BPER:
Banca

BPER e-volution

2022-2025 BUSINESS PLAN

Milan, June 10th 2022

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Agenda

Recent M&As have enabled the Group to make a major leap in size and reach a **national scale**

CARIFE Cassa di Risparmio di Ferrara — Unipol Banca — Business Unit UBI Banca — Gruppo Banca Carige

	2017	2021	Present[1]
CUSTOMERS (M#)	<2	4.2	>5
ASSETS (B€)	71	136	~160
BRANCHES (#)	1,218	1,742	~2,124
WORKFORCE (# '000)	11.6[2]	18.4	~21.7

Significant growth in the Group's **assets** (x2.3 vs 2017) and **key metrics**

Sound track record in the management of **extraordinary corporate transactions**

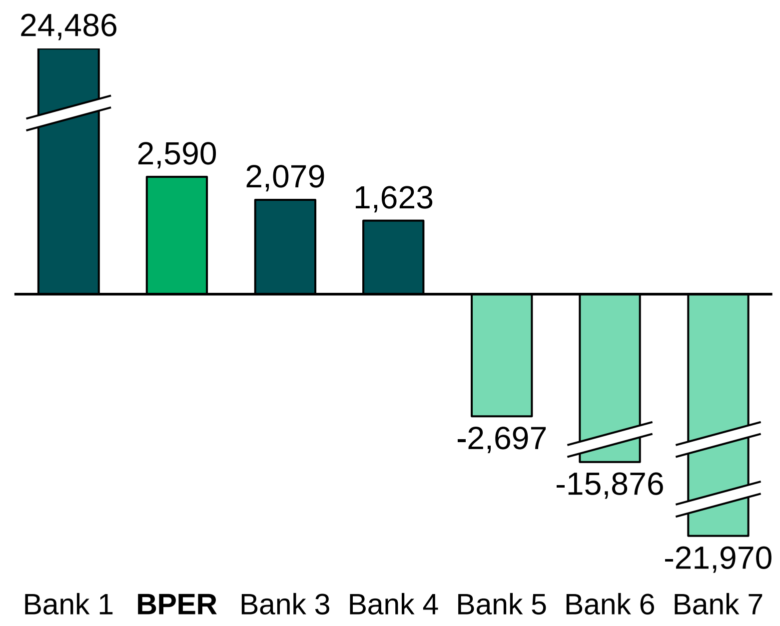
Ready to manage the **integration of Carige** thanks to the experience gained

1. Number excluding 140 branches closed in May 2022 and subsequent deconsolidation/ new rationalisation. It does not include the branch of BPER Bank Luxembourg
2. 2017 headcount as reported in the financial statements

Performance in recent years reflects strong **resilience** and the ability to improve, including through the management of extraordinary corporate transactions

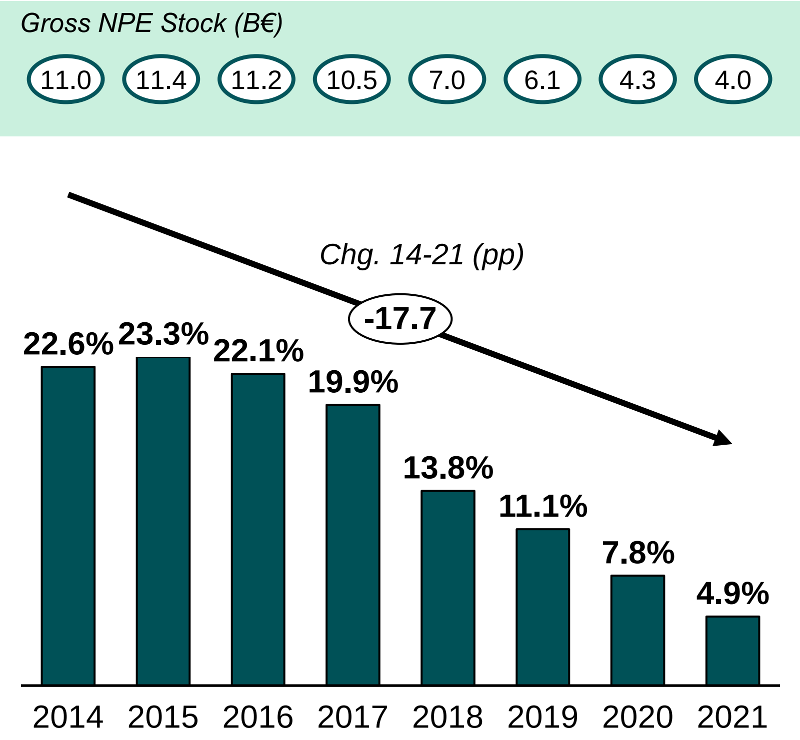
Resilient results…

CUMULATIVE PROFIT (LOSS) DURING THE CRISIS[1] (M€)



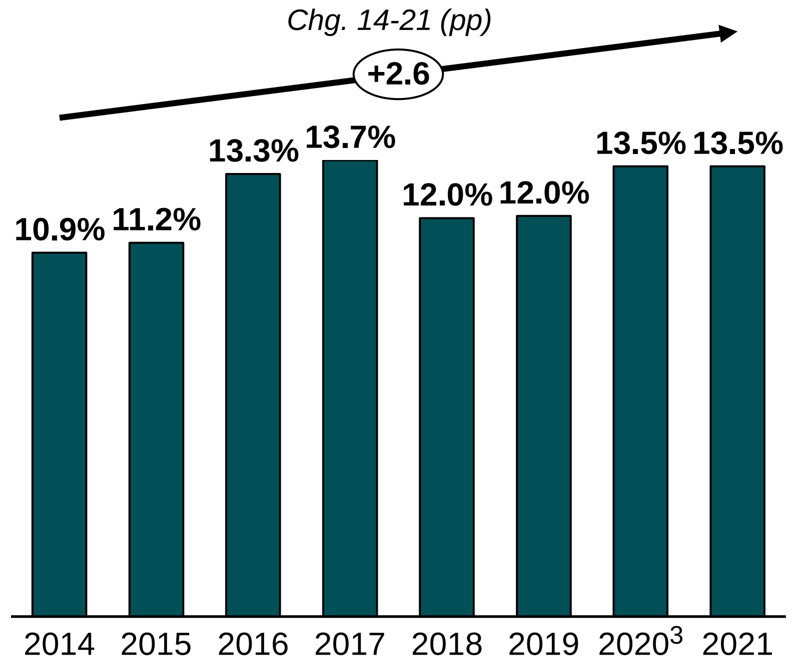
Robust asset quality...

NPE GROSS RATIO (%) AND STOCK (B€)[2]



Stronger capital base

CET 1 RATIO FULLY PHASED (%)[2]



BPER: Gruppo

1. From 2009 to 2021
2. Since ECB supervision started
3. CET1 2020 proforma reflecting capital increase to purchase former UBI/ISP Business Unit

Over the last 12-18 months important initiatives have already been completed...

AREAS	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2
GOVERNANCE	✓ Redefinition of the organisational structure	✓ New ESG Governance	✓ Revision of delegated power system			
M&A	✓ Integration of former UBI – ISP business unit					✓ Lanterna transaction (closing of Carige deal)
INDUSTRIAL ASPECTS	✓ Regional HO simplification		✓ Specialisation in credit underwriting	✓ Rationalisation of 1st batch of branches (~100)	✓ Kick-off of Business Plan priority projects	✓ Rationalisation of 2nd batch of branches (~140)
REAL ESTATE			✓ One single HQ location	✓ Additional executive facility in Milan (Diamantino HQ)		
HR		✓ Strengthening of the Management Team	✓ HC increase for new businesses	✓ Workforce optimisation	✓ MBO/LTI revision	
IT/ TECHNOLOGY			✓ Increase IT team headcount		✓ New CRM Salesforce ✓ Smart CBI	✓ Release of new App

… which will now enable the major evolution planned in the Group's new Business Plan for 2022-2025

SCALE	• **Nationwide** player with **strong roots** in the country's **richest regions**
BUSINESS MODEL	• "**Multi-specialist**" bank with **proprietary product factories** and **specialised** distribution channels • Focus on **core and capital light businesses** and **product factories** • **Selective divestment** of **non core** and/or **low value businesses**
REVENUE GENERATION MODEL	• Acceleration of **fee-based** revenue streams by leveraging multiple **growth engines**: - **Wealth / Asset Management** - **Bancassurance** - **CIB/ Advisory** - **Private / Personal Banking** - **NRRP** - **…**
CREDIT MODEL	• Completion of **de-risking** including via a major **disposal plan** and the evolution of the non-performing loan management framework • **Evolution of credit governance** *(policy, models, analytics)* and specialisation of underwriting processes/tools to support growth in volumes, productivity/ response time and risk-adjusted profitability
OPERATING MODEL	• **Simple digital** bank, with **productivity** levels aiming at **market best practice** • Extensive **transformation** of the **IT factory**
HUMAN CAPITAL	• **Reinforcing the Management Team** including via new recruits from the market • Hiring plan / redeployment of resources to **new priority initiatives**
ESG	• **Concrete plan to support** internal/external transition to a low-carbon economy • **Outreach to communities** and development of educational programmes for **young people** • Further progress to **sustainable leadership**
CAPITAL STRENGTH AND SHAREHOLDER REMUNERATION	• **Capitalisation levels** consistent with the Group's new risk profile • Considerable increase in **shareholder remuneration** thanks to less capital-intensive model and higher levels of profitability

Agenda

The acquisition of Carige rests on solid financial foundations and opens up new value generation opportunities

SOUND FINANCIAL PREREQUISITES

- **Negligible capital impacts** on the BPER Group's current capital position
- **Improvement of combined asset quality**
- **Higher earnings per share**, as early as from 2023

NEW VALUE GENERATION OPPORTUNITIES

- **Customer base expansion**, particularly in the North West
- Sizeable **cost synergies**
- **Revenue synergies** from sales and distribution revamping, improved cost of funding and enhancement of the Group's product factories

CARIGE's KPIs[1]

382 Branches

~22B€ Assets

>800K Customers

~3,300 Employees

~51B€ Gross Banking Product

o.w. **~16B€** of Direct Funding

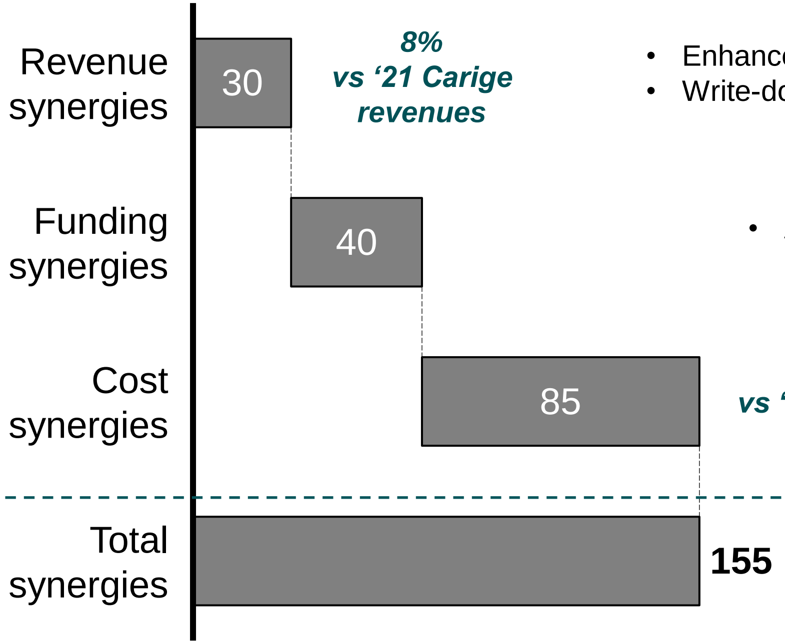
o.w. **~23B€** of Indirect Funding

o.w. **~12B€** in Lending

1. From 2021 consolidated financial statements

Major **synergies** identified in revenues and especially in costs and capital; BPER proven track record in integration processes

ESTIMATED GROSS RUNNING P&L SYNERGIES (M€)



8% vs '21 Carige revenues

- Enhancement of product factories (consumer credit, CIB, factoring, ...)
- Write-down of cash flow reserve

- Alignment of Carige's cost of funding to that of the Parent Company

19% vs '21 Carige costs

- IT re-insourcing
- Cost efficiency measures
- Branch rationalisation
- D&A reduction from write-down of IT assets
- Governance cost reduction
- **Upside from new HR manoeuvre not yet factored in**

PHASING

2022	*2023*	*2024*	*2025*
10%	50%	100%	100%

Integration charges estimated at **approx. 70 M€**, i.e. 55% of total cost synergies + funding, fully expensed in 2022. Payment of **exit penalties** on existing agreements conservatively factored in to a maximum extent (~220 M€)

UPSIDE ON CAPITAL

- 2 B€ RWA
thanks to **BPER AIRB model extension to Carige**

+40 bps
estimated impact on capital

Agreement for the disposal of 48 branches to leading market player finalised to solve potential competition authority constraints

OVERVIEW OF DISPOSAL SCOPE

The transaction is expected to solve potential **Competition Authority constraints** arising from the acquisition of **Carige** and from the previous acquisition of **Unipol Banca**

- **Branches**: 48 (o.w. 40 from Carige network and 8 from Banco di Sardegna, mainly located in Liguria and Sardinia)
- **Loans to customers:** ~1.3 B€
- **Total funding**: ~2.6 B€
- **RWAs:** ~0.6 B€
- **Customers:** ~100k
- The scope includes assets and liabilities linked to the perimeter of the 48 branches held for sale; **it does not include any central offices or semi-central units**

HIGHLIGHTS OF THE TRANSACTION

- **Disposal for cash consideration**
- Expected transaction **timeline**:
  - **February 2023:** closing and IT migration of branches

The business model involves vertical integration of production/distribution and selection of the Businesses on which to focus

STRATEGY	STRONGER COMPETITIVE POSITION				DECONSOLIDATION		SYNERGIES FROM OUTSOURCING
PRODUCT FACTORIES	WEALTH MANAGEMENT	INSURANCE	FACTORING	PERSONAL FINANCE	LEASING	LONG-TERM RENTAL	NPE MANAGEMENT
	ARCA SGR (57.1%) OPTIMA SIM Gruppo BPER Banca (100%) Banca Cesare Ponti Private Banking (100%)[1] BPER: Bank Luxembourg (100%)	ARCA VITA ARCA ASSICURAZIONI (19.7%)	BPER: Factor (100%)	Bibanca Gruppo BPER Banca (99.1%) Finitalia Il credito in tempo reale (100%)	BPER: Leasing SARDALEASING (99.7%)	SIFÀ Gruppo BPER Banca (100%)	CREDIT MANAGEMENT BPER: Gruppo (100%)

Disposal of the merchant acquiring business

1. Share held by the Banca Carige Group

Deconsolidation will deliver major benefits in terms of RWA reduction and one-off capital upside, to be leveraged for core business growth

DEALS	22/23 IMPACT ON RWAs (in B€)	ONE-OFF 22/23 (PRE-TAX) (in M€)	RUNNING IMPACT (PRE-TAX)[2] (in M€)
MERCHANT ACQUIRING NPE MANAGEMENT LEASING[1] NLT SIFA’	-2,8	~ 320	-42

CET 1 UPSIDE > 500 M€

BPER: Gruppo

Best estimate to date; rounded off

1. One-off impact being quantified
2. Pre-tax Group profitability, inclusive of intragroup funding to Group companies

Extraordinary transactions timeline defined, which will make it possible to re-focus the Group business model within the **first 12-18 months of the Plan**

EXTRAORDINARY TRANSACTIONS ROADMAP

EXPECTED TIMING

2022: Q2 | Q3 | Q4

2023: Q1 | Q2 | Q3

CLOSING OF CARIGE DEAL ✓

DISPOSAL OF THE ACQUIRING BUSINESS
Disposal of the merchant acquiring business

MIGRATION OF CARIGE
IT migration of Carige to BPER IT

DECONSOLI-DATION OF NLT – SIFÀ

DISPOSAL OF BRANCHES
Disposal of carve-out of 48 branches (to solve AGCM competition authority constraints)

DISPOSAL OF NPE PLATFORM AND SERVICING ACTIVITY
Disposal of internal bad loan & UTP debt collection platform and implementation of multi-year servicing agreement

DECONSOLIDATION OF SARDALEASING
Streamlining of leasing proposition via SardaLeasing disposal

Agenda

The Group’s ambition at 2025: key economic/financial targets

~ 800 M€

NET PROFIT

> 10 %

ROTE

< 58 %

COST INCOME

~ 3.6 %

GROSS NPE RATIO

> 13 %

CET 1 RATIO
«FULLY PHASED»

~ 50%

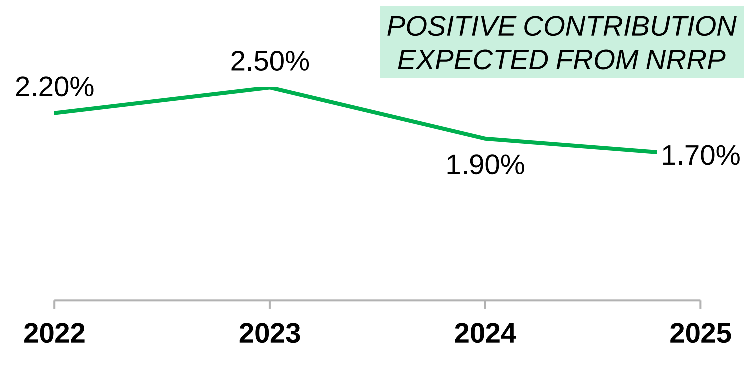
PAYOUT[1]

1. Target payout calculated on normalised profit, consistent with target CET1 FP of no less than 13%

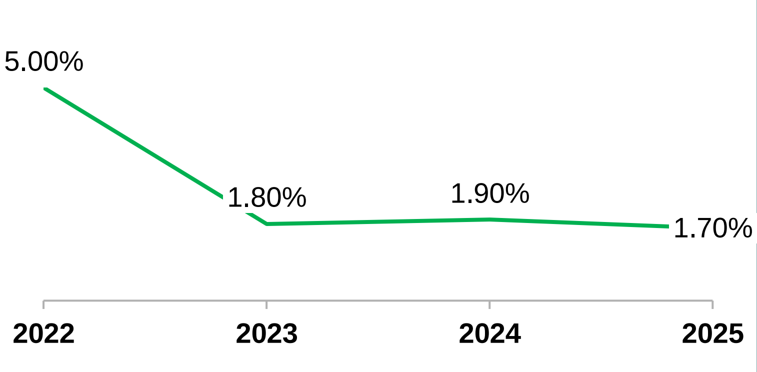
Group LTI (long term incentives) objectives

Scenario with growth expectations despite uncertain environment; high inflation and steadily rising rates (with further potential upside)

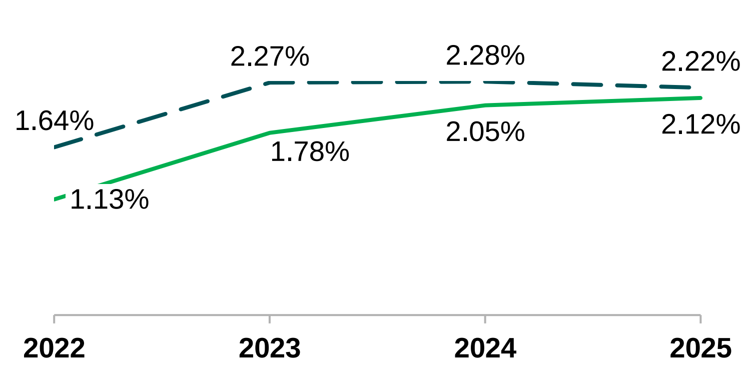
GDP ITALY (% chg.)



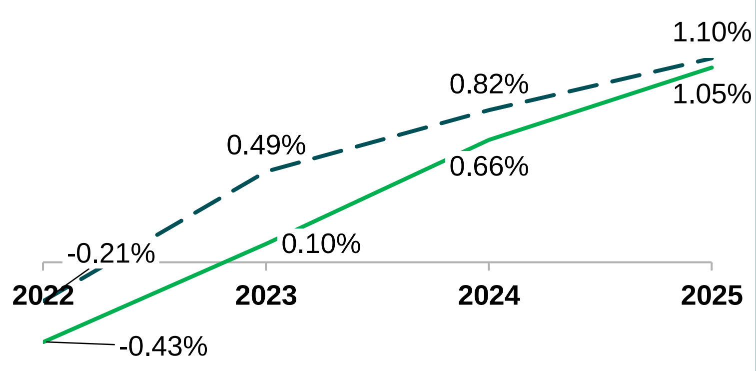
INFLATION (% chg.)



IRS 10Y (%)



3M EURIBOR (%)



Prometeia April 2022 estimates, conservative assumptions used in the plan

Prometeia May 2022 estimates

KEY DYNAMICS

- **Growth expectations conditioned by** the **Russia-Ukraine conflict**
- **Significant inflationary pressure** but economy looks resilient
- **More restrictive monetary policies** with consequent gradual increase in rates
- **Loans to households and businesses on an uptrend,** despite revised expectations, with rates and spreads up significantly
- **Lower saving propensity,** higher risk aversion and negative stock market contribution are conditioning the **growth of indirect deposits and assets under management** in the immediate term
- **Increased risk profile for businesses** in 2022, **returning to normal from 2023**

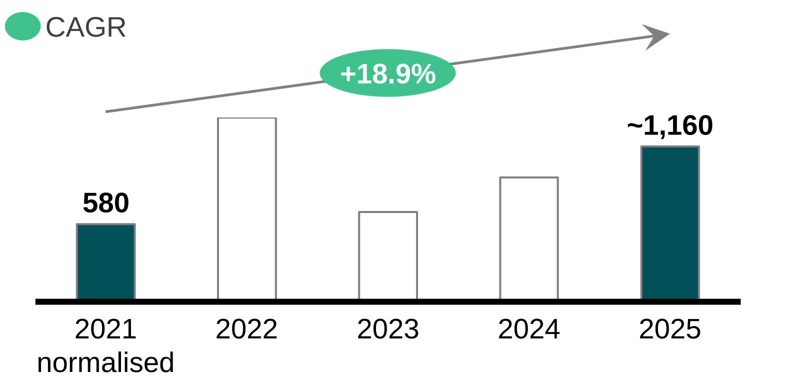
Business Plan key metrics

		2021 normalised[1]	2025
INCOME STATEMENT (M€)	OPERATING INCOME	3,380	~4,370
	OPERATING COSTS	(2,099)	~(2,530)
	OTHER COSTS[2]	(173)	~(90)
	LLPs	(528)	~(590)
	NET PROFIT	**384**	**~800**
KPIs (%)	**COST TO INCOME**	**~62%**	**< 58%**
	COST OF RISK (bps)	67	~60
	GROSS NPE RATIO	**4.9%**	**~ 3.6%**
	ROTE	**n.s.**	**> 10%**
	CET1 RATIO[3]	**13.5%**	**> 13%**
	PAYOUT	**~ 20% [4]**	**~ 50%**

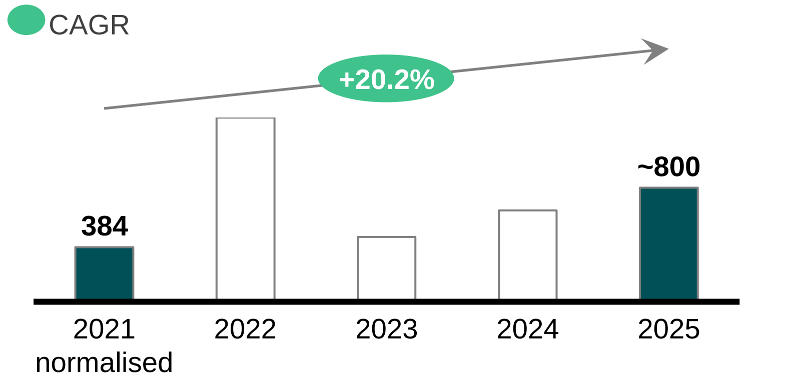
1. 2021 BPER stand-alone net profit calculated at assumed Tax Rate of 28% on gross profit of 580M€ and minority interests of 34M€. For one-off items, please see press release on the 2021 annual report
2. Net profit at 2025 factors in 50 M€ worth of prudentially estimated provisions for contributions to banking system funds
3. CET 1 referring to value reported in the financial statements
4. Referring to normalised net profit

Progression with **significant results** as early as from the first years of the plan

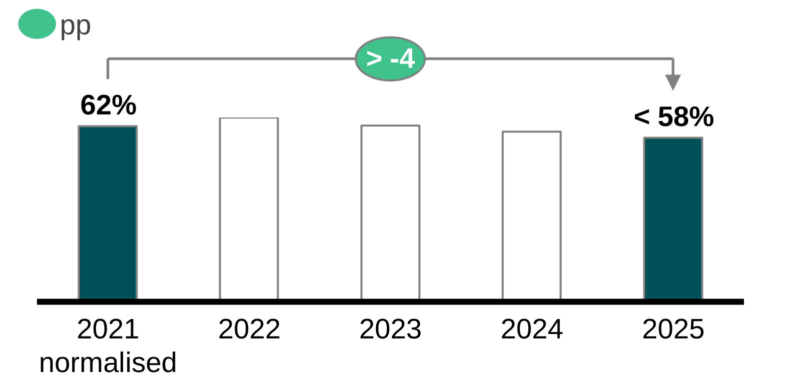
PROFIT BEFORE TAX *(M€)*



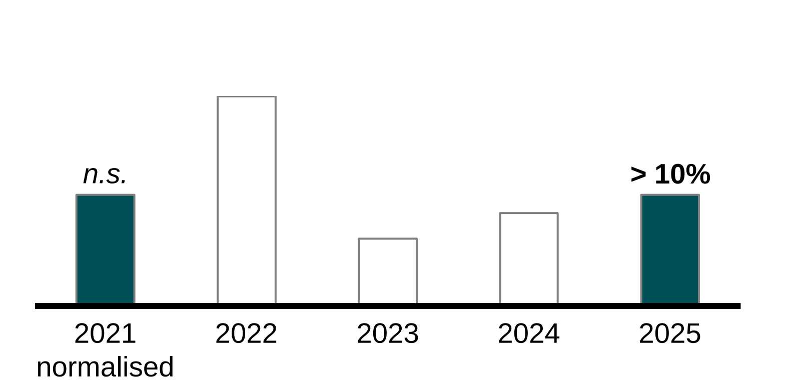
NET PROFIT *(M€)*



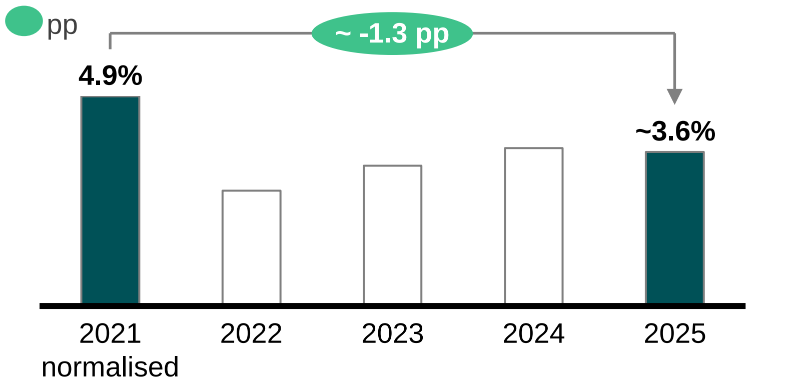
C/I RATIO *(%)*



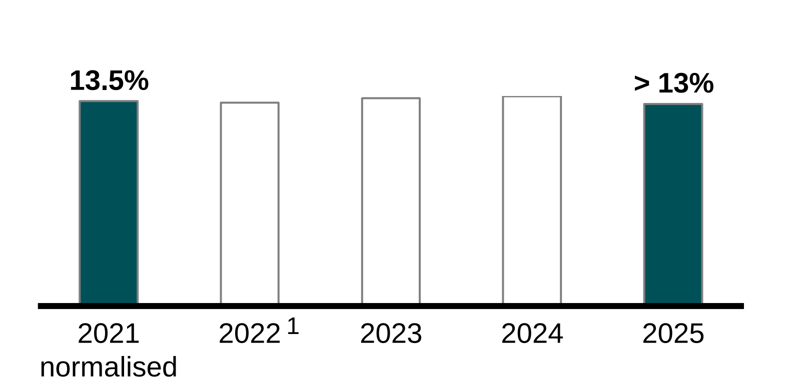
ROTE *(%)*



GROSS NPE RATIO *(%)*



CET 1 RATIO FULLY PHASED *(%)*

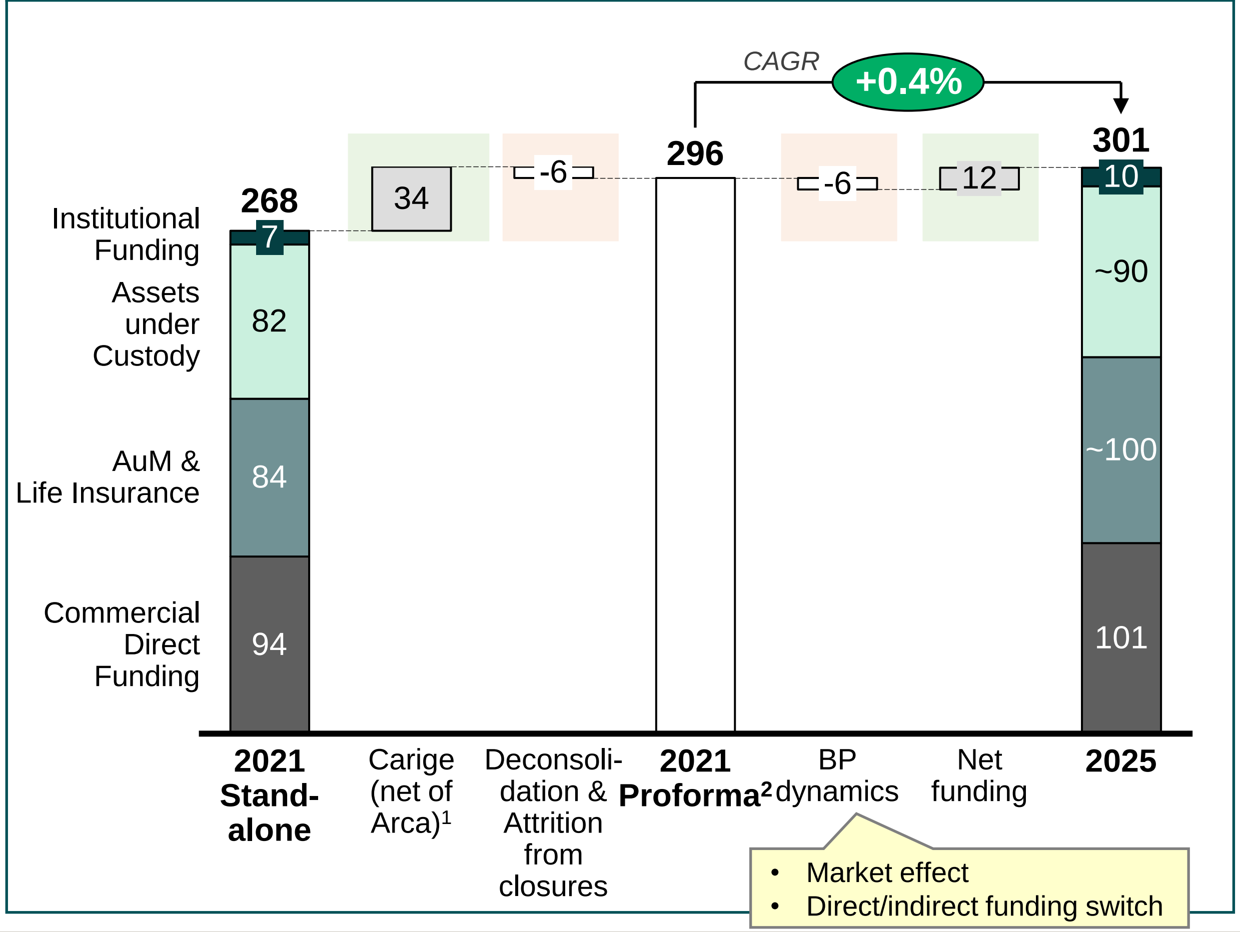


2021 normalised standalone

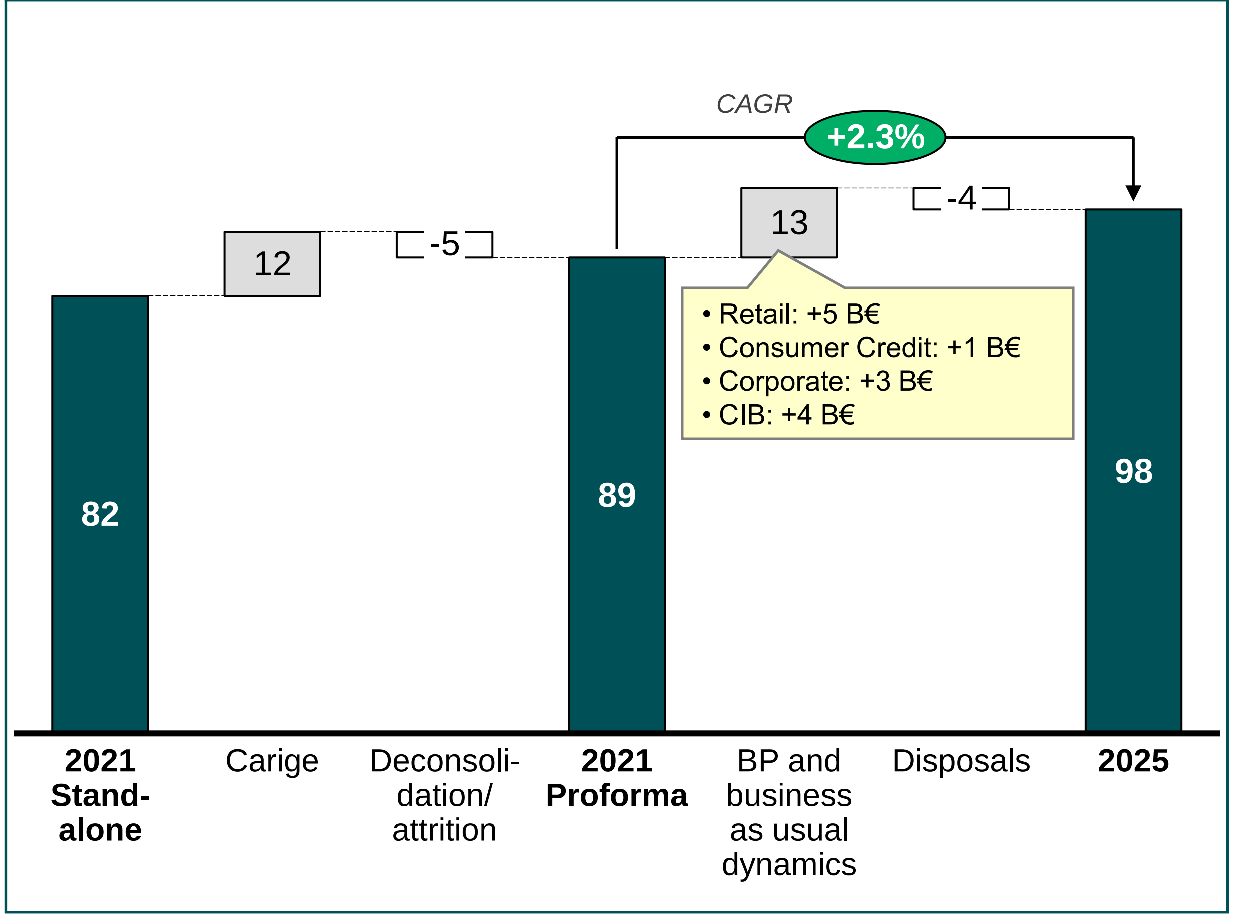
1. 2022 CET 1 reflects upside from DTAs

Funding growth driven by increase in AuM/Life insurance; lending growth driven by the Group's new scale and growth in CIB

TOTAL FUNDING (B€)



GROSS LOANS (B€)

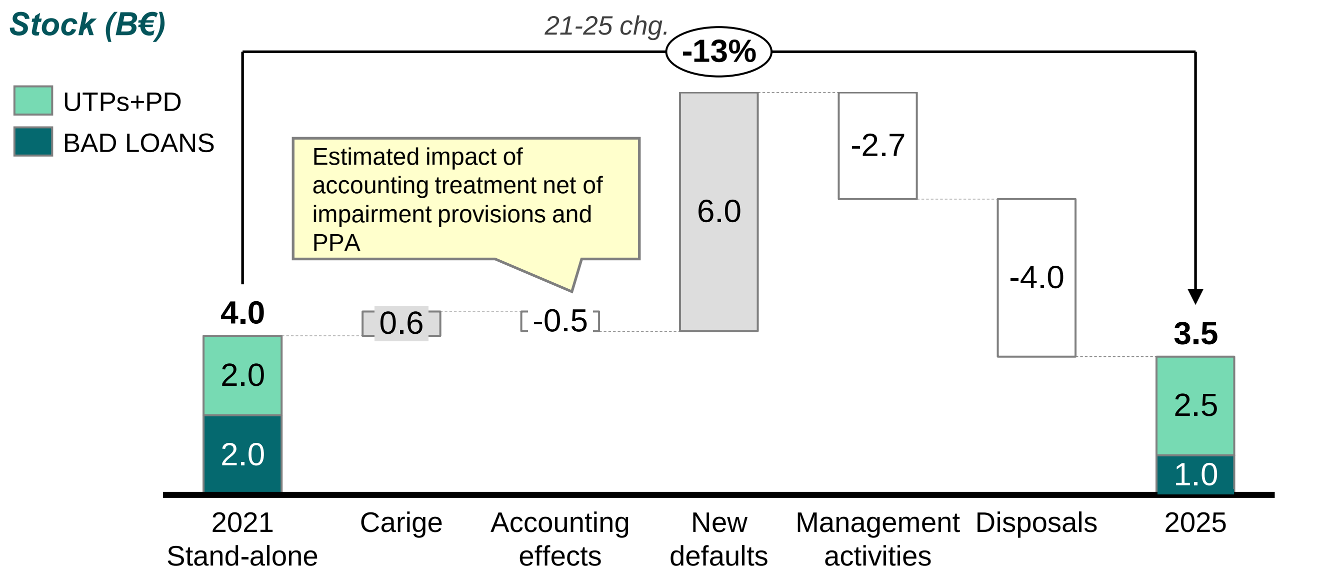


1. Internal estimate
2. 2021 proforma + impact expected from customer attrition

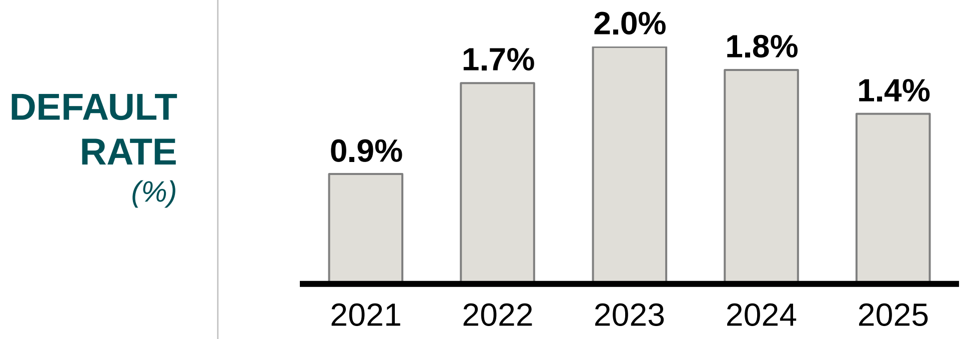
Gross NPE ratio stable at less than 4%: acceleration of de-risking thanks to bad loan & UTP disposal plan and NPE management activity

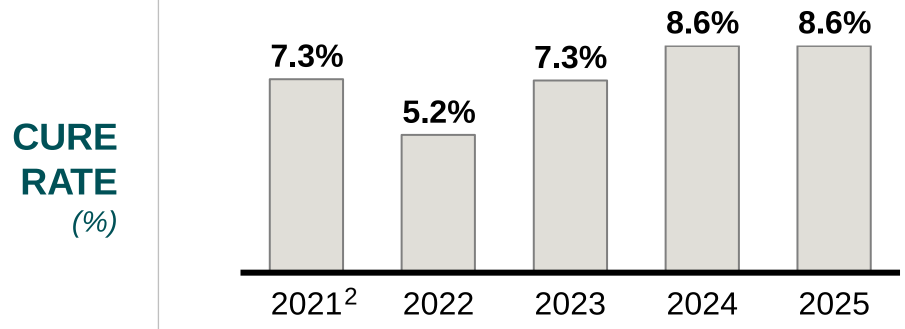
NPEs OVER TIME

	2021	2025
GROSS NPE RATIO	4.9%	~3.6%
NET NPE RATIO	2.0%	~1.8%



	2021	2025
COVERAGE[1]	60.4%	50.9%





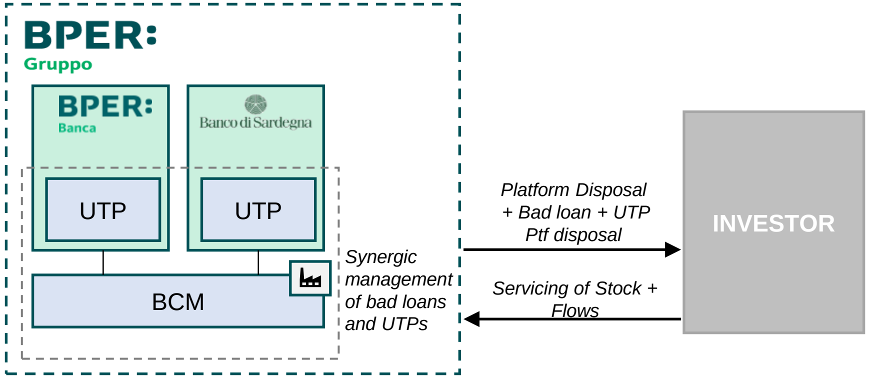
1. Coverage rate reduction due to new mix with higher UTP share of total
2. Operational data

Disposal of UTP and bad loan collection platforms to a leading market player with concurrent transfer of non-performing loan portfolio

DEVELOPMENTAL GUIDELINES

FASTER GROUP DERISKING PROCESS

THE TRANSACTION



- **Project started for disposal** of **UTP and bad loan collection platforms** to a leading market player with concurrent **sale** of **non-performing loans**
- Activation of **multi-year servicing contract**

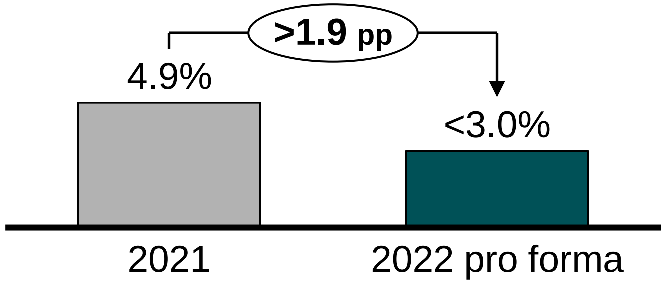
CURRENT STATUS

- **Non-binding expressions of interest** received from **4 leading players** in the aim to close the deal by the end of **2022** and complete the disposal in early **2023**

KEY NUMBERS

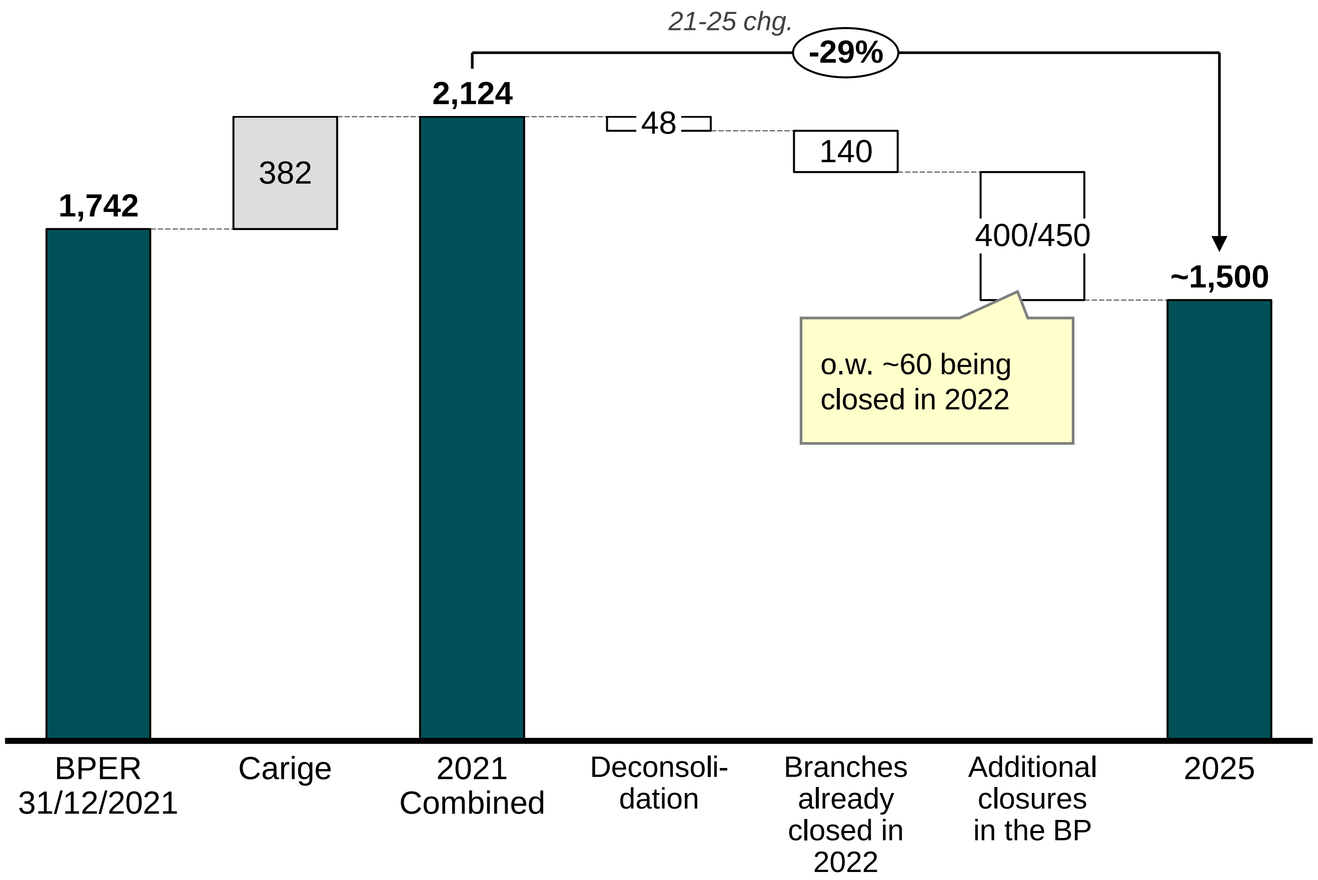
Disposal of NPE stock	**~ 2.5 B€**
RWA reduction	**~ 500 M€**
HC reduction	**~ 120**

Gross NPE Ratio



Branch network downsizing by 29% and parallel development of alternative channels (digital banking, corporate banking centres, private banking centres, …)

BRANCHES OVER TIME
(# branches)

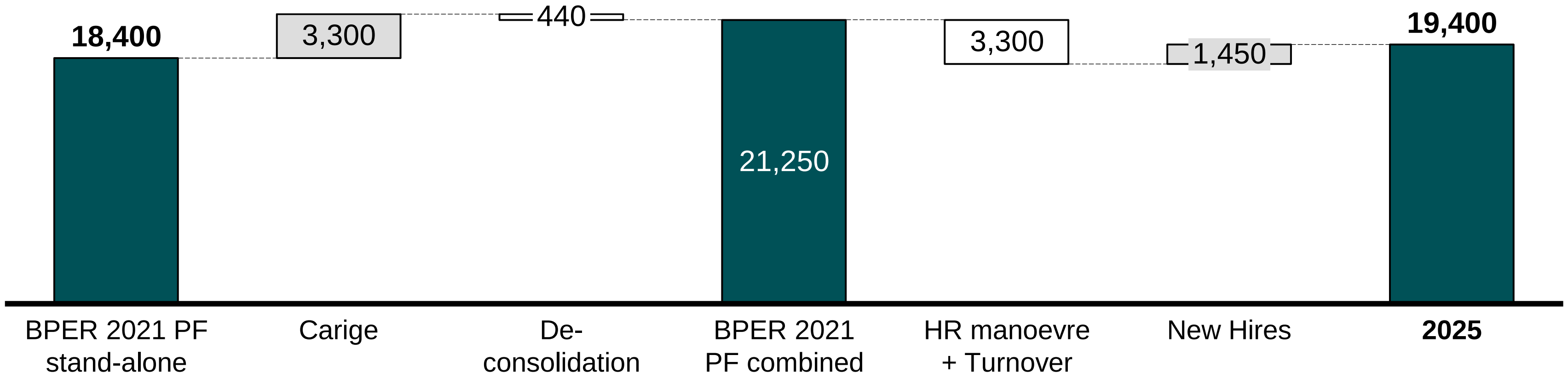


KEY INITIATIVES

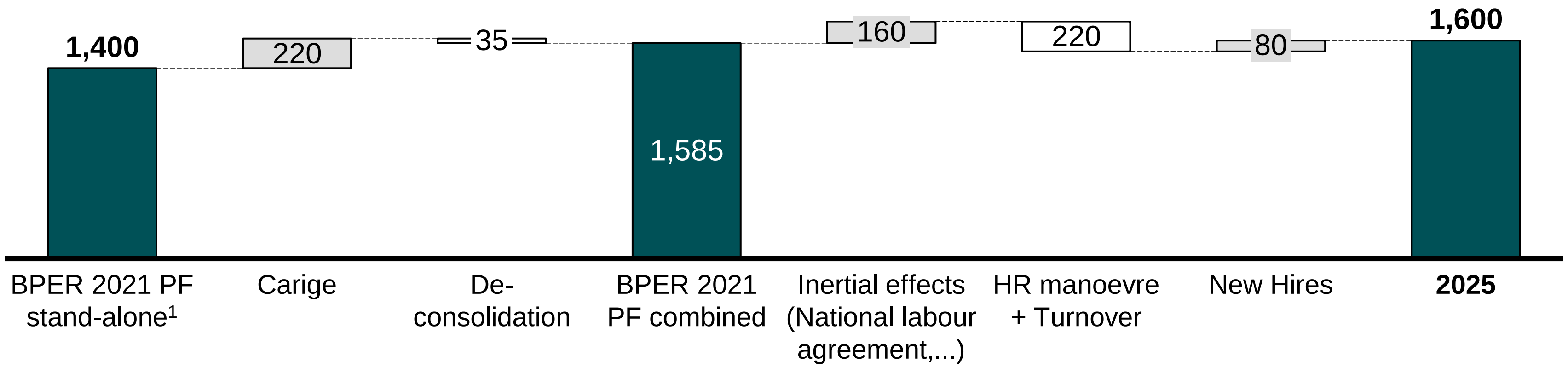
- Closure / disposal of approx. 600 branches identified as:
  - Non-performing
  - Overlapping (proximity to another branch)
  - Not located in highly attractive areas
- Extension of «lean» branch models thanks to investments for the introduction of **self-technology** (e.g. Advanced ATMs, self-guided cash-in and cash-out services, Remote Teller)
- **Multi-format strategy** enhancement (Hub/Spoke model evolution)
- **Customer** relationship gradually **shifting to digital banking** and other **specialised channels** (strengthening of private / corporate banking centres in the footprint areas)

The identified efficiencies will free up approx. 3,300 resources, with the pool of management skills and competencies being enriched with new recruits from the market

HEADCOUNT OVER TIME
(HC #)



STAFF COSTS OVER TIME
(M€)



- New ~ **800 HC** manoeuvre, with ~ **240 HC** already expensed and contractualised by Carige (in addition to the manoeuvre paid for in 2021 for ~1,700 expected exits[2])
- New manoeuvre one-off charges: ca. **140-150M€**

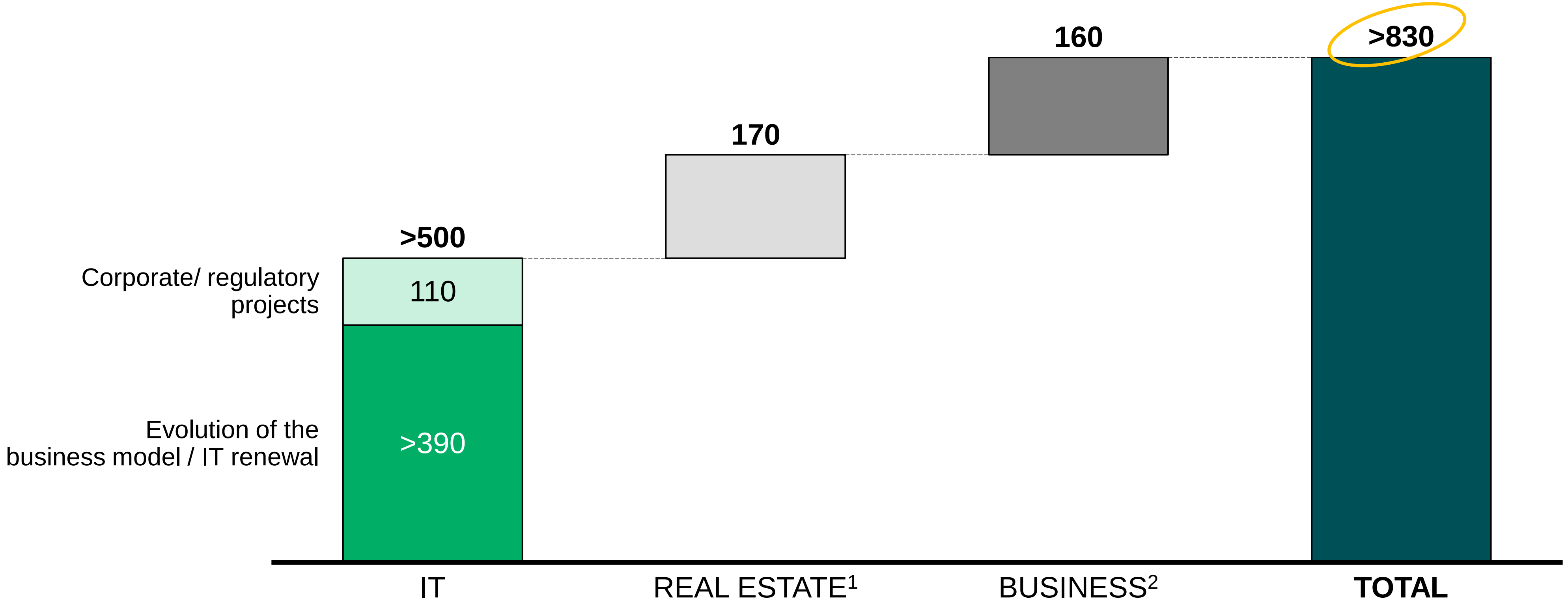
BPER: Gruppo

Rounded off
1. BPER 2021 PF stand alone incorporates additional costs arising from alignment of the employment contracts of former UBI/ISP employees
2. Expected exit of ca. 1,700 employees including by using the Banking Industry Solidarity Fund; for more details, please see Press Release of 29/12/2021

Major increase in transformative investments and costs for Group growth and evolution (x3 prior plan)

TRANSFORMATIVE INVESTMENTS (CAPEX+OPEX) LINKED TO BUSINESS PLAN PROJECTS

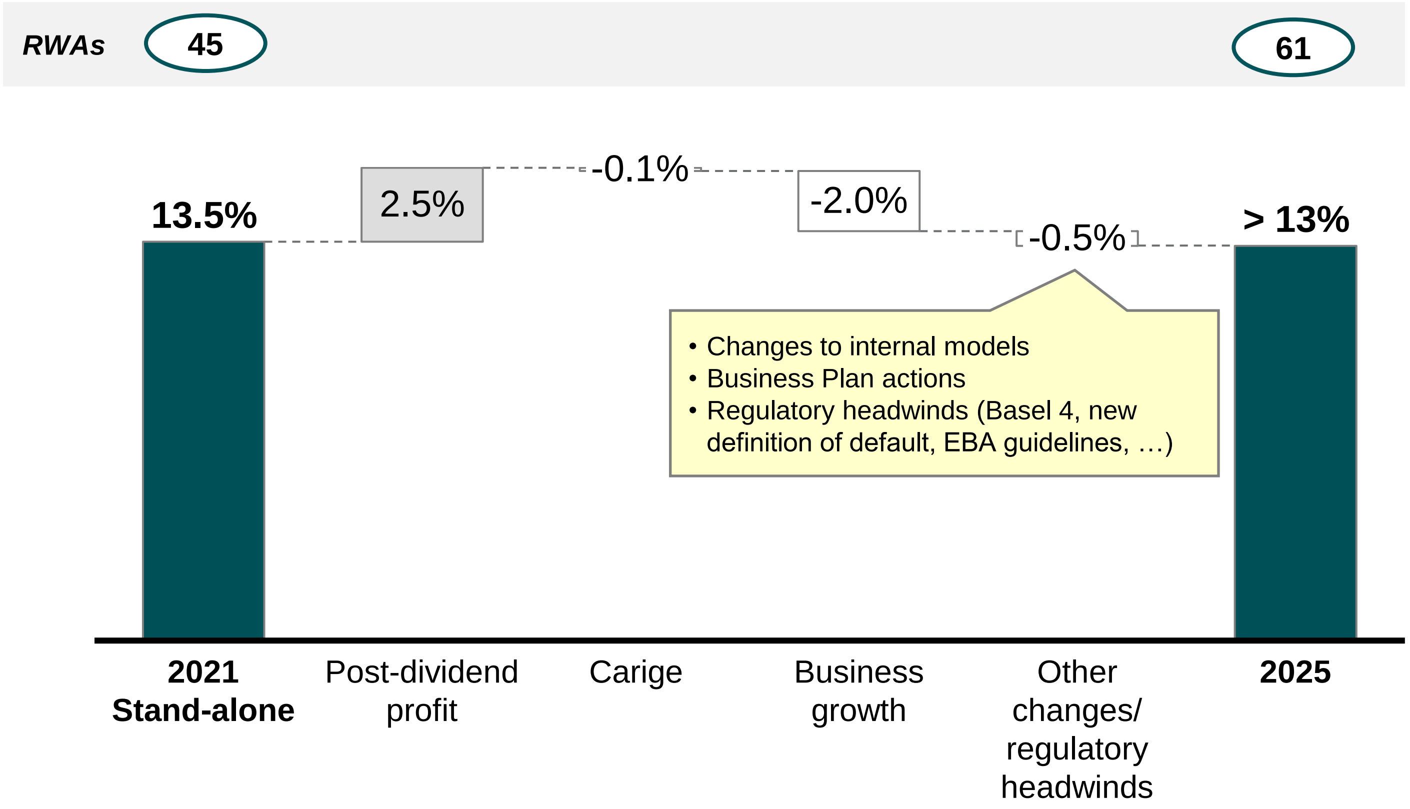
M€; ROUNDED OFF



1. Inclusive of HQ renovation and investments required to support branch closure/ restructuring plan
2. Project-related charges

Target payout levels significantly higher than in the past, while preserving strong capital solidity

CET 1 (%) and RWA CHANGE (B€)



DISTRIBUTION OF VALUE TO SHAREHOLDERS

~50% payout target 2025[1]

- Target **payout** significantly higher than in the past:
  - **Expected cumulative dividend ~1 B€ over Plan period**
  - 2025 ***Dividend per Share*** > x4 vs 2021
- Target payout consistent with **fully-phased CET1** conservatively maintained at a level of **no less than 13%**, deemed appropriate for the Group's risk profile

1. Payout based on normalised profit

Agenda

«BPER e-volution» is structured around 5 transformative pillars supported by 3 cross-cutting work streams

BPER e-volution

NATIONAL SCALE MULTI-SPECIALIST	TRANSFORMATION INTO A FEE-BASED REVENUE MODEL	IT & BUSINESS PARTNERSHIP FOR TRANSFORMATION AND GROWTH	SIMPLE, DIGITAL BANK	PEOPLE AT THE CENTRE

DE-RISKING AND CREDIT CONTROL

NEW INNOVATION MODEL

ESG INFUSION

Agenda

Specialised **organisational model** rolled out in Q4 2021, with specialised Departments and channels to support the Group's key businesses

ORGANISATIONAL MODEL SPECIALISED BY SEGMENT

ILLUSTRATIVE

BPER GROUP

IN PROGRESS

	WEALTH & ASSET MANAGEMENT HUB	INSURANCE STRATEGIES	RETAIL	CORPORATE & GLOBAL TRANSACTIONS	CORPORATE & INVESTMENT BANKING
PRODUCT FACTORIES	ARCA SGR; OPTIMA SIM Gruppo BPER Banca; BPER: Bank Luxembourg; Banca Cesare Ponti Private Banking	ARCA ASSICURAZIONI[1]	Bibanca Gruppo BPER Banca; Finitalia Il credito in tempo reale	alba leasing; BPER: Factor	
DISTRIBUTION CHANNELS	PRIVATE BANKING CENTRES	BRANCHES; BANCASSURANCE NETWORK	BRANCHES; 5TH SALARY/PENSION LOANS AGENTS NETWORK	CORPORATE CENTRES	CORPORATE BANKERS

INITIATIVES

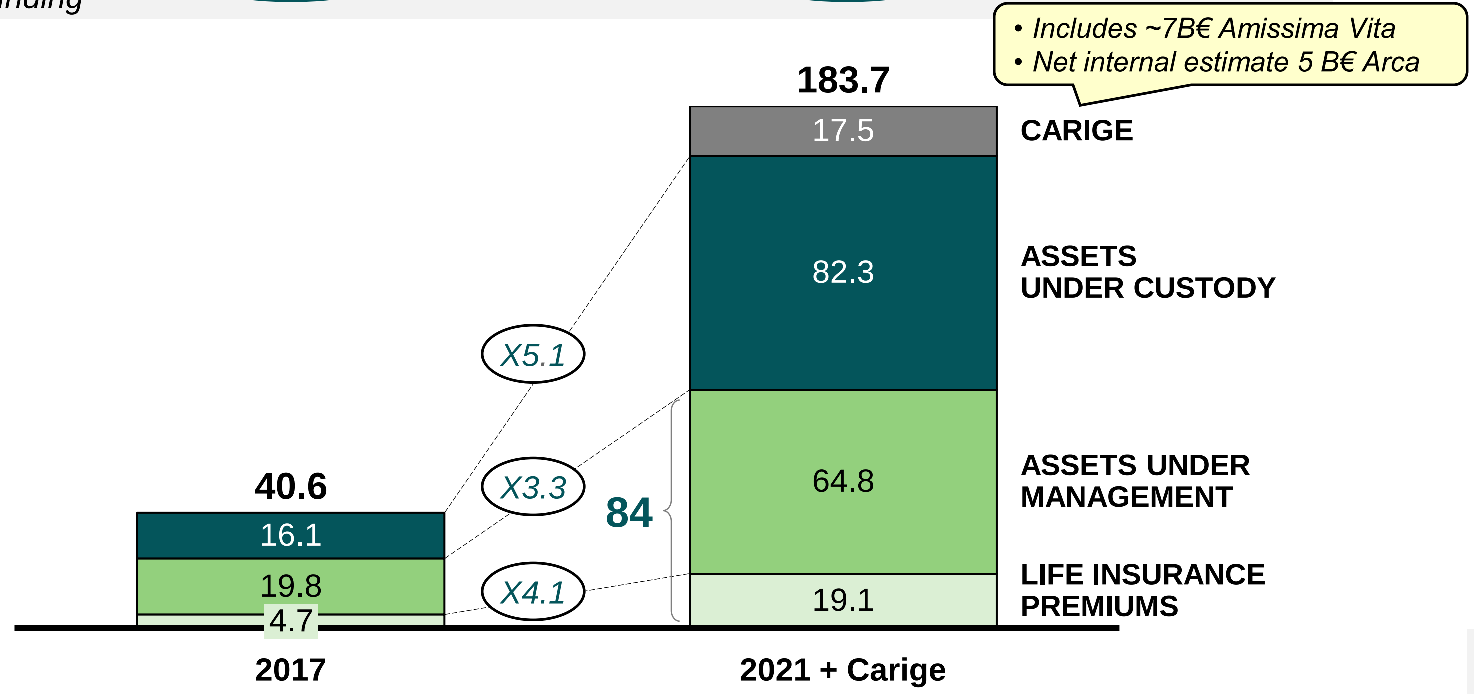
- Evolution of the **highly specialised** organisational model (leveraging the newly acquired scale)
- Creation of «**Insurance Strategies**» and «**Corporate & Investment Banking**» departments
- **New WM hub** being finalised also by leveraging the assets acquired through the Carige transaction (Banca Cesare Ponti)

1. Arca Assicurazioni 98% held by Arca Vita

Over the last 5 years, Wealth Management has become an important growth engine for the BPER Group

INDIRECT FUNDING OVER TIME (2017-2021; B€)[1]

Indirect funding out of total funding: 45% (2017), 62% (2021 + Carige)



~700M€ fees at 2021** (over 20% of the Group's total revenues and over 40% of commission income) **+ estimated 80M€ contributed by Carige

HIGHLIGHTS 2017-2021

- **Major investments** by the Group to **make the WM segment distinctive** (Management Team, service model specialisation, opening of private banking centres, network strengthening, investment center in Optima SIM…)
- Acquisition of **control of ARCA Sgr**
- **On-boarding of private banking customers in Northern Italy** after **acquisition of former UBI Banca Business Unit**

- **Affluent segment untapped potential of 40-45B€ in liquidity convertible** into AuM+life insurance

1. BPER and Carige data at 31/12/2021 (gross of market effect)

Ambition to enhance Group WM&AM via Banca Cesare Ponti, enhanced as the Group's integrated specialised vehicle

- **Dedicated legal entity:** leveraging on Banca Cesare Ponti
- **Specialised:** direct management of private banking customers and Group investment centre
- **Focused:** remuneration / incentive policy focused on business growth
- **Integrated:** centralization of product intelligence for AuM development on all Group Customers service models

WM&AM DEDICATED VEHICLE – SCHEME

BPER GROUP

WEALTH & ASSET MANAGEMENT

1871 Banca Cesare Ponti PRIVATE BANKING

DISTRIBUTION + **PRODUCTION**

Distribution:
- PRIVATE BANKING
- FINANCIAL ADVISORS

Production:
- INVESTMENT CENTER – OPTIMA SIM Gruppo BPER Banca
- ASSETS UNDER MANAGEMENT – ARCA SGR; BPER: Sicav
- LIFE INSURANCE – ARCA VITA

Direct supervision

AM growth engine for other customer segments (e.g. Affluent customers)

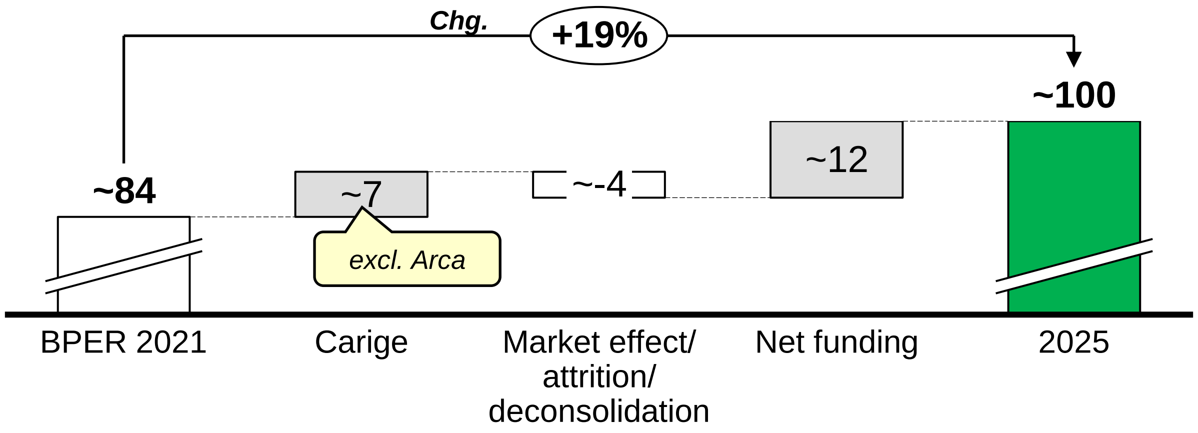
5 lines of growth for Group WM&AM to reach 2025 targets: approx. 100 B€ in AuM and 830 M€ in net commission income

LINES OF GROWTH

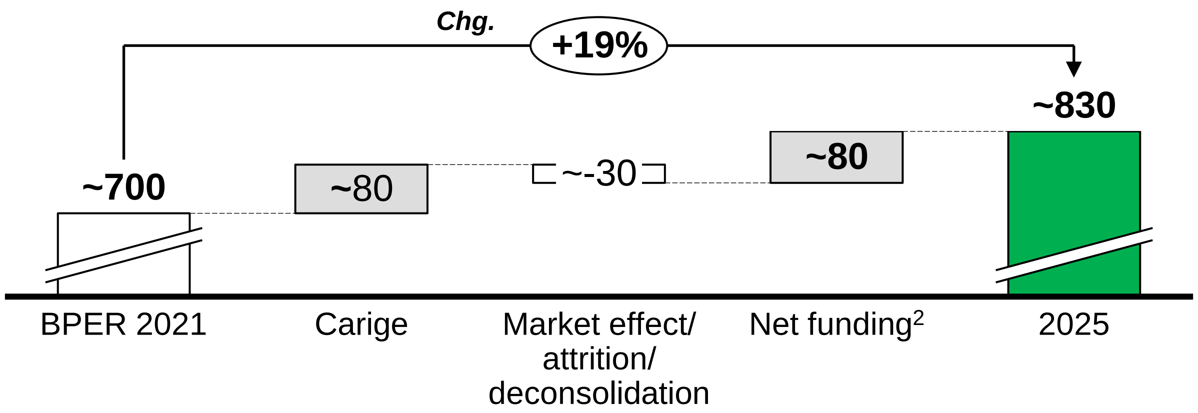
- **Consolidation and specialisation of private banking** (~40 B€)
- **AuM+Life bancassurance growth** on captive customers
- **New customer acquisition from Carige perimeter**
- Full potential of **product factories ecosystem**
- **New incentive system** for private bankers

TARGETS

AUM + LIFE BANCASSURANCE STOCK (B€)



FEES AND COMMISSIONS WEALTH MANAGEMENT [1] (M€)



1. Includes product factories contribution and profitability from assets under custody
2. Includes fees and commissions of AuM, Life Insurance and Certificates

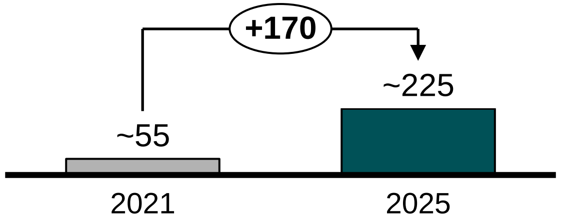
Implementation of a **bancassurance**-dedicated structure and new business model

DEVELOPMENTAL GUIDELINES

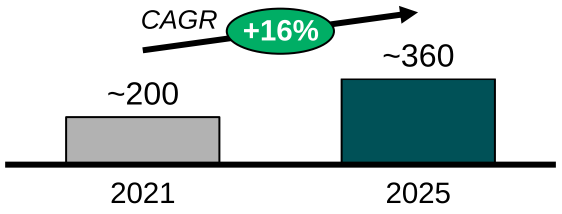
- ✓ **Set up of dedicated network of ~225 HC** partly hired on the market and partly reskilled for redeployment via a training plan with an external insurance partner
- Specialisation of the service model via enhancement of post-sales services and **digitalisation of key products** (non-life / health)
- Evolution of **processes,** targeting approaches and industrialisation of customer contacts
- Maximisation of **commercial synergies** with other banking products

KEY NUMBERS

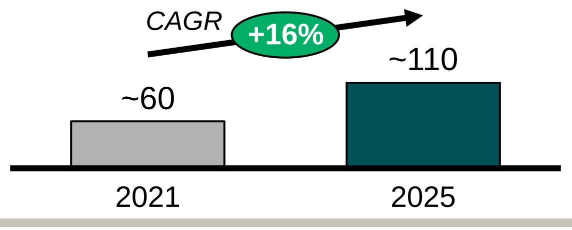
Bancassurance sellers (#)



Non-life Bancassurance Premiums[1] (M€)



Non-Life Bancassurance commissions[1] (M€)



1. Internal estimate; bancassurance agreement renewal in progress

✓ Initiatives already fully operational

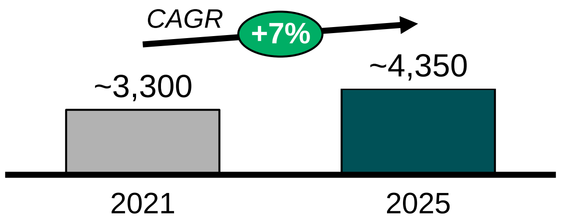
Strengthening of **consumer credit** via full centralisation of personal loan origination in Bibanca and digitalisation of the product proposition

DEVELOPMENTAL GUIDELINES

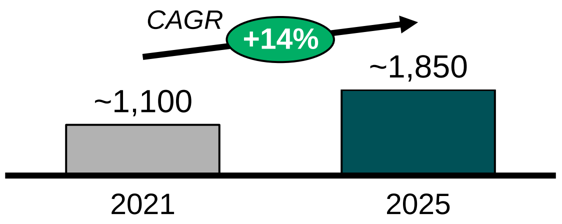
- ✓ Full-scale **centralisation of personal loan origination in Bibanca**
- **Reinforced network of** fifth-of-salary/pension backed loan **agents**
- **Digitalisation of products and expansion of product proposition**, for self-guided and remote purchase of consumer credit and e-money products
- Implementation of **advanced scoring and analytics-based underwriting models** to increase consumer credit penetration among the Bank’s customers
- Termination of Carige’s distribution agreement with **Creditis** is under consideration

KEY NUMBERS

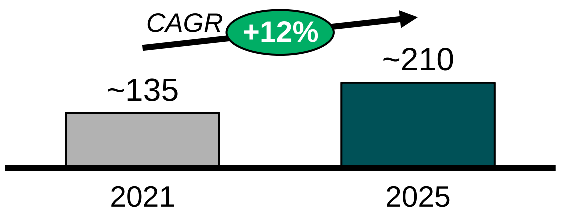
Consumer Credit Stock[1] (M€)



Consumer Credit granted[1] (M€)



Operating Income from Consumer Credit[2] (M€)



1. Personal & 5th salary/ pension Loans
2. Based on internal data

✓ Initiatives already fully operational

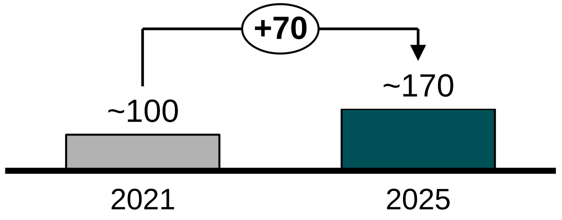
New CIB service model for Group Large and Mid Corporate customer growth

DEVELOPMENTAL GUIDELINES

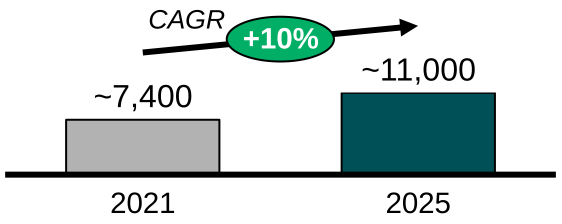
- ✓ Start-up of **new CIB Department** to intensify relationship management of currently underserved customer segments and operations
- ✓ **Strengthening of structured finance desk / advisory** by centralising competences
- **Expansion of management team** and **targeted hiring plan** (+20 professionals already hired)
- **Wider CIB coverage for medium /large businesses**
- **Larger market share** in ***Business Advisory, Capital Markets*** and ***Structured Finance***, leveraging product cross-selling opportunities in a logic of maximisation of capital employed
- Enhancement of **collaboration with product factories** (e.g. BPER Factor), including in line with the objectives of the NRRP
- Renewal of **digital platforms**

KEY NUMBERS

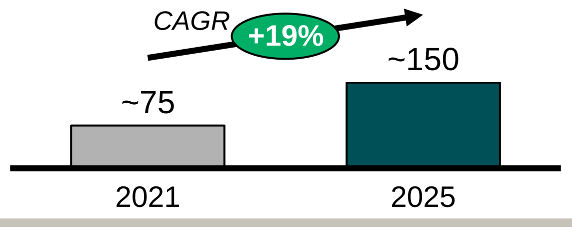
CIB staff (#HC)



Stock of CIB loans[1] (M€)



CIB Operating Income[2] (M€)



1. 2021 value recalculated pro-forma after Corporate customer portfolio re-segmentation towards the Key Corporate Clients segment (Large Corporate)
2. Operating Income attributable to the CIB department

✓ Initiatives already fully operational

Targeted actions identified to safeguard asset quality over time, focusing on the dissemination of a **credit risk culture**

1. GROWTH-ORIENTED CREDIT POLICIES

- **Upgrade credit policies**, via:
  - promotion of loans to sectors consistent with **risk/return targets**
  - closer **integration with commercial action** of customer segments
  - increased **sectoral specialisation** and introduction of a **supply chain approach**
  - **stronger ESG framework,** in line with market best practice

2. ENHANCED CREDIT MANAGEMENT MODEL

- Review and specialisation of the **Credit Department organisational structure**
- Development of ***data driven*** methodologies for credit origination and management
- Streamline and digitalise **origination** and **pre-approval processes**
- Increase **efficiency** of **processes** and **tools** in use
- Stronger **credit culture** via dedicated Academies

3. PROACTIVE PROCESSES, OUTSOURCING AND DE-RISKING

- Develop a new ***early management*** system and make **proactive management of** higher risk ***positions*** more efficient
- **Dispose** of **BPER Credit Management** and **UTP debt collection platform** with concurrent **sale** of **non-performing loans for an amount of 2.5 B€**
- Implement a **multi-year servicing** agreement to maximise NPE workout

Agenda

IT to evolve with solutions consistent with enabling the transformation of the business model

MAIN LINES OF IT TRANSFORMATION

DIGITAL DATA-DRIVEN APPLICATION ARCHITECTURE

Data-driven, omni-channel architecture, **modernisation of legacy systems** and stepwise adoption of **open-banking and market solutions**

Conversion of 20-25% workload from legacy to open/cloud systems

HYBRID CLOUD INFRASTRUCTURE

Rationalisation and **modernisation** of the **data centres, *journey to cloud* and advanced cybersecurity solutions** to improve service reliability and performance

Cloud scalability with 15-20% carbon footprint reduction in IT

CENTRALISED, AGILE IT GOVERNANCE

Centralise Group IT Governance, new ***vendor management*** strategies and definition of specific **career paths** to attract and retain digital talents

IT investment capacity more than doubled

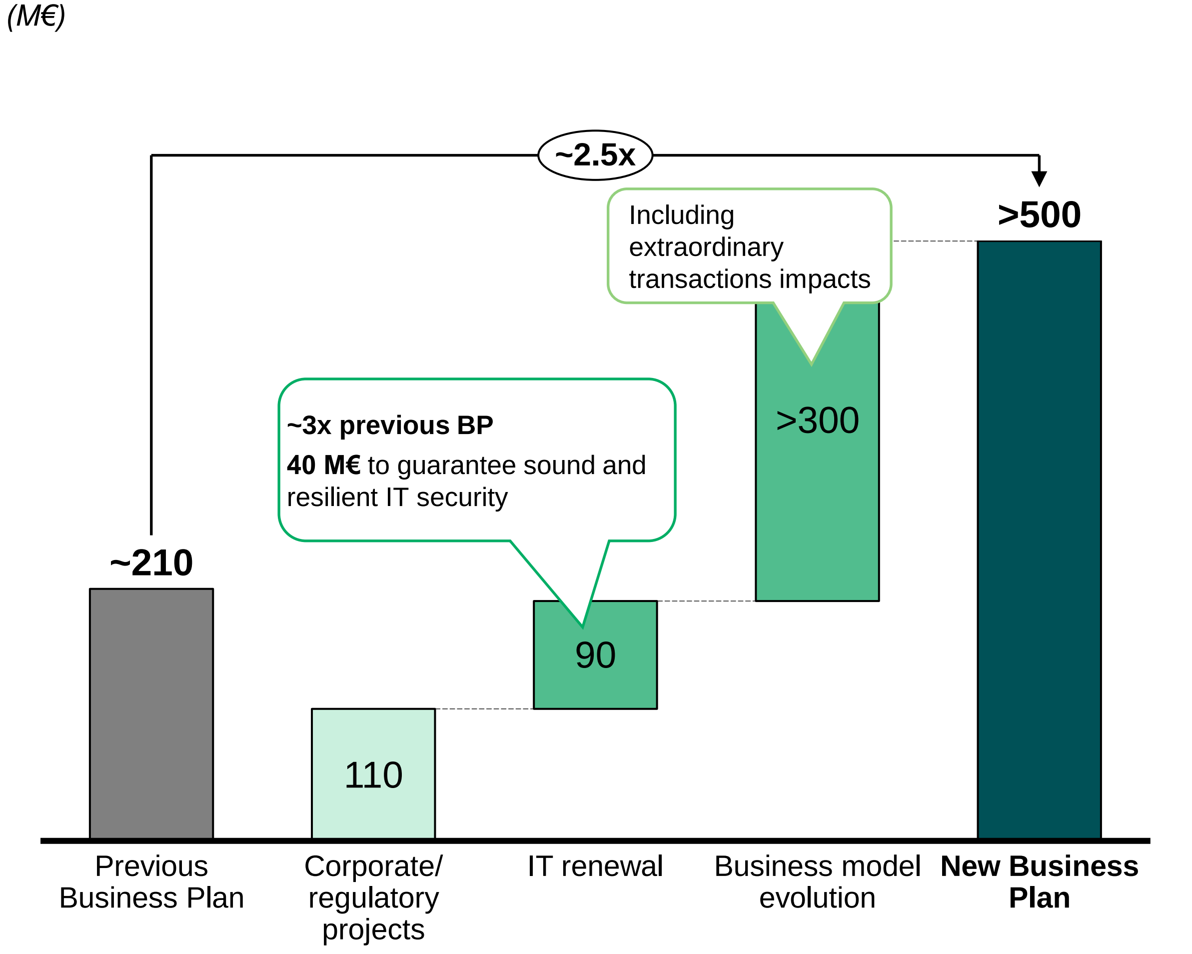
INDUSTRIALISED INTEGRATION MODEL

Industrialised IT integration model to manage activities and **higher level of technological capability** to support extraordinary corporate transactions

Management of extraordinary transactions in parallel with projects implementation

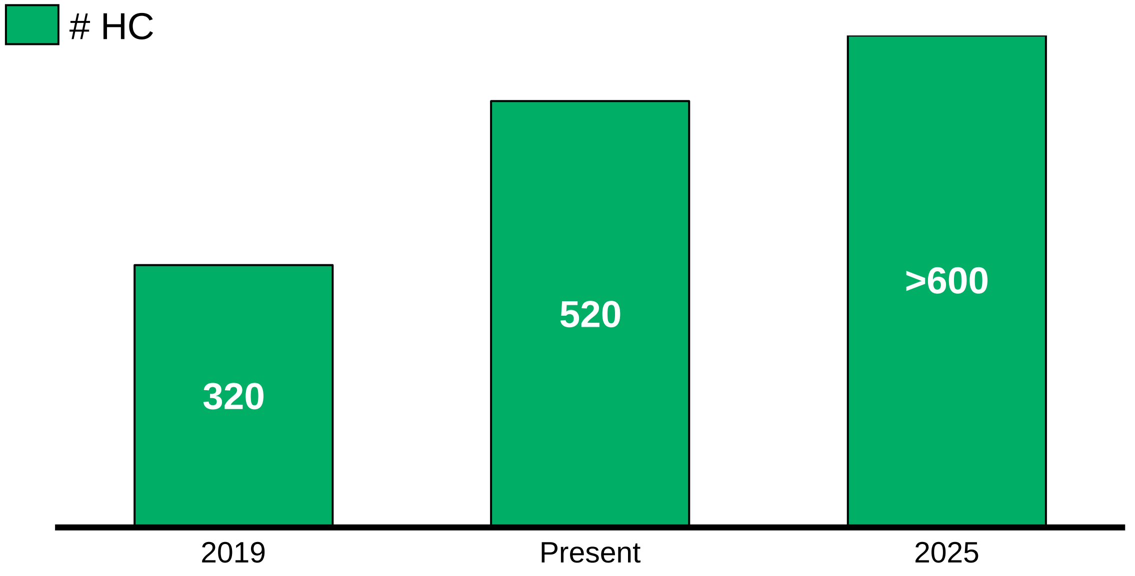
Sizeable increase in IT investments, enabled by scale-up in size, management and skills of IT staff

IT INVESTMENT PLAN



IT HEADCOUNT SCALE-UP

- 70% New IT Managers[1]
- Ad-hoc career paths for IT
- Academy / training
- New organisation
- Digital Factory and other Centres of Excellence



1. Promoted to or hired as IT managers

New **technological capabilities** and digital service implementation strategies will reduce time to market with tangible results as early as from halfway through the plan

NON EXHAUSTIVE

ENABLERS

- NEW ARCHITECTURE
- OPEN BANKING *(White label / Plug & Play)*
- DIGITAL FACTORY
- DATA DRIVEN BANK

BUSINESS PLAN FIRST RELEASES

- PRODUCT DIGITALISATION
- UPGRADE OF IB/ APP
- DIGITAL WEALTH
- NEW CRM
- PROCESS OVERHAUL
- DIGITAL CORPORATE
- ...

EXTRAORDINARY CORPORATE TRANSACTIONS

- CARIGE ACQUISITION
- BRANCH DISPOSAL
- UTP AND BAD LOAN PLATFORM DISPOSAL
- ...

Stronger digital proposition developed around customer needs, gradual sales increase via the digital channel

THE PATH TO BEING DIGITAL

From <5% to >40% of products sold via omnichannel customer journeys by 2025

YOUNG PEOPLE DOTS	*FAMILY*	*AFFLUENT*	*POE (Small Market Players)* / *CORPORATE*	
STRONGER DOTS PROPOSITION	**CONTACT INDUSTRIALISATION AND SELF SERVICE**	**PREMIUM SERVICES HUMAN + DIGITAL**	**DIGITAL SMEs IN A BOX**	**DIGITALISATION OF END-TO-END PROCESSES**

STRONGER DOTS PROPOSITION

- Evolution from a virtual card to **digital offering**
- Expansion of product/ services offered with **Open Banking/White Label** collaboration
- **Sharing of core capabilities** and Group digitalisation path to minimise duplication of investments and costs

CONTACT INDUSTRIALISATION AND SELF SERVICE

- Enhancement of **centralised marketing automation** and new propensity models driven by machine learning algorithms
- Expansion of **omnichannel customer journeys**
- **Digitalisation** focus on **core products** (onboarding, payments, personal loans, remote loan application, …)

PREMIUM SERVICES HUMAN + DIGITAL

- Digitalisation of the ***bancassurance*** offering
- **Renewed catalogue** of specialised products
- **Improved advisory tools and services:**
  - *Service remotisation*
  - *Robo-advisory*
  - *Robo4Advisor*

DIGITAL SMEs IN A BOX

- **Digital platform** with **dedicated onboarding** and **digital credit products** (lending, factoring, advances on invoices)
- **Digitalisation** of core business products (POS, company credit cards, …)

DIGITALISATION OF END-TO-END PROCESSES

- Higher **commercial productivity**
- Effort focused on **customer relationship** and improved customer experience
- Reduced **environmental** impact (paperless)

Activation of a new «innovation» model as an accelerator of the Group's transformation and growth

4 areas of intervention identified to further develop and unite BPER human capital

Performance & Rewarding

- **Evolution of** and increased funding for **the incentive / MBO system**
- **New LTI** defined, with objectives linked to the Business Plan targets
- New **performance-remuneration correlation mechanisms**
- Review of «**Performance Management**" processes

Sustainable Workforce

- **Gradual improvement in the «Gender Mix» of roles of responsibility**
- Definition and activation of a **female leadership programme**
- Evolving **corporate culture and values**, including through the provision of **ESG training**

top EMPLOYER ITALIA ITALY 2022 CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

People Experience

- Evolution of the HR-dedicated **«service model»** for the growth and reskilling of people
- Increased **training** (+20% in training content) and roll-out of the new **Learning Academy model**
- **Technological** upgrade of the **HR platform** and **People Analytics**

New Way of Working

- Launch of the **new workplace model,** by promoting **remote-work** and an ambitious corporate space redesign programme

Hiring of ca. **1,450 specialists** with skills aligned with the new needs of the Business Plan (IT, Digital, Data, WM, ESG …)

Evolving workplace models

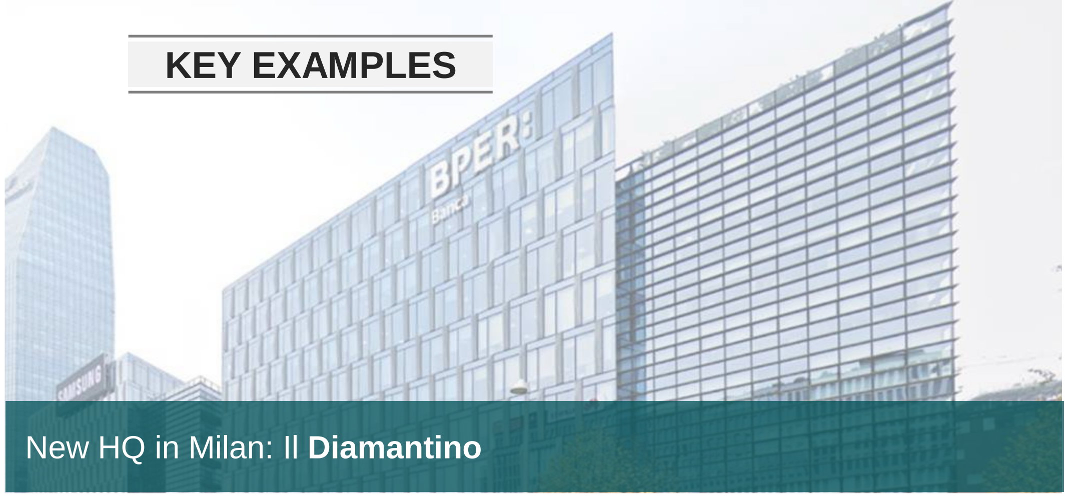
DEVELOPMENTAL GUIDELINES

- Adoption of **one design** for all of the Group's HQs
- **Standardised technology** to support hybrid work, ensuring a **functional use of office space**
- Creation of a **smart workplace**, in line with ESG and sustainability objectives

MAIN BENEFITS

- Strengthening the **BPER brand positioning** and foster a sense of **corporate identity and belonging** in the workforce
- Improving the **quality of working space** and the **well-being of employees** with offices suitable for new ways of working (remote/agile work)
- **Enhancing the value** of **owned properties** including in view of potential disposal
- **Reducing** the **costs** and improving the efficiency of properties through **consolidation** (primarily in Modena and Milan)
- Reducing the environmental impact, particularly in terms of **Co2e emissions**

KEY EXAMPLES



New HQ in Milan: Il **Diamantino**

Modena HQ: Graphic rendering

Modena HQ: The photovoltaic park

Agenda

The Business Plan has traced the Group's line of development in ESG to create long-term shared value

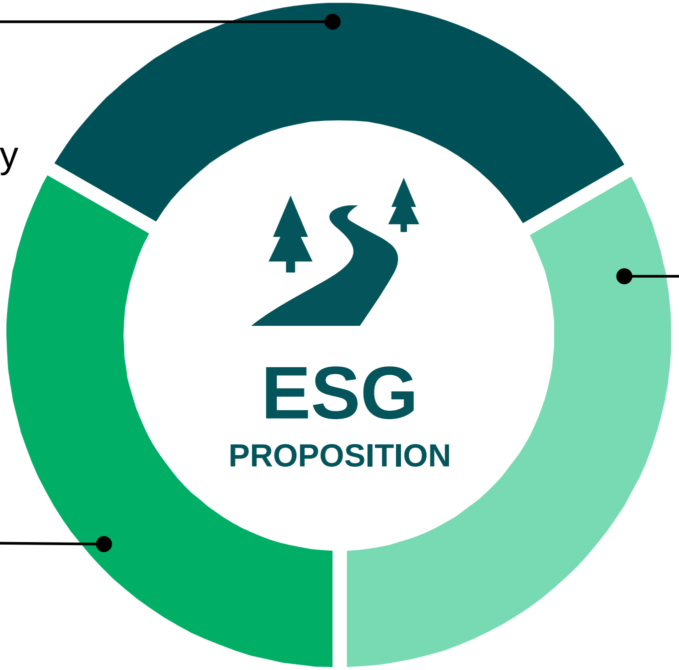
ENVIRONMENTAL

EXTERNAL TRANSITION

- **Driver for transition** of businesses to low-carbon economy

INTERNAL TRANSITION

- **Reduction** in Group emissions, with targets in line with the Paris Agreement



GOVERNANCE

SUSTAINABLE LEADERSHIP

- **ESG Governance** consolidation
- Incorporation of ESG targets in **remuneration schemes**
- Implementation of ESG criteria ensuring a **«client-oriented» company approach**
- **Higher ESG ratings**

SOCIAL

SOCIAL RESPONSIBILITY

- Strong outreach to **communities**
- Development of education and inclusion programmes for **young people**
- **Diversity & Inclusion** at all company levels
- Dissemination of internal and external **ESG culture**

Results achieved and recognised by the financial community

ENVIRONMENTAL

- **Carbon footprint** tracking with **physical and transition risk analysis** of loan book and securities portfolio*
- **Scenario Analysis*** of C&E[1] physical and transition risk completed
- Participation in the **Net Zero Banking Alliance** and TCFD[2]
- **+ 109% kWh** generated by **photovoltaic systems**[3] in 2021
- Calculation of **science-based emission reduction targets** for 2030**, in line with the Paris Agreement**

SOCIAL

- First **social bond issuance for an amount of 0.5 B€** (March 2021)
- **ESG training** initiatives for employees
- Evolution of **company welfare**
- Platform of **Welfare** services for **Corporate customers**
- **D&I Policy review,** with a **Bank comprehensive vision** (BoD, BoSA, Top management, employees, subsidiaries)
- **+ 128,000 young people** involved in **positive social impact projects** in 2021

GOVERNANCE

- **47% share of women in the BoD** and **67% in the Board of Statutory Auditors**
- Stronger **ESG governance: Board-internal Sustainability Committee; managerial ESG Committee; dedicated** function (reporting to the BoD)
- Implementation and incorporation of an **Action Plan for C&E risk management** in the operating model
- Inclusion in the **MIB ESG index on the Euronext market of Borsa Italiana**
- Publication of **Environmental, Social and Sustainability Bond Framework**
- Official signatory of the **PRB**[4]

1. Climate & Environmental
2. Task Force on Climate-Related Financial Disclosures
3. 3 new photovoltaic plants for total 1.2 Gwp were built in 2020-21
4. Principles for Responsible Banking

(*) see Consolidated Non-Financial Statement 2021

Concrete objectives and actions to be delivered with an ESG infusion approach to all Pillars of the strategic plan

	NATIONAL SCALE MULTI-SPECIALIST	TRANSFORMATION INTO A FEE-BASED REVENUE MODEL	IT & BUSINESS PARTNERSHIP FOR TRANSFORMATION AND GROWTH	SIMPLE, DIGITAL BANK	PEOPLE AT THE CENTRE	CROSS-CUTTING
ENVIRONMENTAL	• **Risk Management Framework** with climate factors	• Intensification of **green lending and advisory** (sectors/supply chains, NRRP, 110% superbonus, green mortgage loans[1],...)	• **Rationalising** the **IT architecture** in a sustainable perspective (*«Hybrid Cloud», datacenter)*	• Incorporation of **ESG criteria** in the Company's **procurement choices (MEC**[2]**)** • Implementation of the **Net Zero Banking Alliance**	• Encourage agile work and **life/work balance** including via the rationalisation of **HQ locations (new workplace**)	• **Reduction** of Group emissions, with science-based targets in line with the Paris Agreement
SOCIAL	• Increased lending to **Non-Profit** Organisations			• **Accessibility** to D&I products and services	• **Financial education** activity **by young people for young people** (in collaboration with universities) • **Loans of honour** to university students • **D&I project**	• Partnership with national organisations to promote social **inclusion** of the **weaker sections of society**
GOVERNANCE	• Monitoring of the **C&E risk management Action Plan** (ESG Compliance Programme)			• **PRB** implementation • Incorporation of **ESG criteria in supplier assessment**	• Inclusion of **ESG targets in remuneration policies**	• Redesigning the **internal Organisational Model** to define **ESG roles and responsibilities**
ESG	• Upgrade of **credit processes** with incorporation of **ESG factors** • Expanding the **proposition of ESG investment products**	• Rating of Corporate customers through an **ESG score**	• **Improved** ESG data and indicators **collection/management process** for Corporate customers	• **Initiatives** in **support** of **culture** and promotion of **art and museum heritage**	• Professional upskilling and reskilling **programmes** on ESG issues • Increase ESG awareness of **all employees**	• Incorporation of ESG criteria in the **credit policy** • Incorporation of ESG criteria in the **banking/trading book investment policy**

1. Mortgage loans on buildings in class A and B or renovated to improve energy efficiency
2. Minimum Environmental Criteria (MEC), requirements for the purchasing process aimed at identifying the products /services that have a greener life cycle

Main financial targets

ENVIRONMENTAL

• **Green lending** (sectors/supply chains, NRRP, 110% superbonus, ...)	**>7 B€** *ESG loans granted to businesses over Plan period**	• **Group emission reduction**[2]	**-23%** *CO2 emissions in 2025**
• **Expanding the proposition** of ESG investment products and ESG AuM[1]	**+25%** *# ESG products and ESG AuM stock*	• **Increasing the use of renewable energy sources**[3]	**100%** *Electricity from renewable sources from 2022*

SOCIAL

• Sustaining **activities in support of communities and local development***	**15 M€**	• **Diversity & Inclusion project**[4]	**25%** *female managers** **33%** *female middle managers + managers**
• More **financial education programmes***	**+400,000** *people involved over the Plan period*	• Disseminating **ESG culture** via professional **upskilling/reskilling programmes and ESG awareness increase**	**>50%** *employees trained in ESG;* **100%** *employees with ESG awareness*

GOVERNANCE

• **ESG targets in MBO[5] and LTI**	**15%** *ESG KPIs weight*	• Key **ESG Ratings** evolving to **Best in class levels**[6]

1. Higher number of ESG products and ESG AuM on offer
2. Science-Based Targets : 23% emission reduction by 2025 and 50% reduction by 2030 (as requested by NZBA)
3. As early as from end-2022 100% of purchased electricity will derive from renewable sources
4. Targets do not include ARCA Sgr
5. Valid for 2022
6. S&P ESG Evaluation, Moody's ESG Solutions, Standard Ethics Rating

(*) Included in the LTI plan; for key social projects, the positive impact generated will be considered

Conclusions

Clear strategic vision & size scale-up	BPER e-volution
1. Disposal of non-core assets and capital release for the core business	*-2.8 B€ in RWAs* *>500 M€ in capital to be used for the core business*
2. Re-focus on high-value business (CIB, Bancassurance, Wealth Management, Consumer Credit)	*>30% contribution to Revenues[1]*
3. Technological and operational evolution	*>500 M€ in IT investments* *Cost income <58%*
4. De-risking completion	*Gross NPE Ratio ~3.6%*
Major increase in profitability and payout	*ROTE > 10% and Payout target ~50%*

1. Contribution of CIB, Bancassurance, Wealth Management and Consumer Credit to the Group's total revenues in 2025

Agenda

Methodological Note

GENERAL NOTES

- Figures in the presentation may not coincide with totals in the tables because of **roundings**
- **CET1 ratio fully phased** throughout the document, unless otherwise stated

KEY DEFINITIONS

CARIGE 2021	Internal reclassification
INCOME STATEMENT	Reference is made to the reclassified income statement schedule
ROTE	Calculated as net profit / [(tangible equity for prior year + tangible equity for the year) / 2]
TANGIBLE EQUITY	Sum of valuation reserves (caption 120 + caption 125), Redeemable shares (caption 130), Reserves (caption 150), Share premium (caption 160), Share capital (caption 170) - Treasury shares (caption 180), Consolidated profit net of dividend distributed (or approved) by the parent or consolidating company (caption 200) - Intangible assets (caption 100)
OPERATING COSTS	Staff costs, administrative expenses, depreciation and amortisation
OTHER INCOME	Dividend, trading and other operating income/expense
BPER NORMALISED	Stand-alone figures, net of one-offs
BPER 2021 PF STAND-ALONE	Stand-alone figures, net of one-offs, with annualised contribution from former UBI/ISP business unit
BPER 2021 PF COMBINED	BPER PF stand alone + Carige contribution + impact from deconsolidation

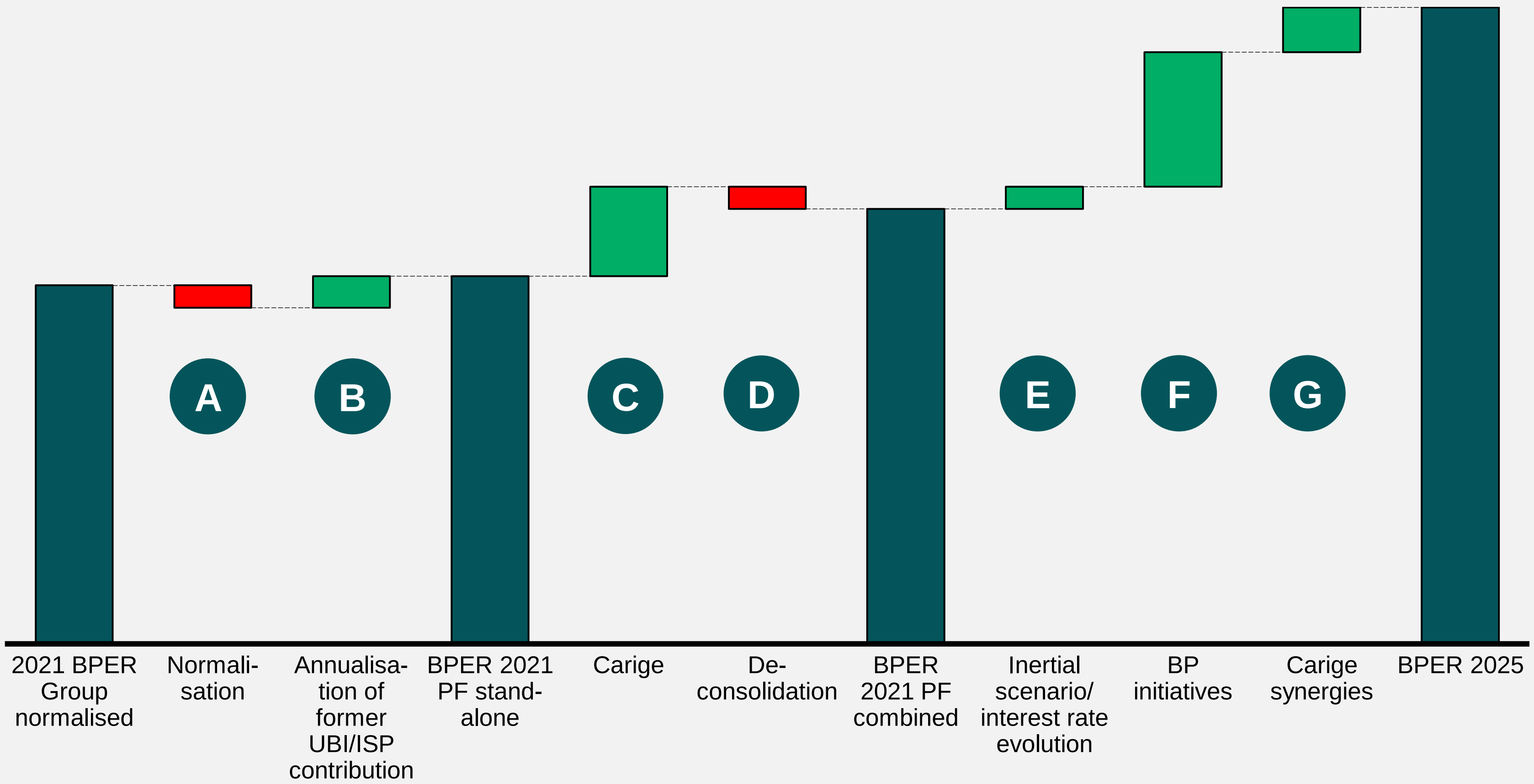
Financial targets were determined by taking into account the new reference scenario, the impacts of Business Plan projects and planned extraordinary transactions

ACTIONS

- **A** Normalisation of **2021 non-recurring items** («*one-offs*»)
- **B** Annualisation of **former UBI-ISP business unit contribution**
- **C** **Carige** supplementary **contribution**
- **D** **Extraordinary deconsolidation transactions** (leasing, merchant acquiring, NPEs…)
- **E** **Scenario** projection with updated **macro-economic context** and **interest rate forecasts**
- **F** **Upside from initiatives** for growth set out in the **Business Plan**
- **G** Add-on from **Carige transaction synergies**

RATIONALE FOR THE DEFINITION OF TARGETS

ILLUSTRATIVE



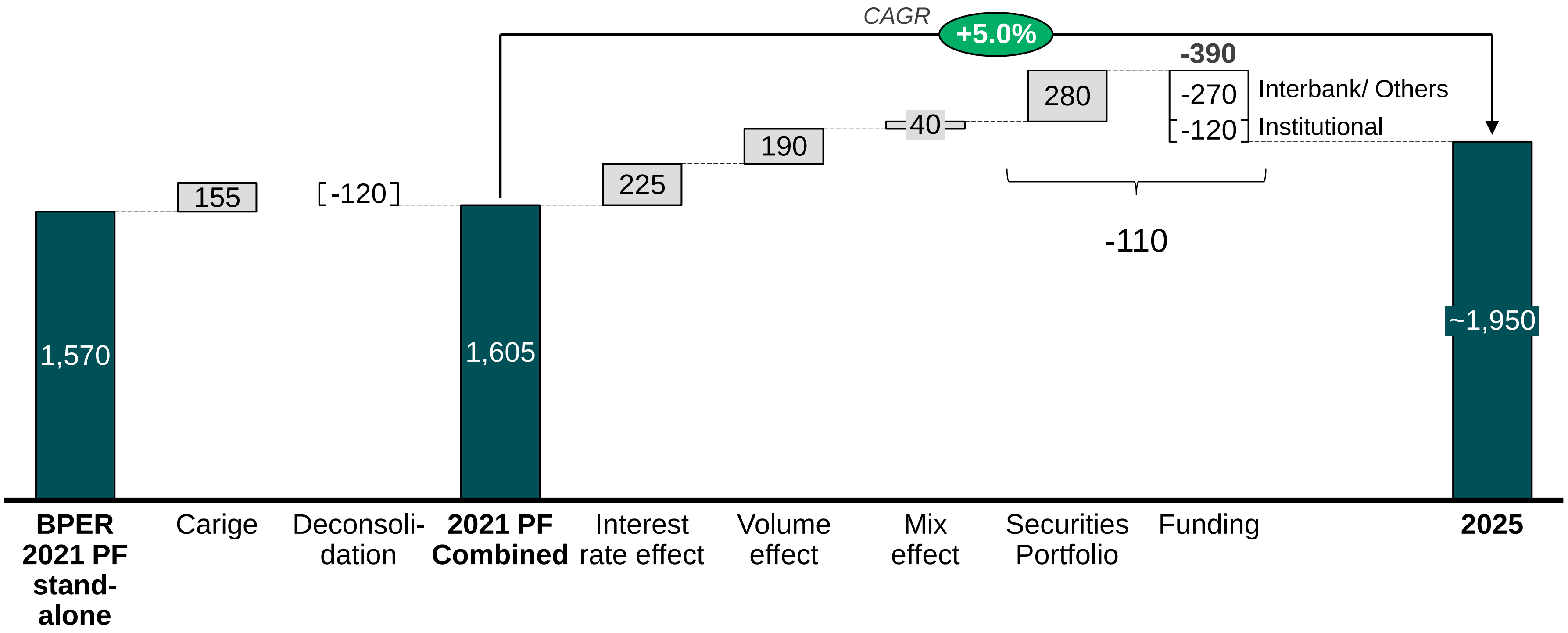
Highlights of balance sheet and structure

		2021 normalised	2025
VOLUMES (B€)	**GROSS BANKING PRODUCT**	**~347**	**~396**
	TOTAL FUNDING	~268	~301
	o.w. DIRECT FUNDING	~101	~111
	o.w. INDIRECT FUNDING	~166	~190
	TOTAL LOANS[1]	~79	~95
	RWAs	**~45**	**~61**
STRUCTURE (#)	WORKFORCE	~18,400	~19,400
	BRANCHES	1,742	~1,500

1. Net loans

The trend of Net Interest Income reflects TLTRO exit strategy

NET INTEREST INCOME (M€)



KEY DYNAMICS

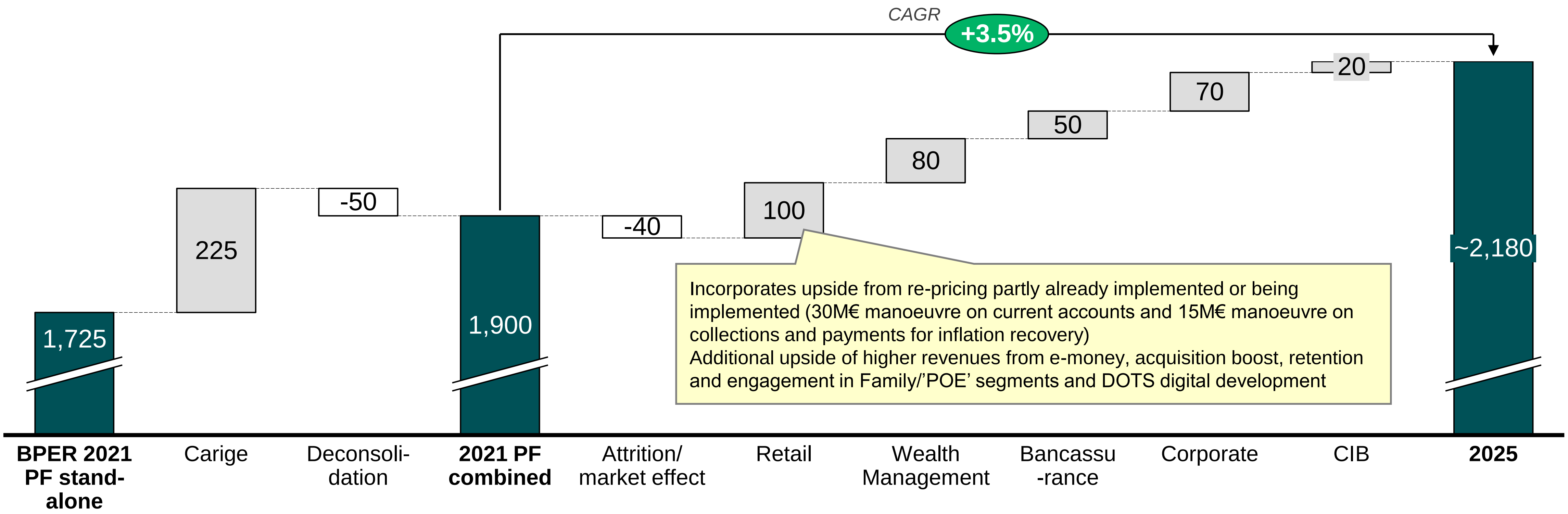
Growth expected over the Plan period[1]:

- **Net loans to customers:** from 86 B€ to 95 B€
- **Retail/corporate funding**: from 106 to 101 B€
- **Customer spread:** from 1.80% to 2.10%
- **Yield on securities portfolio**: from 0.40% to 1.30%

1. Baseline data refers to 2021 pro-forma values combined

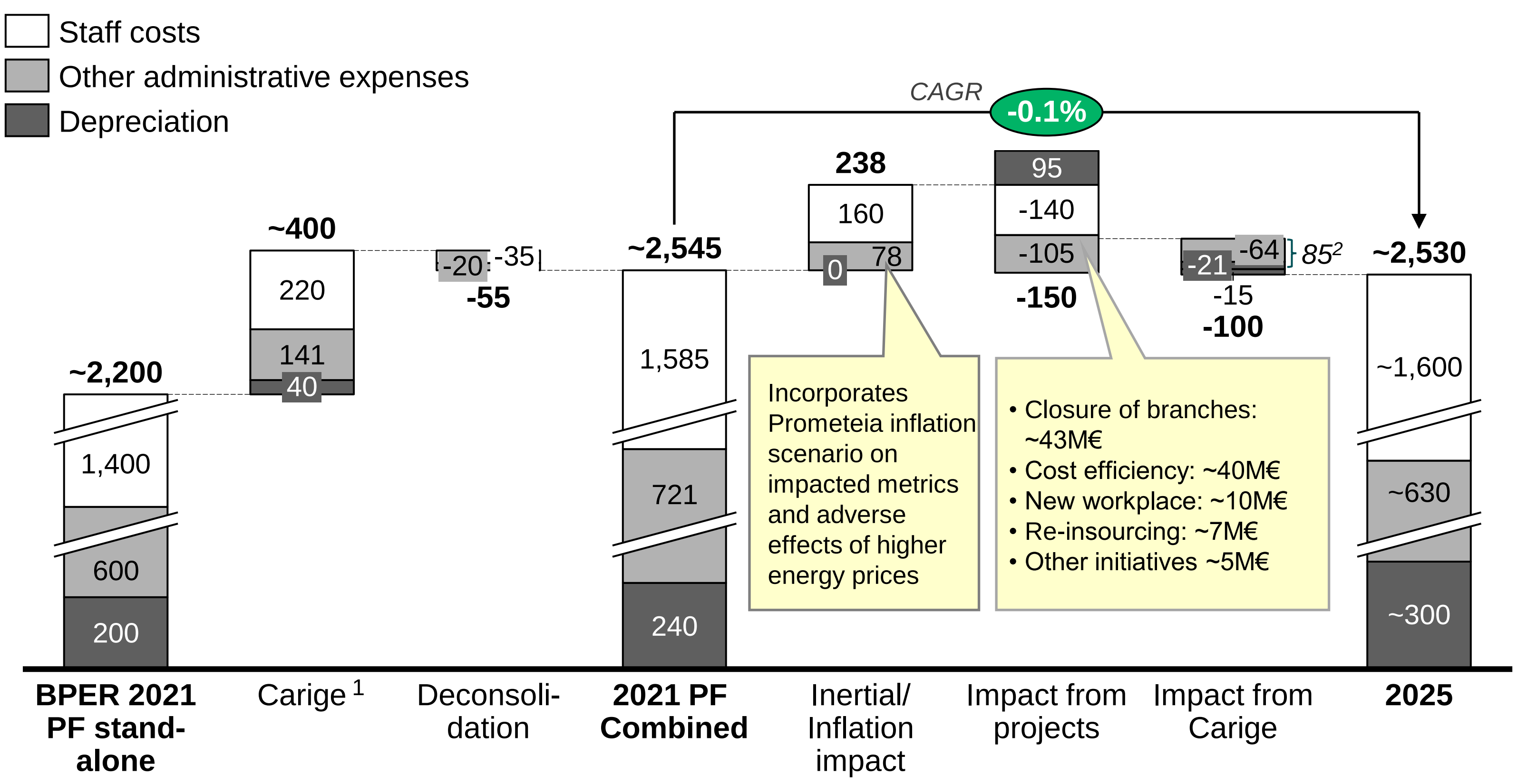
Commissions on the rise thanks to balanced contribution of Business Plan projects

NET COMMISSION INCOME (M€)

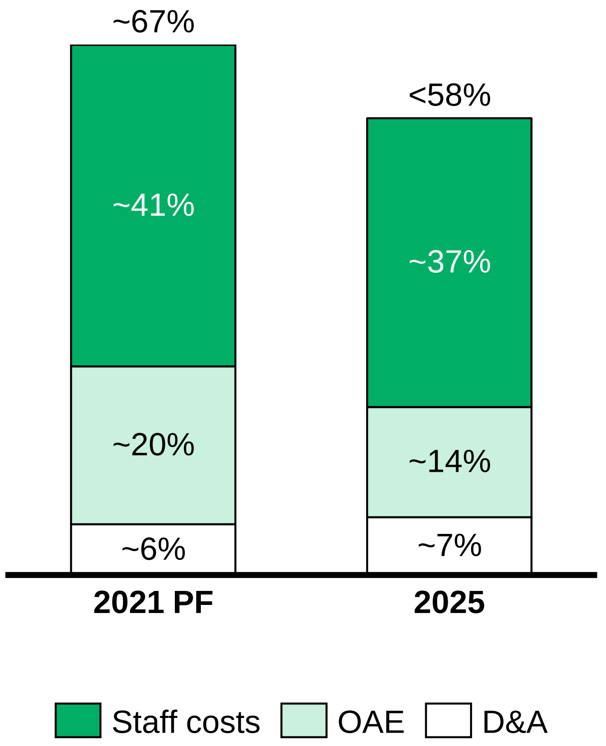


Operating costs affected by inflation forecasts and project investments; important upside from HR manoeuvre and projects contribution

OPERATING COSTS (M€)



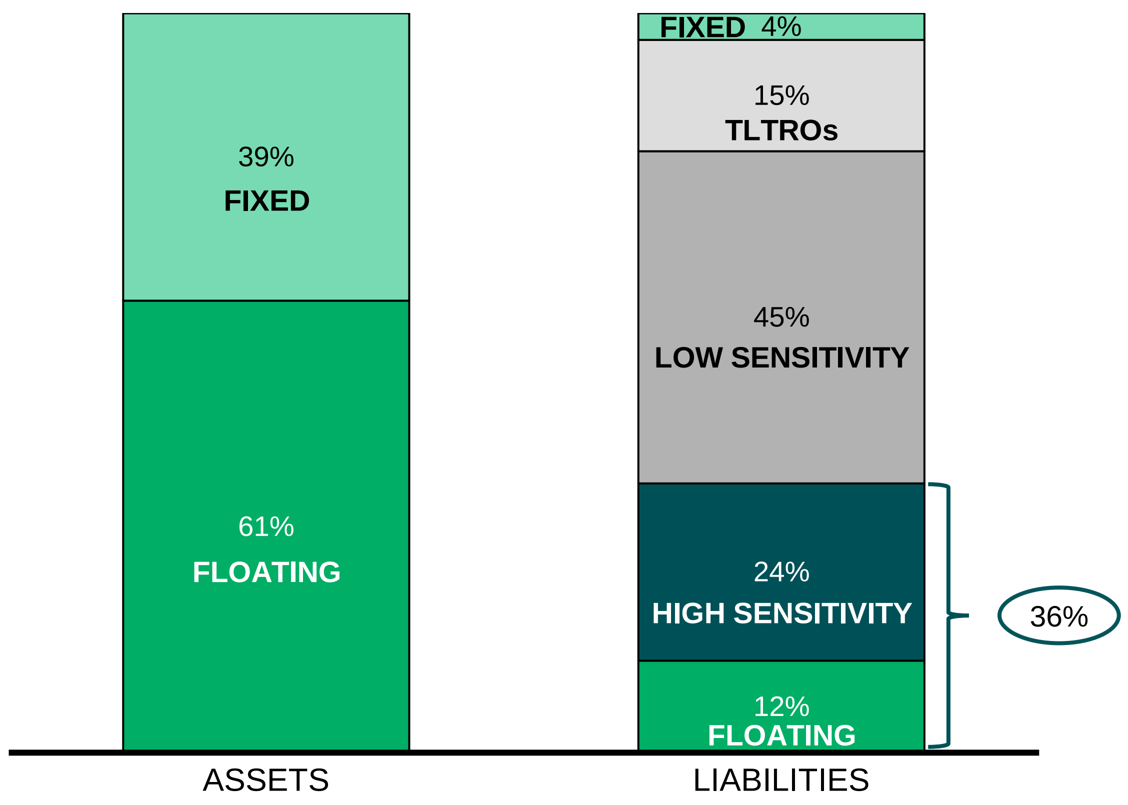
COST TO INCOME (as a % of revenues)

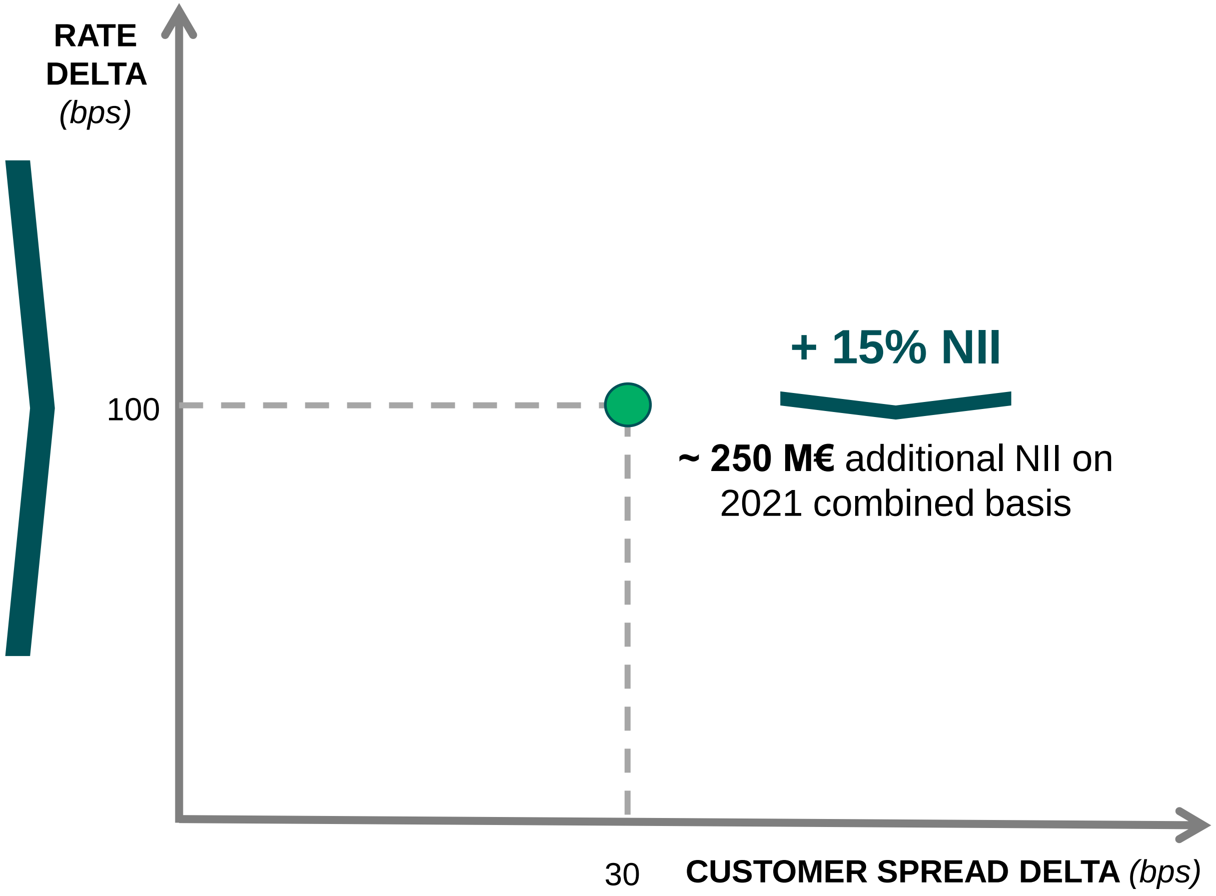


1. Internal estimate
2. Upside from Carige cost synergies

Sensitivity to 100bps rate increase: ~250 M€ in higher NII; balance sheet structure more sensitive on the asset side

BALANCE SHEET SENSITIVITY[1]
(TYPE % SHARE OF TOTAL)

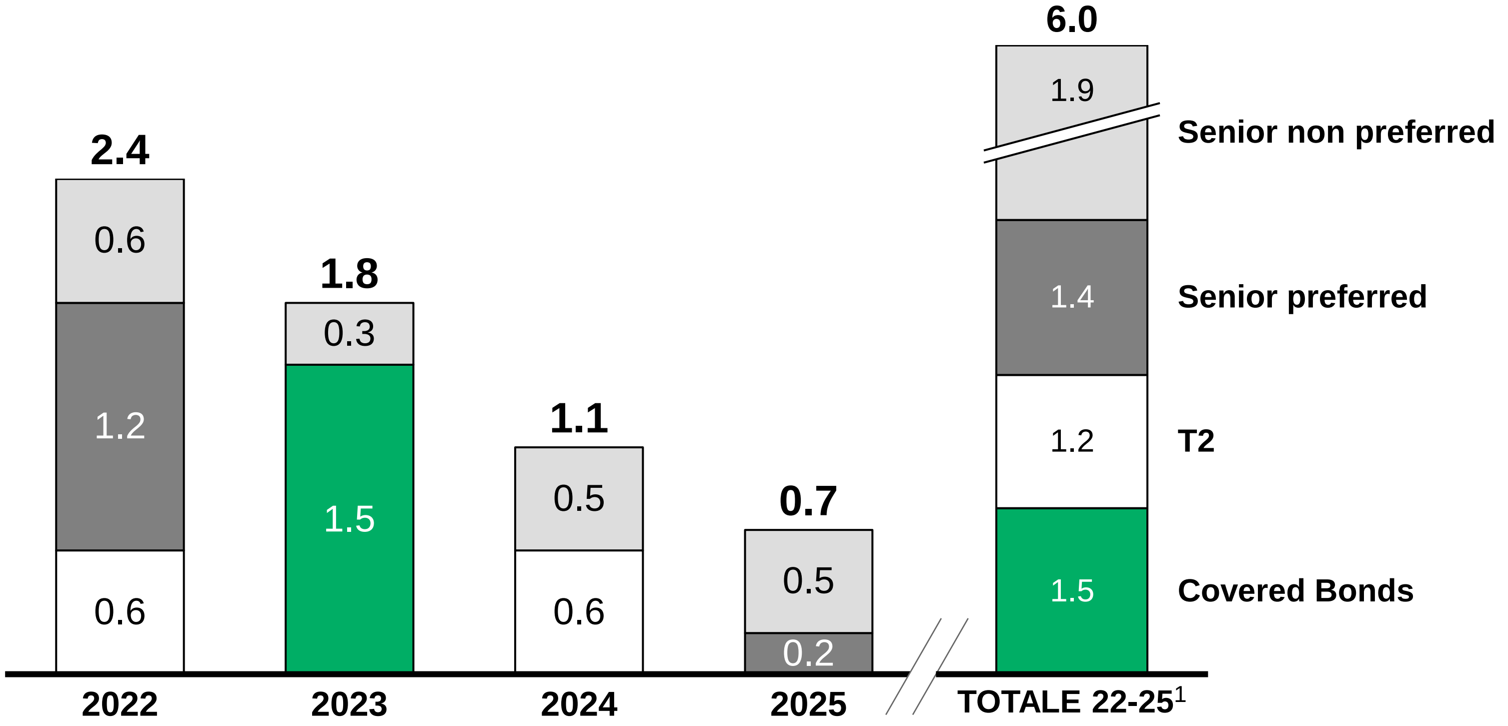




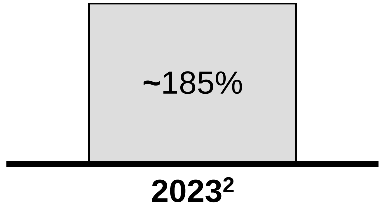
1. Referred to BPER Group stand-alone

Institutional issuance plan of approx. 6B€ over the next 4 years, in line with TLTRO phase-out; liquidity ratios broadly in excess of regulatory targets

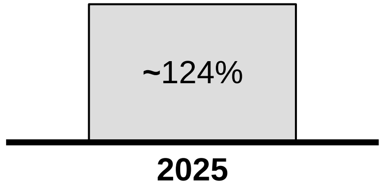
TOTAL ISSUANCES BY TYPE/YEAR (B€)



LCR (%)



NSFR (%)



The Plan steers the evolution of **MREL** requirements over time based on the information available to date:
Requirements met throughout the Plan period

1. The total takes account of potential redemptions of callable securities
2. 1H 2023 projection

Income Statement, Balance Sheet and KPIs

Income statement (M€)	2021 norm.	2024	2025
Net Interest Income	1,505	~1,920	~1,950
Net commission income	1,642	~2,125	~2,180
Other income	233	~245	~245
Operating income	3,380	~4,290	~4,370
Operating costs	(2,099)	~(2,570)	~(2,530)
Net operating income	1,281	~1,715	~1,840
LLPs	(528)	~(635)	~(590)
Net Operating Income after provisioning	753	~1,080	~1,250
Profit before tax	580	~930	~1,160
Net profit[1]	384	~640	~800

Balance Sheet (B€)	2021 norm.	2024	2025
Loans to customers	~79	~93	~95
Total direct funding	~101	~112	~111
Total indirect funding	~166	~187	~190

Indicators (%)	2021 norm.	2024	2025
RoTE	n.s.	~8.9%	>10%
C/I ratio	~62%	~60%	<58%
Cost of risk (bps)	67	~68	~60
Gross NPE ratio	4.9%	~3.7%	~3.6%
NPE coverage	60.4%	~47.4%	~50.9%
CET 1 ratio fully phased	13.5%	>13%	>13%
Dividend payout	~20%	~50%	~50%

1. Normalised 2021 profit assuming Tax rate of 28%, and 34M€ in minorities. Net profit at 2024 factors in 112 M€ worth of provisions for contributions to banking system funds (50 M€ at 2025)

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