



Gruppo
Bipiemme



Banca di Legnano S.p.A.
Cassa di Risparmio
di Alessandria S.p.A.
Banca Akros S.p.A.

Bipiemme Gestioni SGR S.p.A.

We@Service S.p.A.

**GROUP BANKS
AND PRINCIPAL
COMPANIES**

BANCA DI LEGNANO S.P.A.

HISTORY

Founded in December 1887, Banca di Legnano was created to respond to the financial needs of manufacturing industry which in those years was taking on a leading role in the economic life of the area north of Milan, constituting a major industrial hub that has continued to be a constant feature of this area up to the present day.

From the establishment of the Bank to the end of the First World War, Banca di Legnano enjoyed a period of strong growth, maintaining intense relationships with the more important local industries and vigorously sustaining the service sector and public savings, becoming a dynamic and reassuring presence in a region that was developing rapidly.

Neither the Great War nor the events that took place immediately afterwards had much of an impact on the Bank's solid progress, as it knew how to handle the problems connected with the reconversion from a war economy to one of peace, favouring the definitive consolidation of one of the country's top industrial groups.

In the years that followed the Second World War, Banca di Legnano took an active part in the reconstruction and during the economic boom contributed towards the development of a modern Italian industry. It was at that time that Banca Commerciale Italiana became the majority shareholder.

Since 2001, Banca di Legnano has been a part of the Banca Popolare di Milano Group.

In September 2002, Banca di Legnano S.p.A. was merged with Fin Partecipazioni S.p.A., which changed its name to Banca di Legnano.

MISSION

Banca di Legnano is developing its distinctive characteristic as a retail bank with a strong mission to support the local economy, which makes it the bank of reference for retail Customers and for small and mid-sized businesses located in the Bank's historical area and neighbouring areas, essentially north of Milan.

Its mission is in line with the Business Reorganisation Plan of the BPM Group.

STRATEGY

The Bank's medium/long-term sales and marketing policy follows two main lines of strategy: recovering market share and raising efficiency.

Recovering market share

Banca di Legnano is increasingly taking on the characteristics of a "network bank", deeply rooted in a well-defined area in which commercial development is inevitably linked to reinforcing its presence in its traditional location by boosting market share.

Attention is paid to all Customer segments - private, corporate, public administration, entities and associations - by offering products that can satisfy their respective needs.

Increasing efficiency

The Bank will pursue this goal through the following:

- quantitative analysis to verify the presence of resources in the network and to improve its distribution capacity;
- qualitative analysis of professional roles so as to develop suitably personalised training courses.

(in millions of Euros)

Balance sheet and income statement figures (from the reclassified financial statements)	2006	2005
Direct deposits (*)	2,604.3	2,415.8
Loans	2,625.8	2,440.7
Operating income	215.4	179.6
Operating costs	-88.7	-86.6
Net income from financial activities	126.7	93.0
Net profit for the year	133.8	62.7
Equity (including net profit for the year)	1,262.8	1,180.8

* include amounts due to Customers, debt securities in issue and financial liabilities designated at fair value through profit and loss.

Other information	2006	2005
Indirect deposits (in millions of Euros)	4,039.5	4,023.4
- of which asset management	2,103.0	2,114.2
Branches	107	106
Employees*	819	821
Customers	227,388	** 226,324
- of which individuals	88.58%	87.46%
- of which companies	11.42%	12.54%

* employees, including secondment and temporary staff

** figures restated following the reclassification of Customer types in 2006.

GOVERNANCE

Board of Directors

Board of Directors

Chairman: Rocco Corigliano

Deputy Chairman: Giuseppe Coppini

Deputy Chairman: Maria Martellini

Directors: Giorgio Bianchini Scudellari, Eugenio Crosta, Roberto Fusilli, Francesco Giaretta, Alberto Lazzarini, Aldo Mario Mainini, Giuseppe Merlini, Leone Spozio, Anna Strazzera, Jean Jacques Tamburini, Valerio Tavormina.

In accordance with art. 25 of the Articles of Association, the Board normally meets once a month: during 2006, it met 11 times.

Executive Committee

Made up of 5 members:

Chairman: Rocco Corigliano

Deputy Chairman: Giuseppe Coppini

Deputy Chairman: Maria Martellini

Consiglieri: Francesco Giaretta, Leone Spozio.

The Executive Committee normally meets once a fortnight: during 2006, it met 17 times.

Board of Statutory Auditors

Chairman: Giuseppe Pajardi

Acting Statutory Auditors: Enrico Castoldi, Luigi Doppietti

Supervisory Committee

in accordance with Decree 231/2001

Chairman: Valerio Tavormina

Members: Anna Strazzera, Remo De Monte.

The Bank's Top Management also takes part in various Group Committees, including the Liquidity Committee, the Intergroup Committee, the Credit Policies Committee and the Commercial Policies and Communication Committee.

DISTRIBUTION NETWORK

2005	Branches	ATM	POS
Province of Milan			
Province of Varese	29	19	472
Province of Como	10	11	96
Province of Novara	11	11	94
Other provinces	–	–	14
Total	106	116	1,740

2006	Branches	ATM	POS
Province of Milan	55	75	1.042
Province of Varese	30	19	480
Province of Como	11	11	97
Province of Novara	11	11	105
Other provinces	–	–	23
Total	107	116	1,727

CUSTOMERS

The Bank is making every effort to improve and enhance its vocation as a “local bank” by intensifying contacts and relationships with current and potential Customers, institutions and associations. The purpose being to interpret the emerging needs of its area so that it can satisfy them in the best way possible.

Number of Customers by type	2006	%	2005	%
Individuals	196,912	86.60	197,929	87.46
Small business	24,295	10.68	22,977	10.15
Mid-sized and large companies	1,677	0.74	1,223	0.54
Public Administration	30	0.01	29	0.01
Service industry	4,474	1.97	4,166	1.84
Total	227,388	100	226,324	100

Small companies by business	2006	%	2005	%
Agriculture	111	0.45	97	0.42
Skilled trades	7,108	29.26	6,679	29.07
Commerce	3,348	13.78	3,250	14.14
Industry	4,603	18.95	4,740	20.63
Services	3,601	14.82	3,156	13.74
Other	5,524	22.74	5,055	22.00
Total	24,295	100	22,977	100

PRODUCTS AND SERVICES

The products sold to Customers are the same as those offered by the Parent Bank. They are created to meet the most diversified needs of Customers, while improving cross-selling and loyalty targets. The portfolio project launched a few years ago was recently completed. It ensures individuals receive the best advisory services in the field of indirect deposits, also through new products created in collaboration with the Group's product companies, in terms of both bonds and bankinsurance. In the business segment, specific attention is paid to developing leases, relationships with underwriting syndicates and construction financing, which have performed particularly well.

As for services, the Group focused on developing electronic products, such as We@bank and inLineaNet, in addition to its main traditional services (foreign, portfolio, credit and debit cards and POS systems).

In 2006, Banca di Legnano continued its strategy of widespread, systematic and periodic communication to Customers. Along with their monthly statement of account and periodic investment statements, Customers receive prompt information of a commercial nature, cultural proposals and initiatives of a social nature in which the Bank was involved during the year.

Personnel flows in and out	2006	2005
Arrivals	48	32
Departures ¹	32	52
Arrivals less departures	16	-20

¹ retirement and transfers to other Group companies

Distribution by structure	2006			2005		
	%	Men	Women	%	Men	Women
Local structure	79.8%	475	170	79%	474	148
Central structure	20.2%	120	43	21%	117	51
Total	100	595	213	100%	591	199

PERSONNEL

Banca di Legnano has continued to involve its employees in its business mission. Training and development processes have been further strengthened by focussing on personal relationships and management of human resources.

Equal opportunities

The Bank's policy is to offer part-time employment contracts to women who return to work after maternity leave. Furthermore, it carries out cancer prevention activities for its female employees.

Personnel mix	2006	%	2005	%
No. of employees with open-ended contracts	728	90.09	726	91.90
No. of employees with fixed-term contracts	-	-	7	0.89
No. of part-time employees	54	6.68	39	4.94
No. of newly hired employees	26	3.21	18	2.28
Total	808	100%	790	100%
No. of temps	1		13	

Breakdown by position		2006	%	2005	%
Managers	Men	12	1.48	14	1.77
	Women	2	0.24	1	0.13
Officials	Men	279	34.5	272	34.43
	Women	39	4.82	33	4.18
Clerical	Men	304	37.62	305	38.61
	Women	172	21.28	165	20.89
Total		808	100	790	100

Staff qualifications	2006		2005	
	Men	Women	Men	Women
University degree (long or short course)	114	52	107	46
High school diploma	405	143	406	135
Middle school certificate or lower high school diploma	76	18	78	18
Total	595	213	591	199

Average age of personnel	2006		2005	
	Men	Women	Men	Women
Managers	54.92	53.5	53.57	55
Officials	46.94	43.33	46.58	43.70
Clerical	40.24	37.24	39.80	36.95
Average	43.68	38.51	43.32	38.16

Training

In 2006, a significant number of man/days was dedicated to training activities, with 4,135 man/days of training, equal to 5.12 days per person. The percentage of days dedicated to updates was also high, coming in at over two thirds of all training activities provided.

Course content	2006 man/days	2005 man/days
Procedures	3,027	530
Professional skills	836	2,116
Seminars & other initiatives	272	190*
Total	4,135	2,836

* figure reclassified for consistency with 2006

Social activities and the work atmosphere

Recreational activities in the strictest sense are “subcontracted” to the CRAL (Circolo Ricreativo Aziendale Lavoratori, the staff social club), which every year receives significant financial support from the Bank. Similarly, the Bank funds the Associazione Mutua Integrativa Aziendale. This year saw the second edition of a meeting with the Chairman and Top Management, during which prizes were awarded to all members of staff with a period of service of 25-35 years; new hires and all of those who retired during the year were also invited.

An annual meeting is held with all of the Bank’s pensioners. The 2006 Redundancy Incentive Plan allowed retirees to put forward a son or daughter as a candidate for a position in the Bank according to a special procedure.

Communications

To date, a personal interview is the main way of communicating with staff and getting them involved in the Bank’s commercial strategies and strategic guidelines. On particular occasions, when he wants to communicate an important matter personally, the General Manager has sent a signed letter to each member of staff.

COMMUNITY

Banca di Legnano supports cultural, social, sporting and solidarity initiatives organised by associations, entities and private individuals that operate in the Bank’s chosen territory.

In particular, cultural initiatives in 2006 included the continuance of the Bank’s publishing activities with a new high-end cultural publication “De Fletu Ecclesie” in collaboration with the Fondazione Cassa di Risparmio in Bologna.

These two banks, which differ in terms of location, mission and structure, came together to promote the publication of one of the most significant works by a Legnano resident, Giovanni degli Oldendri (known as Giovanni da Legnano), in its entirety. “De Fletu Ecclesie” is an extreme testament to the moral and legal foundations of a political body that was inevitably replaced by a new construction of Western Christianity, seeking a more autonomous, profitable system of political ethics, heralding acerbic dialect that would turn the modern world on its head.

The collaboration of Professor Berardo Pio made the publication of this work possible.



On 10 February 2006, at the headquarters of Banca di Legnano, the “Fondazione Comunitaria del Ticino Olona” was officially founded. Banca di Legnano is a founding member, along with the Municipalities of Abbiategrasso, Legnano and Magenta, the Fondazione Cariplo, the Milan Chamber of Commerce and the Fondazione Famiglia Legnanese. Rocco Corigliano was appointed Chairman of the foundation’s board of directors.

The foundation, which operates in the western part of the province of Milan, is non-profit making. It pursues aims that are exclusively those of social solidarity, promoting improvements in the quality of life in the community by stimulating civil, cultural, social, environmental and economic development. During 2006, the foundation awarded 313,750 to 36 projects presented, totalling approximately 1,000,000 from non-profit organisations, and social associations, local entities and religious institutions throughout the area.

The Bank manages various treasury offices of municipalities and schools, as well as that of the Legnano Civil Hospital.

	(Euro)	
Social outreach	2006	2005
School, culture and healthcare	189,553	159,141
Solidarity	15,543	8,850
Associations	75,880	27,330
Other	102,985	136,280
Total	383,961	331,601

CASSA DI RISPARMIO DI ALESSANDRIA S.P.A.

HISTORY

Cassa di Risparmio di Alessandria was set up by Royal Charter on 21 August 1838.

As part of the reorganisation plan drawn up in accordance with Law 218 of 30 July 1990 and approved by Ministerial Decree of 23 December 1991, Cassa di Risparmio di Alessandria spun off its banking activity with the establishment of Cassa di Risparmio di Alessandria S.p.A.

With effect from 24 September 2004, Banca Popolare di Milano holds 80% of Cassa di Risparmio di Alessandria, which as a result has become part of the BPM Group.

MISSION

Cassa di Risparmio di Alessandria wants to help promote the development of the territory in which it operates by paying constant attention to the needs of local households and businesses, with particular regard to SMEs. The Bank's link with the local territory is also being developed thanks to the innumerable treasury services provided to the Public Administration.

STRATEGY

Cassa di Risparmio di Alessandria's strategy is to reinforce and enhance its vocation as a retail bank, offering a full range of high quality products and services, with a particular eye on global consulting. Integration with the BPM Group is playing an important role in recovering and consolidating profitability, holding down costs and raising efficiency and productivity.

• Development of human resources and the organisation

Human resources are an important and strategic variable. By means of various interventions of corporate reorganisation and synergies with the

Parent Company, HR management has to tend towards a higher level of overall efficiency that is able to raise the Bank's competitiveness and create a greater orientation towards Customers and the market.

• Innovation and technology

Technological resources are a fundamental tool to implement the Bank's strategies in a balanced way, to upgrade all IT procedures to new legal requirements and to offer new products in line with state-of-the-art technologies that can satisfy the needs of Customers.

• Marketing and communication

The Bank strategically revitalises relationships with Customers on a continuous basis in sectors in which the Bank has been traditionally and historically involved, such as private banking (families and entrepreneurs, particularly small and mid-sized companies); public banking (local public entities and institutions); civil banking (non-profit associations and organisations).

GOVERNANCE

(Information updated to 17 May 2007)

Board of Directors

Made up of 15 members:

Chairman: Giuseppe Pernice

Deputy Chairman: Enrico Corali

Directors: Marco Bertini, Paolo Bianchi, Giorgio Bianchini Scudellari, Sergio Guglielmero, Piero Lonardi, Giacomo Maranzana, Piero Martinotti, Piero Milano, Renzo Giuseppe Patria, Roberto Roveta, Bruno Tacchino, Luciano Vandone, Michele Zefferino.

The Board normally meets once a month.

(in millions of Euros)

Balance sheet and income statement figures	2006	2005
Direct deposits *	1,790.3	1,759.2
Loans	1,630.4	1,471.0
Operating income	111.8	98.6
Operating costs	-64.8	-64.0
Net income from financial activities	47.0	34.6
Net profit for the year	16.7	15.8
Equity (including net profit for the period)	165.3	161.5

* include amounts due to Customers, debt securities in issue and financial liabilities designated at fair value through profit and loss.

Other information	2006	2005
Indirect deposits (in millions of Euros)	2,353.3	2,179.3
- including AUM (in millions of Euros)	946.5	922.9
Branches	84	82
Employees	576	580
Customers	112,844	113,872
- of which individuals	85%	88%
- of which companies	15%	12%

Executive Committee

Made up of 5 members:

Chairman: Giuseppe Pernice

Deputy Chairman: Enrico Corali

Directors: Giorgio Bianchini Scudellari,
Piero Martinotti, Michele Zefferino.

The Executive Committee normally meets once a fortnight.

Board of Statutory Auditors

Chairman: Enrico Castoldi

Acting Statutory Auditors: Guido Barberis
e Antonio Ortolani.

Supervisory Committee

in accordance with Legislative Decree no 231/2001

Chairman: Paolo Manzato

Members: Giacomo Maranzana, Guido Porta, Enrico Accomello e Adriano Parrini.

DISTRIBUTION NETWORK

84 retail branches: 65 in the province of Alessandria (head office in Alessandria, 2 area offices and 62 branches); 5 in the province of Asti; 2 in the province of Pavia; 4 in the province of Genoa; 5 the province of Savona; 3 in the province of Vercelli and 1 in the province of Cuneo.

CUSTOMERS

Number of Customers by type	2006	%	2005	%
Individuals	95,510	84.6	96,895	85.1
Companies	13,378	11.9	13,135	11.5
Public administration Customers	142	0.1	136	0.1
Service industry Customers	3,824	3.4	3,706	3.3
Total	112,844	100	113,872	100

PERSONNEL

As part of the process of integrating increasingly with the Parent Bank, Cassa di Risparmio di Alessandria maintains its HR management philosophy based on fairness and transparency in all internal communications.

In particular, the Bank is implementing internal policies designed to:

- consider each employee as a company asset;
- enhance the skills, professionalism and personal aptitudes of each member of staff to ensure the

Personnel mix	2006	%	2005	%
No. of employees with open-ended contracts	519	90.1	503	86.7
No. of employees with fixed-term contracts	11	1.9	31	5.4
No. of part-time employees	46	8.0	46	7.9
Total	576	100.0	580	100.0
No. of temps	16	2.8	14	2.4

Staff levels	2006	%	2005	%	
Managers	Men	10	1.7	7	1.2
	Women	–	–	–	–
Officials	Men	108	18.8	107	18.4
	Women	52	9.0	55	9.5
Clerical	Men	152	26.4	160	27.6
	Women	254	44.1	251	43.3
Total	576	100.0	580	100.0	

Staff qualifications	2006		2005	
	Men	Women	Men	Women
University degree (long or short course)	66	59	66	56
Middle school diploma	190	232	191	235
Middle school certificate or lower high school diploma	11	7	14	7
Other	3	8	3	8
Total	270	306	274	306

Average age of personnel	2006		2005	
	Men	Women	Men	Women
Managers	57	–	56	–
Officials	49	48	50	49
Clerical	40	40	40	40
Average	44	41	44	42

growth of the individual and of the Bank as a result;

- discuss policies with the Parent Bank (both its own traditional policies and those being developed in the form of synergies);

- maintain contact and critical comparison with the same sectors at the Parent Bank, taking advantage of high level professional skills that already exist. Members of staff on secondment from the Parent Bank have made a decisive contribution in this direction.

Personnel flows in and out	2006	2005
Arrivals	33	50
Departures ¹	37	59
Arrivals less departures	-4	-9

¹ almost all are due to retirement

Distribution by structure	2006			2005		
	%	Men	Women	%	Men	Women
Branch network	71	191	218	71	193	217
Headquarters	25	76	67	26	80	73
Outside the structure	4	3	21	3	1	16
Total	100	270	306	100	274	306

Training

The 2006 training plan falls into the Parent Bank's development strategy. Classroom lessons, both in terms of traditional training and procedural training – continued to focus on sales employees, confirming the Bank's internal belief that earnings, growth and business development are directly related to Customer service and the integration with the Parent Bank, which will be completed in 2007, with IT integration slated for November. Certain courses grew exponentially on previous years, with qualified instructors from outside the bank, such as business courses ("Foreign commerce", "Advanced commerce", "Entrepreneurial thinking", "Insurance", etc.) and development training for network employees.

In accordance with Law no. 626/94, 70 first aid courses were provided to most staff members. About 2/3 of employees with the right to receive mandatory medical check-ups for the use of monitors did.

In addition, a significant number of employees participated in the new FAD courses (the

Parent Bank's web platform), on administrative responsibilities (Law no. 231) and health and safety regulations (Law no. 626). More than 400 employees took part in these courses. The PattiChiari courses were also provided to all network employees once again.

In addition, training activities were provided in connection with the distribution of didactic and informational pamphlets to all employees on the Organisational model as per Law no. 231 and the anti-theft guide, as well as updates (handled by Marketing) on PattiChiari via the company intranet.

During the year, new temporary task force training continued (16 employees), involving internal instructors on more than one occasion (basic training, field training and continuous updates). Members of staff also took part in various external courses, either on the advice of their heads of department, or as decided by the staff training department.

Course content	2006	2005
	man/days	man/days
Procedures	282	131
Management skills	46	132
Sales and marketing	470	87.5
Professional skills	662	548
New hire training	50	582.5
Remote training	388	410
Languages	-	-
Seminars & other initiatives	10	26.5
Total	1,908	1,917.5

Training by category		2006	2005
Managers	Total	7	1
	No. of days	9	1
Officials	Total	120	120
	No. of days	617	551.5
Clerical	Total	315	340
	No. of days	1,282	1,365
Total	Total	442	461
	No. of days	1,908	1,917.5

(euro)

COMMUNITY AND INSTITUTIONS

Locally, Cassa di Risparmio di Alessandria can consider itself a leader in the management of treasury services for local government entities, as it provides this service for more than 250 entities, including the Provincial Authority and the Municipality of the provincial capital.

Together with the Fondazione Cassa di Risparmio di Alessandria, the Bank published a book entitled “Monferrato. The signs of modernity” This is the third volume in a series dedicated to the Monferrato, an important part of the territory

Social outreach	2006	2005
School, culture and healthcare	282,870	116,000
Other	60,850	24,000
Total	343,720	140,000

mainly consisting of hill-land, whose cultural, environmental and tourist enhancement plays a central role in the redefinition of the economic and social destiny of this area, known as the “Alessandrino”.

COMMITMENTS: steps taken and new objectives for improvement

Objectives for improvement set out in the 2005 Social Responsibility Report

Initiatives aimed at Customers/
new markets

Steps taken

- Specific attention was paid to developing products for non-E.U. immigrants, with a particular project handled by the Parent Bank and promoted by the various local channels with the involvement of provinces and municipalities, as well as economic and volunteer associations.
- The first-home 100% mortgage covering the entire value of the property was offered. A new prepaid credit card called “Eura” was also launched, completing the sales offer, with the restyling of the credit card graphics.
- The farming segment was also expanded to complete the offer with a new line of advertising communications.
- Relationships with trade associations and underwriting syndicates continued with specific attention devoted to both conventions and seminars for entrepreneurs and through agreements to promote loans and other products.
- New collaborative agreements were also signed with trade associations in the various provinces in which the Bank is present.

Objectives for further improvement

Initiatives aimed at Customers/
new markets

Sviluppi previsti per il 2007

- New products were developed in synergy with the Parent to complete the Bank's offer in specific Customer segments. Particular emphasis will be placed on a series of subsidies and incentives to increase the use of renewable energy sources, with specific loans for companies and individuals who use them. The Bank will mainly target farmers, young people and students, non-E.U. immigrants, business associations and accountants.
- New collaboration agreements will be signed with trade associations in the various provinces where the Bank has a presence, with a view to increasing commercial penetration in the various market segments.

Organisation/distribution
network

- Il 22007 will see the process of integration of the CRA IT system into BPM's IT system, which should give rise to profitable synergies and positively impact organisation and costs.
- A new “Treasury Service Centre” will be created to oversee all administrative, legal and operating functions on behalf of entities for which the Bank provides treasury/ cash services, to improve the quality of the service and contain costs

BANCA AKROS S.P.A.

PROFILE

Banca Akros is the BPM Group's investment and private banking specialist, acting as an important point of reference for institutions, companies and individuals who participate in financial markets. Constant financial analysis of equity markets underpins all of the services offered by Banca Akros. Banca Akros, which controls Akros HFR Alternative Investments SGR in Italy and Akros Securities Inc. in the United States (New York), has significant strategic investments in companies such as Group S.r.l. (for the subscription and placement of securities), ESN LLP (equity research) and ESN NA (broker dealer).

- institutional investors and intermediaries (banks, insurance companies, bank foundations, security houses, fund management companies, OEICs and asset managers in general);
- government entities and the public administration;
- high net-worth individuals.

In 2006, Banca Akros participated in the PRO MAC S.p.A. foundation, an alternative market that allows small and mid-sized companies to be listed on a circuit for institutional investors. The subsidiary Akros HFR Alternative Investment SGR manages Italian funds of hedge funds to offer Customers investment tools that allow them a rational diversification of risk and consequent optimisation of the expected return. The funds included in the portfolios are selected according to rigorous criteria of transparency and performance analysis. This initiative is managed in partnership with Hedge Fund Research, the worldwide leader in the selection of hedge fund managers.

(in millions of Euros)

Balance sheet and income statement figures	2006	2005
Loans and advances to banks and Customers)	423.9	300.4
Financial assets (held for trading and available for sale)	2,347.5	2,270.4
Other assets	187.9	134.2
Total assets	2,959.3	2,705.0
Liabilities and equity		
Due to banks and Customers	1,850.3	1,978.7
Financial liabilities held for trading	865.7	557.0
Other liabilities	148.3	87.3
Equity (including net profit for the year)	95.0	82.0
Total liabilities and equity	2,959.3	2,705.0
Operating income	95.0	85.8
Operating costs	-58.7	-52.7
Net income from financial activities	36.3	33.1
Net profit for the year	34.0	31.7

Other information (in millions of Euros)	2006	2005
Indirect Customer deposits	2,207.0	1,912.0
- of which asset management	807.0	902.0
Number of branches	3	2
Number of employees at year end	244	241

STRATEGIES

La sBanca Akros has built its strategy around innovation and specialised expertise, with operations deeply rooted in Italy, integrated with competitive business development on all major international markets. Banca Akros is a leading name in the field of Investment Services and Private Banking for:

- mid-sized and large companies (both listed and unlisted);

GOVERNANCE

Board of Directors

Made up of 10 members:

Chairman: Graziano Tarantini;

Deputy Chairmen: Mario Artali, Ernesto Paolillo;

Managing Director: Marco Turrina

Directors: Maurizio Biliotti, Roberto Cavallotti, Dario Martelli, Giordano Pelosato, Gianfranco Pittatore, Leonardo Savini.

Board of Statutory Auditors

Chairman: Marco Baccani;

Acting Statutory Auditors: Enrico Castoldi, Ezio Maria Simonelli.

Supervisory Committee

in accordance with Decree 231/20011

Members: Alessandra Barzaghi, Ferrante Zilioli.

THE SERVICES PROVIDED BY BANCA AKROS

The services offered by Banca Akros cover the entire range of Investment & Private Banking activities. In the field of investment banking, the Bank acts as trader and market maker for equities and bonds. It trades in derivatives on regulated and OTC markets. Banca Akros also handles interest and exchange rate hedging transactions on behalf of companies and institutions with the need to hedge their financial risk. It offers its specialised expertise in the creation of domestic and international competitive financial instruments in terms of yield,

transparency and innovation, to banking networks and insurance companies. In the equity market, it assists companies in stock market listings and the placement of equities and bonds. In corporate finance, Banca Akros offers advisory services to companies and local entities, M&A consultancy and securitization services. Banca Akros private banking services include wealth management for high net worth individuals, with personalised asset management and order collections specialised in terms of clients' transactions on domestic and international financial markets. Banca Akros has offices in Milan, Rome and Turin, with a range of services to meet the demands of the most sophisticated clients.

FINANCIAL RESEARCH AND ANALYSIS

Banca Akros' Financial Analysis team acts as the financial research centre for the entire BPM Group. Its research activity covers fundamental equity analysis, macroeconomic research and technical analysis. To ensure full coverage of European equity markets for its clients, Banca Akros helped found the European Securities Network LLP (ESN). This company, which is owned in equal shares by the ten leading banks and traders in Europe and represents ten European countries, trades in securities and conducts equity research on over 800 European equities. ESN is based on a multi-local federal model, one-of-a-kind in Europe, with 130 analysts and 140 sales representatives for equity markets. It is independent with no conflicts of interest.

PERSONNEL

Breakdown by level		2006	2005
Managers	Men	24	24
	Women	1	1
Officials	Men	77	79
	Women	35	30
Clerical	Men	53	53
	Women	54	54
Number of employees at year end		244	241

Personnel mix	2006	2005
No. of employees with open-ended contracts	225	223
No. of employees with fixed-term contracts	–	–
No. part-time employees	19	18
No. newly hired employees	0	0
Number of employees at year end	244	241

Staff qualifications	2006		2005	
	Men	Women	Men	Women
University degree (long or short course)	69	34	70	28
High school diploma	76	48	77	49
Middle school certificate or lower high school diploma	9	8	9	8
Number of employees at year end	154	90	156	85

Average age of employees	2006		2005	
	Men	Women	Men	Women
Managers	48	51	47	50
Officials	40	40	39	40
Clerical	36	36	35	35
Average age of employees	40	38	39	37

Personnel flows	2006	2005
Arrivals ¹	21	16
Departures ²	18	15
Arrivals less departures	3	1

¹ Hired under open-ended contracts ² Mainly voluntary resignations

COMMITMENTS: areas for improvement

Business strategy and corporate governance

- product and process innovation to meet new developments in Customers' needs, in step with the market and European regulations;
- internationalisation and development of the corporate finance business.

Banca Akros promoted these initiatives in its strategic group plan. It expects to achieve these targets by 2009.

BIPIEMME GESTIONI SGR S.P.A.

PROFILE

Bipiemme Gestioni SGR is the Bipiemme Group's fund management company, boasting 20 years of experience in the field of mutual funds after being founded in 1984. Bipiemme Gestioni SGR offers comprehensive products and services to meet all its clients' needs, encompassing global funds and geographically specialised funds. Over time, the product range has been expanded to include important innovations: from quantitative management to flexible funds, from specialist funds to ethical and multimanager funds. Bipiemme Gestioni SGR also offers various different lines of asset management in securities and in funds, as well as the chance to supplement public pension cover with an open-ended pension fund. The quality of the services offered by Bipiemme Gestioni SGR has won it a variety of awards over the years:

- for the fourth year running, it ranked among the top large fund managers in Italy in the Premio Alto Rendimento organised by "Il Sole 24 Ore": 1st place in 2003 and 2004, 2nd in 2005 and 2006;
- 1st place in the Standard & Poors Fund Awards 2007 "Specialist Group" for 2006;
- 1st place in the Milano Finanza Global Awards 2007 for 2006 as the Italian company with the most A ratings and the best average rating in the last three years for mid-sized managers;
- 1st place in the Grand Prix Eurofondi for the best European fund managers, as the best Italian company with 16 to 25 funds.

In addition:

in 2004 and 2005, the BPM Iniziativa Europa fund was awarded the Premio Alto Rendimento as the best "European Equity Fund".

- the Bipiemme Valore fund won 1st place in the "S&P's Fund Awards Italy 2007" for best performance from 2002 to 2006.

MISSION

To offer professional, innovative, transparent management with tailor-made solutions and instruments for individual investment requirements: mutual funds, funds of funds, pension funds and managed portfolios. To diversify Customers' portfolios in the best way possible according to their time horizon and propensity for risk.

STRATEGIES

- to increasingly boost the efficiency of transactions in its industry;
- to offer a complete range of products and services, constantly striving for excellence in terms of staying in step with competitive developments;
- to strengthen profitability by significantly increasing revenues and introducing measures that focus on management costs.

GOVERNANCE

(updated to July 2007)

Board of Directors

Made up of 11 members:

Chairman: Marco Vitale

Deputy Chairman: Marcello Priori

Deputy Chairman: Gino Camillo Puliti

Directors: Maurizio Biliotti, Roberto Cavallotti, Italo Ciancia, Federico Fornaro, Roberto Fusilli, Roberto Marmo, Mario Mazzoleni, Sergio Riboldi.

Board of Statutory Auditors

Chairman: Marco Baccani

Acting Statutory Auditors: Alberto Balestreri, Luigi Dabbicco

(in millions of Euros)

Balance sheet and income statement figures	2006	2005
Net interest and other banking income	52.2	43.9
Operating costs	-21.0	-20.5
Net profit for the year	18.6	13.9
Equity	42.5	36.3

Other information	2006	2005
Employees	110	110
Assets in mutual funds and Pension fund in millions of Euros	12,442.1	12,826.1
Individual asset management schemes in millions of Euros	7,433.0	7,114.0

Supervisory Committee

in accordance with Legislative Decree no 231/2001

Chairman: Italo Ciancia

Members: Marco Baccani; Alberto Balestreri, Carlo Cesare Farma.

DISTRIBUTION NETWORK

Bipiemme Gestioni SGR distributes its mutual funds inside the BPM Group through the banking branches, a website and a network of private bankers; and outside the Group, through third-party banks, insurance companies, SIMs (security houses) and financial consultancy networks for a total of 44 institutions with which the SGR has signed a placement contract.

PRODUCTS

- Investment solutions

Funds structured in such a way as to meet the aims of investors who delegate to the management company both the structure of the portfolio and the choice of the individual businesses that make it up.

- Investment tools

Funds that specialise in particular markets or geographical areas, which together can make up a diversified portfolio for investors who delegate the choice of individual business to the management company, but who want a say in choosing the best investment strategy to meet their objectives.

- Cash management

Funds geared to individuals or legal entities that manage their financial assets, or part of them, over a period of less than two years, exclusively using money market instruments. For companies and other institutional investors, BPM Gestioni also offers solutions that meet the need for effective and active treasury management, without overlooking tax advantages.

CUSTOMERS

The Company maintains a constant and continuous flow of information on Customers, which permits maximum transparency in the analysis of the services offered and maximum effort in supporting the products and services offered with continuous advice and a shared approach to satisfying each Customer's needs.

The Customers of Bipiemme Gestioni SGR consist of banks and security houses that distribute its products and services or that buy them for themselves. Moreover, numerous institutional organisations (pension funds, insurance companies, charities, etc.) use the Company's services for their own investments. Relationships with individuals are limited to a small number of Customers with particular needs. In other words, the Company works mainly with institutional Customers, both inside and outside the Group.

EXTERNAL RELATIONS

Bipiemme Gestioni SGR pays a great deal of attention to external relations with the media and with Customers. For several years now, the Communications and External Relations Department has been handling all contact with the media so as to make the spreading of news to the general public as effective as possible, by means of:

- press releases that are sent to financial/national newspapers, magazines and press agencies;
- meetings with financial journalists to directly discuss the Company's activities and the various initiatives that it promotes;
- a website that provides all of the information that a Customer might need on the products and services provided by the Company, as well as the latest news on the economy.

Every year, Bipiemme Gestioni SGR organises the Economy and Savings Forum, an event devoted to the prospects of financial markets with the participation of world-famous experts.

PERSONNEL

Bipiemme Gestioni SGR wants to stand out for the high level of co-operation within the firm and for the development of its members of staff by adopting best market practices to attract people with the top professional skills and to offer high quality services.

Breakdown by level	2006		2005		
		%		%	
Managers	Men	7	6.36	7	6.36
	Women	2	1.82	3	2.73
Officials	Men	27	24.54	28	25.45
	Women	16	14.54	14	12.73
Clerical	Men	33	30.00	31	28.18
	Women	25	22.74	27	24.55
Total		110	100	110	100

Personnel mix	2006		2005	
		%		%
No. of employees with long-term contracts	103	93.64	105	95.5
No. of employees with fixed-term contracts	1	0.91	–	–
No. of part-time employees	6	5.45	5	4.5
Total	110	100	110	100
No. of temps	2		3	

Average age in and out	2006		2005	
	Men	Women	Men	Women
Managers	45.57	49	44.5	47
Officials	41.92	41.6	40	41.5
Clerical	36.18	35.72	35.5	35.5
Average	39.48	38.32	38.5	38

Staff qualifications	2006		2005	
	Men	Women	Men	Women
University degree (long or short course)	36	13	35	14
High school diploma	28	24	28	24
Middle school certificate or lower high school diploma	3	6	3	6
Total	67	43	66	44

INSTITUTIONS

Bipiemme Gestioni SGR has on-going relations with the Supervisory Authorities, trade associations and external consultants that handle matters relating to the correct management of the company and relations with the Bank of Italy, CONSOB, COVIP, and with various trade associations and external consultants which handle matters relating to financial products. Within ABI and Assogestioni it follows the activities of the taskforces relating to the Company's areas of interest.

COMMUNITY

Together with the Diocesan Museum of Milan - Fondazione Sant’Ambrogio – Bipiemme Gestioni SGR organises the cultural initiative entitled “Un Capolavoro per Milano”.

This is an initiative which every year brings to Milan a work of art that is normally kept elsewhere, in a place where it is hard for the general public to gain access.

After a short pause in 2005, Bipiemme Gestioni SGR returned to this initiative in 2006, in collaboration with the Museo Diocesano, inaugurating the exhibition of the Holy Family with Saint Elizabeth and the Infant Saint John the Baptist by Andrea Mantegna, from the Kimbell Art Museum of Fort Worth, Texas.

Given its artistic and cultural significance, the initiative was organised under the auspices of the President of the Italy and the Ministry of Culture, the Lombardy Region - Lombardy Culture, Identity and Independence, the Province of Milan and the City of Milan - Cultural Department.

Year	Work of art	Visitors
2002	Ecce Homo by Antonello da Messina	15,000
2003	Annunciazione by Domenico Beccafumi	20,000
2004	Cattura di Cristo by Caravaggio	50,000
2006	The Holy Family by Andrea Mantegna	50,000

Social outreach	2006	2005
School, culture and healthcare	30,000	30,000

Moreover, since 2000, together with the Parent Bank Banca Popolare di Milano, BPM Gestioni has organised the Economy and Savings Forum, an annual, high level meeting, devoted to economic scenarios and financial markets, with particular attention to changes in investors’ attitudes and needs, and the way in which sector operators get organised to satisfy them. The event is reserved for Customers and big names in economics and finance.



WE@SERVICE S.P.A.

HISTORY

We@Service was set up in 2000 as a commercial services and information technology company focusing principally on the Internet channels of the BPM Group.

The Internet services handled by We@Service are aimed both at individual Customers through We@Bank, and at corporate Customers through InLineanet.

MISSION

The Company's mission includes the following objectives:

- to maintain leadership in terms of completeness of service (contents and technological updating);
- to support and guarantee the process of commercial and IT integration with the Group's various distribution channels to produce additional revenue, also from dedicated Internet services;
- to create value for the Group by fostering growth and loyalty among the Customer base, while making it possible to handle large volumes of transactions at low unit costs.

STRATEGY

Through its business, the Company develops and manages BPM's on-line channel so as to generate value for Customers and for the shareholder by achieving efficiency and profitability.

The Company's strategic guidelines are based on continuous innovation so as to maintain a constant level of improvement in the services that it provides, both in terms of quality and performance, as well as functional completeness, also through the introduction of value-added services.

GOVERNANCE

Board of Directors

Made up of 7 members:

Chairman: Michele Motterlini

Deputy Chairman: Sergio Fumagalli

Managing Director: Andrea Cardamone

Directors: Roberto Cavallotti,

Davide Meale, Marco Montalenti,

Michele Zefferino.

Board of Statutory Auditors

Chairman: Piero Vergani;

Acting Statutory Auditors: Enrico Radice, Paolo Salvaderi.

Operations Committee

This is made up of the Company's Area Managers, together with the Managing Director. It lays down operating policies based on the strategies decided by the Board of Directors.

Supervisory Committee

in accordance with Legislative Decree no. 231/2001

Chairman: Sergio Fumagalli

Members: Francesco Gramaglia, Piero Vergani.

(in millions of Euros)

Balance sheet and income statement figures	2006	2005
Value of production	22.2	21.9
Production margin	6.2	6.4
Net profit for the year	3.6	7.3
Equity (including net profit for the year)	10.9	11.7

Other information	2006	2005
Employees	78	76
Authorised Customers	257,471	206,698
Of which users	197,207	152,114
Of which users who carry out transactions	134,283	89,695
Number of accesses	16,032,000	13,182,527

PERSONNEL

Breakdown by level		2006	%	2005	%
Managers	Men	4	5	4	5
	Women	–	–	–	–
Officials	Men	15	19	13	17
	Women	18	23	18	24
Clerical	Men	14	18	16	21
	Women	27	35	25	33
Total		78	100	76	100

Type of contract	2006	%	2005	%
No. of employees with long-term contracts	71	91.0	70	92
No. of employees with fixed-term contracts	7	9.0	6	8
of which				
No. of part-time employees	6		5	
Total	78	100	76	100
of which				
No. of temps	17	21.8	13	17

Average age of personnel	2006		2005	
	Men	Women	Men	Women
Managers	41	–	40	–
Officials	41	37	40	36
Clerical	31	34	31	32
Average	38	35	37	34

Training

Training was held in 2006 to ensure the professional growth of human resources in their respective areas, as well as to lay the cultural foundation for innovation. To this end, a project was launched in part of the company to create the necessary methodology for profit margin innovation in line with business targets. This methodology will be applied to specific areas.

Staff qualifications	2006		2005	
	Men	Women	Men	Women
University degree (long or short course)	15	19	17	19
High school diploma	17	25	15	23
Middle school certificate or lower high school diploma	1	1	1	1
Average	33	45	33	43

COMMUNITY

(in millions of Euros)

Interventi nel sociale	2006	2005
Solidarity	2,200	4,500
Associations	W–	15,100
Total	2,200	19,600

