

BPER:

Gruppo

1Q20 consolidated results

Alessandro Vandelli - CEO

6 May 2020

Disclaimer

This document has been prepared by “BPER Banca” solely for information purposes, and only in order to present its strategies and main financial figures.

The information contained in this document has not been audited.

No guarantee, express or implied, can be given as to the document’s contents, nor should the completeness, correctness or accuracy of the information or opinions herein be relied upon.

BPER Banca, its advisors and its representatives decline all liability (for negligence or any other cause) for any loss occasioned by the use of this document or its contents.

All forecasts contained herein have been prepared on the basis of specific assumptions which could prove wrong, in which case the actual data would differ from the figures given herein.

No part of this document may be regarded as forming the basis for any contract or agreement.

No part of the information contained herein may for any purpose be reproduced or published as a whole or in part, nor may such information be disseminated.

The Manager responsible for preparing the Company’s financial reports, Marco Bonfatti, declares, in accordance with art. 154-bis, para. 2, of the “Consolidated Financial Services Act” (Legislative Order No. 58/1998), that the accounting information contained in this document corresponds to documentary records, ledgers and accounting entries.

Marco Bonfatti

Manager responsible for preparing the Company's financial reports

Important methodological note

July 2019 saw completion of the acquisition of an additional shareholding in Arca Holding, the acquisition of the minority interests in Banco di Sardegna and the acquisition of 100% of Unipol Banca with the simultaneous sale to UnipolReC of bad loans for a gross carrying amount of around €1 billion.

These transactions took effect for accounting purposes from 1 July 2019 and Unipol Banca and ARCA Holding Spa were included in the scope of consolidation of the BPER Group from the same date. On 25 November 2019 Unipol Banca was merged by incorporation into BPER Banca.

It should be noted that as a result of these transactions, the accounting figures at 31 March 2020 are not comparable with those of the previous year. Accounting data referable to 3Q19,

4Q19 and 1Q20 are comparable on a like-for-like basis.

Note that figures in the following pages may not add exactly due to rounding differences.

Agenda

BPER GROUP CONSOLIDATED RESULTS

Executive summary

Balance sheet structure

Profit and loss

Liquidity and Capital adequacy

Final remarks

ANNEXES

Health emergency and BPER Group

Quick reaction to challenges in uncertain and tough environment

- BPER Group immediately reacted to face this unprecedented event - the health, economic and social emergency caused by the spread of the Covid-19 virus – with the objective to offer numerous initiatives in the areas where the Group operates
- Key priorities are to protect the health of its employees and customers and implement support measures for households, small businesses and companies, while ensuring operational continuity of corporate processes, also by introducing innovative working methods
- Business continuity
 - ✓ More than 70% of branches open since the beginning of the crisis; from 4th of May almost 100% of the branches open
 - ✓ Basically all ATMs remained accessible
 - ✓ c. 50% of employees working from home
 - ✓ High degree of digital capabilities helped to make effective our business continuity with customers
 - ✓ Increasing number of daily access to online channels and incoming calls to the Contact Center
- Measures to support households, small businesses and companies
 - ✓ Moratorium on loans repayments for SMEs (until 30 Sept.'20): more than 70K requests processed
 - ✓ 2 lines of credit available at Group level: 1) 1 €/bn to provide liquidity to corporates; 2) an initial tranche of 100 €/mn to support private individuals and retail businesses
 - ✓ Loans to SMEs and professional retail up to 25 €/k (100% guaranteed by MMC): more than 17k requests for more than 300 €/mn
 - ✓ New lending granted by SACE (CDP Group): signed the agreement with SACE for the provision of guarantees on loans exceeding 25 €/k and already set credit and IT infrastructures to provide financing
 - ✓ Agreement to access to unemployment benefits (“Anticipazione Cassa Integrazione Guadagni”)
 - ✓ Made available to the community over 3 €/mn to deal with the emergency caused by the health emergency. A significant part of these resources is the result of an internal fundraising campaign in which all the Group's staff participated, together with the management and the Board of Directors

Executive summary (1/2)

Good revenues generation, tight cost control, excellent levels of liquidity and capital solidity.

Additional provisioning for the worsening of macro scenario

Sound capital and liquidity position

- 1Q20 results confirm the strategic value of the extraordinary operations completed during 2019. In fact, despite a context characterized first by the economic slowdown, then by the effects of the health emergency, BPER Group showed good ability to generate revenues (operating profitability, even in the presence of a limited contribution from finance, almost reached 600 €/mn), tight cost control, excellent levels of liquidity and capital solidity.
- 1Q20 net profit of 6.1 €/mn strongly affected by the accounting of additional loan loss provisions for approximately 50.0 €/mn as the first significant intervention following the worsening of the macroeconomic context caused by the health emergency. In details, 1Q20 Net profit of 6.1 €/mn characterized by:
 - ✓ resilient Core Revenues down only by 0.5% q/q showing an increase of Net Interest Income by 1.8% offset by a decrease of Net Commissions by 3.0% q/q mainly due to the positive seasonality of 4Q19, but flat vs 3Q19
 - ✓ lower contribution from trading due to the high volatility on the financial markets in the period
 - ✓ reduction of operating costs by 4.4% q/q net of non-recurring items in 4Q19¹
 - ✓ additional Loan Loss Provisions for about 50.0 €/mn; cost of credit annualized at 110 bps significantly impacted by additional LLP
 - ✓ 2020 ordinary contribution to the European Single Resolution Fund (“SRF”) for € 32.0 million
- CET1 ratio Phased In at 13.60% with a total capital buffer of 1.8 €/bn compared to minimum regulatory requirement set by European Central Bank for 2020
- CET1 ratio Fully Loaded at 12.07% vs 12.01% in Dec.'19
- LCR at 167.9% well above the 100% regulatory threshold and liquidity buffer for over 11 €/bn

¹. For details see page 21

Executive summary (2/2)

Asset quality improvements confirmed

- Gross and net NPE stock decrease respectively by 1.1% and 2.8% vs Dec.'19
- Default rate annualized down to 1.5% vs 1.7% in Dec.'19
- NPE coverage up by 85 bps to 51.9% vs Dec.'19
- Gross NPE ratio stable at 11.1% vs Dec.'19 in the presence of a reduction on loans; Net NPE ratio slight improvement at 5.7% vs 5.8% in Dec.'19

Loans/Funding reduction affected by seasonality/market effect

- Net customer loans decreased by 1.9% since the beginning of the year mainly attributable to the financial and corporate segments the latter affected by seasonality of the first part of the year, while the retail sector recorded substantial stability
- Total funding at € 165.6 billion, which includes the Bancassurance segment, down by 5.6% vs Dec.'19 mainly due to the market effect on indirect deposits (both AuM and AuC) after financial markets sell-off. Direct funding at 57.1 €/bn (-1.6% vs Dec.'19)

Strategic operation of acquisition of a going concern from Intesa Sanpaolo

- Confirmed the strategic and industrial value of the project for the acquisition of a going concern from Intesa Sanpaolo Group, upon completion of the voluntary public exchange offer launched by the same Intesa Sanpaolo on the entire share capital of UBI Banca
- Activities for the execution of the agreement, both from the point of view of the authorization procedures and the operational ones continue in line with the expected timeline
- On April 22, the EGM of BPER Banca approved, with a 97.11% of votes cast, the proposal to grant the Board of Directors the power to carry out a capital increase up to a maximum of 1 €/bn for the operation
- Rights issue, for which Unipol Group expressed the willingness to subscribe its pro-quota stake, is assisted by a pre-underwriting agreement signed with Mediobanca - Banca di Credito finanziario S.p.A.

Agenda

BPER GROUP CONSOLIDATED RESULTS

Executive summary

Balance sheet structure

Profit and loss

Liquidity and Capital adequacy

Final remarks

ANNEXES

Total funding

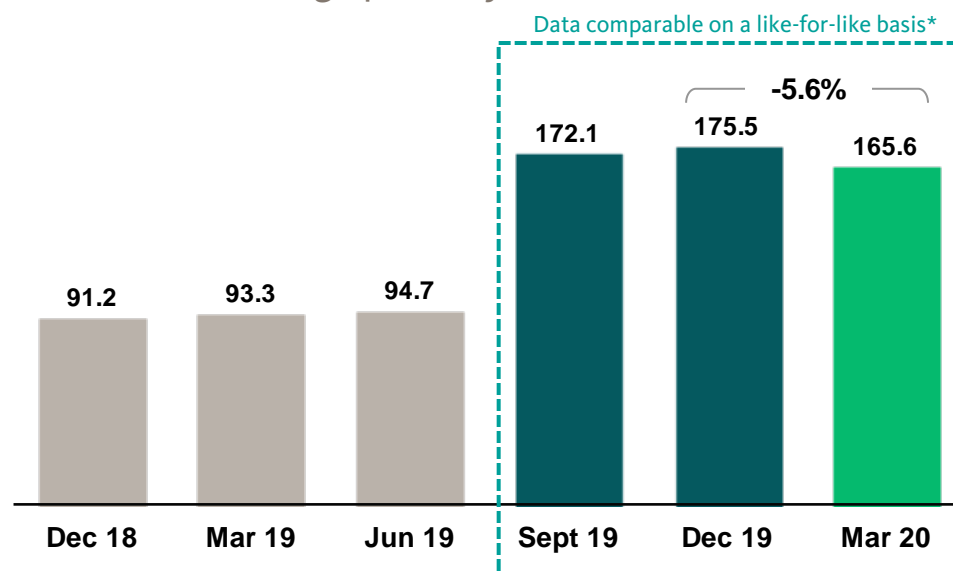
Balance sheet structure

Stock down to 165.6 €/bn by 5.6% vs Dec.'19 mainly due to indirect deposits decrease strongly affected by market effect related to financial markets turmoil following health emergency crisis

Total Funding (€/mn; %)

€/mn	Dec 19	Mar 20	Chg (%)
Direct Funding	58,056	57,136	-1.6%
Indirect Deposits and Bancassurance ¹	117,444	108,508	-7.6%
Total	175,500	165,644	-5.6%

Total Funding, quarterly trend (€/bn)



1. Life-insurance products

Note: figures in this page may not add exactly due to rounding differences

*Change in the scope of consolidation with Unipol Banca and ARCA Holding part of the Group since 1st July 2019. Accounting data referable to 3Q19, 4Q19 and 1Q20 are comparable on a like-for-like basis.

Direct funding

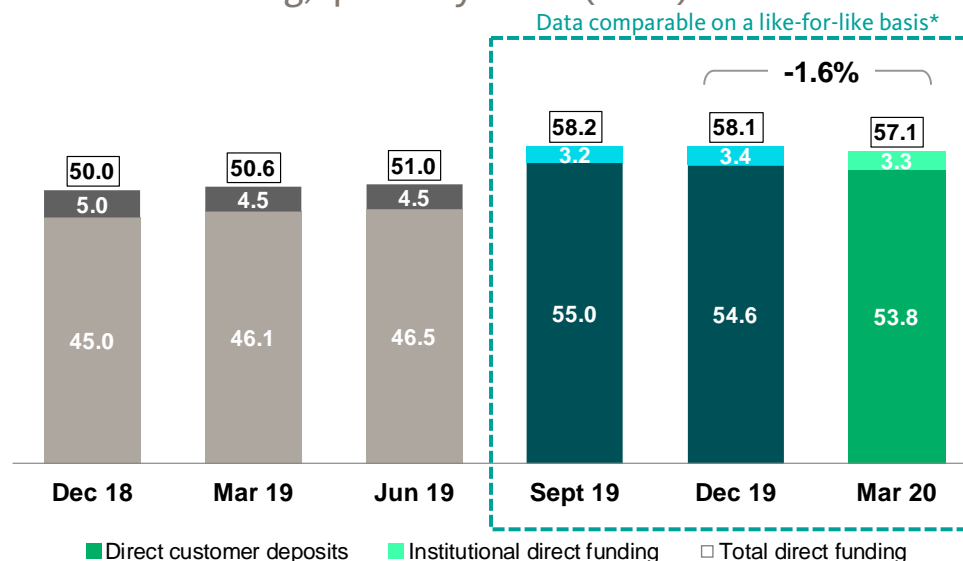
Balance sheet structure

Direct funding at 57.1 €/bn down by 1.6% since Dec.'19

Direct Funding breakdown (€/mn; %)

€/mn	Dec 19	Mar 20	Chg (%)
Direct customer deposits	54,627	53,846	-1.4%
o.w. current accounts and sight deposits	47,725	47,956	+0.5%
o.w. bonds subscribed by retail customers	1,812	1,553	-14.3%
o.w. other	5,091	4,338	-14.8%
Institutional direct funding	3,429	3,290	-4.0%
o.w. Institutional bonds	3,278	3,290	+0.3%
o.w. Institutional repos	150	0	-100.0%
Total direct funding	58,056	57,136	-1.6%

Direct Funding, quarterly trend (€/bn)



- Direct customer deposits decrease by 0.8 €/bn vs Dec.'19 (-1.4%): current accounts and sight deposits increase by 0.5% in the presence of a decrease of time deposits (-54.3%), CDs (-19.8%) and bonds (-14.3%)
- Institutional funding at 3.3 €/bn down by 4.0% since Dec.'19 mainly due to repos zeroing
- In 2020 and 2021 only 0.9 €/bn of institutional bonds maturities of which 750 €/mn of a Covered Bond in 2020 with very high flexibility with the funding strategy

Note: figures in this page may not add exactly due to rounding differences

*Change in the scope of consolidation with Unipol Banca and ARCA Holding part of the Group since 1st July 2019. Accounting data referable to 3Q19, 4Q19 and 1Q20 are comparable on a like-for-like basis.

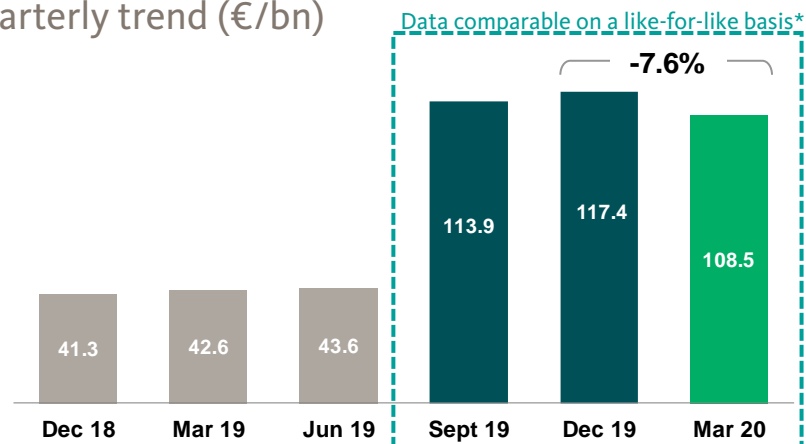
Indirect funding and Bancassurance

Stock at 108.5 €/bn down by 7.6% vs Dec.'19. Net inflows in AuM and Bancassurance positive despite the turmoil on financial markets following health emergency

Indirect Deposits and Bancassurance¹ (€/mn; %)

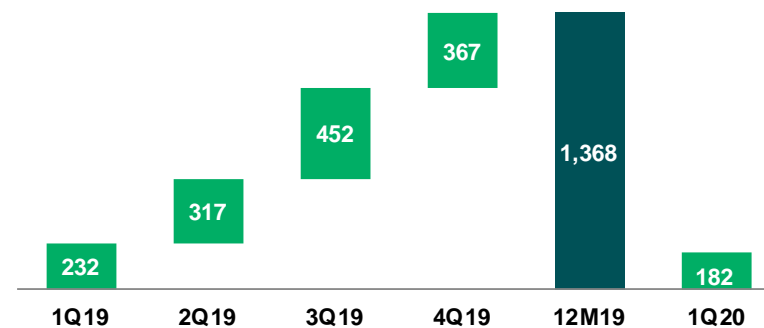
€/mn	Dec 19	Mar 20	Chg (%)
Assets under custody	68,909	64,189	-6.9%
Assets under management	41,714	37,433	-10.3%
Bancassurance (stock)	6,821	6,887	+1.0%
Total	117,444	108,508	-7.6%

Indirect Deposits and Bancassurance¹ quarterly trend (€/bn)



- AuC at 64.2 €/bn down by 6.9% and AuM at 37.4 €/bn down by 10.3% since Dec.'19 mainly due to high volatility in the financial markets following health emergency
- Bancassurance positive performance despite the crisis with an increase of 1.0% vs Dec.'19
- 1Q20 AuM and Bancassurance net inflows positive performance up by 0.2 €/bn

Net inflows² in AuM and life insurance products (€/mn)



1. Life-insurance products

2. Figures from data management system and excluding ARCA Holding

Note: figures in this page may not add exactly due to rounding differences

*Change in the scope of consolidation with Unipol Banca and ARCA Holding part of the Group since 1st July 2019. Accounting data referable to 3Q19, 4Q19 and 1Q20 are comparable on a like-for-like basis.

Customer loans

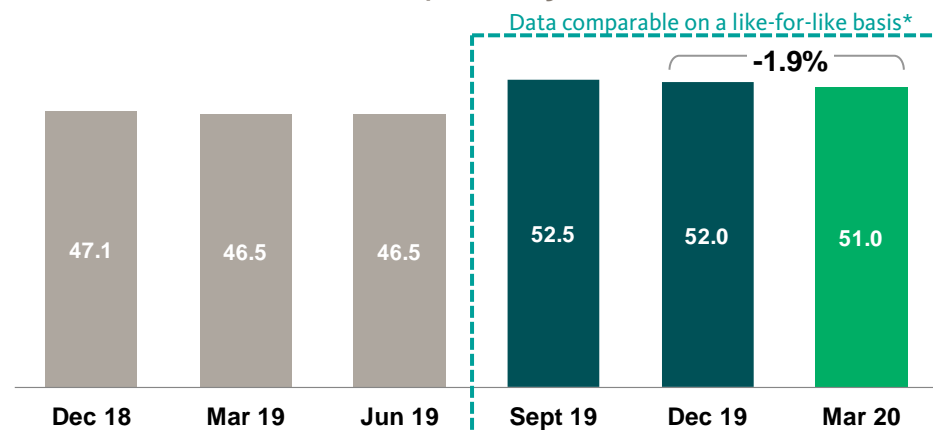
Net customer loans down by 1.9% since Dec.'19 mainly due to corporate segment and financial companies, while retail sector recorded substantial stability. Good quality of performing loans book

Customer loans breakdown (net & gross fig.; €/mn; %)

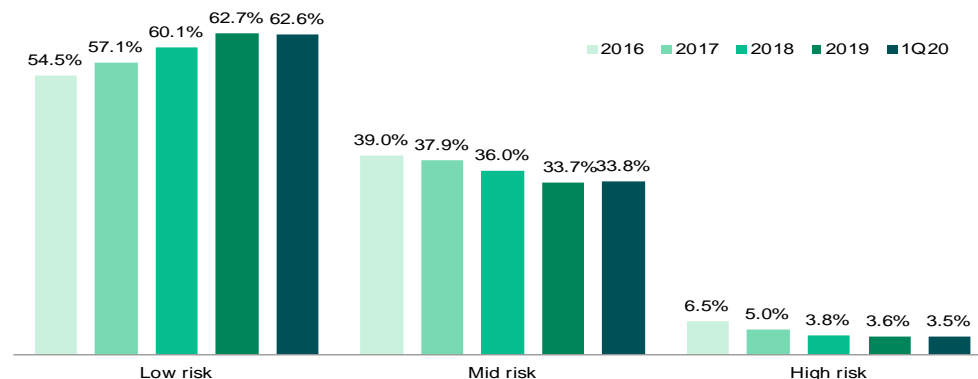
€/mn	Dec 19	Mar 20	Chg (%)
Current accounts	4,842	4,590	-5.2%
Mortgage loans	32,540	32,265	-0.8%
Other transactions	14,624	14,179	-3.0%
Net loans	52,006	51,034	-1.9%
<i>o.w. performing</i>	49,008	48,120	-1.8%
<i>o.w. NPEs</i>	2,998	2,914	-2.8%
Gross loans	55,292	54,319	-1.8%
<i>o.w. performing</i>	49,169	48,263	-1.8%
<i>o.w. NPEs</i>	6,123	6,056	-1.1%

- In 1Q20, residential mortgages origination progressively up in the quarter on a monthly basis and consumer credit production up by 21.7% vs 1Q19 (even tough the comparison is not on a like-for-like basis)
- Gross NPE down by 1.1% since Dec.'19 thanks to internal work-out and higher recovery rate in particular on bad loans

Net customer loans, quarterly trend (€/bn)



Performing exposure rated by risk profile¹ (%)



1. Source: performing exposures by rating classes (management data)

Note: customer loans excluding customer debt securities. See dedicated table in the Annexes

Note: figures in this page may not add exactly due to rounding differences

*Change in the scope of consolidation with Unipol Banca and ARCA Holding part of the Group since 1st July 2019. Accounting data referable to 3Q19, 4Q19 and 1Q20 are comparable on a like-for-like basis.

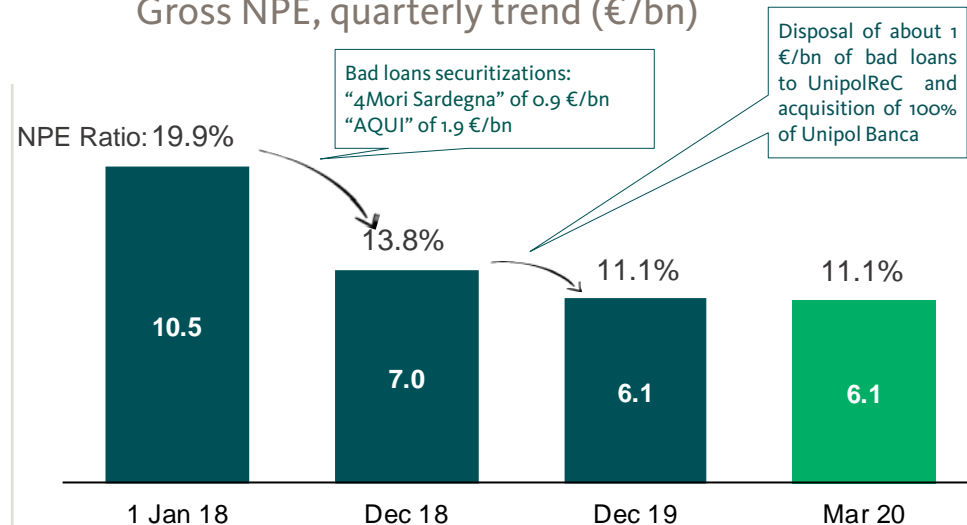
Non Performing Exposures (1/2)

Gross NPE stock down by 1.1% since Dec.'19. NPE coverage up by 85 bps in the quarter

Gross NPE (€/mn; %)

€/mn	Dec 19	Mar 20	Chg (%)
Bad loans	3,449	3,434	-0.4%
Unlikely to pay	2,479	2,463	-0.7%
Past due	195	159	-18.2%
Total	6,123	6,056	-1.1%

Gross NPE, quarterly trend (€/bn)



- Gross NPE stock decrease by 1.1% since Dec.'19 in all components, in particular Past due (-18.2%), mainly thanks to internal work-out and recoveries on bad loans
- Gross NPE ratio broadly stable at 11.1% in 1Q20 vs Dec.'19
- Net NPE ratio slightly down at 5.7% vs 5.8% in Dec.'19
- NPE coverage improvement at 51.9% from 51.0% in Dec.'19. Remarkable coverage increase in UtP at 34.0% and Past due at 18.4%

Cash coverage ratios (%)

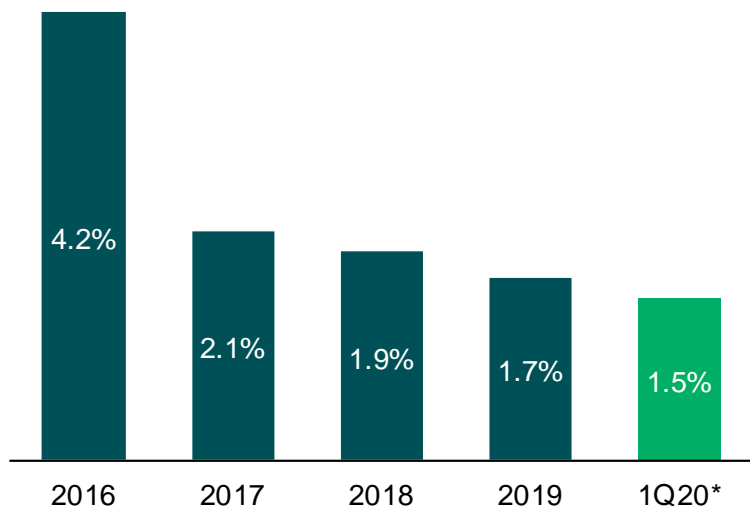
	Mar 19	Jun 19	Sept 19	Dec 19	Mar 20
Bad loans ("Sofferenze")	67.1%	67.0%	63.7%	66.0%	66.3%
including write-off	72.2%	72.1%	68.1%	69.9%	70.3%
Unlikely to pay	34.4%	35.3%	37.2%	33.0%	34.0%
Past due	12.7%	12.8%	15.0%	14.6%	18.4%
NPE	54.6%	54.8%	51.1%	51.0%	51.9%
including write-off	59.2%	59.3%	54.4%	54.3%	55.3%
Performing exposures	0.4%	0.3%	0.4%	0.3%	0.3%
Total loans	7.8%	7.8%	6.3%	5.9%	6.0%

Note: figures in this page may not add exactly due to rounding differences

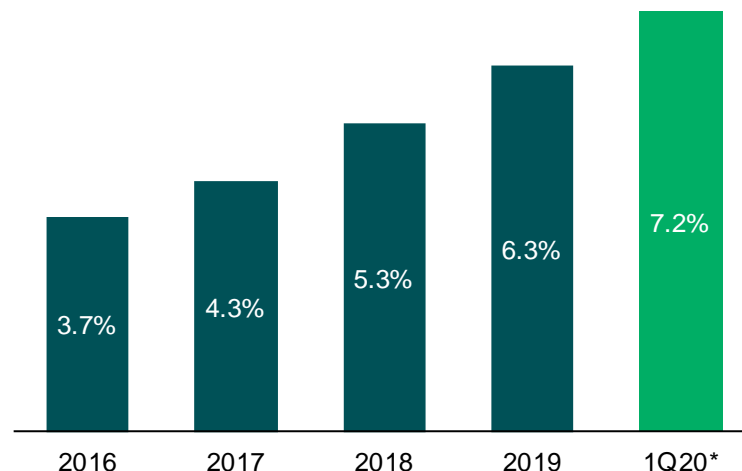
Non Performing Exposures (2/2)

Improvement of default rate at 1.5% (1.7% in 2019) and strong increase of average recovery rate of bad loans at 7.2% (6.3% in 2019)

Default rate (%)



Bad loans average recovery rate (%)
(Bper Credit Management)



* Annualized

Note: Default rate = $\frac{1Q20 \text{ NPE inflows}}{\text{performing loans stock at 31 Dec'19}}$; bad loans average recovery rate = $\frac{\text{collections}}{\text{average gross bad loan stock for the period}}$

Source: management data

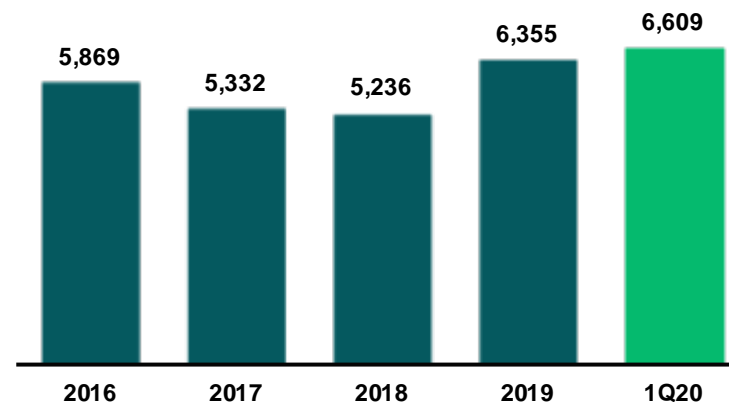
Financial assets portfolio

Financial assets portfolio at 19.9 €/bn up by 0.9 €/bn since Dec.'19

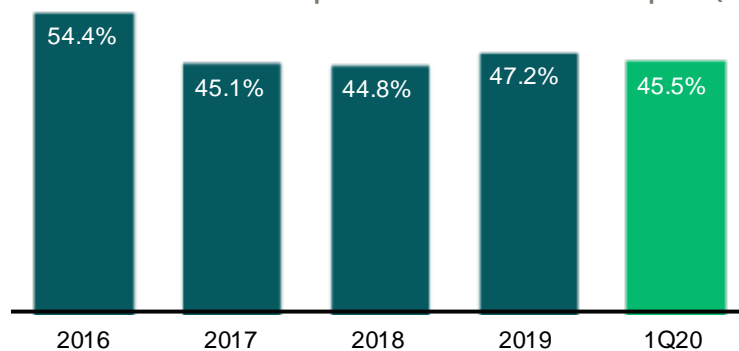
Financial Assets breakdown (€/mn; %)

€/mn	FVTPL	FVOCI	AC	Total	% on total
Bonds	354	6,294	12,325	18,973	95.4%
<i>o.w. Italian gov</i>	186	420	6,003	6,609	33.2%
Equity	101	215		316	1.6%
Funds and Sicav	449			449	2.3%
Other*	140			140	0.7%
Total as of 31.03.2020	1,044	6,510	12,325	19,879	100.0%
Total as of 31.12.2019	1,094	6,556	11,306	18,957	
Chg vs Dec.'19 (%)	-4.6%	-0.7%	+9.0%	+4.9%	

Italian Government bonds¹ (€/mn)



Total Italian bonds exposure / Total Bond ptf. (%)¹



- Financial assets portfolio increase by 0.9 €/bn since Dec.'19
- Italian government bonds at 6.6 €/bn weighing 33.2% of the whole financial assets portfolio
- Italian Bond portfolio weighs:
 - 45.5% of Total Bond portfolio
 - 10.8% of Total Assets
- Total bonds and Italian govies portfolios duration² respectively 3.0 ys and 4.5 ys

Agenda

BPER GROUP CONSOLIDATED RESULTS

Executive summary

Balance sheet structure

Profit and loss

Liquidity and Capital adequacy

Final remarks

ANNEXES

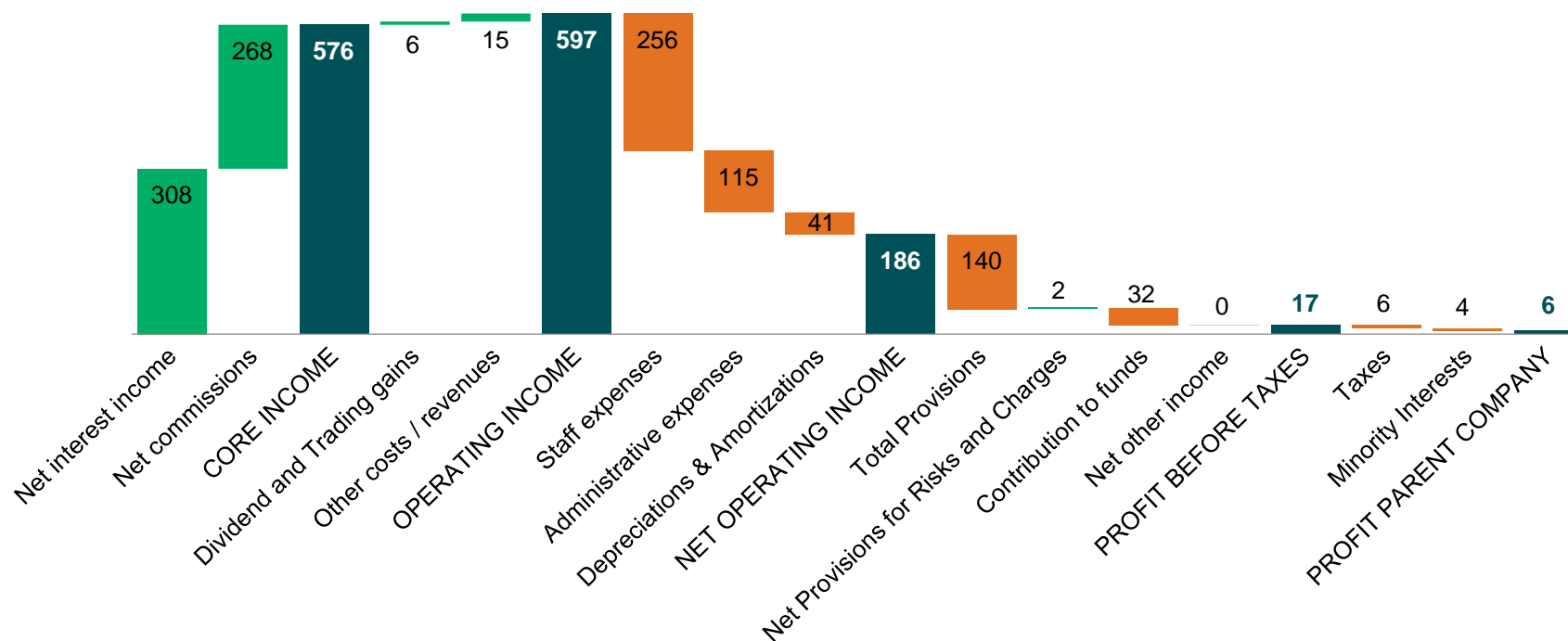
1Q20 reclassified Profit & Loss

Profit and loss

Good ability to generate revenues (operating profitability, even in the presence of a limited contribution from finance, almost reached 600 €/mn) despite a context characterized by the slowdown of the economy and then the effects of the health emergency. Tight cost control

1Q20 net profit for 6.1 €/mn strongly affected by the accounting of additional LLP for approximately 50.0 €/mn and ordinary contribution to the European Single Resolution Fund (“SRF”) for 32.0 €/mn

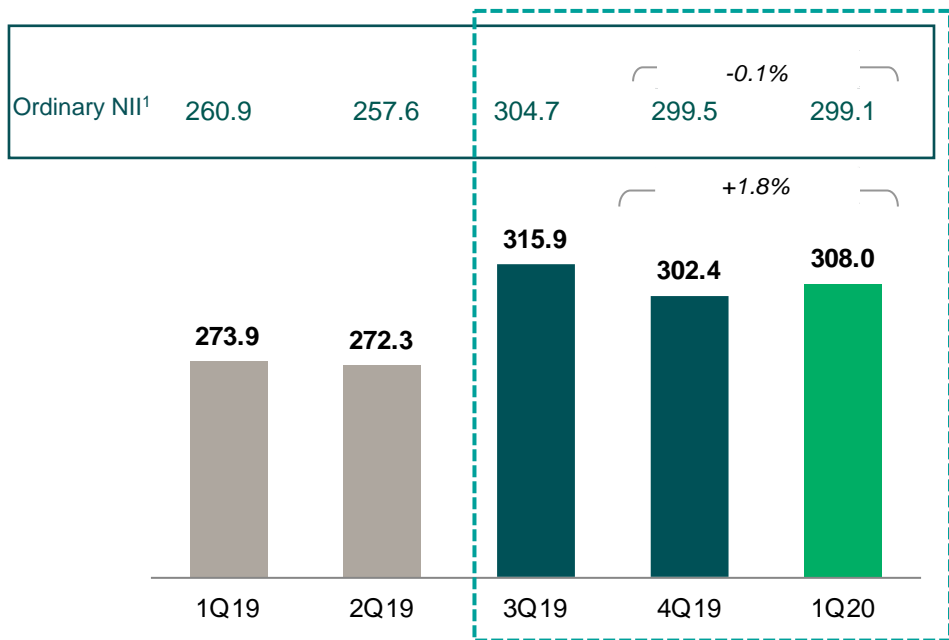
Reclassified Profit & Loss (€/mn)



Net Interest Income

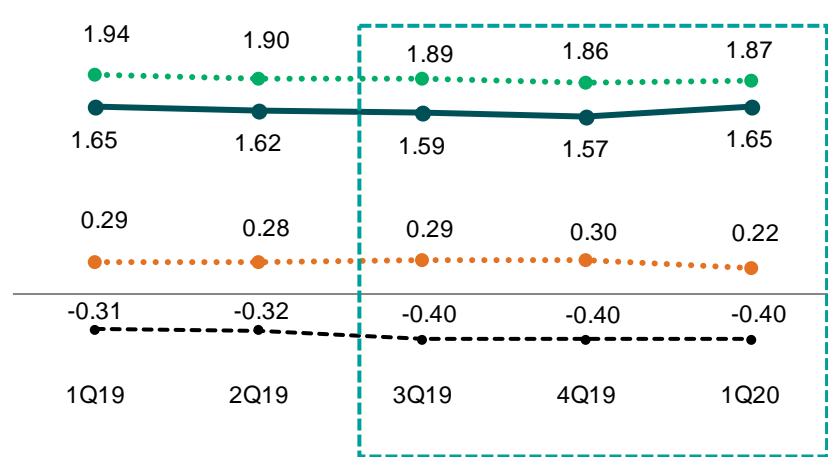
Stated NII up by 1.8% q/q and broadly stable on ordinary basis (-0.1% q/q) despite the difficult economic and financial environment

Net Interest Income evolution (€/mn)



Data comparable on a like-for-like basis*

Spread contribution (%)



Data comparable on a like-for-like basis*

- - - ● - - - Euribor 3M (avg) ● - - - ● - - - Tot. Assets yield
● - - - ● - - - Tot. Liabilities cost ● - - - ● - - - Total Spread

- NII resiliency mainly explained by improvement of the spread (+8 bps q/q) thanks to decrease of cost of funding and broadly stable asset yield

*Change in the scope of consolidation with Unipol Banca and ARCA Holding part of the Group since 1st July 2019. Accounting data referable to 3Q19, 4Q19 and 1Q20 are comparable on a like-for-like basis.

Note: figures from Consolidated Profit and Loss (Bank of Italy format Circular 262/2005)- Item 10 «Interest and similar income» (TLTRO2 benefit included among «Other») and Item 20 «Interest and similar expense»

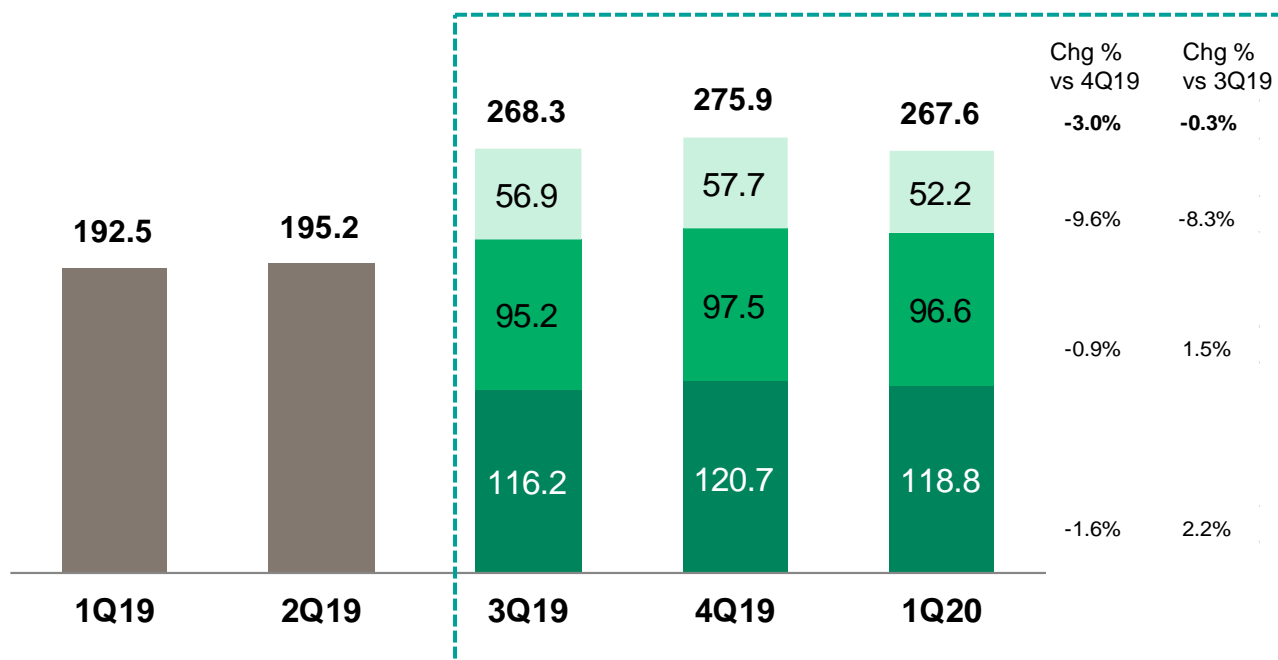
Note: figures in this page may not add exactly due to rounding differences

1. Excluding the accounting effects mainly related to the introduction of IFRS9 and IFRS16 accounting principles. For details see the reclassified Income Statement in the Annexes

Net Commissions

Net commissions down 3.0% q/q mainly due to credit cards/payments hit by prolonged lockdown (-13.4% q/q), but broadly stable vs 3Q19

Net Commissions breakdown (€/mn)



Data comparable on a like-for-like basis*

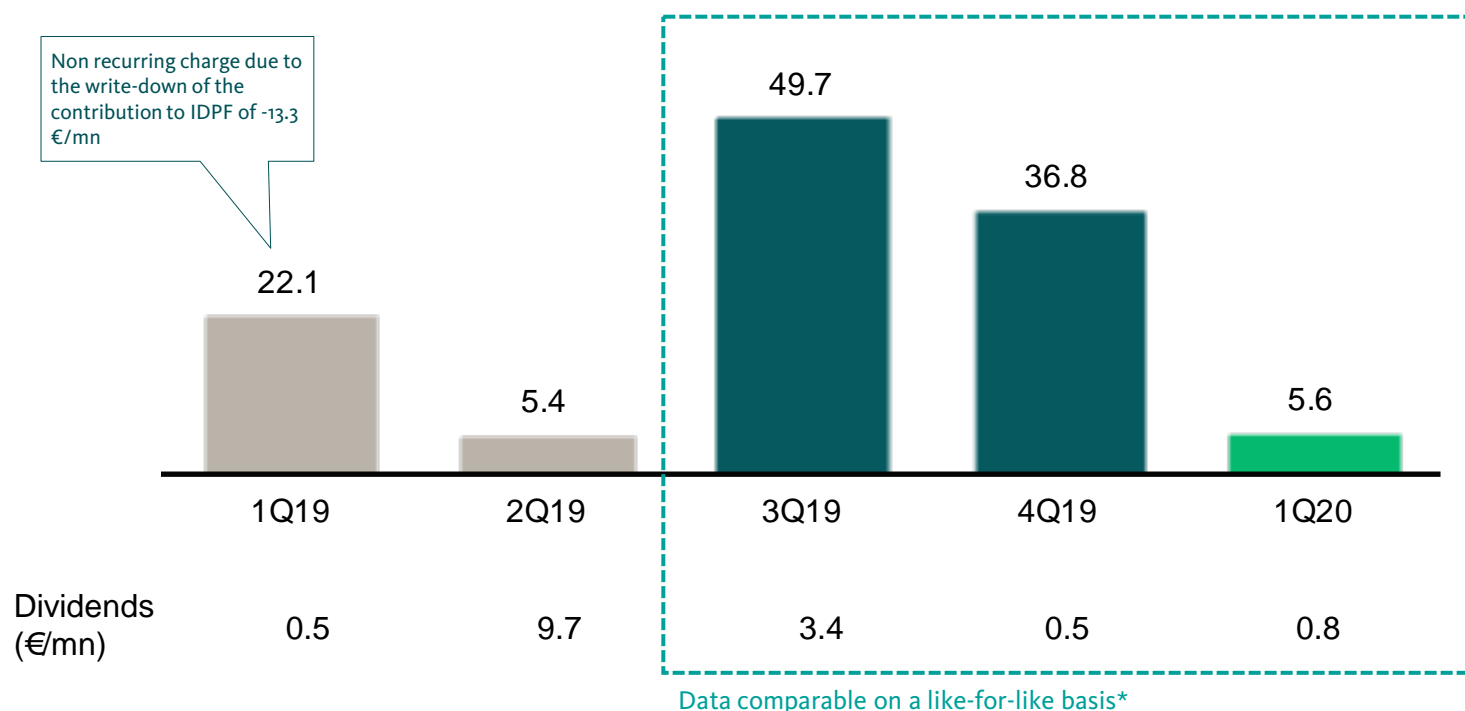
- Indirect deposits and bancassurance
- Loans and guarantees
- Other commissions

- Good performance in the net commissions of the AUM and AUC sector (+ 5.6% q/q), while the Bancassurance sector decreased (- 29.5% q/q) mainly due to the positive seasonality of the 4Q19
- Marginal decrease of the component referring to loans and guarantees (- 0.9% q/q).
- AuM up-front fees of 7.0€/mn in Mar.20, weighing 2.6% on total net commissions

Dividends and Trading income

1Q20 lower contribution of trading income at 5.6 €/mn vs 36.8 €/mn in 4Q19 strongly influenced by the turmoil on financial markets following the health emergency crisis

Trading income evolution (€/mn)



Dividends (€/mn)

0.5

9.7

3.4

0.5

0.8

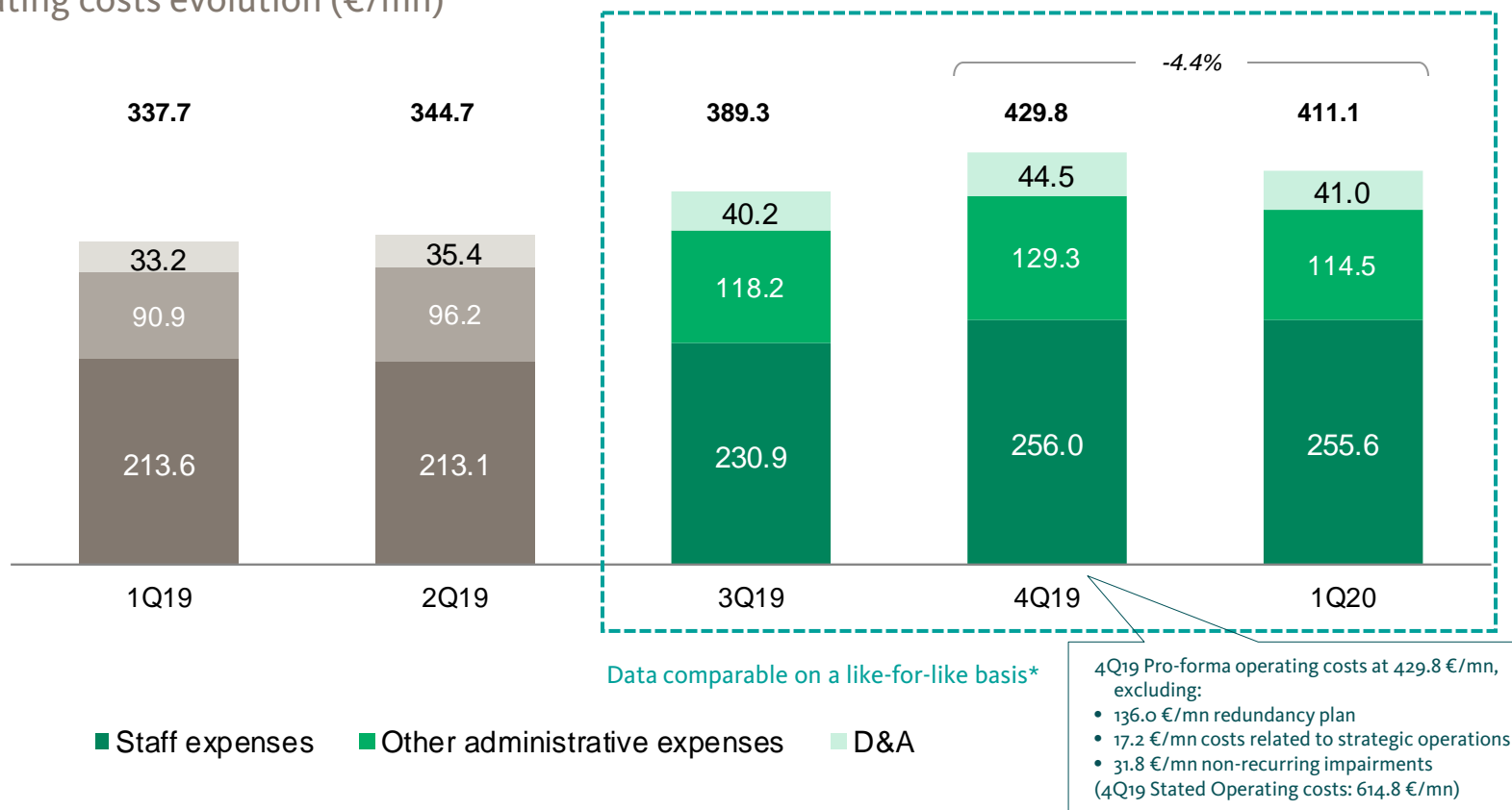
*Change in the scope of consolidation with Unipol Banca and ARCA Holding part of the Group since 1st July 2019. Accounting data referable to 3Q19, 4Q19 and 1Q20 are comparable on a like-for-like basis.

Note: figures in this page may not add exactly due to rounding differences

Operating costs

Operating costs amount to 411.1 €/mn, down by 4.4% compared to the 4Q19 calculated net of non-recurring items

Operating costs evolution (€/mn)



*Change in the scope of consolidation with Unipol Banca and ARCA Holding part of the Group since 1st July 2019. Accounting data referable to 3Q19, 4Q19 and 1Q20 are comparable on a like-for-like basis.

Note: figures in this page may not add exactly due to rounding differences

Provisions and other items

Profit and loss

Loan loss provisions in 1Q20 at 139.6 €/mn including additional provisions of approximately 50.0 €/mn as the first significant intervention following the worsening of the macroeconomic context caused by the health emergency.

Provisions and other items (€/mn)

	1Q19	2Q19	3Q19	4Q19	1Q20
Total Provisions	73.0	75.0	161.1	140.2	139.6
<i>of which LLPs*</i>	72.5	74.6	161.0	139.5	139.6
<i>Cost of credit</i>	0.15%	0.16%	0.27%	0.27%	0.27%
Net Provisions for Risks and Charges	2.0	9.7	-2.5	3.0	-2.3
Contribution to funds	23.2	9.5	25.8	2.3	32.0
Net other income	-3.8	-4.6	-354.2	12.6	-0.3

Of which 50.0 €/mn of additional provisions related to the macroeconomic scenario

- Loan loss provisions in 1Q20 at 139.6€/mn, including additional provisions of approximately 50.0 €/mn
- Annualized cost of credit at 110 bps (86 bps in 2019)
- 2020 ordinary contribution to the European Single Resolution Fund (“SRF”) for 32.0 €/mn

Agenda

BPER GROUP CONSOLIDATED RESULTS

Executive summary

Balance sheet structure

Profit and loss

Liquidity and Capital adequacy

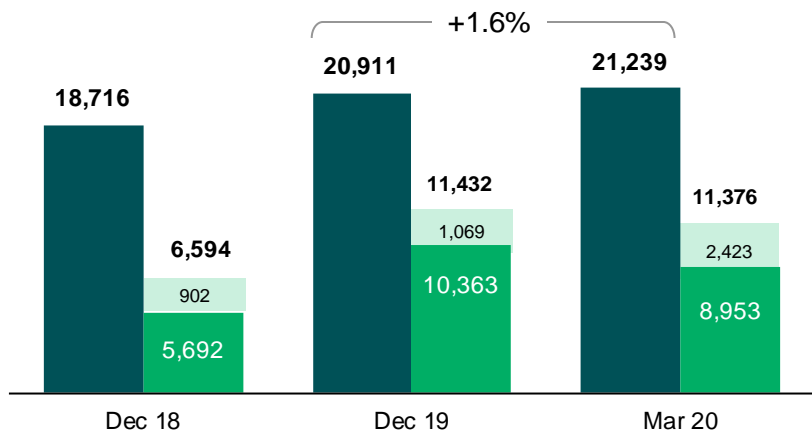
Final remarks

ANNEXES

Liquidity

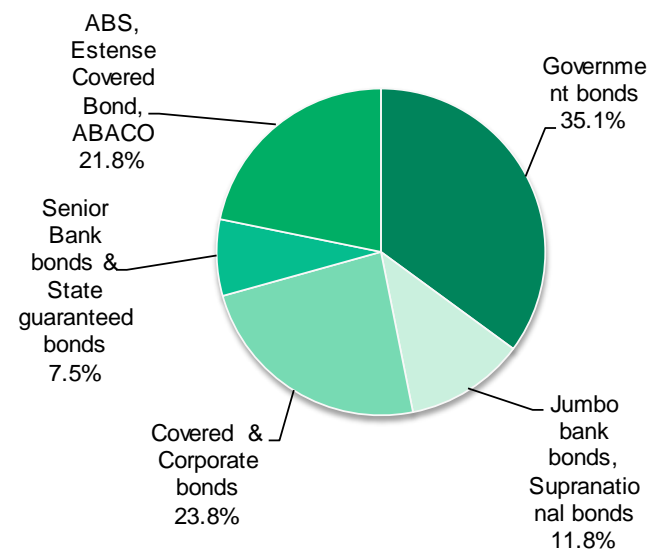
Very solid liquidity position. In Mar.'20, total eligible assets increased at 21.2 €/bn. Unencumbered eligible assets and deposits with ECB at 11.4 €/bn

Total eligible Assets evolution* (€/mn)



■ Total eligible assets ■ Unencumbered eligible assets ■ Deposits with ECB

Eligible Assets Pool Composition (%)



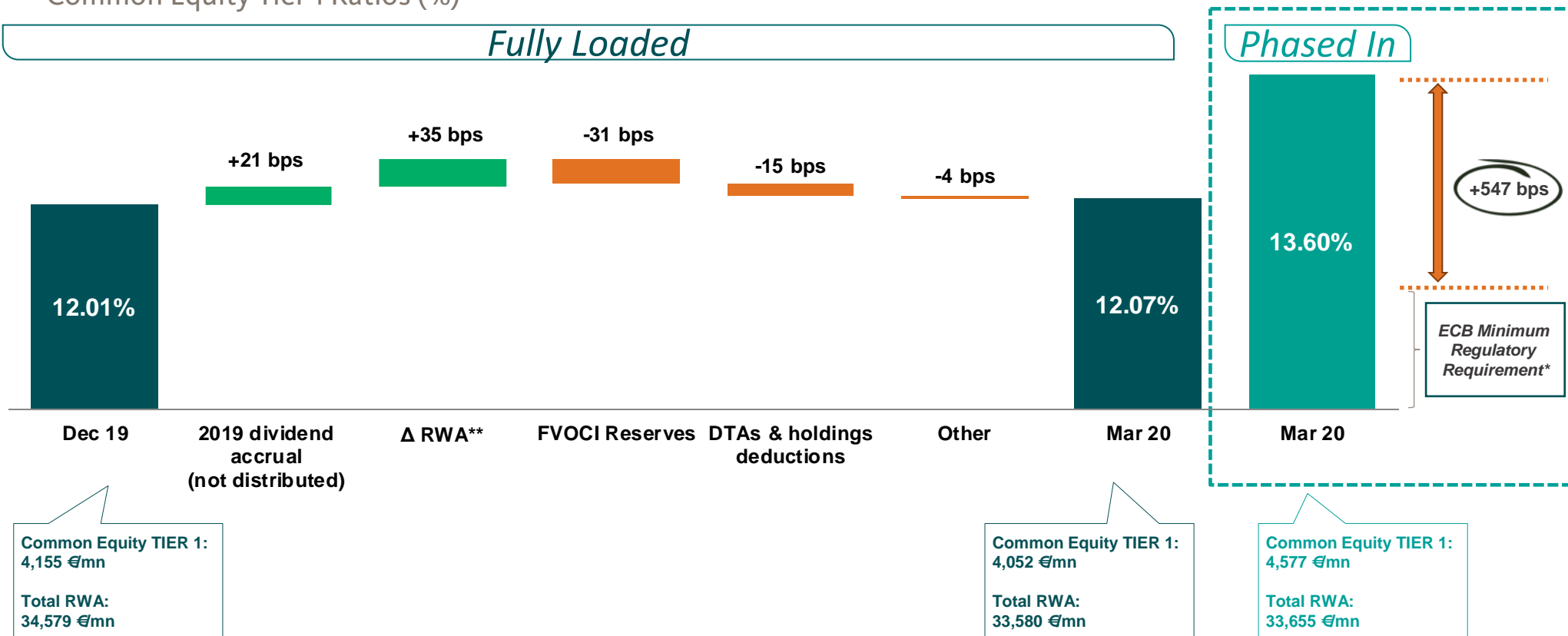
- ECB exposure of 9.7 €/bn in Mar.'19 fully composed by TLTRO2 operations (4.5 €/bn TLTRO2 in Jun.'16 and 1 €/bn TLTRO2 in Dec.'16 and 4.2 €/bn in Mar.'17)
- LCR index at 167.9% well above the regulatory threshold and NSFR ratio stands well above 100%

* Net of ECB haircut
Note: figures in this page may not add exactly due to rounding differences

Capital

Solid capital position confirmed with a CET1 Fully Loaded at 12.07% compared with 12.01% in Dec.'19.

Common Equity Tier 1 Ratios (%)



(*) To support supervised entities in facilitating the financing of the real economy in the extraordinary circumstances related to the spread of coronavirus (COVID-19), the ECB notified BPER Banca on 8 April 2020 and with effect from 12 March 2020, a new method of holding the Pillar 2 additional own funds requirement (of 2%), i.e. in the form of at least 56.25% of CET1 and 75% of T1. At 31 March 2020, the Common Equity Tier 1 Ratio requirement to be met was therefore equal to 8.125% Phased in and Fully Phased.

(**) Includes the extension of AIRB models to the Large Corporate segment and Trim (Targeted review of internal models)

(***) Includes the extension of AIRB models to the Large Corporate segment and Trim (Targeted review of internal models). Notes. 1). Reg. 2395/2017 "Transitional provisions for mitigating the impact of the introduction of IFRS 9 on own funds" introduced the so-called "phased-in" transitional regime for the impact of IFRS 9 on own funds, giving banks a chance to spread the effect on own funds over a period of 5 years (from March 2018 to December 2022), sterilizing the impact in CET1 by applying decreasing percentages over time. The BPER Banca Group has chosen to adopt the so-called "static approach" to be applied to the impact resulting from comparison between the IAS 39 adjustments at 31/12/2017 and the IFRS 9 adjustments at 1/1/2018. 2). Capital ratios do not include the portion of profit realized during the period and the accrual of the dividend for 2020. 3). The Fully Loaded Common Equity Tier 1 ratio is estimated taking into account the expected absorption of deferred tax assets relating to first-time adoption of IFRS9

Agenda

BPER GROUP CONSOLIDATED RESULTS

Executive summary

Balance sheet structure

Profit and loss

Liquidity and Capital adequacy

Final remarks

ANNEXES

Final remarks

QUICK REACTION to the health emergency granting **OPERATIONAL STABILITY**
and full range of customer services **ACCESSIBLE**

Ability to **GENERATE REVENUES** despite a difficult economic and financial
environment and tight **COST CONTROL**

PRUDENT APPROACH ON CREDIT

(approx. 50.0 €/mn additional provisions accounted in 1Q20 following the
worsening of the macroeconomic context caused by the health emergency)

ASSET QUALITY IMPROVEMENT confirmed:

Gross and net NPE stock down in 1Q20

NPE coverage up by 85 bps to 51.9%

Lower **DEFAULT RATE** down to 1.5% from 1.7% in 2019

SOUND CAPITAL POSITION with a **CET1 RATIO FL** at 12.07%
and **LARGE LIQUIDITY BUFFERS**

Agenda

BPER GROUP CONSOLIDATED RESULTS

Executive summary

Balance sheet structure

Profit and loss

Liquidity and Capital adequacy

Final remarks

ANNEXES

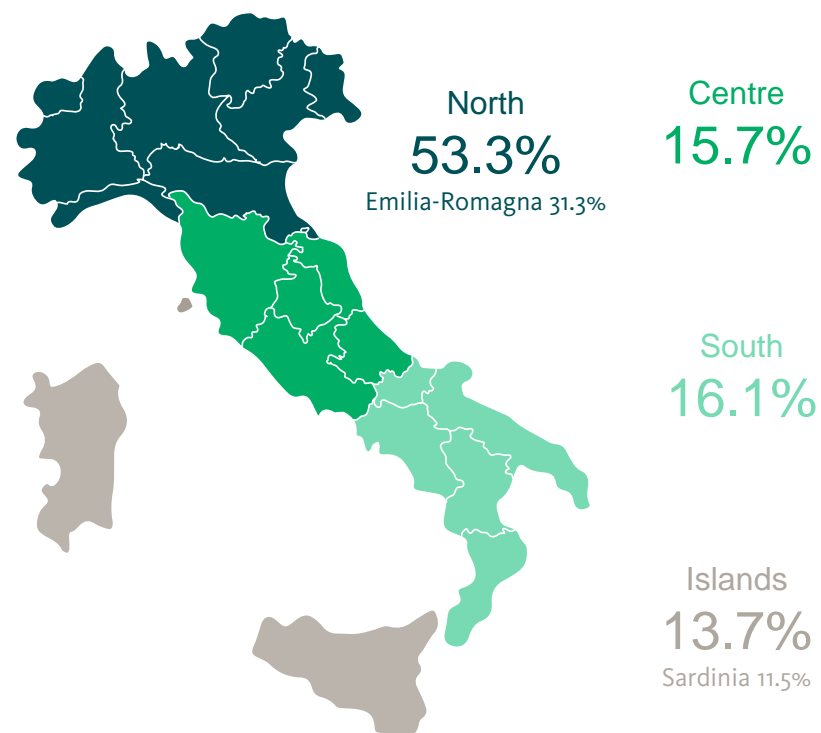
Customer loans

Portfolio composition

Net customer loans breakdown by sectors
(€/mn; %)

Business sector	Mar 20	% on Total Customer Loans	Δ % vs Dec 19
Manufacturing	7,310	14.3%	-1.4%
Wholesale and retail services, recoveries and repairs	4,442	8.7%	-4.6%
Constructions	2,329	4.6%	-3.6%
Real Estate	3,130	6.1%	-0.3%
HORECA*	1,311	2.6%	-0.7%
Agriculture, forestry and fishing	780	1.5%	-8.1%
Other	4,827	9.5%	-4.0%
Total loans to non-financial businesses	24,129	47.3%	-2.8%
Households	21,093	41.3%	-0.5%
Total loans to financial businesses	5,813	11.4%	-3.0%
Total Customers Loans	51,034	100.0%	-1.9%
Debt Securities	9,087	17.8%	+6.1%

Customer loans breakdown by geographical distribution¹(%)



* Hotel, Restaurant & Café (HORECA). Note: figures as per ATECO business sector definitions (ISTAT)

1. Commercial banks + Sarda Leasing, excluding non resident loans

Note: figures from data management system

Note: figures in this page may not add exactly due to rounding differences

Asset quality

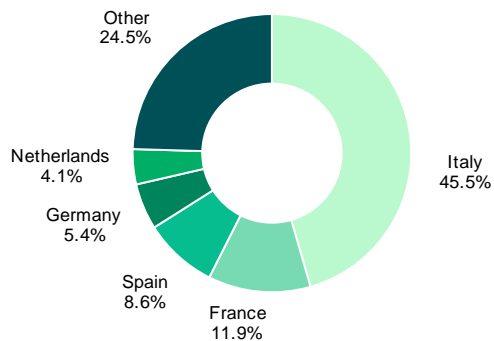
Annexes

Asset quality breakdown (excl. customer debt securities)

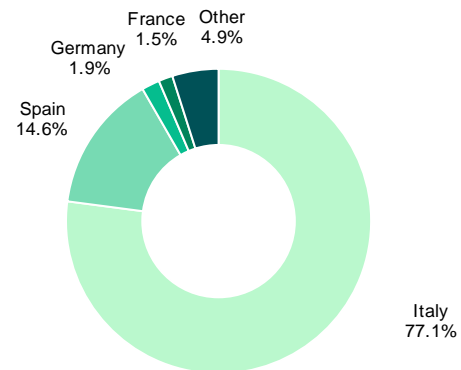
Gross exposures (€mn)	Mar 19		Jun 19		Sep 19		Dec 19		Mar 20		Chg YTD		Chg Y/Y	
		%		%		%		%		%	Abs. Chg (%)		Abs. Chg (%)	
Non Performing Exposures (NPEs)	6,947	13.8%	6,937	13.7%	6,515	11.6%	6,123	11.1%	6,056	11.1%	-67	-1.1%	-891	-12.8%
Bad loans	4,324	8.6%	4,321	8.6%	3,492	6.2%	3,449	6.2%	3,434	6.3%	-15	-0.4%	-890	-20.6%
Unlikely to pay loans	2,562	5.1%	2,526	5.0%	2,920	5.2%	2,479	4.5%	2,463	4.5%	-16	-0.7%	-99	-3.9%
Past due loans	61	0.1%	90	0.1%	103	0.1%	195	0.4%	159	0.3%	-36	-18.2%	98	+162.0%
Gross performing loans	43,514	86.2%	43,549	86.3%	49,514	88.4%	49,169	88.9%	48,263	88.9%	-906	-1.8%	4,749	+10.9%
Total gross exposures	50,461	100.0%	50,486	100.0%	56,029	100.0%	55,292	100.0%	54,319	100.0%	-973	-1.8%	3,858	+7.6%
Adjustments to loans (€mn)	Mar 19		Jun 19		Sep 19		Dec 19		Mar 20		Chg YTD		Chg Y/Y	
		coverage (%)		coverage (%)		coverage (%)		coverage (%)		coverage (%)	Abs. Chg (%)		Abs. Chg (%)	
Adjustments to NPEs	3,790	54.5%	3,799	54.8%	3,328	51.1%	3,125	51.0%	3,142	51.9%	17	+0.6%	-648	-17.1%
Bad loans	2,900	67.1%	2,896	67.0%	2,225	63.7%	2,278	66.0%	2,277	66.3%	-1	+0.0%	-623	-21.5%
Unlikely to pay loans	882	34.4%	891	35.3%	1,087	37.2%	818	33.0%	836	34.0%	18	+2.2%	-46	-5.2%
Past due loans	8	12.7%	12	12.8%	16	15.0%	29	14.6%	29	18.4%	0	+3.1%	21	+278.4%
Adjustments to performing loans	159	0.4%	145	0.3%	205	0.4%	161	0.3%	143	0.3%	-18	-11.6%	-16	-10.6%
Total adjustments	3,949	7.8%	3,944	7.8%	3,533	6.3%	3,286	5.9%	3,285	6.0%	-1	+0.0%	-664	-16.8%
Net exposures (€mn)	Mar 19		Jun 19		Sep 19		Dec 19		Mar 20		Chg YTD		Chg Y/Y	
		%		%		%		%		%	Abs. Chg (%)		Abs. Chg (%)	
Non Performing Exposures (NPEs)	3,157	6.8%	3,138	6.7%	3,187	6.1%	2,998	5.8%	2,914	5.7%	-84	-2.8%	-243	-7.7%
Bad loans	1,424	3.1%	1,425	3.1%	1,267	2.4%	1,171	2.3%	1,157	2.3%	-14	-1.2%	-267	-18.7%
Unlikely to pay loans	1,680	3.6%	1,635	3.5%	1,833	3.5%	1,661	3.2%	1,627	3.2%	-34	-2.1%	-53	-3.2%
Past due loans	53	0.1%	78	0.1%	87	0.1%	166	0.2%	130	0.3%	-36	-21.9%	77	+145.0%
Net performing loans	43,355	93.2%	43,404	93.3%	49,309	93.9%	49,008	94.2%	48,120	94.3%	-888	-1.8%	4,765	+11.0%
Total net exposures	46,512	100.0%	46,542	100.0%	52,496	100.0%	52,006	100.0%	51,034	100.0%	-972	-1.9%	4,522	+9.7%

Note: figures in this page may not add exactly due to rounding differences

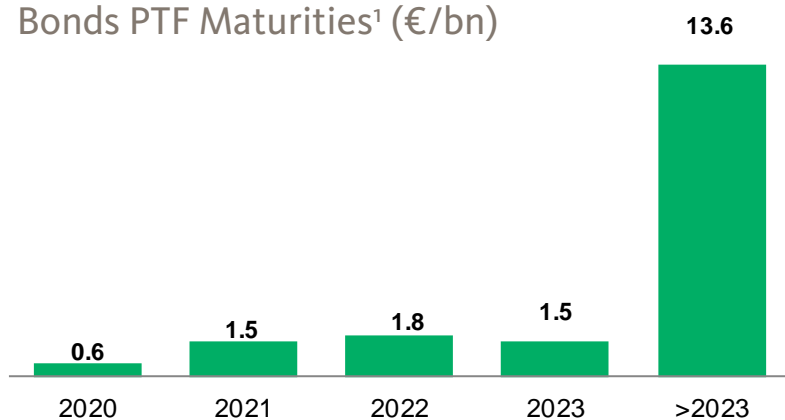
Bond PTF by Geographical breakdown (%)



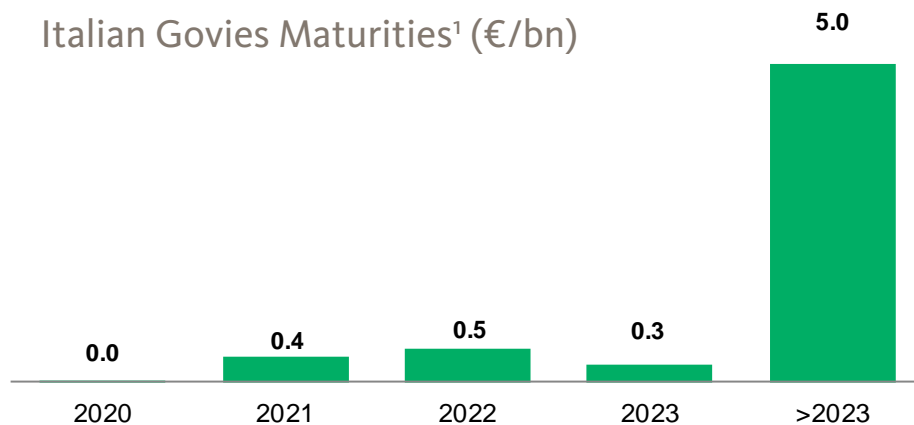
Govies PTF Geographical breakdown (%)



Bonds PTF Maturities¹ (€/bn)



Italian Govies Maturities¹ (€/bn)



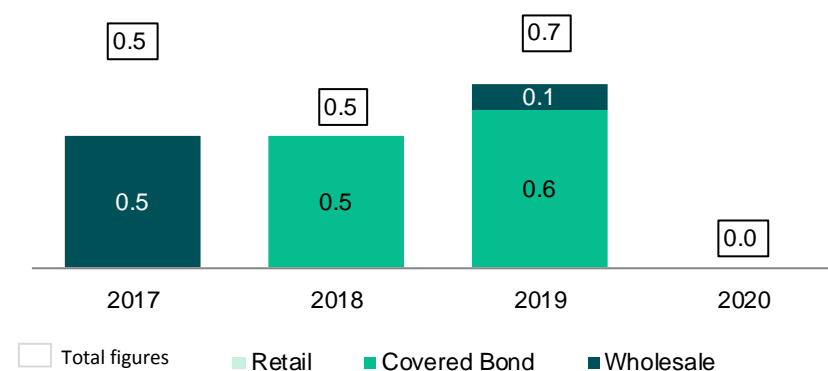
¹. Figures are shown as per nominal values
 Note: figures from data management system

Bonds maturities and issues details

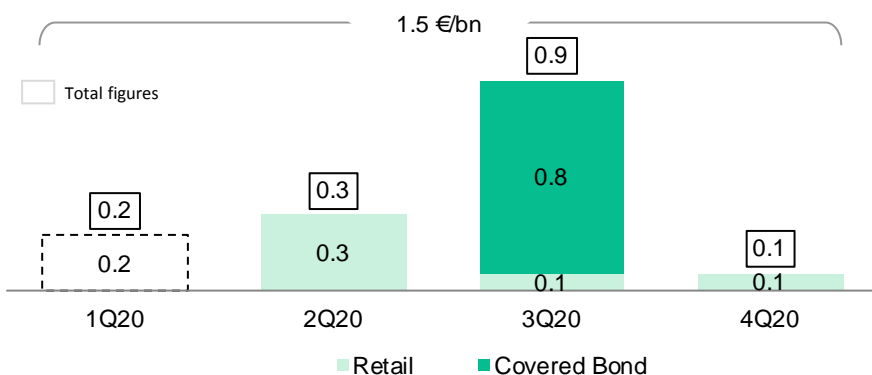
Outstanding bonds (€/bn)

	Dec 18	Dec 19*	Mar 20*
Wholesale bonds	2.5	3.2	3.2
<i>o/w covered bonds</i>	2.0	2.6	2.7
<i>o/w subordinated bonds</i>	0.5	0.5	0.5
Retail bonds	1.5	2.0	1.7
<i>o/w subordinated bonds</i>	0.3	0.4	0.4
Total bonds	4.0	5.2	4.9

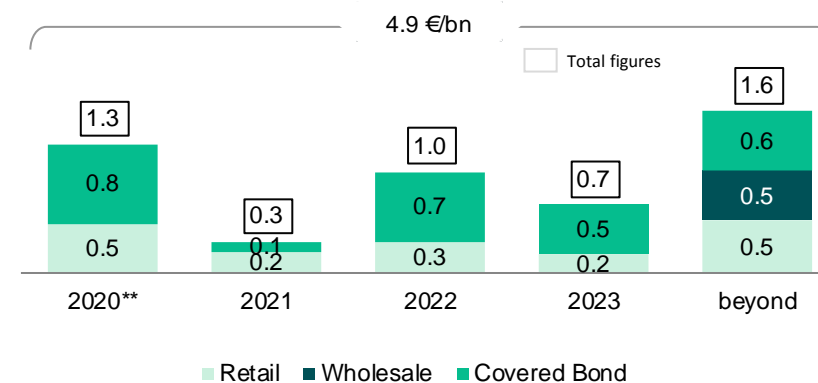
Bonds issued (€/bn)



2020 Bonds maturities (€/bn)



Bonds maturities breakdown (€/bn)



** Remaining 3 quarters

*: including Unipol Banca bonds

Note: figures in this page: 1) are shown as per nominal values and 2) may not add exactly due to rounding differences

Contacts for Investors and Financial Analysts

Gilberto Borghi

Head of Investor Relations



Via San Carlo, 8/20 - 41121 Modena - Italy



+39 059 2022194



gilberto.borghi@bper.it

Giulia Bruni

Investor Relations



Via San Carlo, 8/20 - 41121 Modena - Italy



+39 059 2022528



giulia.bruni@bper.it

Nicola Sponghi

Investor Relations



Via San Carlo, 8/20 - 41121 Modena - Italy



+39 059 2022219



nicola.sponghi@bper.it