2)
1. Secured exposures to banks:	***19,735***	***119***	***9,765***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	***9,450***	***19,334***
1.1 fully secured	19,160	119	9,591	-	-	-	-	-	-	-	-	9,450	**19,160**
1.2 partially secured	575	-	174	-	-	-	-	-	-	-	-	-	**174**
2. Secured exposures to customers:	***5***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	***5***	***5***
2.1 fully secured	5	-	-	-	-	-	-	-	-	-	-	5	**5**
2.2 partially secured	-	-	-	-	-	-	-	-	-	-	-	-	**-**

A.3.3 IMPAIRED SECURED CASH LOANS TO BANKS AND CUSTOMERS

	Amount of exposure	Amount guaranteed	Guarantees (*fair value*)																Total at 31/12/2007	Surplus over fair value, guarantee
			Collateral Guaranty (1)			Personal Guaranty (2)														
						Credit derivatives							Unsecured loans							
			Real estate	Securities	Other assets	Governments and Central Banks	Other government agencies	Banks	Financial companies	Insurance companies	Non financial companies	Other subjects	Governments and Central Banks	Other government agencies	Banks	Financial companies	Insurance companies	Non financial companies	Other subjects		
1. Secured exposures to banks:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1. over 150%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2. between 100% and 150%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3. between 50% and 100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.4. up to 50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Secured exposures to customers:	***13,320***	***13,268***	***11,843***	***410***	***156***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	***103***	**-**	**-**	**-**	***756***	***13,268***	**-**
2.1. over 150%	12,954	12,954	11,781	221	156	-	-	-	-	-	-	-	-	-	39	-	-	-	756	12,954	-
2.2. between 100% and 150%	52	52	52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52	-
2.3. between 50% and 100%	287	261	9	189	-	-	-	-	-	-	-	-	-	-	64	-	-	-	-	261	-
2.4. up to 50%	27	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-

A.3.4 SECURED OFF-BALANCE SHEET LOANS TO BANKS AND CUSTOMERS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

B. Credit distribution and concentration

B.1 DISTRIBUTION OF CASH AND "OFF-BALANCE SHEET" CUSTOMER LOANS ACCORDING TO SECTOR

	Governments and Central Banks				Other government agencies				Financial companies			
	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. Cash exposure												
A.1 Bad debt	-	-	-	-	-	-	-	-	657	31	-	626
A.2 Sub Standard loans	-	-	-	-	-	-	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-	-	-	-	-	-	-
A.4 Past Due	-	-	-	-	-	-	-	-	-	-	-	-
A.5 Other exposures	1,149,235	x	-	1,149,235	6,655	x	4	6,651	342,001	x	68	341,933
Total A	**1,149,235**	**-**	**-**	**1,149,235**	**6,655**	**-**	**4**	**6,651**	**342,658**	**31**	**68**	**342,559**
B. Off-balance sheet loans												
B.1 Bad loans	-	-	-	-	-	-	-	-	-	-	-	-
B.2 Sub Standard loans	-	-	-	-	-	-	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-	-	-	-	-	-	-
B.4 Other exposures	963,026	x	-	963,026	873	x	-	873	19,500	x	-	19,500
Total B	**963,026**	**-**	**-**	**963,026**	**873**	**-**	**-**	**873**	**19,500**	**-**	**-**	**19,500**
Total (A+B) at 31/12/2007	**2,112,261**	**-**	**-**	**2,112,261**	**7,528**	**-**	**4**	**7,524**	**362,158**	**31**	**68**	**362,059**
Total (A+B) at 31/12/2006	**1,244,161**			**1,244,161**	**9,730**	**555**	**4**	**9,171**	**314,452**	**65**	**11**	**314,376**

(cont.)

Insurance companies				Non financial companies				Other subjects			
Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
-	-	-	-	28,426	16,534	-	11,892	9,206	6,294	-	2,912
-	-	-	-	1,760	24	5	1,731	1,708	54	4	1,650
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	631	-	-	631	525	-	4	521
700	x	-	700	240,918	x	594	240,324	145,376	x	253	145,123
700	**-**	**-**	**700**	**271,735**	**16,558**	**599**	**254,578**	**156,815**	**6,348**	**261**	**150,206**
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
33,581	x	-	33,581	245,488	x	-	245,488	3,423	x	-	3,423
33,581	**-**	**-**	**33,581**	**245,488**	**-**	**-**	**245,488**	**3,423**	**-**	**-**	**3,423**
34,281	**-**	**-**	**34,281**	**517,223**	**16,558**	**599**	**500,066**	**160,238**	**6,348**	**261**	**153,629**
60,593			**60,593**	**815,032**	**15,853**	**2,339**	**796,840**	**195,367**	**6,174**	**283**	**188,910**

B.2 DISTRIBUTION OF LOANS TO RESIDENT NON-FINANCIAL COMPANIES

	Branch	Total at 31/12/2007
Branch 1a: Agricultural, forestry and fishing produce	51	85,891
Branch 2a: other marketable services	73	60,910
Branch 3a: energy products	52	45,736
Branch 4a: Food and drink, cigarettes and tobacco	61	27,891
Branch 5a: wholesale and retail trade, recoveries and repairs	67	4,441
Other types of business		28,147
Total		**253,016**

B.3 DISTRIBUTION OF CASH AND "OFF-BALANCE SHEET" CUSTOMER LOANS ACCORDING TO GEOGRAPHIC AREA

Exposure/ Geographical area	Italy		Other European countries		America		Asia		Rest of the world	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A. Cash exposure										
A.1 Bad loans	38,289	15,430	-	-	-	-	-	-	-	-
A.2 Sub Standard loans	3,468	3,381	-	-	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-	-	-	-	-
A.4 Past Due	1,156	1,152	-	-	-	-	-	-	-	-
A.5 Other exposures	1,825,758	1,824,839	58,812	58,812	220	220	-	-	95	95
Total A	**1,868,671**	**1,844,802**	**58,812**	**58,812**	**220**	**220**	**-**	**-**	**95**	**95**
B. Off-balance sheet loans										
B.1 Bad loans	-	-	-	-	-	-	-	-	-	-
B.2 Sub Standard loans	-	-	-	-	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-	-	-	-	-
B.4 Other exposures	932,265	932,265	135,626	135,626	1,244	1,244	198,141	198,141	40	40
Total B	**932,265**	**932,265**	**135,626**	**135,626**	**1,244**	**1,244**	**198,141**	**198,141**	**40**	**40**
Total (A+B) at 31/12/2007	**2,800,936**	**2,777,067**	**194,438**	**194,438**	**1,464**	**1,464**	**198,141**	**198,141**	**135**	**135**
Total (A+B) at 31/12/2006	**2,082,844**	**2,057,560**	**469,816**	**469,816**	**4,949**	**4,949**	**81,726**	**81,726**	**-**	**-**

B.4 DISTRIBUTION OF CASH AND "OFF-BALANCE SHEET" LOANS TO BANKS

Exposure/ Geographical area	Italy		Other European countries		America		Asia		Rest of the world	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A. Cash exposure										
A.1 Bad loans	-	-	-	-	-	-	-	-	-	-
A.2 Sub Standard loans	-	-	-	-	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-	-	-	-	-
A.4 Past due loans	-	-	-	-	-	-	-	-	-	-
A.5 Other exposures	4,248,311	4,248,311	2,878,390	2,878,390	14,219	14,219	8,833	8,833	1,878	1,878
Total A	**4,248,311**	**4,248,311**	**2,878,390**	**2,878,390**	**14,219**	**14,219**	**8,833**	**8,833**	**1,878**	**1,878**
B. Off-balance sheet loans										
B.1 Bad loans	-	-	-	-	-	-	-	-	-	-
B.2 Sub Standard loans	-	-	-	-	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-	-	-	-	-
B.4 Other exposures	374,273	374,273	197,329	197,329	56,315	56,315	4,121	4,121	1,315	1,315
Total B	**374,273**	**374,273**	**197,329**	**197,329**	**56,315**	**56,315**	**4,121**	**4,121**	**1,315**	**1,315**
Total (A+B) at 31/12/2007	**4,622,584**	**4,622,584**	**3,075,719**	**3,075,719**	**70,534**	**70,534**	**12,954**	**12,954**	**3,193**	**3,193**
Total (A+B) at 31/12/2006	**4,975,639**	**4,975,639**	**2,394,092**	**2,394,092**	**135,770**	**135,770**	**13,147**	**13,147**	**3,699**	**3,699**

B.5 MAJOR RISKS

a) Amount	**106,993**
b) Number	**2**

Credit classified as "major risks" pursuant to the regulations in force are those which represent more than 10% of the regulatory capital.

C. SECURITISATION AND EQUITY SALE TRANSACTIONS

C.1 Securitisation transactions

Qualitative information

At the end of 2001 and during 2004 and 2007, pursuant to Law 130 of 30th April 1999 on credit securitisation, Iccrea Bank carried out three sale transactions of securities issued by the Cooperative Credit Banks.
The operations were carried out to meet the needs of the BCC to raise capital directly in the medium/long-term in order to:

- reduce the rate risk of the BCC by acting on the transformation of the maturity dates;
- rebalance the assets and liabilities in the accounts;
- broaden the possibilities of use.

The first sale, on 21st December 2001, was for bonds with a nominative value of Euro 889,600 thousand, to Credico Funding s.r.l., Milan. This is a special purpose vehicle company established under Italian law pursuant to Law 130/99 and registered under no. 32929 in the General List of the Italian Exchange Bureau pursuant to art. 106 of Leg. Decree 385/93, with the exclusive purpose of the execution of one or more securitization operations pursuant to art. 3 of the above-mentioned Law 130/99.

The equity of Credico Funding s.r.l. is held entirely by two Dutch companies: Stichting Chatwin and Stichting Amis. These granted Iccrea Banca S.p.A. a buy option on the entire securities. At the same time Iccrea Banca S.p.A. issued an option to the two companies to sell the securities held by the said SPV.

Credico Funding s.r.l. financed the purchase of the securities by issuing six classes of asset-backed securities, A, B, C, D, E, F amounting overall to Euro 889,600 thousand. The characteristics of the securities issued by the vehicle company are as follows:

- Class A for a value of Euro 742,810 thousand, at a variable rate indexed to the 3-month Euribor plus 0.23% with a quarterly coupon;
- Class B for a value of Euro 26,690 thousand, at a variable rate indexed to the 3-month Euribor plus 0.33% with a quarterly coupon;
- Class C for a value of Euro 26,690 thousand, at a variable rate indexed to the 3-month Euribor plus 0.38% with a quarterly coupon;
- Class D for a value of Euro 44,480 thousand, at a variable rate indexed to the 3-month Euribor plus 0.50% with a quarterly coupon;
- Class E for a value of Euro 22,240 thousand, at a variable rate indexed to the 3-month Euribor plus 1.20% with a quarterly coupon;
- Class F for a value of Euro 26,690 thousand, at a variable rate indexed to the 3-month Euribor plus 3.00% with a quarterly coupon.

The following ratings were assigned to the securities:

	Standard & Poor's	Moody's
Class A	AAA	AAA
Class B	AAA	
Class C	AA	
Class D	A	
Class E	BBB	

The Class A securities were placed with institutional investors while those of the other classes, including Class F which has no rating, were entirely underwritten internally by the Institute and partly placed with BCC.

On 10th December 2007, the first of the three securitisation operations in bonds relative to the Credit Funding operation, entitled CBO1, was also concluded. On 3rd December 2007, all the issuers of bonds held by the Vehicle Company provided for repayment, according to the table below.

ABI	ISIN	Issuer	Regione	Principal Paid
7010	IT0003210132	BCC MAIERATO	Calabria	500,000
7026	IT0003210140	BCC TERAMO	Abruzzo	7,700,000
7057	IT0003210157	BCC CREDIVENETO	Veneto	12,900,000
7062	IT0003210165	BCC MEDIOCRATI	Calabria	5,100,000
7071	IT0003210173	BCC VALSASSINA	Lombardy	1,500,000
7072	IT0003210181	BCC EMILBANCA	Emilia-Romagna	20,600,000
7073	IT0003210199	BCC ROMAGNA CENTRO	Emilia-Romagna	8,000,000
7074	IT0003210207	BCC MONASTIER E DEL SILE	Veneto	15,000,000
7084	IT0003211734	BCC DELLA MARCA	Veneto	5,100,000
7085	IT0003211742	CREDITO COOPERATIVO FRIULI SCRL - CREDIFRIUILI SCRL	Friuli Venezia-Giulia	1,000,000
7090	IT0003210892 IT0003211437	BANCA MALATESTIANA CREDITO COOPERATIVO	Emilia-Romagna	4,100,000
7091	IT0003210272	BCC DEL LAMETINO	Calabria	1,000,000
8000	IT0003210215	ICCREA BANCA SPA	Lazio	23,500,000
8001	IT0003210223	BCC CASALMORO E BOZZOLO	Lombardy	23,800,000
8003	IT0003210231	BCC VALDINIEVOLE	Tuscany	7,700,000
8030	IT0003210249	BCC BORGHETTO LODIGIANO	Lombardy	5,100,000
8091	IT0003210256	BCC FOLGARIA	Trentino Alto-Adige	7,000,000
8129	IT0003210264	BCC BELICE	Sicily	5,000,000
8189	IT0003210280	BCC VALLE DEL TRIGNO SAN SALVO	Molise	1,200,000
8191	IT0003210298	BCC MOLISE	Molise	5,100,000
8998	IT0003210306	RAIFFEISEN DI VAL PASSIRIA (EX RIFIANO)	Trentino Alto-Adige	5,100,000
8214	IT0003210314	BCC INTERPROVINCIALE LOMBARDO	Lombardy	10,000,000
8316	IT0003210322	BCC PINETANA FORNACE E SEREGNANO	Trentino Alto-Adige	3,000,000
8320	IT0003210330	BCC ALTAVILLA SILENTINA E CALABRITTO	Campania	12,500,000
8324	IT0003210355	BCC CENRTOPADANA	Lombardy	2,500,000
8329	IT0003210371	BCC ALTA BRIANZA	Lombardy	23,800,000
8332	IT0003210389	BCC PICENA TRUENTINA	Marches	7,700,000
8340	IT0003210405	BCC PADANA	Lombardy	500,000
8341	IT0003210439	BCC ALTOFONTE	Sicily	1,000,000
8345	IT0003210447	BCC ANGHIARI E STIA	Tuscany	15,000,000
8351	IT0003210488	BANCASCIANO CREDITO COOPERATIVO SCRL	Tuscany	2,500,000
8375	IT0003210496	BCC BASILIANO	Friuli Venezia-Giulia	5,000,000
8382	IT0003210504	BCC BENE VAGIENNA	Piedmont	5,000,000
8386	IT0003210512	BCC BINASCO	Lombardy	5,000,000
8396	IT0003210553	BCC ALTA VALLE TROMPIA	Lombardy	2,500,000
8427	IT0003210579	BCC FIORENTINO	Tuscany	23,500,000
8428	IT0003210587	BCC CAMPIGLIA DEI BERICI	Veneto	3,000,000
8429	IT0003210595	BCC ALTA PADOVANA	Veneto	20,000,000
8434	IT0003210611	BCC ABBRUZZESE CAPPELLE SUL TAVO	Abruzzo	7,700,000

8439	IT0003210637	BCC DI CARAGLIO, DEL CUNEESE E DELLA RIVIERA DEI FIORI	Piedmont	5,100,000
8446	IT0003210652	BCC AREA PRATESE	Tuscany	15,000,000
8448	IT0003210686	BCC BASSO VERONESE	Veneto	2,500,000
8452	IT0003210710	BCC CARTURA	Veneto	5,000,000
8458	IT0003210728	BCC CASCINA	Tuscany	10,300,000
8460	IT0003210736	BCC CASSANO DELLE MURGE E TOLVE	Puglia	500,000
8469	IT0003210744	BCC CASTELLANA GROTTE	Puglia	12,900,000
8472	IT0003210751	BCC CASTENASO	Emilia-Romagna	2,500,000
8474	IT0003210777	BCC PICENA	Marches	15,500,000
8485	IT0003210819	BANCA DI CHIANCIANO TERME CREDITO COOPERATIVO VAL D' ORCIA - AMIATA	Tuscany	2,000,000
8487	IT0003210843	BCC CHERASCO	Piedmont	15,400,000
8489	IT0003210876	BCC BANCA VALDICHIANA	Tuscany	2,500,000
8491	IT0003210884	BCC CIVITANOVA MARCHE MONTECOSARO	Marches	10,000,000
8514	IT0003210934	BCC CALCIO E COVO	Lombardy	10,300,000
8530	IT0003210942	BANCA DI CREDITO COOPERATIVO DI ALBA, LANGHE E ROERO	Piedmont	500,000
8531	IT0003210967	BCC DI PIGNANO	Calabria	2,500,000
8532	IT0003210983	BCC DOBERDO' DEL LAGO	Friuli Venezia-Giulia	1,500,000
8538	IT0003210991	BCC CAMUNA	Lombardy	10,000,000
8542	IT0003211023 IT0003211536	BCC PROVINCIA DI RAVENNA	Emilia-Romagna	22,600,000
8549	IT0003211031	BCC FILOTTRANO	Marches	10,300,000
8551	IT0003211056	BCC FIUMICELLO E AIELLO DEL FRIULI	Friuli Venezia-Giulia	7,700,000
8556	IT0003211064	BCC FORLI'	Emilia-Romagna	16,000,000
8574	IT0003211072	BCC GATTEO	Emilia-Romagna	8,000,000
8575	IT0003211080	BCC AGRO BRESCIANO	Lombardy	2,500,000
8586	IT0003211106	BCC GHISALBA	Lombardy	6,100,000
8592	IT0003211122	BCC INZAGO	Lombardy	10,000,000
8595	IT0003211130 IT0003211759	BANCA DEL CROTONESE CREDITO COOPERATIVO	Calabria	5,000,000
8618	IT0003211148	BCC LEZZENO	Lombardy	1,000,000
8626	IT0003211155	BCC MACERONE	Emilia-Romagna	10,000,000
8630	IT0003211163	BCC MANTIGNANA	Umbria	2,500,000
8636	IT0003211197	BANCA DELLA MAREMMA CREDITO COOPERATIVO DI GROSSETO SCRL	Tuscany	10,000,000
8670	IT0003211221	BCC MONTEPULCIANO	Tuscany	5,000,000
8672	IT0003211262	BCC MONTERENZIO	Emilia-Romagna	1,500,000
8676	IT0003211270	BCC COLLI MORENICI DEL GARDA	Lombardy	23,500,000
8700	IT0003211288	BCC METAURO SOCIETA'	Marches	5,000,000
8704	IT0003211296	BCC OSTRA	Marches	2,500,000
8705	IT0003211304	BCC OSTRA VETERE	Marches	5,100,000
8728	IT0003211312	BCC PIOVE DI SACCO	Veneto	15,000,000
8745	IT0003211320	BCC VALLE SERIANA	Lombardy	5,000,000
8749	IT0003211338	BCC CENTROMARCA	Veneto	5,000,000

8765	IT0003211346	BCC RECANATI E COLMURANO	Marches	10,000,000
8769	IT0003211353	BCC RIPATRANSONE	Marches	2,500,000
8770	IT0003211361	BCC RIVAROLO MANTOVANO	Lombardy	5,000,000
8772	IT0003211379	BCC ROANA	Veneto	200,000
8792	IT0003211387	BCC SALA CESENATICO	Emilia-Romagna	10,000,000
8807	IT0003211395	BCC S. GIORGIO E VALLE D' AGNO	Veneto	20,000,000
8811	IT0003211403	BCC VALDARNO	Tuscany	23,500,000
8839	IT0003211411	BANCA SUASA	Marches	5,100,000
8852	IT0003211445	BCC ROMAGNA EST	Emilia-Romagna	12,900,000
8866	IT0003211452	BCC SIGNA	Tuscany	5,000,000
8869	IT0003211460	BCC SORISOLE E LEPRENO	Lombardy	15,400,000
8872	IT0003211767	BCC DELLA SIBARTIDE SPEZZANO ALBANESE	Calabria	7,700,000
8877	IT0003211478	BCC STARANZANO	Friuli Venezia-Giulia	5,000,000
8894	IT0003211494	BCC CARNIA	Friuli Venezia-Giulia	1,000,000
8899	IT0003211502	BCC TREVIGLIO GERADADDA	Lombardy	1,500,000
8903	IT0003211510	BCC TURRIACO	Friuli Venezia-Giulia	1,000,000
8904	IT0003211528	BCC PREALPI	Veneto	5,000,000
8916	IT0003211544	BCC ANCONA	Marches	5,000,000
8917	IT0003211551	BCC TREVIGIANO	Veneto	10,300,000
8919	IT0003211569	BCC VEROLAVECCHIA	Lombardy	5,100,000
8922	IT0003211577	BCC VIGNOLE	Tuscany	10,000,000
8929	IT0003211585	BCC VILLESSE	Friuli Venezia-Giulia	1,000,000
8930	IT0003211593	BANCA DEL CANAVESE CREDITO COOPERATIVO DI VISCHE E DEL VERBANO CUSIO OSSOLA	Piedmont	4,000,000
8940	IT0003211619	BCC DELLA BERGAMASCA	Lombardy	15,400,000
8952	IT0003211627	BCC S. CATALDO		
	IT0003211718	"G. TONIOLO"	Sicily	8,000,000
8954	IT0003211635	BCC LA RISCOSSA DI REGALBUTO	Sicily	10,300,000
8962	IT0003211643	BCC MONTEMAGGIORE BELSITO	Sicily	1,000,000
8965	IT0003211650	BCC S. BIAGIO DEL VENETO ORIENTALE	Veneto	15,500,000
8967	IT0003211668	BCC TARSIA	Calabria	5,000,000
8969	IT0003211676	BCC S. FRANCESCO - CANICATTI'	Sicily	7,700,000
8970	IT0003211684	BCC RIMINI	Emilia-Romagna	15,400,000
8973	IT0003211692	BCC CAMERANO	Marches	5,100,000
8986	IT0003211700	BCC PADANA ORIENTALE SAN MARCO ROVIGO	Veneto	5,100,000
8995	IT0003211726	BCC VALMARECCHIA	Emilia-Romagna	15,400,000

On 10th December 2007, the Vehicle Company paid back all the tranches of the securities issued in 2002 and also paid the relative interests according to the table below.

Class	Rating	Nominal Amount
A	AAA/AAA	742,810,000
B	AAA	26,690,000
C	AA	26,690,000
D	A	44,480,000
E	BBB	22,240,000
F	N.Q.	26,690,000
Total		**889,600,000**

On the same day, the Vehicle Company paid all operating costs as established by the payments cascade.

The SPV also paid the interests matured and not paid between 2002 and 2004, to the holders of Junior notes, for a total amount of Euro 3,559,740.19 detail of which is given below:

Euribor 3M	Coupon class F (+300 b.p.)	Coupon	Start of period of reference	End of period of reference
3.3800	1.3646111%	364,214.71	25/03/2002	10/06/2002
3.4750	1.6547222%	441,645.36	10/06/2002	10/09/2002
3.3060	1.5940167%	425,443.05	10/09/2002	10/12/2002
2.9160	1.4790000%	394,745.10	10/12/2002	10/03/2003
2.4610	1.3955889%	372,482.67	10/03/2003	10/06/2003
2.1470	1.3153444%	351,065.43	10/06/2003	10/09/2003
2.1570	1.3035750%	347,924.17	10/09/2003	10/12/2003
2.1520	1.3023111%	347,586.84	10/12/2003	10/03/2004
2.0520	1.2910667%	344,585.69	10/03/2004	10/06/2004
2.1020	1.3038444%	170,047.17	10/06/2007	10/09/2004
Total		**3,559,740.19**		

The loan with limited recourse which Iccrea Bank granted to the Vehicle Company in 2002, for Euro 4,273,428, was completely repaid on 10th September 2004. After conclusion of the securitisation operation, the vehicle accounts at Deutsche Bank had the following balances:

Num.	Account	Amount
35014	Interest Acc	4,420.64
35015	Principal Acc	247,123.70
35016	Reserve Acc	263,698.71
35017	Expenses Acc	4,439.51

After the deduction of all costs charged to the SPV, for Euro 29,102.15, the sum of Euro 500,580.41 remained. This sum was recognised to the Bank as partial compensation for the interests paid, in consideration of the fact that from 3rd to 10th December 2007, Iccrea had to recognise to the BCC the interests on the early repayment of their bonds.

On 10th December 2007, all the parties involved also signed the Deed of Termination, for closure of the contracts which were no longer significant on conclusion of the securitisation operation, and a new contract was signed to discipline the relationships, between the SPV and Iccrea Banca, necessary for management of the ongoing administrative activities leading up to final liquidation.

The second sale, on 5th July 2004, was for bonds with a nominative value of Euro 1,159,500 thousand, to Credico Funding 2 s.r.l., Milan. This is a vehicle company founded pursuant to Law n. 130 of 30th April 1999, included on the general list held by the Italian Exchange Bureau pursuant to art. 106 of Lgs. Decree n. 385 of 1st September 1993, under n. 35452, and on the special list held by the Bank of Italy pursuant to art. 107 of the Consolidated Banking Act, under n. 32898.
The equity of Credico Funding 2 s.r.l. is held entirely by two Dutch companies: Stichting Chatwin and Stichting Amis.
The securities were sold to the SPV at par cost. In order to find the necessary funding for the purchase of the securities involved in the securitisation operation, the Issuing Company issued the following asset backed securities, pursuant to and within the sphere of Law 130.

- Class A for a value of Euro 1,008,800 thousand, at a variable rate indexed to the 3-month Euribor plus 0.20% with a quarterly coupon;
- Class B for a value of Euro 24,400 thousand, at a variable rate indexed to the 3-month Euribor plus 0.33% with a quarterly coupon;
- Class C for a value of Euro 47,500 thousand, at a variable rate indexed to the 3-month Euribor plus 0.50% with a quarterly coupon;
- Class D for a value of Euro 44,000 thousand, at a variable rate indexed to the 3-month Euribor plus 1.20% with a quarterly coupon;
- Class E for a value of Euro 34,800 thousand, at a variable rate indexed to the 3-month Euribor plus 2.50% with a quarterly coupon;

The following ratings were assigned to the securities:

	Standard & Poor's	Moody's
Class A	AAA	AAA
Class B	AA	
Class C	A	
Class D	BBB-	

The Class A securities were placed with institutional investors while those relating to the other classes, including Class F which has no rating, were entirely underwritten internally by the Institute and partly placed with BCC. The risks which the Institute continues to bear are substantially represented by the Class E securities in the portfolio.

At 31st December 2007, there are class E securities in the portfolio for a nominal value of Euro 9,950 thousand, and securities of the other classes for a nominal value of Euro 11,990 thousand.

The third sale, on 7th June 2007 was for bonds with a nominal value of Euro 1,222,500 thousand, to Credico Funding 3 s.r.l. of Milan,. This is a vehicle company founded pursuant to Law n. 130 of 30th April 1999, included on the general list held by the Italian Exchange Bureau pursuant to art. 106 of Lgs. Decree n. 385 of 1st September 1993, under n. 35207, and on the special list held by the Bank of Italy pursuant to art. 107 of the Consolidated Banking Act, under n. 32861.
The equity of Credico Funding 3 s.r.l. is held entirely by the Dutch company Stichting Bayswater.
The securities were sold to the SPV at par cost. In order to find the necessary funding for the purchase of the securities involved in the securitisation operation, the Issuing Company issued the following asset backed securities, pursuant to and within the sphere of Law 130.

- Class A1 for a value of Euro 1,033,000 thousand, with a variable rate indexed to the 3-month Euribor plus 0.17% and a quarterly coupon;
- Class A2 for a value of Euro 33,000, with a variable rate indexed to the 3-month Euribor plus 0.20% and a quarterly coupon;
- Class B for a value of Euro 23,250 thousand, at a variable rate indexed to the 3-month Euribor plus 0.23% with a quarterly coupon;
- Class C for a value of Euro 48,900 thousand, at a variable rate indexed to the 3-month Euribor plus 0.43% with a quarterly coupon;
- Class D for a value of Euro 45,250 thousand, at a variable rate indexed to the 3-month Euribor plus 0.95% with a quarterly coupon;
- Class E for a value of Euro 4,900 thousand, at a variable rate indexed to the 3-month Euribor plus 1.90% with a quarterly coupon;
- Class F for a value of Euro 34,200 thousand, at a variable rate indexed to the 3-month Euribor plus 2.50% with a quarterly coupon.

The following ratings were assigned to the securities:

	Standard & Poor's	Moody's
Class A1	AAA	AAA
Class A2	AAA	
Class B	AA	
Class C	A	
Class D	BBB-	
Class E	BB+	

Class A securities were placed with institutional investors while those relating to the other classes, including Class F which has no rating, were entirely underwritten internally by the Institute and partly placed with BCC. The risks which remain borne by the Institute are substantially those liked to the Class F securities in the portfolio and by the subordinate loan of Euro 2,798 thousand issued to the Vehicle Company.

At 31st December 2007, there are class F securities in the portfolio for a nominal value of Euro 15,874 thousand, and Class A1 securities for a nominal value of Euro 2,500 thousand.

Credico Funding 2 s.r.l and Credico Funding 3 s.r.l have appointed ICCREA Banca S.p.A. to carry out the relative Servicing. The Servicer, in the name of and on behalf of the Issuing Company, provides for the administration, management and recovery of the underlying securities and monitors collection of the relative credit, including the collection of the coupons and the capital redemption of the underlying securities. So far, all payments have been made punctually and there have been no cases of default on the part of the BCC adhering to the operation.

Organizational structure relative to the securitization operations

The organizational profiles of the securitization process are governed by special internal regulations which involve various company line and control departments. In particular, the main operating and coordination activities of the securitization process fall under the responsibility of the Central Finance and Credit Office of Iccrea Banca.

Quantitative information

C.1.1 EXPOSURE FROM SECURITISATION TRANSACTIONS ACCORDING TO THE QUALITY OF THE UNDERLYING ASSETS

Type of underlying asset / Exposure	Cash exposure						Guarantees given						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A. With own underlying assets:	12,439	12,439	2,099	2,099	27,623	27,623	-	-	-	-	-	-	-	-	-	-	-	-
a) Impaired loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Other	12,439	12,439	2,099	2,099	27,623	27,623	-	-	-	-	-	-	-	-	-	-	-	-
B. With underlying assets of third parties:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a) Impaired loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

C.1.2 EXPOSURE FOR OWN MAIN SECURITISATION TRANSACTIONS ACCORDING TO THE TYPE OF SECURITISED ASSET AND TYPE OF EXPOSURE

Type of securitised assets/ Exposure	Cash exposure						Guarantees given						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Book value	Writedowns / writebacks	Book value	Writedowns / writebacks	Book value	Writedowns / writebacks	Book value	Writedowns / writebacks	Book value	Writedowns / writebacks	Book value	Writedowns / writebacks	Book value	Writedowns / writebacks	Book value	Writedowns / writebacks	Book value	Writedowns / writebacks
A. Assets completely derecognized from balance sheet																		
	12,439	**-**	**2,099**	**-**	**27,623**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
A.1 Credico Funding 2 s.r.l CBO2																		
- debt securities	9,939	-	2,099	-	11,436	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Credico Funding 3 s.r.l. CBO3																		
- debt securities	2,500	-	-	-	16,187	-	-	-	-	-	-	-	-	-	-	-	-	-
A.3 securitisation name																		
- type of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Assets partially derecognized from balance sheet																		
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 securitisation name 1																		
- type of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.2 securitisation name 2																		
- type of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.3 securitisation name																		
- type of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C. Non cancellate dal bilancio																		
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 securitisation name 1																		
- type of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C.2 securitisation name 2																		
- type of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C.3 securitisation name																		
- type of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

C.1.3 EXPOSURE FOR OWN MAIN SECURITISATION TRANSACTIONS ACCORDING TO THE TYPE OF SECURITISED ASSET AND TYPE OF EXPOSURE

The table has not been drafted since there were no balances for this item when the financial statement was drawn up.

C.1.4 EXPOSURE ON SECURITISATION DIVIDED ACCORDING TO FINANCIAL ASSET PORTFOLIO AND TYPE

Exposure / Portfolio	Financial assets held for trading	Financial assets with option at *fair value*	Financial assets available for sale	Financial assets held to maturity	Loans	Total at 31/12/2007	Total at 31/12/2006
1. Cash exposure	**-**	**-**	**-**	**-**	**42,161**	**42,161**	**103,683**
- senior	-	-	-	-	12,439	12,439	13,640
- mezzanine	-	-	-	-	2,099	2,099	78,525
- junior	-	-	-	-	27,623	27,623	11,518
2. Off-balance sheet exposure	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- senior	-	-	-	-	-	-	-
- mezzanine	-	-	-	-	-	-	-
- junior	-	-	-	-	-	-	-

C.1.5 TOTAL AMOUNT OF SECURITISED ASSETS UNDERLYING JUNIOR SECURITIES OR OTHER CREDIT FORMS

Assets/Amounts	Traditional securitisation	Synthetic securitisation
A. Own underlying assets:	**898,950**	**-**
A.1 Completely derecognized from balance sheet	898,950	-
1. Bad loans	-	x
2. Sub standard loans	-	x
3. Restructured loans	-	x
4. Past due loans	-	x
5. Other assets	898,950	x
A.2 Partially derecognized positions	-	
1. Bad loans	-	x
2. Sub standard loans	-	x
3. Restructured loans	-	x
4. Past due loans	-	x
5. Other assets	-	x
A.3 Not written off	-	-
1. Bad loans	-	-
2. Sub standard loans	-	-
3. Restructured loans	-	-
4. Past due loans	-	-
5. Other assets	-	-
B. Underlying assets of third parties:	**-**	**-**
B.1 Bad loans	-	-
B.2 Sub standard loans	-	-
B.3 Restructured loans	-	-
B.4 Past due loans	-	-
B.5 Other assets		

This table shows value of the portfolio of assets involved in securitisation at the financial statements date, in relationship to the junior securities held.

C.1.6 EQUITY HELD IN SPECIAL PURPOSE ENTITY

The table has not been drafted since there were no balances for this item relative to the vehicle companies involved in operations CBO2 and CBO3 when the financial statements were drawn up. The Bank holds a stake in the vehicle company Credico Finance s.r.l., as indicated in table 10.1 of the balance sheet assets.

C.1.7 SERVICER ACTIVITIES - COLLECTION OF SECURITISED LOANS AND REDEMPTION OF SECURITIES ISSUED BY THE SPECIAL PURPOSE ENTITY

	Securitised assets (end of period)		Credit collected during the period		% of securities redeemed (at the end of the period)					
					senior		mezzanine		junior	
	Impaired	Performing	Impaired	Performing	Impaired	Performing	Impaired	Performing	Impaired	Performing
Credico Funding 2 s.r.l CBO2	-	1,159,500	-	-	-	-	-	-	-	-
Credico Funding 3 s.r.l CBO3	-	1,222,500								

C.2 Sale transactions

C.2.1 FINANCIAL ASSETS SOLD BUT NOT DERECOGNIZED

Technical types / Portfolio	Financial assets held for trading			Financial assets carried at *fair value*			Financial assets available for sale			Financial assets held to maturity			Due from banks			Customer loans			Total at 31/12/2007	Total at 31/12/2006
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C		
A. Cash assets	**486,610**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,022**	**-**	**-**	**-**	**-**	**-**	**490,632**	**50,484**
1. Debt securities	486,610	-	-	-	-	-	-	-	-	-	-	-	4,022	-	-	-	-	-	490,632	50,484
2. Equity securities	-	-	-	-	-	-	-	-	-	x	x	x	x	x	x	x	x	x	-	
3. U.C.I.T.S.	-	-	-	-	-	-	-	-	-	x	x	x	x	x	x	x	x	x	-	
4. Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5. Impaired assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
B. Derivatives	**-**	**-**	**-**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**-**	
Total at 31/12/2007	**486,610**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,022**	**-**	**-**	**-**	**-**	**-**	**490,632**	
Total at 31/12/2006	**50,484**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**50,484**

Key:

A=financial assets sold and registered in full (book value) B=financial assets sold and registered in part (book value)
C=financial assets sold and partially registered (full value)

C.2.2. FINANCIAL LIABILITIES LINKED TO FINANCIAL ASSETS SOLD AND NOT DERECOGNIZED

Liabilities/ Assets portfolio	Financial assets held for trading	Financial assets carried at *fair value*	Financial assets available for sale	Financial assets held to maturity	Due from banks	Customer Customer loans	Total at 31/12/2007
1. Due to customers	**416,959**	**-**	**-**	**-**	**4,017**	**-**	**420,976**
a) for assets completely recognized	416,959	-	-	-	4,017	-	420,976
b) for assets partially recognized	-	-	-	-	-	-	-
2. Due to banks	**115,203**	**-**	**-**	**-**	**-**	**-**	**115,203**
a) for assets completely recognized	115,203	-	-	-	-		115,203
b) for assets partially recognized	-	-	-	-	-	-	-
Total at 31/12/2007	**532,162**	**-**	**-**	**-**	**4,017**	**-**	**536,179**
Total at 31/12/2006	**-**	**-**	**-**	**-**	**109,918**	**28,130**	**138,048**

D. Models for credit risk assessment

At the date of the financial statements, no internal models were used for credit risk assessment.

SECTION 2: MARKET RISKS

Broking for the BCC is the main strategic aim of Iccrea Bank and is pursued by seeking management procedures, in terms of size and content of the financial portfolios, in line with the needs of the BCC and with the evolution of the markets. The position activities are carried out using standard financial instruments as well as derivative contracts; the management of the transformation of both medium and long-term maturity dates both in the context of treasury operations is always carried out in compliance with a financial risk containment policy

2.1 Interest rate risk - Regulatory trading portfolio

Qualitative information

A. General aspects

In the framework of the assets and liabilities of Iccrea Banca, the rate position is characterized by the following management profiles:

- in the short term, on the one hand, management of the pool of privileged treasury funds, in pursuit of dynamic dimensioning of mismatches, and the adoption of plain vanilla rate derivatives such as FRA (Forward Rate Agreements) and OIS (Overnight Indexed Swaps), and, on the other hand, in the context of the portfolio of owned cash securities, there is a significant quantity of indexed rate state securities in the portfolio, strictly for the trading and for guarantee and operating purposes;
- in the case of medium and long-term positions, the interest risk is implemented through intermediation of cash securities on the MTS market in the framework of which Iccrea Banca confirms its market maker role; at the same time, a Book of OTC derivative contracts on

interest rates is managed, above all involving Interest Rate Swaps linked to the supporting action in favour of the BCC;
- within the framework of dynamic management of the medium term rate position, greater than 12 months, buying and selling futures contracts on securities traded on official markets with compensation and guarantee mechanisms is also important;
- within the framework of the above-mentioned books, among other things, interest rate swaps are also traded in order to support the vehicle companies for the transformation of interest flows generated by BCC credit securitization operations.

The company's overall exposure to the interest rate risk is concentrated in euro operations and therefore the effects of correlation between the trends of interest rate curves referred to different currency areas are marginal.

B. Interest rate risk management and assessment methods

The organizational structure of Iccrea Bank, appointed to deal with market risk management, an auditing unit has been established within the Finance Department, which, together with the Risk Management Office, carries out daily interest rate risk monitoring and analysis on the trading portfolio.

In particular, the Controls Service and Credit Technical Office is responsible for ensuring correct management practices and for the execution of all financial activities in order to guarantee respect for operating limits, verification of the individual and general negotiation portfolio ceilings, and for the financial VAR limits measured by the parametric method (with 10 day holding period and confidence interval of 99%) as well as duration. It also ensured the activities in support of the work carried out by the Finance Department.
The Finance Department provides for interest risk management which involves operating in trading securities on the MTS market, and also on balances of financial derivatives on rates linked to broking for the BCC.

Operations inherent to derivative contracts on rates, with maturity dates at more than 12 months, and inherent to the relative cash securities are subject to the sensitivity limits for rate and volatility factors.
Within the system of operating limits, derivative contracts on rates with maturity falling before 12 months are considered within the context of the overall position of the Treasury. Maximum loss and economic attention threshold limits are laid down.

Subsequent to the result of a specific activity within the sphere of a purchase project of a front-to-back IT system dedicated to financial operating, the use of the "Delta-Gamma VaR" methodology has been started, for the purpose of monitoring both linear instruments and those with optional content.

Quantitative information

1. REGULATORY TRADING PORTFOLIO: DISTRIBUTION BY RESIDUAL DURATION (RE-PRICING DATE) OF FINANCIAL ASSETS AND LIABILITIES HELD AND FINANCIAL DERIVATIVES

This table has not been drafted, since an analysis of interest rate risk sensitivity is given in the Explanatory Notes.

2. REGULATORY TRADING PORTFOLIO - INTERNAL MODELS AND OTHER METHODS FOR SENSITIVITY ANALYSIS

The following table shows the results of the sensitivity analysis on value subsequent to a shift of +/- 100 bp on the interest rate curves relative to the currencies in the positions.

	Estimated impact on broking profit		Impact on profit of the period		Estimated variation in shareholders' equity	
	+ 100 bp	- 100 bp	+ 100 bp	- 100 bp	+ 100 bp	- 100 bp
Iccrea Banca	14.31	-11.81	8.83	-7.29	6.34	-5.24

Data in €/mln at 31st December 2007

2.2 Interest rate risk - Bank portfolio

Qualitative information

A. General aspects, interest rate risk management and assessment methods

The Risk Management Department and Controls Service and Finance Technical Office include, in their reporting systems, information on risk positions of the bank portfolio; the treasury positions are subject to operating risks which are monitored daily. The Risk Management Department also uses information from the internal ALM system.

A ceiling is adopted, on the basis of a synthetic indicator of the interest rate risk exposure of the treasury, which is a combination of the imbalance of loans and collection also considering the relative rate expiry dates, and including the securities positions in the treasury portfolio, in terms of both counter value in euro and each separate currency.

Within the sphere of the treasury activities, the deposit of collection and loans are mainly carried out on MID; the derivative contracts on rates for trading purposes are mainly linked to the management of such operations.

In addition, the Fair Value Option is also adopted for the valuation of certain non-standard bonds which are linked to structured derivative contracts, which are also neutralising in the case of the effects of accounting mismatch, as well as for certain Credit Linked Notes.

The aforesaid ALM system also includes the bank portfolio assets and liabilities, including loans and bond issues. Reporting is carried out at monthly intervals and regards exposure according to maturity, currency and sub-portfolios. Methods are used for sensitivity to cases of instantaneous variation in the interest rate curves as well as to the case of variation in the interest rate margin always in the light of the curve shift.

B. Hedge assets at fair value

The hedging of the interest rate risk is carried out in a specific manner in accordance with the IAS Fair Value Hedge provisions. At 31st December 2007, positions in Iccrea Banca securities and individual bond issues existing amounted to Euro 93.3 million overall.

The effectiveness tests were carried out using the Dollar Offsetting method for the retrospective profile and linear regression for the forecast profile.

C. Financial flow hedging

At the date of these financial statements, the Bank was not hedging financial flows.

Quantitative information

1. BANK PORTFOLIO: DISTRIBUTION FOR RESIDUAL DURATION (FOR RE-PRICING DATE) OF FINANCIAL ASSETS AND LIABILITIES

This table has not been drafted, since an analysis of interest rate risk sensitivity is given in the Explanatory Notes.

2. BANK PORTFOLIO: INTERNAL MODELS AND OTHER METHODS FOR SENSITIVITY ANALYSIS

The following table shows the results of the sensitivity analysis on value and on the interest rate margin of the bank portfolio subsequent to a shift of +/- 100 bp on the interest rate curves relative to the currencies in the positions.

	Estimated impact on net interest income		Impact on profit of the period		Estimated variation in shareholders' equity	
	+ 100 bp	- 100 bp	+ 100 bp	- 100 bp	+ 100 bp	- 100 bp
Iccrea Banca	-13.92	13.99	-8.60	8.64	-6.18	6.21

Data in €/mln at 31st December 2007

2.3 Price risk - Regulatory portfolio

Qualitative information

A. General aspects

The considerations of an organizational nature regarding the interest rate risk, both on the trading portfolio and on the bank portfolio, also apply to the price risk. In the framework of the system of internal limits, the risk profile for shares involves significant containment.

B. Price risk management and assessment methods

The share cash positions at the end of the day, limited as they may be, are monitored by means of the parametrical VAR method (holding period 10 days, confidence interval 99%). Sensitivity techniques are also used in cases of instantaneous price variations up to 24% (with steps of 8%) together with instantaneous volatility variations up to 25% (with steps of 5%). With regard to shares, there are balances - albeit in a context of fairly low management dynamics - of options on high-liquidity stock market indices such as (Eurostoxx50, Nikkei225, S&P-MIB) as well as on stock of leading companies listed on the Italian stock exchange (Enel, Eni). The long and short positions in plain vanilla options generate limited exposure however, in compliance with the dimensioning guidelines for this type of risk.
In order to support the BCC in terms of covering their structured bond issues, buying and selling operations are carried out in options on unit trusts as well as units of cash funds, in accordance with the delta hedging management procedures. The profiles of these operations are monitored on a daily basis by checking compliance with the net position limits for the underlying instrument.

Quantitative information

1. REGULATORY TRADING PORTFOLIO: EXPOSURE HELD IN EQUITY AND UCITS SECURITIES

This table has not been drafted, since an analysis of price risk sensitivity is given in the Explanatory Notes.

2. REGULATORY TRADING PORTFOLIO: DISTRIBUTION OF EXPOSURE IN EQUITY SECURITIES AND SHARE INDICES FOR THE MAIN COUNTRIES OF THE MARKETS ON WHICH THEY ARE LISTED

This table has not been drafted, since an analysis of price risk sensitivity is given in the Explanatory Notes.

3. REGULATORY TRADING PORTFOLIO - INTERNAL MODELS AND OTHER METHODS FOR SENSITIVITY ANALYSIS

	Estimated impact on broking profit	Impact on profit of the period	Estimated variation in shareholders' equity
	+/- 24%	+/- 24%	**+/- 24%**
Iccrea Banca	0.25	-1.10	0.16

Data in €/mln at 31st December 2007

2.4 Price risk - Bank portfolio

Qualitative information

A. General aspects, price risk management and assessment methods

At 31st December 2007, there was a balance of Euro 74.15 million in units of two real estate funds (Securfondo and Melograno), as well as an overall balance of Euro 15.5 million regarding shareholdings in a relatively small number of companies.

B. Hedge transactions to cover price risk

The strategic nature of investment in real estate fund units has not yet made it appropriate to select specific price risk hedging policies. In any case, the impact of the hypothesis of a prudential instantaneous variation of 8% of the current value of the balance is monitored by the Risk Management Department. As an indication, with reference to the balance at the end of the year, this impact is estimated to be about Euro 5.8 million.

Quantitative information

1. BANK PORTFOLIO: EXPOSURE HELD IN EQUITY AND UCITS SECURITIES

This table has not been drafted, since an analysis of price risk sensitivity is given in the Explanatory Notes.

2. BANK PORTFOLIO: INTERNAL MODELS AND OTHER METHODS FOR SENSITIVITY ANALYSIS

There is no information apart from that already given above.

2.5 Exchange rate risk

Qualitative information

A. General aspects, exchange risk management and assessment methods

The exchange risk is managed in a centralized manner by the Treasury. The Bank implements a policy of constant dimensioning of the positions assumed in the various currencies in a context of support for the currency operations of the BCC and other companies of the Group.

Operations are mainly concentrated on currencies of greater market importance. Use is made of a system of daily operating limits on the overall exchange composition, as well as on the net exchange positions of the individual currencies, in accordance with a plan for the partial utilization of the above overall position limit, appropriately graduated on the basis of the importance of the currency itself.

B. Hedge transactions to cover exchange risk

On the date of the accounts under examination, the Bank was not hedging the exchange risk.

Quantitative information

1. DISTRIBUTION BY CURRENCY OF ASSETS, LIABILITIES AND DERIVATIVES

	Currencies					
Items	US Dollars	Sterling	Yen	Canadian Dollars	Swiss Francs	Other currencies
A. Financial assets	**265,466**	**38,932**	**110,322**	**2,295**	**230,655**	**40,121**
A.1 Debt securities	416	-	-	-	-	79
A.2 Equity securities	-	897	-	-	-	-
A.3 Loans to banks	263,254	38,035	110,322	2,283	230,649	40,042
A.4 Customer loans	1,796	-	-	12	6	-
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**2,310**	**1,509**	**154**	**493**	**694**	**757**
C. Financial liabilities	**400,660**	**21,744**	**74,716**	**3,162**	**127,989**	**29,653**
C.1 Due to banks	381,308	17,473	71,944	2,410	126,961	16,106
C.2 Customer loans	19,352	4,271	2,772	752	1,028	13,547
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**124**	**-**	**2**	**-**	**3**	**-**
E. Financial derivatives	**1,488,999**	**186,954**	**443,464**	**38,189**	**158,288**	**204,248**
- Options	25,658	-	-	-	-	-
+ long positions	14,822	-	-	-	-	-
+ short positions	10,836	-	-	-	-	-
- Other derivatives	1,463,341	186,954	443,464	38,189	158,288	204,248
+ long positions	798,201	84,883	203,947	19,293	27,466	96,565
+ short positions	665,140	102,071	239,517	18,896	130,822	107,683
Total assets	**1,080,799**	**125,324**	**314,423**	**22,081**	**258,815**	**137,443**
Total liabilities	**1,076,760**	**123,815**	**314,235**	**22,058**	**258,814**	**137,336**
Differences (+ / -)	**4,039**	**1,509**	**188**	**23**	**1**	**107**

2. INTERNAL MODELS AND OTHER METHODS FOR SENSITIVITY ANALYSIS

There is no information apart from that already given above.

2.6 Derivative

A. Financial derivatives

A.1 SUPERVISORY TRADING PORTFOLIO: NOTIONAL VALUE AT THE END OF THE PERIOD AND AVERAGE AMOUNT

Type of transaction / Underlying instrument	Debt securities and interest rates		Equity securities and share indices		Exchange rates and gold		Other valuables		Total at 31/12/2007		Total at 31/12/2006	
	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted
1. Forward rate agreements	-	6,850,887	-	-	-	-	-	-	-	6,850,887	-	2,441,919
2. Interest rate swaps	-	29,103,462	-	-	-	-	-	-	-	29,103,462	-	33,936,041
3, Domestic currency swap	-	-	-	-	-	-	-	-	-	-	-	-
4. IRS currency	-	-	-	-	-	-	-	-	-	-	-	-
5. Basis swap	-	4,025,303	-	-	-	-	-	-	-	4,025,303	-	2,719,543
6. Equity indices swaps	-	-	-	-	-	-	-	-	-	-	-	-
7. Real indices swaps	-	-	-	-	-	-	-	-	-	-	-	-
8. Futures	1,219,100	-	10,593	-	-	-	-	-	1,229,693	-	607,958	-
9. Cap options	-	805,283	-	-	-	-	-	-	-	805,283	-	936,741
- bought	-	396,263	-	-	-	-	-	-	-	396,263	-	467,820
- issued	-	409,020	-	-	-	-	-	-	-	409,020	-	468,921
10. Floor options	-	321,281	-	-	-	-	-	-	-	321,281	-	309,766
- bought	-	216,416	-	-	-	-	-	-	-	216,416	-	204,405
- issued	-	104,865	-	-	-	-	-	-	-	104,865	-	105,361
11. Other options	-	1,901,561	-	755,913	-	56,736	-	-	-	2,714,210	-	3,203,049
- bought	-	1,153,487	-	275,565	-	28,363	-	-	-	1,457,415	-	1,730,391
- plain vanilla	-	1,153,487	-	164,112	-	28,363	-	-	-	1,345,962	-	1,577,918
- exotic	-	-	-	111,453	-	-	-	-	-	111,453	-	152,473
- issued	-	748,074	-	480,348	-	28,373	-	-	-	1,256,795	-	1,472,658
- plain vanilla	-	748,074	-	216,561	-	28,373	-	-	-	993,008	-	1,162,339
- exotic	-	-	-	263,787	-	-	-	-	-	263,787	-	310,319
12. Forward contracts	791,232	4,400	1,133	714	-	2,428,970	-	-	792,365	2,434,084	379,441	2,483,588
- purchases	581,034	2,228	275	357	-	1,164,714	-	-	581,309	1,167,299	294,663	1,084,288
- sales	210,198	2,172	858	357	-	1,198,615	-	-	211,056	1,201,144	84,778	1,325,238
- currency against currency	-	-	-		-	65,641	-	-	-	65,641	-	74,062
13. Other derivative contracts	-	-	-	510,029	-	-	-	-	-	510,029	-	347,299
Total	**2,010,332**	**43,012,177**	**11,726**	**1,266,656**	**-**	**2,485,706**	**-**	**-**	**2,022,058**	**46,764,539**	**987,399**	**46,377,946**
Average Amount	**1,493,781**	**42,840,304**	**10,948**	**1,228,750**	**-**	**2,502,189**	**-**	**-**	**1,504,729**	**46,571,243**	**850,684**	**38,247,879**

A.2 BANK PORTFOLIO: NOTIONAL VALUE AT THE END OF THE PERIOD AND AVERAGE AMOUNT

A.2.1 HEDGING

Type of derivative / underlying instrument	Debt securities and interest rates		Equity securities and share indices		Exchange rates and gold		Other valuables		Total at 31/12/2007		Total at 31/12/2006	
	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted
1. Forward rate agreement	-	-	-	-	-	-	-	-	-	-	-	-
2. Interest rate swap	-	195,155	-	-	-	-	-	-	-	195,155	-	198,886
3. Domestic currency swap	-	-	-	-	-	-	-	-	-	-	-	-
4. IRS currency	-	-	-	-	-	-	-	-	-	-	-	-
5. Basis swap	-	-	-	-	-	-	-	-	-	-	-	-
6. Share indices swaps	-	-	-	-	-	-	-	-	-	-	-	-
7. Real indices swaps	-	-	-	-	-	-	-	-	-	-	-	-
8. Futures	-	-	-	-	-	-	-	-	-	-	-	-
9. Cap options	-	-	-	-	-	-	-	-	-	-	-	-
- bought	-	-	-	-	-	-	-	-	-	-	-	-
- issued	-	-	-	-	-	-	-	-	-	-	-	-
10. Floor options	-	10,000	-	-	-	-	-	-	-	10,000	-	10,000
- bought	-	-	-	-	-	-	-	-	-	-	-	-
- issued	-	10,000	-	-	-	-	-	-	-	10,000	-	10,000
11. Other options	-	50,000	-	-	-	-	-	-	-	50,000	-	50,000
- bought	-	-	-	-	-	-	-	-	-	-	-	-
- plain vanilla	-	-	-	-	-	-	-	-	-	-	-	-
- exotic	-	-	-	-	-	-	-	-	-	-	-	-
- issued	-	50,000	-	-	-	-	-	-	-	50,000	-	50,000
- plain vanilla	-	50,000	-	-	-	-	-	-	-	50,000	-	50,000
- exotic	-	-	-	-	-	-	-	-	-	-	-	-
12. Forward contracts	-	-	-	-	-	-	-	-	-	-	-	-
- purchases	-	-	-	-	-	-	-	-	-	-	-	-
- sales	-	-	-	-	-	-	-	-	-	-	-	-
- currency against currency	-	-	-	-	-	-	-	-	-	-	-	-
13. Other derivative contracts	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	**255,155**	-	-	-	-	-	-	-	**255,155**	-	**258,886**
Average Amount	-	**257,021**	-	-	-	-	-	-	-	**257,021**	-	**916,612**

A.2.2 OTHER DERIVATIVES

Type of derivative / underlying instrument	Debt securities and interest rates		Equity securities and share indices		Exchange rates and gold		Other valuables		Total at 31/12/2007		Total at 31/12/2006	
	Quotati	Non quotati	Quotati	Non quotati	Quotati	Non quotati	Quotati	Non quotati	Quotati	Non quotati	Quotati	Non quotati
1. Forward rate agreement	-	-	-	-	-	-	-	-	-	-	-	-
2. Interest rate swap	-	93,528	-	-	-	-	-	-	-	93,528	-	103,528
3. Domestic currency swap	-	-	-	-	-	-	-	-	-	-	-	-
4. IRS currency	-	-	-	-	-	-	-	-	-	-	-	-
5. Basis swaps	-	15,150	-	-	-	-	-	-	-	15,150	-	15,150
6. Share indices swaps	-	-	-	-	-	-	-	-	-	-	-	-
7. Real indices swaps	-	-	-	-	-	-	-	-	-	-	-	-
8. Futures	-	-	-	-	-	-	-	-	-	-	-	-
9. Cap options	-	-	-	-	-	-	-	-	-	-	-	-
- bought	-	-	-	-	-	-	-	-	-	-	-	-
- issued	-	-	-	-	-	-	-	-	-	-	-	-
10. Floor options	-	15,150	-	-	-	-	-	-	-	15,150	-	15,150
- bought	-	15,150	-	-	-	-	-	-	-	15,150	-	15,150
- issued	-	-	-	-	-	-	-	-	-	-	-	-
11. Other options	-	-	-	7,243	-	-	-	-	-	7,243	-	7,243
- bought	-	-	-	-	-	-	-	-	-	-	-	-
- plain vanilla	-	-	-	-	-	-	-	-	-	-	-	-
- exotic	-	-	-	-	-	-	-	-	-	-	-	-
- issued	-	-	-	7,243	-	-	-	-	-	7,243	-	7,243
- plain vanilla	-	-	-	-	-	-	-	-	-	-	-	-
- exotic	-	-	-	7,243	-	-	-	-	-	7,243	-	7,243
12. Forward contracts	-	-	-	-	-	-	-	-	-	-	-	-
- purchases	-	-	-	-	-	-	-	-	-	-	-	-
- sales	-	-	-	-	-	-	-	-	-	-	-	-
- currency against currency	-	-	-	-	-	-	-	-	-	-	-	-
13. Other derivative contracts	-	-	-	172,570	-	-	-	-	-	172,570	-	172,570
Total	-	**123,828**	-	**179,813**	-	-	-	-	-	**303,641**	-	**313,641**
Average Amount	-	**128,828**	-	**158,394**	-	-	-	-	-	**220,308**	-	**136,974**

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A.3 FINANCIAL DERIVATIVES: PURCHASE AND SALE OF UNDERLYING

Type of transaction / Underlying instrument	Debt securities and interest rates		Equity securities and equity indices		Exchange rates and gold		Other valuables		Total at 31/12/2007		Total at 31/12/2006	
	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted
A. Supervisory trading portfolio:	**2,010,332**	**38,986,875**	**11,726**	**1,266,656**	**-**	**2,485,706**	**-**	**-**	**2,022,058**	**42,739,237**	**987,399**	**46,377,946**
1. Transactions with principal exchange	**989,332**	**565,658**	**1,133**	**89,724**	**-**	**2,485,706**	**-**	**-**	**990,465**	**3,141,088**	**468,341**	**3,432,444**
- purchases	779,134	387,579	275	42,417	-	1,196,435	-	-	779,409	1,626,431	376,363	1,684,765
- sales	210,198	178,079	858	47,307	-	1,222,261	-	-	211,056	1,447,647	91,978	1,672,406
- currency against currency	-	-	-	-	-	67,010	-	-	-	67,010	-	75,273
2. Transactions without principal exchange	**1,021,000**	**38,421,217**	**10,593**	**1,176,932**	**-**	**-**	**-**	**-**	**1,031,593**	**39,598,149**	**519,058**	**42,945,502**
- purchases	-	18,439,000	8,952	503,728	-	-	-	-	8,952	18,942,728	518,393	22,100,525
- sales	1,021,000	19,982,217	1,641	673,204	-	-	-	-	1,022,641	20,655,421	665	20,844,977
- currency against currency	-	-	-	-	-	-	-	-	-	-	-	-
B. Bank portfolio:	**-**	**363,833**	**-**	**179,813**	**-**	**-**	**-**	**-**	**-**	**543,646**	**-**	**572,527**
B.1 For hedging	**-**	**255,155**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**255,155**	**-**	**258,886**
1. Transactions with principal exchange	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- purchases	-	-	-	-	-	-	-	-	-	-	-	-
- sales	-	-	-	-	-	-	-	-	-	-	-	-
- currency against currency	-	-	-	-	-	-	-	-	-	-	-	-
2. Transactions without principal exchange	**-**	**255,155**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**255,155**	**-**	**258,886**
- purchases	-	95,000	-	-	-	-	-	-	-	95,000	-	95,000
- sales	-	160,155	-	-	-	-	-	-	-	160,155	-	163,886
- currency against currency	-	-	-	-	-	-	-	-	-	-	-	-
B.2 Other derivatives	**-**	**108,678**	**-**	**179,813**	**-**	**-**	**-**	**-**	**-**	**288,491**	**-**	**313,641**
1. Transactions with principal exchange	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- purchases	-	-	-	-	-	-	-	-	-	-	-	-
- sales	-	-	-	-	-	-	-	-	-	-	-	-
- currency against currency	-	-	-	-	-	-	-	-	-	-	-	-
2. Transactions without principal exchange	**-**	**108,678**	**-**	**179,813**	**-**	**-**	**-**	**-**	**-**	**288,491**	**-**	**313,641**
- purchases	-	101,435	-	86,285	-	-	-	-	-	187,720	-	212,870
- sales	-	7,243	-	93,528	-	-	-	-	-	100,771	-	100,771
- currency against currency	-	-	-	-	-	-	-	-	-	-	-	-

A.4 OVER THE COUNTER FINANCIAL DERIVATIVES: POSITIVE FAIR VALUE - COUNTERPART RISK

Counterpart / Underlying instrument	Debt securities and interest rates			Equity securities and share indices			Exchange rates and gold			Other valuables			Different underlying instruments	
	Gross not netted	Netted gross	Future exposure	Gross not netted	Netted gross	Future exposure	Gross not netted	Netted gross	Future exposure	Gross not netted	Netted gross	Future exposure	Compensated	Future exposure
A. Regulatory trading portfolio:														
A.1 Governments and Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Government agencies	524	-	120	-	-	-	-	-	-	-	-	-	-	-
A.3 Banks	239,113	-	73,059	43,926	-	35,413	26,427	-	295	-	-	-	-	-
A.4 Financial companies	16,288	-	2,598	2,259	-	4,456	223	-	382	-	-	-	-	-
A.5 Insurance companies	14,671	-	707	432	-	523	-	-	-	-	-	-	-	-
A.6 Non financial companies	-	-	-	10	-	-	-	-	-	-	-	-	-	-
A.7 Other subjects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total A at 31/12/2007	**270,596**	**-**	**76,484**	**46,627**	**-**	**40,392**	**26,650**	**-**	**677**	**-**	**-**	**-**	**-**	**-**
Total at 31/12/2006	**216,317**	**-**	**76,290**	**45,766**	**-**	**37,607**	**10,205**	**-**	**250**	**-**	**-**	**-**	**-**	**-**
B. Bank portfolio:														
B.1 Governments and Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.2 Government agencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.3 Banks	4,676	-	1,532	5,431	-	5,177	-	-	-	-	-	-	-	-
B.4 Financial companies	72	-	-	-	-	-	-	-	-	-	-	-	-	-
B.5 Insurance companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.6 Non financial companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.7 Other subjects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total B at 31/12/2007	**4,748**	**-**	**1,532**	**5,431**	**-**	**5,177**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total at 31/12/2006	**1,352**	**-**	**1,588**	**6,153**	**-**	**6,903**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

A.5 OVER THE COUNTER FINANCIAL DERIVATIVES: NEGATIVE FAIR VALUE - FINANCIAL RISK

Counterpart / Underlying instrument	Debt securities and interest rates			Equity securities and share indices			Exchange rates and gold			Other valuables			Different underlying instruments	
	Gross not netted	Netted gross	Future exposure	Gross not netted	Netted gross	Future exposure	Gross not netted	Netted gross	Future exposure	Gross not netted	Netted gross	Future exposure	Compensated	Future exposure
A. Regulatory trading portfolio:														
A.1 Governments and Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Government agencies	15	-	72	-	-	-	-	-	-	-	-	-	-	-
A.3 Banks	175,307	-	35,075	52,327	-	2,377	6,125	-	78	-	-	-	-	-
A.4 Financial companies	16,500	-	1,422	8,326	-	1	19,666	-	8,294	-	-	-	-	-
A.5 Insurance companies	1,207	-	234	14,016	-	22,434	-	-	-	-	-	-	-	-
A.6 Non financial companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.7 Other subjects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total A at 31/12/2007	**193,029**	**-**	**36,803**	**74,669**	**-**	**24,812**	**25,791**	**-**	**8,372**	**-**	**-**	**-**	**-**	**-**
Total at 31/12/2006	**161,406**	**-**	**45,747**	**69,703**	**-**	**23,317**	**3,594**	**-**	**11**	**-**	**-**	**-**	**-**	**-**
B. Bank portfolio:														
B.1 Governments and Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.2 Government agencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.3 Banks	4,503	-	775	2,132	-	708	-	-	-	-	-	-	-	-
B.4 Financial companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.5 Insurance companies	-	-	-	-	-	5,226	-	-	-	-	-	-	-	-
B.6 Non financial companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.7 Other subjects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total B at 31/12/2007	**4,503**	**-**	**775**	**2,132**	**-**	**5,934**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total at 31/12/2006	**8,819**	**-**	**1,717**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

A.6 RESIDUAL TERM OF OVER THE COUNTER FINANCIAL DERIVATIVES: NOTIONAL VALUES

Underlying instrument / Residual term	Up to 1 year	Between 1 year and 5 years	More than 5 years	Total
A. Regulatory trading portfolio	**27,497,419**	**17,098,770**	**2,168,350**	**46,764,539**
A.1 Financial derivatives on debt securities and interest rates	24,710,334	16,133,493	2,168,350	43,012,177
A.2 Financial derivatives on equity securities and share indices	301,379	965,277	-	1,266,656
A.3 Financial derivatives on exchange rates and gold	2,485,706	-	-	2,485,706
A.4 Financial derivatives on other valuables	-	-	-	-
B. Bank portfolio:	**277,908**	**186,973**	**93,915**	**558,796**
B.1 Financial derivatives on debt securities and interest rates	105,338	179,730	93,915	378,983
B.2 Financial derivatives on equity securities and share indices	172,570	7,243	-	179,813
B.3 Financial derivatives on exchange rates and gold	-	-	-	-
B.4 Financial derivatives on other valuables	-	-	-	-
Total at 31/12/2007	**27,775,327**	**17,285,743**	**2,262,265**	**47,323,335**
Total at 31/12/2006	**25,896,739**	**18,634,449**	**2,419,285**	**46,950,473**

B. Credit derivatives

B.1 CREDIT DERIVATIVES: NOTIONAL VALUES AT THE END OF THE PERIOD AND AVERAGE VALUES

	Regulatory trading portfolio		Other transactions	
Type of transaction	on a single subject	on several subjects (basket)	on a single subject	on several subjects (basket)
1. Protection purchases				
1.1 With principal exchange	13,200	-	86,285	-
Credit default swap	13,200	-	-	-
Credit linked notes	-	-	86,285	-
1.2 Without principal exchange	-	-	-	-
	-	-	-	-
Total at 31/12/2007	**13,200**	**-**	**86,285**	**-**
Total at 31/12/2006	**13,200**	**-**	**87,885**	**-**
Mean values	**13,200**	**-**	**87,085**	**-**
2. Protection sales				
2.1 With principal exchange	13,200	-	106,045	-
Credit default swap	13,200	-	86,285	-
Credit linked notes	-	-	19,760	-
2.2 Without principal exchange	-	-	-	-
	-	-	-	-
Total at 31/12/2007	**13,200**	**-**	**106,045**	**-**
Total at 31/12/2006	**52,720**	**-**	**125,805**	**-**
Mean values	**32,960**	**-**	**115,925**	**-**

B.2 *CREDIT DERIVATIVES: POSITIVE FAIR VALUE - COUNTERPART RISK*

Type of transaction/Amount	Notional value	Positive fair value	Future exposure
A. REGULATORY TRADING PORTFOLIO	**13,200**	**73**	**1,032**
A.1 Protection purchases with counterparts:	**13,200**	**73**	**1,032**
1 Governments and Central banks	-	-	-
2 Other government agencies	-	-	-
3 Banks	12,000	62	960
4 Financial companies	1,200	11	72
5 Insurance companies	-	-	-
6 Non financial companies	-	-	-
7 Other subjects	-	-	-
A.2 Protection sales with counterparts:	**-**	**-**	**-**
1 Governments and Central banks	-	-	-
2 Other government agencies	-	-	-
3 Banks	-	-	-
4 Financial companies	-	-	-
5 Insurance companies	-	-	-
6 Non financial companies	-	-	-
7 Other subjects	-	-	-
B. BANK PORTFOLIO	**-**	**-**	**-**
B.1 Protection purchases with counterparts:	**-**	**-**	**-**
1 Governments and Central banks	-	-	-
2 Other government agencies	-	-	-
3 Banks	-	-	-
4 Financial companies	-	-	-
5 Insurance companies	-	-	-
6 Non financial companies	-	-	-
7 Other subjects	-	-	-
B.2 Protection sales with counterparts:	**-**	**-**	**-**
1 Governments and Central banks	-	-	-
2 Other government agencies	-	-	-
3 Banks	-	-	-
4 Financial companies	-	-	-
5 Insurance companies	-	-	-
6 Non financial companies	-	-	-
7 Other subjects	-	-	-
Total at 31/12/2007	**13,200**	**73**	**1,032**
Total at 31/12/2006	**13,200**	**38**	**1,056**

B.3 CREDIT DERIVATIVES: NEGATIVE FAIR VALUE - FINANCIAL RISK

Type of transaction/Amount	Notional value	Negative *fair value*
REGULATORY TRADING PORTFOLIO		
1 Protection purchases with counterparts:		
1.1 Governments and Central banks	-	-
1.2 Other government agencies	-	-
1.3 Banks	12,000	62
1.4 Financial companies	1,200	11
1.5 Insurance companies	-	-
1.6 Non financial companies	-	-
1.7 Other subjects	-	-
Total at 31/12/2007	**13,200**	**73**
Total at 31/12/2006	**13,200**	**38**

B.4 RESIDUAL TERM OF DERIVATIVE CONTRACTS ON LOANS: NOTIONAL VALUES

Underlying instrument / Residual term	Up to 1 year	Between 1 year and 5 years	More than 5 years	Total
A. Regulatory trading portfolio	**2,400**	**24,000**	**-**	**26,400**
A.1 Credit derivatives with *"qualified" reference obligation*	-	-	-	-
A.2 Credit derivatives with *"non-qualified" reference obligation*	2,400	24,000	-	26,400
B. Bank portfolio	**192,330**	**-**	**-**	**192,330**
B.1 Credit derivatives with *"qualified" reference obligation*	180,530	-	-	180,530
B.2 Credit derivatives with *"non-qualified" reference obligation*	11,800	-	-	11,800
Total at 31/12/2007	**194,730**	**24,000**	**-**	**218,730**
Total at 31/12/2006	**41,120**	**198,970**	**-**	**240,090**

SECTION 3: LIQUIDITY RISK

Qualitative information

A. General aspects, liquidity risk management and assessment methods

The exchange risk is managed centrally by the Treasury. The liquidity conditions are followed continuously with attentive line control of the position, as well as through the use of specific indicators for monitoring shorter term imbalances.
In particular, the "minimum liquidity reserves" that must be held by the Treasury in relation to the interbank collection (BCC and Banks) are measured and monitored. These reserves are composed of assets readily transformed into liquidity, loans with maturity on sight or within one working day, or on sight with expiry within a month.

The balance profiles between the Bank's assets and liabilities, in accordance with the overall time horizon of the latter, are monitored monthly through the findings of the ALM system as well as in combination with internal indicators which consider the data in supervisory reports.

In the light of the new regulatory guidelines, the system of gap reporting schemes is being refined in order to consolidate suitable measures for controlling and managing the risks arising out of the mismatching of the balance sheet asset and liability maturity dates.

Quantitative information

1. TIME DISTRIBUTION BY RESIDUAL CONTRACTUAL TERM OF FINANCIAL ASSETS AND LIABILITIES

Currency of denomination: **EURO**

Item/Time bracket	on demand	From more than 1 day to 7 days	From more than 7 days to 15 days	From more than 15 days to 1 month	From more than 1 month to 3 months	From more than 3 months to 6 months	From more than 6 months to 1 year	From more than 1 year to 5 years	More than 5 years
Cash assets	**1,496,970**	**1,301,251**	**428,359**	**627,773**	**1,389,920**	**597,097**	**743,223**	**609,913**	**1,141,239**
A.1 Government securities	-	-	86,492	-	321	43,966	3,736	175,305	839,413
A.2 Listed debt securities	-	-	-	3	1	1	622	5	939
A.3 Other debt securities	21,581	-	-	8,100	815	30,508	33,886	305,308	43,332
A.4 UCITS units	126,767	-	-	-	-	-	-	-	-
A.5 Loans	1,348,622	1,301,251	341,867	619,670	1,388,783	522,622	704,979	129,295	257,555
- banks	1,196,032	1,296,617	339,756	618,270	1,379,959	511,559	688,629	32,846	3,329
- customers	152,590	4,634	2,111	1,400	8,824	11,063	16,350	96,449	254,226
Cash liabilities	**5,212,242**	**1,018,945**	**414,324**	**296,381**	**419,171**	**24,953**	**123,924**	**126,523**	**13,030**
B.1 Deposits	5,212,236	521,491	382,970	266,961	326,669	24,953	53,452	-	-
- banks	4,708,878	521,491	382,970	266,961	312,744	23,740	51,436	-	-
- customers	503,358	-	-	-	13,925	1,213	2,016	-	-
B.2 Debt securities	-	-	-	-	16,580	-	70,472	126,523	13,030
B.3 Other liabilities	6	497,454	31,354	29,420	75,922	-	-	-	-
Off balance sheet transactions	**19,772**	**389,861**	**117,913**	**394,619**	**1,914,208**	**738,227**	**123,992**	**364,956**	**490,732**
C.1 Financial derivatives with principal exchange	12	389,861	117,913	394,619	1,914,126	738,227	123,992	364,956	404,247
- long positions	5	177,470	69,137	203,911	970,439	521,938	32,936	280,968	222,854
- short positions	7	212,391	48,776	190,708	943,687	216,289	91,056	83,988	181,393
C.2 Deposits and loans to be received	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-
C.3 Irrevocable payment commitments	19,760	-	-	-	82	-	-	-	86,485
- long positions	19,760	-	-	-	82	-	-	-	86,485
- short positions	-	-	-	-	-	-	-	-	-

Currency of denomination: **DOLLAR** (USA)

Item/Time bracket	on demand	From more than 1 day to 7 days	From more than 7 days to 15 days	From more than 15 days to 1 month	From more than 1 month to 3 months	From more than 3 months to 6 months	From more than 6 months to 1 year	From more than 1 year to 5 years	More than 5 years
Cash assets	**55,346**	**30,125**	**7,309**	**32,550**	**54,156**	**50,847**	**34,853**	**279**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-
A.2 Listed debt securities	-	-	-	-	-	136	-	-	-
A.3 Other debt securities	-	-	-	-	-	-	-	279	-
A.4 UCITS units	-	-	-	-	-	-	-	-	-
A.5 Loans	55,346	30,125	7,309	32,550	54,156	50,711	34,853	-	-
- banks	53,550	30,125	7,309	32,550	54,156	50,711	34,853	-	-
- customers	1,796	-	-	-	-	-	-	-	-
Cash liabilities	**163,273**	**33,652**	**28,918**	**39,432**	**106,457**	**26,930**	**1,979**	**20**	**-**
B.1 Deposits	117,161	28,512	19,818	32,561	103,074	26,092	1,979	20	-
- banks	97,809	28,512	19,818	32,561	103,074	26,092	1,979	20	-
- customers	19,352	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	46,112	5,140	9,100	6,871	3,383	838	-	-	-
Off balance sheet transactions	**-**	**290,350**	**41,839**	**45,311**	**1,044,152**	**38,398**	**28,959**	**121**	**1,072**
C.1 Financial derivatives with principal exchange	-	290,350	41,839	45,311	1,044,152	38,398	28,959	121	1,072
- long positions	-	182,569	36,942	22,411	537,719	19,029	14,359	60	539
- short positions	-	107,781	4,897	22,900	506,433	19,369	14,600	61	533
C.2 Deposits and loans to be received	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-
C.3 Irrevocable payment commitments	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-

Currency of denomination: **YEN** (JAPAN)

Item/Time bracket	on demand	From more than 1 day to 7 days	From more than 7 days to 15 days	From more than 15 days to 1 month	From more than 1 month to 3 months	From more than 3 months to 6 months	From more than 6 months to 1 year	From more than 1 year to 5 years	More than 5 years
Cash assets	**8,317**	**30,979**	**19,581**	**16,003**	**29,265**	**5,821**	**354**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-
A.2 Listed debt securities	-	-	-	-	-	-	-	-	-
A.3 Other debt securities	-	-	-	-	-	-	-	-	-
A.4 UCITS units	-	-	-	-	-	-	-	-	-
A.5 Loans	8,317	30,979	19,581	16,003	29,265	5,821	354		
- banks	8,317	30,979	19,581	16,003	29,265	5,821	354	-	-
- customers	-	-	-	-	-	-	-	-	-
Cash liabilities	**10,781**	**35,828**	**311**	**9,819**	**17,619**	**358**	**-**	**-**	**-**
B.1 Deposits	10,781	35,828	311	9,819	17,619	358	-	-	-
- banks	8,009	35,828	311	9,819	17,619	358	-	-	-
- customers	2,772	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-
Off balance sheet transactions	**-**	**36,793**	**34,508**	**306,221**	**50,436**	**14,761**	**745**	**-**	**-**
C.1 Financial derivatives with principal exchange	-	36,793	34,508	306,221	50,436	14,761	745	-	-
- long positions	-	11,743	6,582	152,991	25,174	7,457	-	-	-
- short positions	-	25,050	27,926	153,230	25,262	7,304	745	-	-
C.2 Deposits and loans to be received	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-
C.3 Irrevocable payment commitments	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-

Currency of denomination: **CHF** (SWISS)

Item/Time bracket	on demand	From more than 1 day to 7 days	From more than 7 days to 15 days	From more than 15 days to 1 month	From more than 1 month to 3 months	From more than 3 months to 6 months	From more than 6 months to 1 year	From more than 1 year to 5 years	More than 5 years
Cash assets	**6,208**	**15,420**	**23,643**	**42,486**	**89,863**	**13,439**	**39,596**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-
A.2 Listed debt securities	-	-	-	-	-	-	-	-	-
A.3 Other debt securities	-	-	-	-	-	-	-	-	-
A.4 UCITS units	-	-	-	-	-	-	-	-	-
A.5 Loans	6,208	15,420	23,643	42,486	89,863	13,439	39,596	-	-
- banks	6,202	15,420	23,643	42,486	89,863	13,439	39,596	-	-
- customers	6	-	-	-	-	-	-	-	-
Cash liabilities	**5,225**	**30,738**	**16,442**	**52,380**	**23,190**	**-**	**15**	**-**	**-**
B.1 Deposits	5,225	29,170	16,442	52,380	23,184	-	15	-	-
- banks	4,197	29,170	16,442	52,380	23,184	-	15	-	-
- customers	1,028	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	1,568	-	-	6	-	-	-	-
Off balance sheet transactions	**2**	**36,495**	**10,424**	**23,141**	**86,758**	**1,348**	**121**	**-**	**-**
C.1 Financial derivatives with principal exchange	2	36,495	10,424	23,141	86,758	1,348	121	-	-
- long positions	2	6,158	423	1,549	19,335	-	-	-	-
- short positions	-	30,337	10,001	21,592	67,423	1,348	121	-	-
C.2 Deposits and loans to be received	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-
C.3 Irrevocable payment commitments	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-

Currency of denomination: **GBP** (GREAT BRITAIN)

Item/Time bracket	on demand	From more than 1 day to 7 days	From more than 7 days to 15 days	From more than 15 days to 1 month	From more than 1 month to 3 months	From more than 3 months to 6 months	From more than 6 months to 1 year	From more than 1 year to 5 years	More than 5 years
Cash assets	**19,609**	**1,717**	**15,426**	**441**	**749**	**92**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-
A.2 Listed debt securities	-	-	-	-	-	-	-	-	-
A.3 Other debt securities	-	-	-	-	-	-	-	-	-
A.4 UCITS units	-	-	-	-	-	-	-	-	-
A.5 Loans	19,609	1,717	15,426	441	749	92	-	-	-
- banks	19,609	1,717	15,426	441	749	92	-	-	-
- customers	-	-	-	-	-	-	-	-	-
Cash liabilities	**12,363**	**5,788**	**2,327**	**1,198**	**46**	**21**	**-**	**-**	**-**
B.1 Deposits	12,363	4,593	2,327	1,198	28	21	-	-	-
- banks	8,092	4,593	2,327	1,198	28	21	-	-	-
- customers	4,271	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	1,195	-	-	18	-	-	-	-
Off balance sheet transactions	**-**	**2,393**	**13,817**	**5,570**	**164,470**	**702**	**-**	**174**	**160**
C.1 Financial derivatives with principal exchange	-	2,393	13,817	5,570	164,470	702	-	174	160
- long positions	-	1,315	181	2,727	80,556	102	-	101	80
- short positions	-	1,078	13,636	2,843	83,914	600	-	73	80
C.2 Deposits and loans to be received	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-
C.3 Irrevocable payment commitments	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-

Currency of denomination: **AUD** (AUSTRALIA)

Item/Time bracket	on demand	From more than 1 day to 7 days	From more than 7 days to 15 days	From more than 15 days to 1 month	From more than 1 month to 3 months	From more than 3 months to 6 months	From more than 6 months to 1 year	From more than 1 year to 5 years	More than 5 years
Cash assets	**2,155**	**239**	**2,004**	**5**	**48**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-
A.2 Listed debt securities	-	-	-	-	-	-	-	-	-
A.3 Other debt securities	-	-	-	-	-	-	-	-	-
A.4 UCITS units	-	-	-	-	-	-	-	-	-
A.5 Loans	2,155	239	2,004	5	48	-	-	-	-
- banks	2,155	239	2,004	5	48	-	-	-	-
- customers	-	-	-	-	-	-	-	-	-
Cash liabilities	**4,190**	**95**	**-**	**529**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits	4,190	95	-	529	-	-	-	-	-
- banks	589	95	-	529	-	-	-	-	-
- customers	3,601	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-
Off balance sheet transactions	**-**	**154**	**40,701**	**90**	**39,620**	**-**	**-**	**172**	**-**
C.1 Financial derivatives with principal exchange	-	154	40,701	90	39,620	-	-	172	-
- long positions	-	70	20,381	30	19,807	-	-	86	-
- short positions	-	84	20,320	60	19,813	-	-	86	-
C.2 Deposits and loans to be received	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-
C.3 Irrevocable payment commitments	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-

Currency of denomination: **OTHER CURRENCIES**

Item/Time bracket	on demand	From more than 1 day to 7 days	From more than 7 days to 15 days	From more than 15 days to 1 month	From more than 1 month to 3 months	From more than 3 months to 6 months	From more than 6 months to 1 year	From more than 1 year to 5 years	More than 5 years
Cash assets	**20,436**	**5,369**	**8,380**	**831**	**2,348**	**516**	**39**	**40**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-
A.2 Listed debt securities	-	-	-	-	-	-	39	40	-
A.3 Other debt securities	-	-	-	-	-	-	-	-	-
A.4 UCITS units	-	-	-	-	-	-	-	-	-
A.5 Loans	20,436	5,369	8,380	831	2,348	516	-	-	-
- banks	20,424	5,369	8,380	831	2,348	516	-	-	-
- customers	12	-	-	-	-	-	-	-	-
Cash liabilities	**19,272**	**4,722**	**1,051**	**2,816**	**113**	**31**	**-**	**-**	**-**
B.1 Deposits	19,272	4,722	1,051	2,816	113	31	-	-	-
- banks	8,573	4,722	1,051	2,816	113	31	-	-	-
- customers	10,699	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-
Off balance sheet transactions	**-**	**30,195**	**7,394**	**3,821**	**120,263**	**173**	**311**	**1,560**	**-**
C.1 Financial derivatives with principal exchange	-	30,195	7,394	3,821	120,263	173	311	1,560	-
- long positions	-	13,779	208	1,301	60,172	113	121	759	-
- short positions	-	16,416	7,186	2,520	60,091	60	190	801	-
C.2 Deposits and loans to be received	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-
C.3 Irrevocable payment commitments	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-

2. DISTRIBUTION OF FINANCIAL LIABILITIES BY SECTOR

Exposure/Counterparts	Governments and Central Banks	Other government agencies	Financial companies	Insurance companies	Non financial companies	Other subjects
1. Due to customers	8,464	1,886	788,340	109,322	35,440	455,109
2. Debt Securities in Issue	-	-	-	-	-	123,430
3. Financial liabilities held for trading	2,482	-	44,492	15,223	-	-
4. Financial liabilities carried at *fair value*	-	-	13,030	87,051	-	-
Total at 31/12/2007	**10,946**	**1,886**	**845,862**	**211,596**	**35,440**	**578,539**
Total at 31/12/2006	**2,680**	**3,458**	**388,870**	**137,263**	**35,691**	**807,311**

3. TERRITORIAL DISTRIBUTION OF FINANCIAL LIABILITIES

Exposure / Counterparts	Italy	Other European countries	America	Asia	Rest of the world
1. Due to customers	1,398,555	6	-	-	-
2. Due to banks	6,640,380	453,631	665	-	439
3. Debt Securities in Issue	123,430	-	-	-	-
4. Financial liabilities held for trading	109,666	159,482	2,879	-	-
5. Financial liabilities carried at *fair value*	100,081	-	-	-	-
Total at 31/12/2007	**8,372,112**	**613,119**	**3,544**	**-**	**439**
Total at 31/12/2006	**7,583,074**	**749,066**	**10,767**	**34**	**24**

SECTION 4: OPERATING RISKS

Qualitative information

A. General aspects, operational risk management and assessment methods

Within the framework of the initiatives defined at Group level in the Risk Management area, the Bank has launched an integrated system for operating risk management which allows for assessment of the operating risk for each business area.
The approach adopted also allows for achieving the following further specific objectives:
- to give risk owners greater awareness of the risks linked to their own operations;
- to assess the Bank's exposure to operating risk factors which exist in company procedures;
- to give an overall view, for each period and sector under observation, of the Bank's operating problems;
- to supply the information necessary for improving the Internal Auditing System;
- to optimise operating risk mitigating actions, by means of a process which, starting with identification of the risk, economic assessment of the same, and identification of the internal criticalities underlying the same, allows for cost/benefit analysis of the measures to be taken.

Within the scope of the activities carried out in the last two years, the following results have been achieved:

- definition of the overall framework for operating risk management, in terms of classification models, analysis methods, management processes, supporting instruments;
- definition and implementation of the self-assessment process of expected exposure to operating risks, the so-called Risk Self Assessment. The results of the assessment are processed by means of a statistical model which allows for translating the operating risk exposure estimates into economic capital values;
- definition and implementation of the methodology and process for the collection of information on operating losses, the so-called Loss Data Collection;
- development of a quantitative model of the actuarial type for the analysis of historic series of operating losses, covering five years.

The initiatives planned for 2008 have the target of consolidating operating risk management as a whole and in particular of enriching the qualitative and quantitative dimensions of the information base, the source of which are the processes developed and used for assessment and monitoring.

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PART F

Comments on the Shareholder's Equity

PART F - COMMENTS ON THE SHAREHOLDER'S EQUITY

SECTION 1: THE CORPORATE EQUITY

A. Qualitative information

Individual capital refers to regulatory capital as defined by Bank of Italy circular no. 155 of 22/11/1991 and subsequent updates. The said regulations require banks belonging to banking groups to comply with a minimum total capital ratio of 7% calculated as the ratio between the sum of the regulatory capital and the permitted third-level subordinated loans, and the total weighted assets for the risk. When preparing forecasts of the future development of the Bank's assets, compliance with the minimum obligatory capital requirements needed for supporting the quantitative and qualitative growth of disbursements and, more in general, the risk activities is constantly monitored; this takes place by correlating this growth with the associated revenue growth trend and checking the resulting self-financing capacity.

B. Quantitative information

See "Part B - Information on the Balance Sheet" - Liabilities - Section 14.

SECTION 2: SHAREHOLDERS' EQUITY AND REGULATORY RATIOS

2.1 Regulatory Capital

Quantitative information

	Total at 31/12/2007	Total at 31/12/2006
A. Tier 1 capital before application of prudential filters	**280,046**	**272,169**
B. Tier 1 capital prudential filters:		
B.1 Positive IAS/IFRS prudential filters (+)	-	-
B.2 Negative IAS/IFRS prudential filters (-)	(280)	(11)
C. Tier 1 capital gross of elements to be deducted (A+B)	**279,766**	**272,158**
D. Elements to be deducted from tier 1 capital	363	-
E. Total tier 1 capital (C-D)	**279,403**	**272,158**
F. Tier 2 capital before application of prudential filters	**54,191**	**46,479**
G. Tier 2 capital prudential filters:	-	-
G.1 Positive IAS/IFRS prudential filters (+)	-	-
G.2 Negative IAS/IFRS prudential filters (-)	(3,163)	-
H. Tier 2 capital gross of elements to be deducted (F+G)	**51,028**	**46,479**
J. Elements to be deducted from tier 2 capital	363	1,155
L. Total tier 2 capital (H-I)	**50,665**	**45,324**
M. Elements to be deducted from total tier 1 and 2 capital	370	-
N. Regulatory capital (E+L-M)	**329,698**	**317,482**
O. Tier 3 capital	-	-
P. Regulatory capital inclusive of tier 3 (N+O)	**329,698**	**317,482**

2.2 Capital adequacy

Quantitative information

Categories/Amounts	Unweighted amounts		Weighted amounts / requisites	
	Total at 31/12/2007	Total at 31/12/2006	Total at 31/12/2007	Total at 31/12/2006
A. RISK ASSETS				
A.1 CREDIT RISK	**13,238,259**	**12,551,220**	**2,039,948**	**2,237,794**
STANDARD METHODOLOGY				
CASH ASSETS	**8,017,958**	**7,702,041**	**1,979,156**	**2,146,549**
1. Exposure (other than capital securities and other subordinate assets) towards (or guaranteed by):	7,770,402	7,445,228	1,813,415	1,965,886
1.1 Governments and Central banks	284,817	271,210	626	-
1.2 Government agencies	422,406	395,270	1,621	1,850
1.3 Banks	6,565,013	6,018,390	1,313,002	1,203,678
1.4 Other subjects (other than mortgage loans on residential and non-residential real estate)	498,166	760,358	498,166	760,358
2. Mortgage loans on residential real estate	47,935	40,637	23,968	20,318
3. Mortgage loans on non-residential real estate	-	-	-	-
4. Shares, equity investments and subordinate assets	64,361	49,972	64,361	49,972
5. Other assets held	135,260	166,205	77,412	110,373
OFF BALANCE SHEET ASSETS	**5,220,301**	**4,849,179**	**60,792**	**91,245**
1. Guarantees and commitments towards (or guaranteed by)	4,814,965	4,418,180	57,296	88,472
1.1 Governments and Central banks	2,518	17,087	-	-
1.2 Government agencies	18	-	4	-
1.3 Banks	4.397,370	3,651,320	40,474	58,758
1.4 Other subjects	415,059	749,773	16,818	29,714
2. Derivative contracts with (or guaranteed by):	405,336	430,999	3,496	2,773
2.1 Governments and Central banks	-	-	-	-
2.2 Government agencies	-	-	-	-
2.3 Banks	390,186	382,342	3,400	2,412
2.4 Other subjects	15,150	48,657	96	361

Categories/Amounts	Unweighted amounts		Weighted amounts / requisites	
	Total at 31/12/2007	Total at 31/12/2006	Total at 31/12/2007	Total at 31/12/2006
B. REGULATORY EQUITY REQUIREMENTS				
B.1 CREDIT RISK	**-**	**-**	**142,570**	**156,626**
B.2 MARKET RISKS			**38,596**	**38,434**
1. STANDARD METHODOLOGY	*x*	*x*	*38,596*	*38,434*
of which:				
+ risk on debt security positions	x	x	20,795	22,655
+ risk on capital security positions	x	x	3,721	3,368
+ exchange rate risk	x	x	-	-
+ other risks	x	x	14,080	12,411
2. INTERNAL MODELS	*x*	*x*	-	-
of which:				
+ risk on debt security positions	x	x	-	-
+ risk on capital security positions	x	x	-	-
+ exchange rate risk	x	x	-	-
B.3 OTHER MINIMUM REQUIREMENTS	**x**	**x**	**14,197**	**6,141**
B.4 TOTAL MINIMUM REQUIREMENTS (B1+B2+B3)	**x**	**x**	**195,363**	**201,201**
C. RISK ASSETS AND REGULATORY RATIOS	**x**	**x**	**2,790,900**	**2,874,298**
C.1 Weighted risk assets	x	x	2,790,900	2,874,298
C.2 Tier 1 capital / Weighted risk assets (Tier 1 capital ratio)	x	x	10.01%	9.47%
C.3 Regulatory capital / Weighted risk assets (Total capital ratio)	x	x	11.81%	11.05%

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PART G

Business Combination Related to Company or Business Units

PART G - BUSINESS COMBINATION RELATED TO COMPANY OR BUSINESS UNITS

SECTION 1: OPERATIONS CARRIED OUT DURING THE PERIOD

1.1 AGGREGATION OPERATIONS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

1.2 OTHER INFORMATION ON AGGREGATION OPERATIONS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

1.2.1 ANNUAL GOODWILL VARIATIONS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

1.2.2 OTHERS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

SECTION 2: OPERATIONS CARRIED OUT AFTER CLOSURE OF THE PERIOD

2.1 AGGREGATION OPERATIONS

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

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PART H

Related Parties Transaction

PART H - RELATED PARTIES TRANSACTION

1. DATA REGARDING REMUNERATION PAID TO DIRECTORS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

The data required by IAS 24 is given below, regarding the remuneration of directors and 3 executives belonging to General Management.

	Total at 31/12/2007
Remuneration and salaries (1)	1,784
Benefits after closure of the work relationship (2)	71

(1) Inclusive of the salary of the General Manager and Deputy General Managers
(2) Referring to the annual allocation to the severance indemnity provision, in accordance with the provisions of current legal requirements

CREDIT FACILITIES AND GUARANTEES GIVEN:

	Total at 31/12/2007
Directors	427
Auditors	-

2. COMMENTS ON TRANSACTIONS WITH RELATED PARTIES

NAME OF THE PARENT COMPANY
ICCREA HOLDING S.P.A.

HEAD OFFICE
VIA LUCREZIA ROMANA, 41/47 - 00178 ROME - ITALY

PARENT COMPANY - KEY DATA AT 31st DECEMBER 2006
(Euro / 1000)

BALANCE SHEET	**Total at 31/12/2006**
Assets	**675,196**
Liabilities	**103,162**
Share Capital	512,420
Legal reserve	15,146
Reserve for own shares in portfolio	1,311
Statutory reserve	19,930
Other reserves	(14,631)
Revaluation reserves	23,077
Own shares	(1,311)
Profit for the period	16,092
Shareholders' equity	**572,034**

STATEMENT OF INCOME	
Net Interest income	(2,783)
Net commissions	1,046
Broking margin	23,790
Profit (loss) from financial operations	23,790
Operating costs	(11,713)
Pre-tax profit/loss on current operations	12,077
Profit for the period	**16,092**

The parent company carries out management and coordination activities.

THE BALANCE SHEET AND STATEMENT OF INCOME ITEMS REGARDING THE INTRAGROUP RELATIONSHIPS ARE PROVIDED BELOW

ASSETS	A20 Financial assets held for trading	A60 Amounts due from banks	A70 Amounts due from customers	A150 Other assets
Aureo Gestioni				50
Banca Agrileasing	2,665	302,511		46
Bcc Gestione Crediti				
Bcc Solutions			32,272	2,177
Bcc Private Equity				3
Bcc Securis				
Bcc Vita	13,688		4	1,798
Bcc Web				
Credico Finance				
Iccrea Holding			83,755	9,669
Immicra			245	
Nolé			1,535	
Sef Consulting				
Bcc Factoring				
Prominvestment			197	
Hi-MTF				
GRAND TOTAL	**16,353**	**302,511**	**118,008**	**13,743**

LIABILITIES	P10 Amounts due to banks	P20 Amounts due to customers	P30 Securities in circulation	P40 Financial liabilities held for trading	P50 Financial liabilities carried at fair value	P80 Tax liabilities	P100 Other liabilities	P160 Reserves
Aureo Gestioni		2,021						
Banca Agrileasing	1,092			705		657	71	1,843
Bcc Gestione Crediti		362					9	
Bcc Solutions		622					3,197	
Bcc Private Equity		985						
Bcc Securis		9						
Bcc Vita		78,140		13,809	87,051			
Bcc Web		1,114					294	
Credico Finance		43						
Iccrea Holding							12,170	
Immicra		93						
Nolé							9	
Sef Consulting		426					189	
Bcc Factoring		13,104						
Prominvestment		3					1,657	
Hi-MTF								
GRAND TOTAL	**1,092**	**96,922**		**14,514**	**87,051**	**657**	**17,596**	**1,843**

STATEMENT OF INCOME	E10 Interest receivable and similar income	E20 Interest payable and similar charges	E40 Commis-sions recei-vable	E80 Net profit / loss from trading	E100 Gains (losses) on disposal or repurchase of financial liabilities	E110 Net gain (loss) on financial assets and liabilities carried at fair value	E150 Admin-istrative expenses	E190 Other operating income (expenses)
Aureo Gestioni		337	94					24
Banca Agrileasing	2,584	9,283	573	1,796			(11)	145
Bcc Gestione Crediti		21	1				(19)	9
Bcc Solutions	1,466	25	2				(8,794)	553
Bcc Private Equity		80						43
Bcc Securis			7					20
Bcc Vita	13	6,170	552	(10,560)	(72)	3,500		11
Bcc Web		38	1				(836)	(12)
Credico Finance		1						
Iccrea Holding	3,184	668					(2,413)	876
Immicra	18							
Nolé	67		41					
Sef Consulting		15					(215)	(9)
Bcc Factoring	65	8	3					
Prominvestment	7							15
Hi-MTF								
GRAND TOTAL	**7,404**	**16,646**	**1,274**	**(8,764)**	**(72)**	**3,500**	**(12,288)**	**1,675**

ICCREA BANCA

ISTITUTO
CENTRALE DEL
CREDITO
COOPERATIVO

PART I

Payment Agreements Based on Own Equity Instruments

PART I - PAYMENT AGREEMENTS BASED ON OWN EQUITY INSTRUMENTS

A. Qualitative information

1. DESCRIPTION OF PAYMENT AGREEMENTS BASED ON OWN EQUITY INSTRUMENTS

At the date of the financial statements, the Bank has no payment agreements in force based on its own equity instruments.

B, Quantitative information

1. ANNUAL VARIATION

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

2. OTHER INFORMATION

The table has not been drafted since there were no balances for this item when the financial statements were drawn up.

ICCREA BANCA

ISTITUTO
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APPENDICES

- BCC SECURIS S.r.l.
- CREDICO FINANCE S.r.l.
- HI-MTF S.p.a.
- PROMINVESTMENT S.p.a.
- Situation of the FondoCentrale di Garanzia

BCC SECURIS COMPANY'S FINANCIAL STATEMENT SCHEDULES

BALANCE SHEET

Asset items	31/12/2007		31/12/2006	
10. Cash and cash equivalents		-		-
60. Amounts due from banks		8,988		8,904
120. Tax assets		8,706		10,435
a) current	1,725		2,632	
a) prepaid	6,981		7,803	
140. Other assets		20,251		25,722
Total Assets		**37,945**		**45,061**

Liability and shareholders' equity items	31/12/2007		31/12/2006	
70. Tax liabilities		3,628		1,222
a) current	3,628		1,222	
a) prepaid	-		-	
90. Other liabilities		24,078		33,600
120. Share capital		10,000		10,000
160. Reserves		239		(441)
180. Profit (Loss) for the year		-		680
Total Liabilities		**37,945**		**45,061**

STATEMENT OF INCOME

Items	31/12/2007		31/12/2006	
10. Interest receivable and similar income		297		201
Net Interest income		**297**		**201**
40. Commission payable		(70)		(85)
Net commissions		**(70)**		**(85)**
Broking margin		**227**		**116**
120. Administrative expenses:		(64,169)		(61,645)
b) other administrative expenses	(64,169)		(61,645)	
170. Other operating expenses		(4,959)		(2,279)
180. Other operating income		73,431		65,065
Profit (loss) from financial operations		**4,303**		**1,141**
Profit (loss) before tax on continuing operations		**4,530**		**1,257**
210. Income taxes for the year on continuing operations		(4,530)		(577)
Profit (loss) after tax on continuing operations	**-**	**680**		
Profit (Loss) for the year	**-**	**680**		

CHANGES IN SHAREHOLDERS' EQUITY YEAR 2007

				Allocation of profit of the previous period		Change during the period								
							Operations on shareholders' equity							
	Balances at 31.12.2006	Changes to initial balances	Balances at 01.01.2007	Reserves	Dividends and other uses	Changes in reserves	New share issues	Own share purchases	Extraordinary distribution of dividends	Changes in capital instruments	Derivatives on own shares	Stock options	Profit (Loss) for the year at 31.12.2007	Net equity at 31.12.2007
Share capital:	10,000	-	10,000	-	-	-	-	-	-	-	-	-	-	**10,000**
Issuance premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a) of profits	441	-	441	680	-	-	-	-	-	-	-	-	-	**1,121**
b) other	(882)	-	(882)	-	-	-	-	-	-	-	-	-	-	**(882)**
Valuation reserves:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the year	**680**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Shareholders' equity	**10,239**		**9,559**	**680**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10,239**

CHANGES IN SHAREHOLDERS' EQUITY YEAR 2006

				Allocation of profit of the previous period		Change during the period								
							Operations on shareholders' equity							
	Balances at 31.12.2005	Changes to initial balances	Balances at 01.01.2006	Reserves	Dividends and other uses	Changes in reserves	New share issues	Own share purchases	Extraordinary distribution of dividends	Changes in capital instruments	Derivatives on own shares	Stock options	Profit (Loss) for the year at 31.12.2006	Shareholders' equity at 31.12.2006
Share capital:	10,000	-	10,000	-	-	-	-	-	-	-	-	-	-	**10,000**
Issuance premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Reserves:	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
a) of profits	-	-	-	441	-	-	-	-	-	-	-	-	-	**441**
b) other	(882)	-	(882)	-	-	-	-	-	-	-	-	-	-	**(882)**
Valuation reserves:	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Profit (Loss) for the year	**441**	**-**	**441**	**(441)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**680**	**680**
Shareholders' equity	**9,559**		**9,559**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**680**	**10,239**

CASH FLOWS

OPERATING ASSETS	31/12/2007	31/12/2006
1. Management	**-**	**681**
- interest receivable and similar income	297	201
- interest payable and similar charges	-	-
- dividends and similar income	-	-
- commission receivable	-	-
- commission payable	(70)	(85)
- personnel expenses	-	-
- other costs	(69,128)	(63,923)
- other income	73,431	65,065
- taxes	(4,530)	(577)
2. Liquidity generated by the reduction of financial assets	**7,200**	**18,500**
- financial assets held for trading	-	-
- financial assets carried at fair value	-	-
- financial assets available for sale	-	-
- receivables	-	-
- other assets	7,200	18,500
3. Liquidity absorbed by the increase of financial assets	**-**	**(411)**
- financial assets held for trading	-	-
- financial assets carried at fair value	-	-
- financial assets available for sale	-	-
- receivables	-	-
- other assets	-	(411)
4. Liquidity absorbed by the increase of financial liabilities	**11,345**	**923**
- payables	-	-
- securities in circulation	-	-
- financial liabilities from trading	-	-
- financial liabilities at fair value	-	-
- other liabilities	11,345	923
5. Liquidity absorbed by the redemption/repurchase of financial liabilities	**(18,462)**	**(19,680)**
- payables	-	-
- securities in circulation	-	-
- financial liabilities from trading	-	-
- financial liabilities at fair value	-	-
- other liabilities	(18,462)	(19,680)
Net liquidity generated/absorbed by investment activities (A)	**83**	**13**

INVESTMENT ASSETS

1. Liquidity generated by the decrease of:		
- equity investments	-	-
- financial assets held to maturity	-	-
- tangible assets	-	-
- intangible assets	-	-
- other assets	-	-
2. Liquidity absorbed by the increase of:		
- equity investments	-	-
- financial assets held to maturity	-	-
- tangible assets	-	-
- intangible assets	-	-
- other assets	-	-
Net liquidity generated/absorbed by investment activities (B)	**-**	**-**

FUNDING ASSETS

- issues/purchases of own shares	-	-
- issues/purchases of capital instruments	-	-
- distribution of dividends and other uses	-	-
Net liquidity generated/absorbed by investment activities (C)	**-**	**-**
NET LIQUIDITY GENERATED/ABSORBED IN THE PERIOD (D)=A+B+C	**83**	**13**

RECONCILIATION

Balance sheet items	31/12/2007	31/12/2006
Cash and cash equivalents at the start of the period	8,904	8,891
Total net liquidity generated/absorbed in the period	83	13
Cash and cash equivalents at the close of the period	8,988	8,904

CREDICO FINANCE COMPANY'S FINANCIAL STATEMENT SCHEDULES

BALANCE SHEET

Asset items	31/12/2007		31/12/2006	
60. Amounts due from banks		42,834		26,928
120. Tax assets		2,596		2,495
a) current	2,596		2,495	
a) prepaid				
140. Other assets		25,186		37,502
Total Assets		**70,616**		**66,925**

Liability and shareholders' equity items	31/12/2007		31/12/2006	
90. Other liabilities		14,707		12,158
120. Share capital		51,645		51,645
160. Reserves		3,121		2,338
180. Profit (Loss) for the year		1,143		783
Total Liabilities		**70,616**		**66,925**

STATEMENT OF INCOME

Items	31/12/2007		31/12/2006	
10. Interest receivable and similar income		1,426		783
Net Interest income		**1,426**		**783**
120. Administrative expenses:		(70,802)		(62,919)
b) other administrative expenses	(70,802)		(62,919)	
170. Other operating expenses		-		(1,000)
180. Other operating income		70,802		63,919
Profit (loss) from financial operations		**-**		**-**
Profit (Loss) before tax on continuing operations		**1,426**		**783**
210. Income taxes for the year on continuing operations		(283)		-
Profit (loss) after tax on continuing operations		**1,143**		**783**
Profit (Loss) for the year		**1,143**		**783**

CHANGES IN SHAREHOLDERS' EQUITY YEAR 2007

				Allocation of profit of the previous period		Change during the period								
							Operations on shareholders' equity							
	Balances at 31.12.2006	Changes to initial balances	Balances at 01.01.2007	Reserves	Dividends and other uses	Changes in reserves	New share issues	Own share purchases	Extraordinary distribution of dividends	Changes in capital instruments	Derivatives on own shares	Stock options	Profit (Loss) for the year at 31.12.2007	Shareholders' equity at 31.12.2007
Share capital:	51,645	-	-	-	-	-	-	-	-	-	-	-	-	**51,645**
Issuance premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Reserves:	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
a) of profits	143	-	-	39	-	-	-	-	-	-	-	-	-	**182**
b) other	2,195	-	-	744	-	-	-	-	-	-	-	-	-	**2,939**
Valuation reserves:	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Profit (Loss) for the year	**783**	**-**	**-**	**(783)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,143**	**1,143**
Shareholders' equity	**54,766**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,143**	**55,909**

CHANGES IN SHAREHOLDERS' EQUITY YEAR 2006

	Balances at 31.12.2005	Changes to initial balances	Balances at 01.01.2006	Allocation of profit of the previous period		Change during the period								Shareholders' equity at 31.12.2006
							Operations on shareholders' equity							
				Reserves	Dividends and other uses	Changes in reserves	New share issues	Own share purchases	Extraordinary distribution of dividends	Changes in capital instruments	Derivatives on own shares	Stock options	Profit (Loss) for the year at 31.12.2006	
Share capital:	51,645	-	51,645	-	-	-	-	-	-	-	-	-	-	**51,645**
Issuance premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Reserves:	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
a) of profits	118	-	118	25	-	-	-	-	-	-	-	-	-	**143**
b) other	715	-	715	1,480	-	-	-	-	-	-	-	-	-	**2,195**
Valuation reserves:	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Profit (Loss) for the year	**1,505**	**-**	**1,505**	**(1,505)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**783**	**783**
Shareholders' equity	**53,983**		**53,983**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**783**	**54,766**

CASH FLOWS

A. OPERATING ASSETS	31/12/2007	31/12/2006
1. Management	**1,143**	**783**
- Interest receivable and similar income	1,426	783
- interest payable and similar charges	-	-
- dividends and similar income	-	-
- commission receivable	-	-
- commission payable	-	-
- personnel expenses	-	-
- other costs	(71,085)	(63,919)
- other income	70,802	63,919
- taxes	-	-
2. Liquidity generated by the reduction of financial assets	**-**	**-**
- financial assets held for trading	-	-
- financial assets carried at fair value	-	-
- financial assets available for sale	-	-
- receivables	-	-
- other assets	-	-
3. Liquidity absorbed by the increase of financial assets	**12,214**	**(15,879)**
- financial assets held for trading	-	-
- financial assets carried at fair value	-	-
- financial assets available for sale	-	-
- receivables	-	-
- other assets	12,214	(15,879)
4. Liquidity absorbed by the increase of financial liabilities	**2,549**	**525**
- payables	-	-
- securities in circulation	-	-
- financial liabilities from trading	-	-
- financial liabilities at fair value	-	-
- other liabilities	2,549	525
5. Liquidity absorbed by the redemption/repurchase of financial liabilities	**-**	**-**
- payables	-	-
- securities in circulation	-	-
- financial liabilities from trading	-	-
- financial liabilities at fair value	-	-
- other liabilities	-	-
Net liquidity generated/absorbed by investment activities (A)	**15,906**	**(14,569)**

Segue

B. INVESTMENT ASSETS	31/12/2007	31/12/2006
1. Liquidity generated by the decrease of:		
- equity investments	-	-
- financial assets held to maturity	-	-
- tangible assets	-	-
- intangible assets	-	-
- other assets	-	-
2. Liquidity absorbed by the increase of::		
- equity investments	-	-
- financial assets held to maturity	-	-
- tangible assets	-	-
- intangible assets	-	-
- other assets	-	-
Net liquidity generated/absorbed by investment activities (B)	**-**	**-**
C. FUNDING ASSETS		
- issues/purchases of own shares	-	-
- issues/purchases of capital instruments	-	-
- distribution of dividends and other uses	-	-
Net liquidity generated/absorbed by investment activities (C)	**-**	**-**
NET LIQUIDITY GENERATED/ABSORBED IN THE PERIOD (D)=A+B+C	**15,906**	**(14,569)**

RECONCILIATION

Balance sheet items	31/12/2007	31/12/2006
Cash and cash equivalents at the start of the period	26,928	41,497
Total net liquidity generated/absorbed in the period	15,906	(14,569)
Cash and cash equivalents at the close of the period	42,834	26,928

HI-MTF COMPANY'S FINANCIAL STATEMENT SCHEDULES

ASSETS	31/12/2007	31/12/2006
A. AMOUNTS DUE FROM SHAREHOLDERS FOR OUTSTANDING PAYMENTS	-	-
B. FIXED ASSETS	**3,083,171**	-
I Intangible fixed assets	**85,453**	-
1. Plant and expansion costs	24,858	-
2. Research and development costs	-	-
3. Industrial patent rights and rights to the use of intellectual works	57,262	-
4. Concessions, licences, trademarks and similar rights	-	-
5. Goodwill	-	-
6. Fixed assets in progress and down payments	-	-
7. Other	3,333	-
II Tangible fixed assets	**56,838**	-
1. Land and buildings	-	-
2. Plant and machinery	47,438	-
3. Industrial and commercial equipment	-	-
4. Other assets	9,400	-
5. Fixed assets in progress and down payments	-	-
III Financial fixed assets	**2,940,880**	-
3. Other securities	2,940,880	-
C. FLOATING ASSETS	**631,925**	-
I Closing balances	-	-
II Receivables	**86,084**	-
1. Amounts due from customers	5,228	-
-- *of which collectible after the next financial period*	-	-
2. Amounts due from subsidiaries	-	-
3. Amounts due from associated companies	-	-
4. Amounts due from holding companies	-	-
4-bis Tax receivables	80,809	-
4-ter Prepaid taxes	-	-
-- *of which available after the next financial period*	-	-
5. Amounts due from others	47	-
III Financial assets not classified as fixed assets	-	-
1. Equity investments in subsidiaries	-	-
2. Equity investments in associated companies	-	-
3. Equity investments in holding companies	-	-
4. Other equity investments	-	-
5. Own shares	-	-
6. Other securities	-	-
IV Cash and cash equivalents	**545,841**	-
1. Bank and post office deposits	545,841	-
2. Cheques	-	-
3. Cash and valuables in hand	-	-
D. ACCRUED INCOME AND PREPAID EXPENSES	**112,630**	-
TOTAL ASSETS	**3,827,726**	-

LIABILITIES	31/12/2007	31/12/2006
A. SHAREHOLDERS' EQUITY	**3,425,511**	**-**
I Share capital	4,000,000	-
II Share premium reserve	-	-
III Revaluation reserve	-	-
IV Legal reserve	-	-
V Statutory reserves	-	-
VI Reserve for own shares in portfolio	-	-
VII Other reserves:	-	-
VIII Profits (losses) carried forward	-	-
IX Profit (Loss) for the year	(574,489)	-
B. PROVISIONS FOR RISKS AND CHARGES	**-**	**-**
1. Pension funds and similar obligations	-	-
2. Provisions for taxes	-	-
3. Other provisions	-	-
C. PROVISION FOR EMPLOYEE SEVERANCE INDEMNITY	**559**	**-**
D. PAYABLES	**400,952**	**-**
1. Bonds	-	-
2. Convertible bonds	-	-
3. Amounts due to shareholders for loans	-	-
4. Amounts due to banks	-	-
5. Amounts due to other lenders	-	-
6. Down payments	-	-
7. Trade payables	360,199	-
8. Debts in securities	-	-
9. Amounts due to subsidiaries	-	-
10. Amounts due to associated companies	-	-
11. Amounts due to holding companies	-	-
12. Tax payables	33,566	-
13. Payables to pension and welfare institutes	6,006	-
14. Other payables	1,181	
D. ACCRUED EXPENSES AND DEFERRED INCOME	**704**	**-**
TOTAL LIABILITIES	**3,827,726**	**-**

STATEMENT OF INCOME	31/12/2007	31/12/2006
A. Production value	**5,228**	**-**
1. Revenues from sales and services	5,228	-
2. Changes in closing balances of products being processed,and semi-worked and finished products	-	-
3. Changes in work in progress to order	-	-
4. Increases in fixed assets owing to internal work	-	-
5. Other revenue and income	-	-
B. Production costs	**627,768**	**-**
6. Raw and subsidiary materials, consumables and goods	-	-
7. Services	(508,040)	-
8. For use of third-party assets	(60,721)	-
9. Personnel expenses	(15,448)	-
a wages and salaries	*(10,301)*	-
b social security contributions	*(2,897)*	-
c provision for employee severance indemnity	*(604)*	-
d provision for retirement benefits	-	-
e other costs	*(1,646)*	-
10. Depreciation and writedowns	(41,266)	-
a depreciation of tangible fixed assets	*(35,512)*	-
b depreciation of intangible fixed assets	*(5,754)*	-
c other writedowns of fixed assets	-	-
d writedowns of floating asset receivables	-	-
11. Changes in closing balances of raw and subsidiary materials, consumables and goods	-	-
12. Provisions for risks	-	-
13. Other provisions	-	-
14. Other operating expenses	(2,293)	-
Difference between production value and cost	**(622,540)**	**-**
C. Financial income and charges	**48,050**	**-**
15. Income from equity interests	-	-
16. Other financial income	48,266	-
a from credits classified as fixed assets	-	-
b from securities entered under fixed assets not classified as equity investments	*27,268*	-
c from securities entered under floating assets not classified as equity investments	-	-
d income other than the above	*20,998*	-
- interests and commissions from holding companies	-	-
- interests and commissions from other companies	*20,998*	-
17. Interest and other financial charges	(216)	-
- interest and other financial charges due to others	*(216)*	-
D. Writedowns of financial assets	**-**	**-**
E. Extraordinary income and charges	**1**	**-**
20. Extraordinary income	2	-
a capital gains on sales	-	-
b other extraordinary income	2	-
21. Extraordinary charges	1	-
Total profit before income taxes	**(574,489)**	**-**
22. Income taxes for the year	-	-
of which a) Current taxes	-	-
b) Changes in prepaid taxes	-	-
c) Changes to deferred taxes	-	-
23. PROFIT (LOSS) FOR THE YEAR	**(574,489)**	

CASH FLOWS *(figures in thousands of Euro)*

	31/12/2007	31/12/2006
INITIAL NET BALANCES OF AVAIALBLE CASH	**-**	**-**
A. CASH FLOWS OF ASSETS IN THE PERIOD	**(330)**	**-**
1 Profit for the year	(574)	-
2 Depreciation	41	-
3 Provisions	-	-
4 Capital gains or losses on real estate sales	-	-
5 Writedowns or writebacks of fixed assets	-	-
6 Change in capital during the period	203	-
7 Net changes in provision for employee severance indemnity	1	-
B. CASH FLOWS OF INVESTMENTS IN FIXED ASSETS	**3,124**	**-**
1 Investments in intangible fixed assets	121	-
2 Investments in tangible fixed assets	62	-
3 Investments in financial fixed assets	2,941	-
4 Sale price or redemption value of fixed assets	-	-
C. CASH FLOWS OF FINANCIAL ASSETS	**4,000**	**-**
1 Increase in share capital	4,000	-
2 Share premium	-	-
3 Contributions to the capital	**-**	**-**
4 Loan repayments	-	-
5 Reimbursements of own capital	-	-
D. DISTRIBUTION OF PROFITS	**-**	**-**
MONETARY FLOW FOR THE YEAR (A-B+C-D)	**546**	**-**
FINAL NET BALANCES OF AVAIALBLE CASH	**546**	**-**

PROMINVESTMENT Company's financial statement schedules

BALANCE SHEET

Asset items	30/06/2007		30/06/2006	
10. Cash and cash equivalents		173		966
60. Loans		8,711,267		7,815,115
100. Tangible assets		19,055		16,514
110. Intangible assets		5,544		3,125
120 Tax assets		146,809		188,658
a) current	143,012		185,390	
a) prepaid	3,797		3,268	
140. Other assets		28,902		30,825
Total Assets		**8,911,750**		**8,055,203**

Liability and shareholders' equity items	30/06/2007		30/06/2006	
10. Payables		280,007		-
70. Tax liabilities		816,672		681,605
a) current	810,089		676,318	
a) prepaid	6,583		5,287	
90. Other liabilities		5,837,358		5,322,244
100. Provision for employee severance indemnity		101,210		93,735
120. Share capital		742,857		742,857
150. Issuance premiums		462,062		462,062
160. Reserves		752,700		998,858
180. Profit (Loss) for the year		(81,116)		(246,158)
Total Liabilities		**8,911,750**		**8,055,203**

STATEMENT OF INCOME

Items	30/06/2007		30/06/2006	
10. Interest receivable and similar income		3,221		12,043
20. Interest payable and similar charges		(3,905)		-
Net Interest income		**(684)**		**12,043**
30. Commission receivable		1,888,616		1,967,855
40. Commission payable		(752,274)		(1,009,068)
Net commissions		**1,136,342**		**958,787**
Broking margin		**1,135,658**		**970,830**
120. Administrative expenses:		(1,163,300)		(1,140,208)
a) personnel expenses	(792,856)		(775,535)	
b) other administrative expenses	(370,444)		(364,673)	
130. Net writedowns on tangible assets		(9,852)		(10,535)
140. Net writedowns on intangible assets		(5,334)		(45,855)
170. Other operating expenses		-		-
180. Other operating income		12		88
Profit (loss) from financial operations		**(42,816)**		**(225,680)**
Profit (loss) before tax on continuing operations		**(42,816)**		**(225,680)**
210. Income taxes for the year on continuing operations		(38,300)		(20,478)
Profit (loss) after tax on continuing operations		**(81,116)**		**(246,158)**
Profit (Loss) for the year		**(81,116)**		**(246,158)**

CASH FLOWS

	30/06/2007	30/06/2006
A. OPERATING ASSETS		
1. Management	**(27,642)**	**(137,443)**
- interest receivable and similar income	3,221	12,131
- interest payable and similar charge	(3,905)	
- dividends and similar income		
- commission receivable	1,888,616	1,967,856
- commission payable	(752,274)	(1,009,068)
- personnel expenses	(792,856)	(743,688)
- other costs	(370,444)	(364,673)
- other income		
- taxes		
2. Liquidity generated by the reduction of financial assets	**154,542**	
- financial assets held for trading		
- financial assets carried at fair value		
- financial assets available for sale		
- receivables		
- other assets	154,452	
3. Liquidity absorbed by the increase of financial assets	**1,053,691**	**1,026,956**
- financial assets held for trading		
- financial assets carried at fair value		
- financial assets available for sale		
- receivables	1,009,390	878,980
- other assets	44,301	147,976
4. Liquidity absorbed by the increase of financial liabilities	**925,997**	**1,164,984**
- payables	280,007	821,334
- securities in circulation		
- financial liabilities from trading		
- financial liabilities at fair value		
- other liabilities	645,990	343,651
5. Liquidity absorbed by the redemption/repurchase of financial liabilities		
- payables		
- securities in circulation		
- financial liabilities from trading		
- financial liabilities at fair value		
- other liabilities		
A. Net liquidity generated/absorbed by investment activities (A)	**(793)**	**585**

B. INVESTMENT ASSETS	30/06/2007	30/06/2006
1. Liquidity generated by the decrease of:		
- equity investments		
- financial assets held to maturity		
- tangible assets		
- intangible assets		
- other assets		
2. Liquidity absorbed by the increase of:		
- equity investments		
- financial assets held to maturity		
- tangible assets		
- intangible assets		
- other assets		
Net liquidity generated/absorbed by investment activities (B)		
C. FUNDING ASSETS		
- issues/purchases of own shares		
- issues/purchases of capital instruments		
- distribution of dividends and other uses		
Net liquidity generated/absorbed by investment activities (C)		
NET LIQUIDITY GENERATED/ABSORBED IN THE PERIOD (D)=A+B+C	**(793)**	**585**

RECONCILIATION

Balance sheet items	30/06/2007	30/06/2006
Cash and cash equivalents at the start of the period	966	381
Total net liquidity generated/absorbed in the period	(793)	585
Cash and cash equivalents at the close of the period	173	996

CHANGES IN SHAREHOLDERS' EQUITY YEAR 2007

				Allocation of profit of the previous period		Change during the period								
							Operations on shareholders' equity							
	Balances at 30.06.2006	Changes to initial balances	Balances at 01.07.2006	Reserves	Dividends and other uses	Changes in reserves	New share issues	Own share purchases	Extraordinary distribution of dividends	Changes in capital instruments	Derivatives on own shares	Stock options	Profit (Loss) for the year at 30.06.2007	Shareholders' equity at 30.06.2007
Share capital:	742,857		742,857											**742,857**
Issuance premiums	462,062		462,062											**462,062**
Reserves:	998,858		998,858	(246,158)										**752,700**
a) of profits	469,871		469,871	(246,158)										**223,713**
b) other	528,987		528,987											**528,987**
Valuation reserves:														
Equity instruments														
Own shares														
Profit (Loss) for the year	**(246,158)**		**(246,158)**	**246,158**									(81,116)	**(81,116)**
Shareholders' equity	**1,957,619**		**1,957,619**										(81,116)	**1,876,503**

CHANGES IN SHAREHOLDERS' EQUITY YEAR 2006

	Balances at 30.06.2005	Changes to initial balances	Balances at 01.07.2005	Allocation of profit of the previous period		Change during the period								Profit (Loss) for the year at 30.06.2006	Shareholders' equity at 30.06.2006
							Operations on shareholders' equity								
				Reserves	Dividends and other uses	Changes in reserves	New share issues	Own share purchases	Extraordinary distribution of dividends	Changes in capital instruments	Derivatives on own shares	Stock options			
Share capital:	742,857		742,857												**742,857**
Issuance premiums	462,062		462,062												**462,062**
Reserves:	409,023		938,010	60,848											**998,858**
a) of profits	409,023		409,023	60,848											**469,871**
b) other		528,987	528,987												**528,987**
Valuation reserves:															
Equity instruments															
Own shares															
Profit (Loss) for the year	**60,848**		**60,848**	**(60,848)**										**(246,158)**	**(246,158)**
Shareholders' equity	**1,674,790**		**2,203,777**											**(246,158)**	**1,957,619**

SITUATION OF THE FONDO CENTRALE DI GARANZIA AT 31ST DECEMBER 2007

BALANCE SHEET	31/12/2007	31/12/2006
Assets		
Deposits with banks	2,465,363	2,062,105
Total assets	**2,465,363**	**2,062,105**
Liabilities		
Taxes payable	175,158	54,672
Payables to Central Guarantee Fund	2,290,205	2,007,433
Total liabilities	**2,465,363**	**2,062,105**

STATEMENT OF INCOME	31/12/2007	31/12/2006
Costs		
Fees and consultancy	16,140	-
Provisions for taxes	175,158	54,672
Allocations to reserves	282,772	88,261
Total costs	**474,070**	**142,933**
Revenues		
Interests on bank deposits	64,070	142,933
Extraordinary income (interests receivable)	410,000	0
Total revenue	**474,070**	**142,933**

Actions still to be defined regard:

- surety for Euro 877,976 granted by Credito Emiliano in favour of the former BCC Corleonese for which release has been requested since the tax dispute which was filed should be completely closed;
- BCC San Marcellino, credit exists relative to the liquidation, which can be entirely written off pursuant to the indication of the Campana and Federcasse Federation;
- -the litigation pending with the former BCC of Tursi and Benestare regarding the collection of the profit differential matured and not paid.

In the previous financial period, Federcasse reached an agreement with the BCC concerning the definition of the differential profits owing, subsequent to the actions taken, with agreement on the payment of a final settlement for the following amounts:

Bcc Pachino	Euro 300,000
Bcc Alto Tirreno	Euro 70,000
Bcc del Canavese	Euro 40,000

ICCREA BANCA

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THE BOARD OF AUDITORS' REPORT

THE BOARD OF AUDITORS' REPORT

Dear Shareholders,

During the financial year 2007, we have controlled observance of law and articles of association, and respect for the principles of correct administration.

We inform you that we have attended the meetings of the Board of Directors and of the Steering Committee, which have taken place in respect of the provisions of law and of the articles of association and regulations governing functioning.

We have obtained from the directors, and included in our reports, information on the management trend and on the expected development of the same, as well as further information and details on the business operations of major importance for their dimensions or characteristics (CBO3).

We have held regular meetings with the auditing firm appointed to audit the accounts, and during the said meetings no problems have arisen and no data or information which should be specifically mentioned in this report, have come to light.

We have acquired knowledge of and supervised the adequacy of the company's organisational framework, obtaining information from those directly responsible for the departments and from the subjects appointed to carry out internal auditing.

We have followed the auditing activity carried out by the I.A.S.G. - Internal Audit of the Companies of the Group - and the inspections (also entrusted to the IASG as of 1st January 2006). We specifically point out that the internal audits, the results of which (even when partial and provisional) have been brought to the knowledge of the IASG by means of periodic communications, and we have conserved all the deeds of the board of Auditors, which regard, among other things, finance, foreign affairs, administrative and back-office services, payment systems and the CRG, and also, as usual, the processes of the administrative and managerial IT systems.

From the evidence of the reviews and audits, also those of this Board of Auditors, it emerges that it is still necessary to continue the activity of defining the organisational directive of the various company departments, especially those relative to innovative finance and risk management processes; and there is still room for improvement in the internal communications between the various departments.

It is also noted that the process for the production of internal regulations governing the activities performed by the various departments continued in 2007, also with the support of the newly established Organisational Support Service, and of the other head office departments..

This Board maintains that it is opportune to mention the need, also in the future, to continue with the formal definition of the processes, audit activities and of the monitoring of the same, above all in the finance and general accounting area; with regard to the latter, the project for drawing up the Institute's accounting procedures manual was completed (with a definitive draft) with the aid of the KPMG company in the month of November 2007; procedures have been outlined, and numerous DDVV accounts have been analysed and arranged; the project which was initiated pursuant to the observations made by the Supervisory Body (BCI) in 2004, concluded, with the analysis and pre-drafting stage in December 2007.

The plan of auditing activities for the year 2008 has also been defined, together with the I.A.S.G. and with the Board of Auditors.

We have assessed and supervised the adequacy of the administrative accounting system and its reliability in concretely representing business events, and we have not found any particular problems of which you were not already aware.

The directors have presented the draft financial statements for the financial year closing on 31/12/2007 and the management report within the terms of law, as approved by the Board of Directors on 25/3/2008. We give the summarised data of the same here following:

BALANCE SHEET	
Assets	Euro 9,564,676,386
Liabilities	Euro 9,209,768,604

SHAREHOLDERS' EQUITY	
Share capital	Euro 216,913,200
Reserves	Euro 112,845,091
Profit of the period	Euro 25,149,491

STATEMENT OF INCOME	
Revenue of the period	Euro 585,877,103
Costs of the period	Euro 560,727,612
Profit of the period	Euro 25,149,491

We are not delegated to analytically check or to give an opinion on the financial statements as such, however together with the Administration and the Auditing Firm, during several meetings of the Board of Auditors in January and February 2008, we have examined the general preparation of the same, its compliance with law regarding the drafting and its structure, and its compliance with the directives of the Bank of Italy.

We have, in any case, checked correspondence of the financial statements to the facts and information which we have acquired consequent to the performance of our duties, according to the information given to this Board by the Institutional Departments of the Company.

We inform you that also this year the financial statements at 31/12/2007 have been drawn up in compliance with the international accounting standards, IAS/IFRS, approved by the European Commission, and on the basis of Circular n. 262 of 22nd December 2005 issued by the Bank of Italy.

The said standards involve, as you already know, an improved definition of the method for representing the economic results and the equity balances on the financial statements, with effects also on the classification of the equity and economic items and on the valuation criteria.

We underline that, for this reason, the most important aspects of the new format of the financial statements, compared to the past, regard:

a) the application of the general principle of the prevalence of economic substance over legal form;
b) the entry of the financial instruments at their fair value, increased by the costs and income directly consequent to the acquisition or issue of the financial assets and liabilities;
c) the classification of the financial instruments on the basis of the purpose for which the Bank holds them, and no longer according to their nature. (The "assets held to maturity", "loans and receivables" and "other financial liabilities" are valued at amortised cost; whereas "assets for trading", "liabilities < fair value" and the "assets available for sale" must be posted at fair value");
d) the assessment of credit granted to clientele, taking into account the time necessary for collecting the amounts deemed recoverable (discounting).

The Board has constantly followed, from the applicative profile, the activities carried out and the solutions adopted by the ICCREA structure and the auditing forms appointed to audit the accounts.

The effects of the processing of the accounting and assessment criteria are described in detail in the Explanatory Notes, as foreseen by art. 2426 of the civil code.

Together with the financial statements, composed of the balance sheet and statement of income schedules and the explanatoy notes, the cash flow statement and the statement of changes in shareholders' equity, have also been prepared.

This Board also mentions that during the year the non-routine operation for the sale of the corporate branch of the company, to the company Agrileasing Banca, was concluded. The latter is a company of the group to which your company also belongs, and the sale has resulted in a capital gain, due to goodwill. It was considered incongruent by the Tax Authorities, which imposed a correction of the goodwill value and of the price paid for the same, for the purpose of calculating the stamp duty for the sale; we also inform you that this Board of Auditors is aware that the company has filed a complaint against such coerced adjustments before the opportune court, challenging the demand of the Tax Authority, since the said demand is obviously deemed to be without grounds and illegitimate, also in the opinion of the most highly skilled professional tax experts.

In performing our work we have also noticed the need for more in-depth investigation into the organisational and practical problems than might normally be supposed; such activities, which are non-routine but which must be considered as normal in the future, show that the Board of Auditors should carry out its duties with more frequent attendance at the company's head office; this is because of the increase in the work which the company must carry out due to new legislation which, during the year 2007, has radically modified the approach and the institutional structure of the company organs (MIFID, implementation of the EEC anti-money laundering directive, preparation of a code of ethics, and adoption of behavioural and risk management models - l. 231/00), and it is therefore opportune for the Shareholders' Meeting to consider the possibility, in the future, of increasing the present number of standing auditors on the Board, from three to five.

The Shareholders' Meeting will therefore consider whether, in the near future, it would be opportune to request the legal representative to call an additional shareholders' meeting in order to modify the articles of association, requesting you, on the occasion of the Shareholders' Meeting called to approve the financial statements, to approve by resolution the appointment of a deputy auditor for the post which, on the occasion of the last appointment, was not covered.

We also acknowledge that the management report, drawn up by the Board of Directors, illustrates with adequate satisfaction the Bank's situation and the management trend in 2007, as well as the events which have occurred after closure of the period at 31/12/2007, also pointing out that, after that date, there are elements worthy of note which can be considered as included among the elements for future development and management.

The provisions of law relative to the preparation of the financial statements have also been observed, with the inclusion of all the elements requested by law.

Sample cases of infra-group transactions have been examined by the Board of Auditors, which were found to have been carried out at market conditions

The Board also acknowledges that at the beginning of 2008, service contracts were drawn up and signed for the various centralised operating aspects, and thus delegated to "BCC Solutions", a company of the Group which, within the sphere of infra-group directives, must perform certain functions and provide for certain services which were previously the responsibility of the company departments; this outsourcing of services and tasks should allow for future savings, always with respect for the service standards defined by the aforesaid contracts, by effect of the scale economies which should result and also by the improved management of the services which are common to several companies of the Iccrea group.

Considering, lastly, the results of the activity carried out by the auditing firm Reconta, Ernst & Young, presented to us, as mentioned above, in the meetings of the Board of Auditors, held jointly with the Administrative Head Office departments and the heads of the aforesaid auditing firm, and in which we were informed of the results of the financial statements auditing and certification, with the mention on the part of the said company that, until that moment, the work carried out had not brought to light, neither in advance nor during the actual work, any problem that could prevent approval of the financial statements in the form and substance as presented to us after the approval of the Board of Directors on 25/3/2008, except for any modifications which may be requested for the correction of mere formal errors.

In view of all the above, and after examining and checking the draft financial statements approved by the Board of Directors, we, the Board of Auditors, express our favourable opinion for the approval of the financial statements for the period which closed at 31/12/2007, and also stating that the proposal for the allocation of the profit presented by the Board of Directors complies with the dictates of law and of the company's articles of association.

Rome, 8th April 2008
The Board of Auditors

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INDEPENDENT AUDITORS' REPORT

ERNST & YOUNG

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INDEPENDENT AUDITORS' REPORT
pursuant to Article 2409 –ter of Italian Civil Code
(Translation from the original Italian text)

To the Shareholders of
Iccrea Banca S.p.A. – Istituto Centrale del Credito Cooperativo

1. We have audited the financial statements of Iccrea Banca S.p.A. – Istituto Centrale del Credito Cooperativo as of and for the year ended December 31, 2007, comprising the balance sheet, the statement of income, changes in shareholders' equity and cash flows and the related explanatory notes. These financial statements are the responsibility of the Iccrea Banca S.p.A. – Istituto Centrale del Credito Cooperativo's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards and procedures generally accepted in Italy. In accordance with such standards and procedures we planned and performed our audit to obtain the information necessary to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated April 10, 2007.

3. In our opinion, the financial statements of Iccrea Banca S.p.A. – Istituto Centrale del Credito Cooperativo at December 31, 2007 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the measures issued to implement art. 9 of the Italian Legislative Decree n° 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations, the changes in shareholders' equity and the cash flows of Iccrea Banca S.p.A. – Istituto Centrale del Credito Cooperativo for the year then ended.

Rome, April 11, 2008

Reconta Ernst & Young S.p.A.
Signed by: Francesco Natale, (Partner)

This report has been translated into the English language solely for the convenience of international readers.

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