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Q109 is not a catalyst

Q109: €24m profit, underlying results in line with BAS-MLE

UBI reported €24m net profit in Q109 vs our €73m estimate. The difference is almost fully due to higher than expected tax charges (writedowns on financial stakes are not tax deductible). Underlying results are c.7% below BAS-MLE, due to trading gains 50% lower than our forecast of €35m. Excluding this item results score 5% better than BAS-MLE. We leave our 2009E unchanged as the lower Q109 run rate on top line is offset by lower costs and LLP. The conference call is today at 2.30 pm London time (Dial-in: +44 203 1474796).

Ongoing balance sheet repositioning: no need to de-lever

Over the last two years UBI has been focusing on the credit activity, shrinking the weight of financial activities and wholesale markets. Total assets have grown by 10% thanks to 29% loan growth, while interbank loans and total trading assets and financial stakes have reduced by 43% and 49%, respectively. Over the same period, UBI's leverage ratio (TBV/tot. assets) maintained constantly above 6%, suggesting the bank does not need to de-lever, even before the issuance of the convertible bond.

UBI on 1.1x TBV, reiterate Neutral, prefer BPM

We reiterate our Neutral on UBI post Q109 results. We see UBI on 1.1x TBV, at 10% discount to the sector. We continue to see UBI as one of the safest plays in the sector, thanks to its capital strengths, low leverage & high liquidity of the balance sheet. Short term, these imply lower ROE and higher negative impact from low ECB rates. These also imply lower risk & higher business model sustainability, deserving a premium, in our view. We prefer BPM (BPMLF, EUR5.2, B-1-8) to UBI as it presents a similar investment cases at c.20% discount to UBI.

Estimates (Dec)

(EUR)	2007A	2008A	2009E	2010E	2011E
Net Profit	941	69.0	524	239	634
EPS (Adjusted Diluted)	1.30	0.21	0.64	0.48	1.10
Dividend / Share	0.95	0.45	0.43	0.19	0.45
Adjusted NAV PS	10.2	10.5	10.9	10.9	11.7

Valuation (Dec)

	2007A	2008A	2009E	2010E	2011E
EPS Change (YoY)	-48.4%	-84.1%	211%	-25.1%	128%
Price / BV	0.68x	0.66x	0.65x	0.65x	0.62x
Price / NAV	1.13x	1.09x	1.05x	1.06x	0.98x
Net Yield	8.28%	3.92%	3.71%	1.63%	3.89%
DPS Change (YoY)	18.8%	-52.6%	-5.33%	-56.0%	138%
Price / GOP	3.88x	4.96x	4.05x	4.23x	3.88x

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Refer to important disclosures on page 10 to 12. Analyst Certification on Page 8. Price Objective Basis/Risk on page 8.



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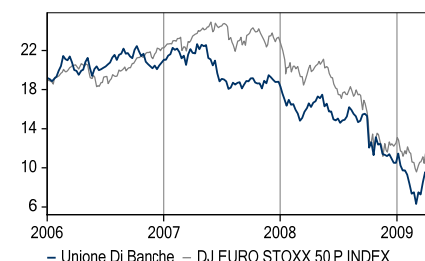
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Stock Data

Price	EUR11.48
Price Objective	EUR11.30
Date Established	6-May-2009
Investment Opinion	A-2-8
Volatility Risk	LOW
52-Week Range	EUR5.68-EUR17.93
Mrkt Val / Shares Out (mn)	EUR7,337 / 639.1
Average Daily Volume	2,673,188
ML Symbol / Exchange	BPPUF / MIL
Bloomberg / Reuters	UBI IM / UBI.MI
ROE (2009E)	4.7%
Total Dbt to Cap (Dec-2008A)	0%
Est. 5-Yr EPS / DPS Growth	14.0% / 10.0%
Free Float	93.2%



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*iQprofile*SM UBI

Key Income Statement Data (Dec)	2007A	2008A	2009E	2010E	2011E
(EUR Millions)					
Net Interest Income	2,686	2,982	2,774	2,944	3,107
Net Fee Income	1,349	1,188	1,116	1,157	1,219
Securities Gains / (Losses)	102	(242)	374	115	121
Other Income	303	162	115	120	126
Total Non-Interest Income	1,754	1,108	1,606	1,392	1,466
Total Operating Income	4,439	4,090	4,380	4,336	4,572
Operating Expenses	(2,550)	(2,611)	(2,570)	(2,601)	(2,679)
Pre-Provision Profit	1,890	1,478	1,810	1,735	1,893
Provisions Expense	(343)	(566)	(836)	(1,227)	(751)
Operating Profit	1,547	912	974	508	1,142
Non-Operating Items	(210)	(527)	(34.0)	(25.0)	(25.0)
Pre-Tax Income	1,336	385	940	483	1,117
Net Income to sh/holders	632	84.7	524	239	634
Adjusted Cash Earnings	1,141	116	411	307	701

Key Balance Sheet Data

Total Assets	118,601	121,956	126,834	133,176	139,834
Average Interest Earning Assets	92,854	98,762	101,185	104,127	108,661
Weighted Risk Assets	97,912	89,892	89,856	91,581	96,160
Total Gross Customer Loans	93,294	96,664	98,600	102,541	107,662
Total Customer Deposits	49,475	54,151	57,129	60,271	63,586
Tier 1 Capital	7,289	6,945	6,626	6,746	7,094
Tangible Equity	6,497	6,733	6,969	6,936	7,450
Common Shareholders' Equity	10,849	11,071	11,307	11,274	11,788

Key Metrics

Net Interest Margin	2.89%	3.02%	2.74%	2.83%	2.86%
Tier 1 Ratio	7.44%	7.73%	7.37%	7.37%	7.38%
Effective Tax Rate	44.7%	57.6%	37.6%	39.4%	39.2%
Loan / Assets Ratio	78.4%	79.0%	77.5%	76.8%	76.8%
Loan / Deposit Ratio	188%	178%	172%	170%	169%
Oper Leverage (Inc Growth - Cost Growth)	2.69%	-10.3%	8.68%	-2.22%	2.44%
Gearing (Assets / Equity)	10.9x	11.0x	11.2x	11.8x	11.9x
Tangible Equity / Assets	5.48%	5.52%	5.49%	5.21%	5.33%
Tangible Equity / WRAs	6.64%	7.49%	7.76%	7.57%	7.75%

Business Performance

Revenue Growth	3.77%	-7.87%	7.09%	-0.99%	5.44%
Operating Expense Growth	1.08%	2.41%	-1.59%	1.23%	3.00%
Provisions Expense Growth	43.7%	65.1%	47.6%	46.8%	-38.8%
Operating Revenue / Average Assets	1.31%	0.76%	0.78%	0.39%	0.84%
Operating Expenses / Average Assets	-2.15%	-2.17%	-2.07%	-2.00%	-1.96%
Pre-Provision ROA	1.60%	1.23%	1.45%	1.33%	1.39%
ROA	0.79%	0.06%	0.42%	0.18%	0.46%
Pre-Provision ROE	17.6%	13.5%	16.2%	15.4%	16.4%
ROE	8.75%	0.63%	4.68%	2.12%	5.50%
RoTE	17.9%	1.76%	5.99%	4.42%	9.74%
RoWRAs	1.21%	0.12%	0.46%	0.34%	0.75%
Dividend Payout Ratio	53.2%	247%	66.3%	38.9%	40.7%
Efficiency Ratio (Cost / Income Ratio)	57.4%	63.9%	58.7%	60.0%	58.6%

Quality of Earnings

Total Non-Interest Inc / Operating Inc	39.5%	27.1%	36.7%	32.1%	32.1%
Market-Related Revenue / Total Revenues	0%	0%	0%	0%	0%
Provisioning Burden as % of PPP	18.1%	38.3%	46.2%	70.7%	39.7%
NPLs plus Foreclosed Real Estate / Loans	0.75%	0.88%	1.11%	1.71%	1.95%
Loan Loss Reserves / NPLs	46.0%	34.8%	27.9%	18.0%	15.4%
Loan Loss Reserves / Total Loans	0.35%	0.31%	0.31%	0.31%	0.30%
Provisions Expense / Average Loans	0.39%	0.60%	0.86%	1.22%	0.72%

Company Description

UBI is the 4th largest Italian bank by market cap and the 5th by branches. It is a Popolare bank operating on a pure retail and SME lending business model. The stock leverages on strong capital and funding fundamentals and on the arising of the M&A synergies from BL to protect future EPS growth. Low hybrids in tier 1 capital and high loan/assets ratio make UBI a relatively isolated play from the deleveraging epidemic.

Investment Thesis

UBI is the 4th largest Italian bank by market cap and the 5th by branches. It is a Popolare bank operating on a pure retail and SME lending business model. The stock leverages on strong capital and funding fundamentals and on the arising of the M&A synergies from BL to protect future EPS growth. Low hybrids in tier 1 capital and high loan/asset ratio make of UBI a relatively isolated play from the deleveraging epidemic.

Stock Data

Price to Book Value 0.6x

Q109 vs BAS-MLe: revenues worse, costs and LLP better

UBI reported €24m net profit in Q109, significantly below our €73m estimate, but almost fully due to the higher tax rate (writedowns on financial stakes are not tax deductible). Otherwise UBI results score c.7% below our estimates, mainly due to trading gains at €18m vs €35m in our estimates. Excluding this item, results score 5% better than BAS-MLe at pretax level.

We highlight the following operating trends:

- NII 2% below BAS-MLe from lower than expected margins and down 5% YoY as low deposit margins impact the overall spreads;
- Fees 5% below BAS-MLe, 22% down YoY as Q108 was the best quarter of 2008;
- Costs 0.4% better than BAS-MLe, 2.6% down YoY as M&A synergies and belt tightening deliver their benefits to P&L;
- 66bp LLP vs 75bp in BAS-MLe, confirming the moderation of credit charges vs Q408 (129bp).

Table 1: UBI Q109 vs BAS-MLe, YoY, QoQ, € m

	Q109A	Q109E	A/E	Q408	Q108	QoQ	YoY
Net interest income	694	708	-2.1%	779	731	-10.9%	-5.1%
Dividend and similar income	2	1	84.4%	1	2	52.4%	12.7%
Profit (loss) of equity investments valued using the equity method	4	0		-15	9		
Net commissions	250	263	-4.7%	281	321	-10.9%	-22.1%
Trading	18	35	-47.8%	-193	-27		
Insurance operations	6	2	197.1%	-7	4		
Other revenues	21	20	6.5%	14	28	53.7%	-24.7%
Total revenues	996	1,029	-3.2%	861	1,068	15.7%	-6.8%
Total costs	-619	-622	-0.4%	-683	-636	-9.3%	-2.6%
Personnel costs	-379	-387	-2.3%	-393	-395	-3.8%	-4.3%
Other operating costs	-183	-171	6.8%	-212	-174	-13.7%	5.2%
Depreciation	-58	-63	-8.0%	-77	-67	-25.2%	-12.9%
Gross operating profit	376	408	-7.6%	178	432	111.7%	-12.9%
Provisions and write-offs	-244	-260	-6.3%	-822	-68	-70.4%	257.6%
- Net impairment losses on loans	-160	-185	-13.7%	-310	-60		
- Net impairment losses on other assets and liabilities	-74	-70	6.2%	-516	0		
- Net provisions for liabilities and charges	-10	-5	95.8%	5	-8		
Profit (loss) from disposal of equity and other investments	4	0		5	57		
Pre-tax profit	137	148	-7.2%	-640	422	-121.4%	-67.5%
Tax	-103	-58	78.5%	126	-161	-181.8%	-36.1%
Integration costs	-6	-5	28.0%	-22	-14	-70.7%	-55.6%
Profit (loss) of non-current assets held for sale and discontinued operations net of taxes	5	0		-5	0		
Net profit before minorities	33	85	-61.1%	-540	246	-106.1%	-86.6%
Minority interests	-9	-12	-27.6%	-11	-27	-17.6%	-68.0%
Net profit	24	73	-66.6%	-551	219	-104.4%	-88.9%
NIM	2.86%	2.88%		3.23%	3.15%		
C/I	62.2%	60.4%		79.3%	59.5%		
LLP (bps)	66	75		129	26		
Tax rate	75.0%	39.0%		19.6%	38.1%		

Source: Banc of America - Merrill Lynch research, company data

No change to 2009E BAS-Mle post Q109E

Table 2 annualised Q109, adjusting it for expected one-off items belonging to the remaining three quarters of this year and contrasting it with our 2009E forecasts.

From this analysis, we conclude that:

- We currently embed higher revenues from fees and trading, where €274m is the maximum gain we estimate on the operation of conversion of tier 1 and subordinated bonds into senior UBI bonds;
- We could have room to cut our cost estimates by 3.6%, but prefer to remain cautious also accounting for Q109 positive seasonality;
- Our 2009E LLP implicitly run €200m above the Q109 run rate, i.e. providing roughly €70m buffer per quarter, going forward. We expect Q209 and Q309 to show a deterioration of credit quality vs Q109 and hence prefer to stay cautious on LLP estimates. Given market prices, we expect the €74m negative MTM on ISP and A2A stakes to reverse in Q209.

To conclude, our analysis shows potential future cuts to top line estimates to be offset by better costs and provisions. We prefer to leave estimates unchanged for now. The conference call on Q109 results will be today at 2.30 pm London time (dial in: +44 203 1474796).

Table 2: Q109 annualised and adjusted for one offs vs 2009E

	Q109 x 4	One-offs	2009E	Delta
Net interest income	2,775		2,774	0.0%
Dividend and similar income	7		21	
Profit (loss) of equity investments valued using the equity method	17		0	
Net commissions	1,002	274	1,116	-10.3%
Trading	73		374	
Insurance operations	24		10	
Other revenues	85		84	
Total revenues	3,983	4,257	4,380	-2.8%
Total costs	-2,477	-2,477	-2,570	-3.6%
Personnel costs	-1,514		-1,568	
Other operating costs	-731		-735	
Depreciation	-232		-267	
Gross operating profit	1,506	1,780	1,810	-1.7%
Provisions and write-offs	-752	-678	-856	-20.8%
- Net impairment losses on loans	-638		-836	
- Net impairment losses on other assets and liabilities	-74	74	0	
- Net provisions for liabilities and charges	-39		-20	
Profit (loss) from disposal of equity and other investments	4		0	
Pre-tax profit	758	1,102	954	15.5%

Source: Banc of America - Merrill Lynch research, company data

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4% loan growth implies no QoQ growth

Table 3 shows the quarterly evolution of UBI's balance sheet (BS). We highlight the 4% YoY growth implies 0.5% QoQ loan growth, in line with our 2% estimate for 2009E. Lower rates in Q109 bring about almost 50% increase in interbank funding - which is still 1/3 lower than one year ago – replacing expiring bonds (down 4% QoQ).

Table 3: Balance sheet evolution, QoQ, YoY

	Q1 09	Q4 08	Q1 08	QoQ	YoY
Assets:					
Cash, central banks, Treasury & Post office	601	794	518		
Interbank loans	2,824	3,054	3,440	-7.5%	-17.9%
Customer loans	96,892	96,368	92,872	0.5%	4.3%
AFS	5,317	4,352	6,016	22.2%	-11.6%
AFT	2,073	2,787	4,388	-25.6%	-52.8%
HTM	1,658	1,631	1,262	1.7%	31.4%
Associates	297	246	187		
Fixed assets	2,145	2,171	2,162		
Other assets & misc. receivables	6,226	6,215	5,803		
Goodwills	4,446	4,338	4,362		
TOTAL ASSETS	122,479	121,956	121,010	0.4%	1.2%
Liabilities:					
Central banks, Treasury & Post office	0	0	0		
Interbank borrowings	5,954	3,981	8,795	49.6%	-32.3%
Customer deposits	53,992	54,151	48,274	-0.3%	11.8%
Debt securities	41,707	43,441	40,342	-4.0%	3.4%
Subordinated debt	857	799	723		
Other liabilities & misc. payables	7,414	7,094	9,752		
Securities transactions	0	0	0		
Provisions & other charges	293	295	317		
Total Liabilities	110,216	109,761	108,203		
Net equity	12,263	12,195	12,806	0.6%	-4.2%
Group share	11,152	11,071	11,642		
Minority interests	1,110	1,124	1,164		
TOTAL LIABILITIES & NET EQUITY	122,479	121,956	121,010		

Source: Banc of America - Merrill Lynch research, company data

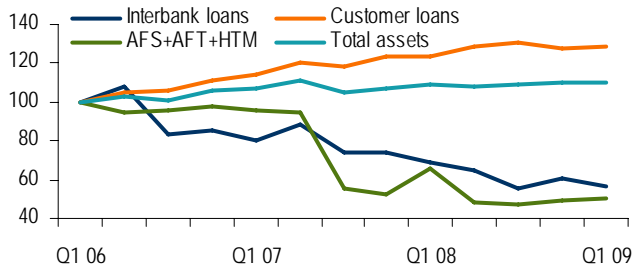
Repositioning on traditional banking is ongoing

Chart 1 and 2 show the evolution of assets and liabilities at UBI in the last 2 years. We note a significant change in mix of the asset and liability portfolios yielding the repositioning into traditional lending activities and away from financial activities and wholesale markets. Total assets grew by 10% driven by customer loans up 29%, while interbank loans and the sum of trading assets and financial stakes shrunk by 43% and 49%, respectively.

On the liabilities front, the 10% growth in liabilities over the period is the result of 14% and 20% growth in shareholder equity and deposits, contrasted by 30% contraction in interbank funding.

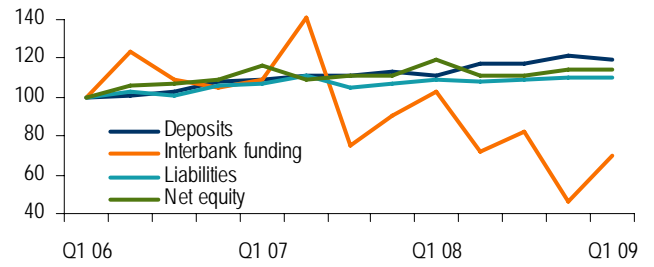
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Chart 1: UBI asset evolution, rebased to Q106



Source: Banc of America - Merrill Lynch research, company data

Chart 2: UBI liabilities evolution, rebased to Q106

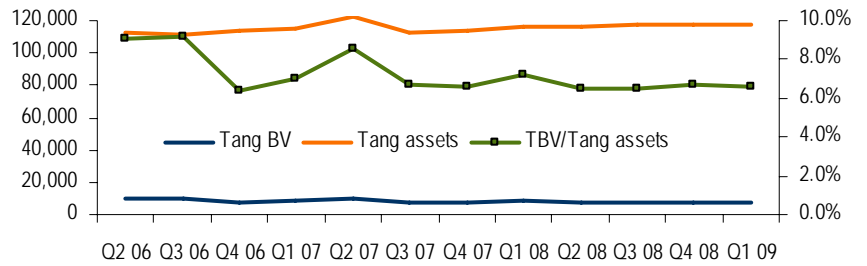


Source: Banc of America - Merrill Lynch research, company data

No de-leveraging required pre-convertible issuance

Chart 3 shows the evolution of tangible assets, tangible equity and the ratio of the two factors at UBI since Q206. This shows the bank constantly operated with a de-levered balance sheet despite the lumpy dividends distributed over the period. Before the issuance of the €640m convertible bonds, we see UBI on over 6% TBV/tang assets, c.2x higher than the sector average. This suggests UBI has no need to de-lever from here, in our view.

Chart 3: UBI evolution of leverage ratio, Q206-Q109, %



Source: Banc of America - Merrill Lynch research, company data

UBI on 1.1x TBV - Reiterate Neutral rating

Table 4 shows UBI is trading on 1.1x TBV, at c.10% discount to the sector and generally in line to other Italian banks. Q109 results do not represent a significant catalyst for the stock, in our view. We continue to see UBI as a relatively safer play in the sector, given the confirmed capital strengths and the low leverage. The latter, jointly with the good liquidity imply a lower ROE and a higher penalisation of NII evolution from low ECB rates, but imply lower risk and higher sustainability of the business model, in our view. We believe these characteristics deserve a premium. We prefer BPM to UBI as the two banks present similar investment cases, but BPM is trading at c.20% discount to UBI, hence we reiterate our Neutral rating on UBI.

Table 4: Summary of UBI key valuation metrics

	2005	2006	2007	2008	2009E	2010E	2011E
Net Profit, € m	920	852	941	69	524	239	634
Book Value, € m	9,856	10,651	10,849	11,071	11,307	11,274	11,788
Dividend expenses, € m	258	275	607	288	272	120	285
Shares FD, m	344	344	639	639	639	639	639
Dividend, €	0.75	0.80	0.95	0.45	0.43	0.19	0.45
Yield, %	6.6%	7.0%	8.3%	3.9%	3.7%	1.6%	3.9%
Payout, %	28%	32%	65%	417%	52%	50%	45%
Adj. net profit, € m	697	868	832	131	411	307	701
Tangible BV, € m	6,777	6,222	6,497	6,733	6,969	6,936	7,450
EPS adj., €	2.03	2.53	1.30	0.21	0.64	0.48	1.10
Tangible BVPS, €	19.73	18.11	10.17	10.53	10.90	10.85	11.66
P/E, x	5.6x	4.5x	8.8x	55.6x	17.7x	23.8x	10.4x
P/Tang. BV, x	.58x	.63x	1.12x	1.08x	1.05x	1.05x	.98x
ROE, %		13.3%	9.2%	2.0%	6.0%	4.4%	9.7%

Source: Banc of America - Merrill Lynch research

Price objective basis & risk

UBI (BPPUF)

Our EUR11.3 P.O. is based on 2009E SOP, applying the following multiples: 1.3x TBV for retail, at premium to peers given higher visibility of results and higher quality of capital, 1x TBV for consumer finance, 1.1x TBV for corporate and investment banking, 11x for asset management, 1x BV for capital in excess/deficit. Our SoP valuation is adjusted by a 15 per cent discount for lack of earnings visibility in line with the whole European banks coverage.

The risks to our valuation and price objective are a serious asset quality deterioration and execution risk on M&A integration.

Analyst Certification

I, Andrea Filtri, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers.

I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

EMEA - Banks Coverage Cluster

Investment rating	Company	ML ticker	Bloomberg symbol	Analyst
BUY				
	BPM	BPMLF	PMI IM	Andrea Filtri
	CS Group	CS	CS US	Derek De Vries, CFA
	CS Group	CSGKF	CSGN VX	Derek De Vries, CFA
	Intesa Sanpaolo	IITSF	ISP IM	Andrea Filtri
	Mediobanca	MDIBF	MB IM	Andrea Filtri
	Nordea AB	NRDDF	NDA1V FH	Johan Ekblom
	SocGen	SCGLF	GLE FP	Derek De Vries, CFA
	SocGen	SCGLY	SCGLY US	Derek De Vries, CFA
	StanChart	SCBFF	STAN LN	Alistair Scarff
NEUTRAL				
	Banesto	BNSTF	BTO SM	Sergio Gamez
	BNP Paribas	BNPQF	BNP FP	Derek De Vries, CFA
	BNP Paribas	BNPQY	BNPQY US	Derek De Vries, CFA
	Credit Agricole	CRARF	ACA FP	Derek De Vries, CFA
	DnB NOR	DNBHF	DNBNOR NO	Johan Ekblom
	Julius Baer	JBHGF	BAER VX	Derek De Vries, CFA
	Natl Bank Greece	NBG	NBG US	Johan Ekblom
	Natl Bank Greece	NBGIF	ETE GA	Johan Ekblom
	Santander	BCDRF	SAN SM	Sergio Gamez
	SCH	STD	STD US	Sergio Gamez
	UBI	BPPUF	UBI IM	Andrea Filtri
	UBS	UBS	UBS US	Derek De Vries, CFA
	UBS	UBSRF	UBSN VX	Derek De Vries, CFA
	Unicredit	UNCFE	UCG IM	Andrea Filtri
UNDERPERFORM				
	Alpha Bank	ALBKF	ALPHA GA	Johan Ekblom
	Banco Popolare	BPSAF	BP IM	Andrea Filtri
	Banco Popular	BPESF	POP SM	Sergio Gamez
	Bankinter	BKIMF	BKT SM	Sergio Gamez
	Bankinter	BKNIY	BKNIY US	Sergio Gamez
	BBV	BBV	BBV US	Sergio Gamez
	BBVA	BBVXF	BBVA SM	Sergio Gamez
	BCP	BPCGF	BCP PL	Sergio Gamez
	Danske Bank	DNSKF	DANSKE DC	Johan Ekblom
	Deutsche Bank	DB	DB US	Derek De Vries, CFA
	Deutsche Bank	XDUSF	DBK GR	Derek De Vries, CFA
	EFG Intl	EFGIF	EFGN SW	Derek De Vries, CFA

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EMEA - Banks Coverage Cluster

Investment rating	Company	ML ticker	Bloomberg symbol	Analyst
	Eurobank	EGFEF	EUROB GA	Johan Ekblom
	HSBC	HBCYF	HSBA LN	Alistair Scarff
	Monte Dei Paschi	BMDPF	BMPS IM	Andrea Filtri
	Piraeus Bank	BPIRF	TPEIR GA	Johan Ekblom
	S E B	SVKEF	SEBA SS	Johan Ekblom
	Sab	BNSDF	SAB SM	Sergio Gamez
	Svenska Hbank	SVNLF	SHBA SS	Johan Ekblom
	Swedbank	SWDBF	SWEDA SS	Johan Ekblom

*iQmethod*SM Measures Definitions

Business Performance	Numerator	Denominator
Return On Capital Employed	$\text{NOPAT} = (\text{EBIT} + \text{Interest Income}) * (1 - \text{Tax Rate}) + \text{Goodwill Amortization}$	$\text{Total Assets} - \text{Current Liabilities} + \text{ST Debt} + \text{Accumulated Goodwill Amortization}$
Return On Equity	Net Income	Shareholders' Equity
Operating Margin	Operating Profit	Sales
Earnings Growth	Expected 5-Year CAGR From Latest Actual	N/A
Free Cash Flow	Cash Flow From Operations – Total Capex	N/A
Quality of Earnings		
Cash Realization Ratio	Cash Flow From Operations	Net Income
Asset Replacement Ratio	Capex	Depreciation
Tax Rate	Tax Charge	Pre-Tax Income
Net Debt-To-Equity Ratio	Net Debt = Total Debt, Less Cash & Equivalents	Total Equity
Interest Cover	EBIT	Interest Expense
Valuation Toolkit		
Price / Earnings Ratio	Current Share Price	Diluted Earnings Per Share (Basis As Specified)
Price / Book Value	Current Share Price	Shareholders' Equity / Current Basic Shares
Dividend Yield	Annualised Declared Cash Dividend	Current Share Price
Free Cash Flow Yield	Cash Flow From Operations – Total Capex	Market Cap. = Current Share Price * Current Basic Shares
Enterprise Value / Sales	$\text{EV} = \text{Current Share Price} * \text{Current Shares} + \text{Minority Equity} + \text{Net Debt} + \text{Other LT Liabilities}$	Sales
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

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BPPUF Price Chart



B : Buy, N : Neutral, S : Sell, U : Underperform, PO : Price objective, NA : No longer valid

Prior to May 31, 2008, the investment opinion system included Buy, Neutral and Sell. As of May 31, 2008, the investment opinion system includes Buy, Neutral and Underperform. Dark Grey shading indicates that a security is restricted with the opinion suspended. Light grey shading indicates that a security is under review with the opinion withdrawn. The current investment opinion key is contained at the end of the report. Chart is current as of April 30, 2009 or such later date as indicated. BAS-ML price charts do not reflect analysts' coverage of the stock at prior firms. Historical price charts relating to companies covered as of April 30, 2009 by former Banc of America Securities LLC (BAS) analysts are available to BAS clients on the BAS website.

Investment Rating Distribution: Banks Group (as of 01 Apr 2009)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	66	26.83%	Buy	27	49.09%
Neutral	61	24.80%	Neutral	31	57.41%
Sell	119	48.37%	Sell	63	60.58%

Investment Rating Distribution: Global Group (as of 01 Apr 2009)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	1243	38.21%	Buy	520	46.39%
Neutral	841	25.85%	Neutral	349	47.04%
Sell	1169	35.94%	Sell	388	36.30%

* Companies in respect of which MLPF&S or an affiliate has received compensation for investment banking services within the past 12 months. For purposes of this distribution, a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster*
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

* Ratings dispersions may vary from time to time where BAS-ML Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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11 May 2009

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