BPER:
Gruppo

- 1H20 consolidated results
- Transaction with Intesa Sanpaolo update
- Outlook 2021

Alessandro Vandelli, CEO
5 August 2020

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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 30 June 2020 are not comparable with those of the previous year. Accounting data referable to 3Q19, 4Q19, 1Q20 and 2Q20 are comparable on a like-for-like basis.

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

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- BPER GROUP CONSOLIDATED RESULTS

    Executive summary

    Balance sheet structure

    Profit and loss

    Liquidity and Capital adequacy

    Final remarks

- RATIONALE FOR THE ACQUISITION OF A GOING CONCERN FROM INTESA SANPAOLO GROUP AND DEFINITION OF THE MULTIPLE TO BE APPLIED TO THE CET1 OF THE GOING CONCERN

- ECONOMIC AND FINANCIAL OUTLOOK FOR 2021

- ANNEXES CONSOLIDATED RESULTS

Health emergency and BPER Group

Quick reaction to challenges in uncertain and tough environment. Normalization started: full operations restored in compliance with the regulation

Key priorities were to protect the health of 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

- ✓ All ATMs are accessible
- ✓ c. 50% of employees have been enabled for smart-working
- ✓ 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

CUSTOMERS SUPPORT

- ✓ Moratorium on loan repayments (until 30 Sept.'20): more than 100K requests processed
- ✓ Loans guaranteed by the State provided for more than 1.0 €/bn

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Executive summary (1/2)

Resilient profitability with good revenues generation and tight cost control

Additional provisioning due to worsening macro scenario

- **1H20 net profit of 104.7 €/mn** supported by **ability to generate revenues** and **tight cost control** despite a context characterized by the economic slowdown as a consequence of the health emergency
- 1H20 result is affected by some non-recurring items such as **additional loan loss provisions for 90.5 €/mn** relating to the worsening of the macroeconomic scenario caused by the health emergency and other non-recurring charges for a total of 36.1 €/mn[1], partially offset by positive income taxes for the period for 68.9 €/mn
- **Cost of credit annualized at 71 bps** excluding non-recurring items relating to the worsening of the macroeconomic scenario caused by the health emergency and the sale of the mezzanine and junior tranches of the bad loans securitization "Spring" (equivalent respectively to 35 bps and 6 bps)[2]
- **2Q20 net profit of 98.6 €/mn,** despite the first impacts of the lock-down period, much higher vs. 6.1 €/mn of the 1Q20

Capital solidity improvement

Sound liquidity position

- **CET1 ratio Fully Loaded at 12.57%** up by 50 bps vs 12.07% in Mar.'20 (12.01% in Dec.'19)
- **LCR at 161.8%** well above the 100% regulatory threshold and liquidity buffer for almost 14 €/bn

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1. The most significant non-recurring items for the half year include the following: 1) additional loan loss provisions of approx. € 90.5 million for the worsening of the macroeconomic context caused by the health emergency, of which approx. € 50.0 million accounted in 1Q20 for prudence sake; 2) loan loss provisions of € 16.4 million relating to the disposal of the mezzanine and junior tranches of the "Spring" securitisation of bad loans recently concluded (accounted for in the second quarter); 3) profit sharing to recover prior-year tax losses to be paid to the Resolution Fund for € 11.5 million (provision of € 16.0 million made in the second quarter against a recovery of € 4.5 million in the first quarter); 4) impairment losses on equity investments for a total of € 8.2 million (accounted for in the second quarter).
2. Data on customer loans in this presentation must be considered as pro-forma including the effects of the bad loans securitisation "Spring": for details, please refer to the press releases published on 18 June and 7 July 2020. As required by the GACS regulations, 95% of the mezzanine and junior tranches had to be placed with institutional investors in order to achieve derecognition - also for supervisory purposes - of the portfolio of bad loans sold. As part of the "Spring" securitisation of bad loans, the BPER Group sold, on 7 July 2020, 95% of the mezzanine and junior tranches of the securities issued to an institutional investor.

Executive summary (2/2)

Strong improvement of asset quality

- **Strong focus on asset quality allowed to reach the lowest NPE ratios and stocks since 2009**
- **Gross and net NPE ratios respectively** at 9.1% and 5.0% significantly down vs 11.1% and 5.8% in Dec.'19
- **Gross and net NPE stocks decrease** respectively by 18.2% and 12.2% vs Dec.'19 back to 2009 levels
- **Default rate** annualized still low at 1.7%
- **Texas ratio at 70.8%** down by more than 8 p.p. in Dec.'19

Loans/Funding trend recovery since 1Q20

- **Total funding[1] at 173.4 €/bn significantly up by 4.7% vs. 1Q20** after the strong contraction in the first part of the year due to the market effect on indirect deposits (both AuM and AuC)
- **Net performing customer loans up by 1.9%** since the beginning of the year mainly attributable to the corporate segments also supported by Government measures related to the health emergency

1. Including Bancassurance.

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Direct and Indirect funding

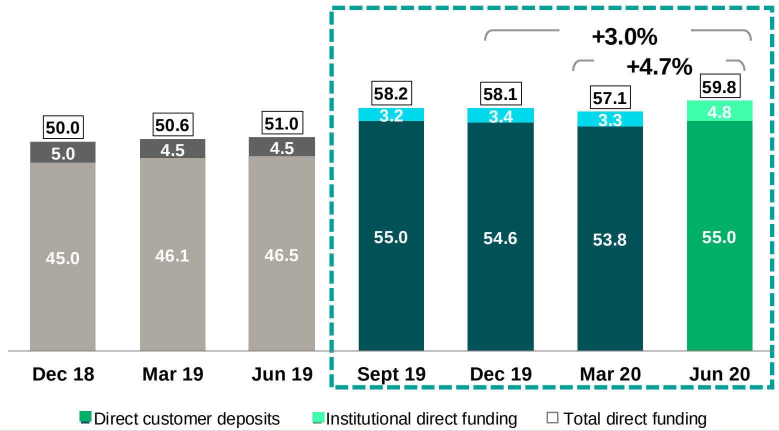
Balance sheet structure

Direct funding (+4.7% vs Mar.'20) and Indirect funding/Bancassurance (+4.7% vs Mar.'20) strong recovery in 2Q20 after the contraction in the first part of 2020. Net inflows more than doubled in 2Q20 vs 1Q20

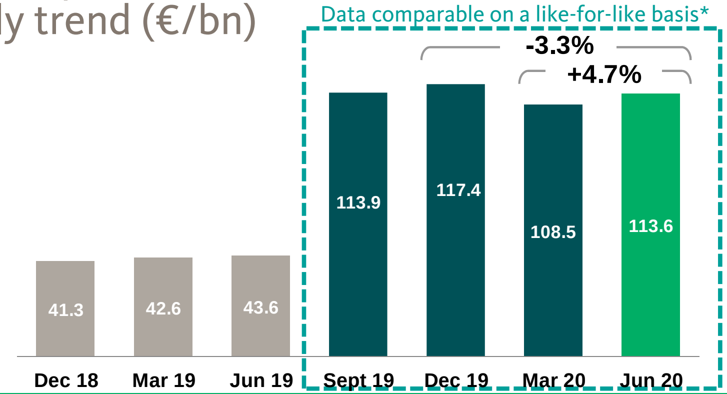
Total Funding (€/mn; %)

€/mn	Dec 19	Jun 20	Chg (%)
Direct Funding	58,056	59,815	+3.0%
Indirect Deposits and Bancassurance[1]	117,444	113,565	-3.3%
o.w. Assets under custody	*68,909*	*66,324*	*-3.8%*
o.w. Assets under management	*41,714*	*40,201*	*-3.6%*
o.w. Bancassurance (stock)	*6,821*	*7,040*	*+3.2%*
Total	**175,500**	**173,380**	**-1.2%**

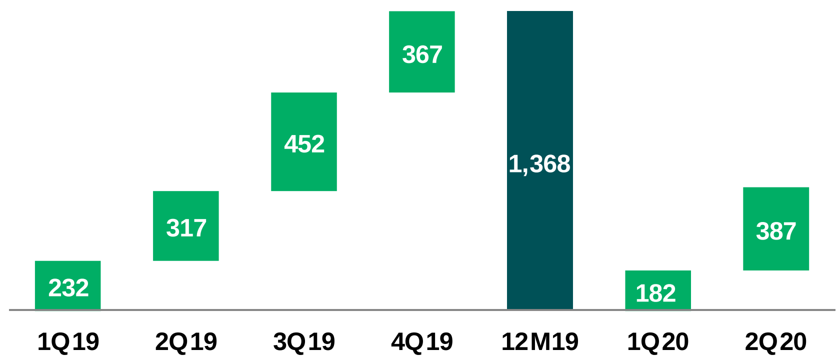
Direct Funding, quarterly trend (€/bn)



Indirect Deposits and Bancassurance[1] quarterly trend (€/bn)



Net inflows[2] in AuM and life insurance products (€/mn)



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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, 1Q20 and 2Q20 are comparable on a like-for-like basis.

Customer loans

Balance sheet structure

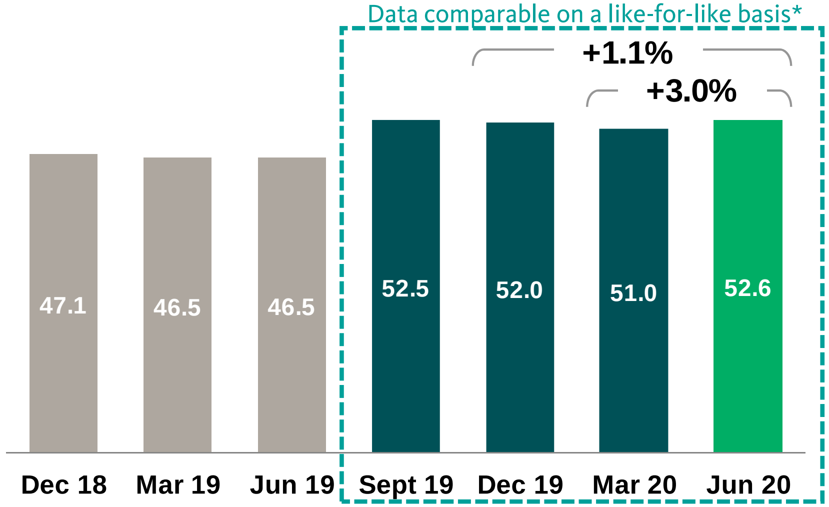
Net customer loans up by 3.0% since Mar.'20 and by 1.1% since Dec.'19 also supported by the measures of the Government to sustain the economy. High quality of performing loans book

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

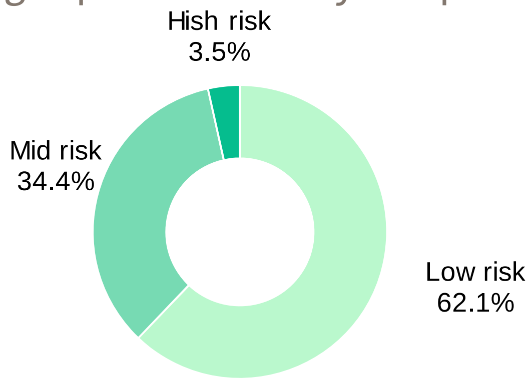
€/mn	Dec 19	Jun 20	Chg (%)
Current accounts	4,842	4,018	-17.0%
Mortgage loans	32,540	33,147	+1.9%
Other transactions	14,624	15,390	+5.2%
Net loans	**52,006**	**52,554**	**+1.1%**
o.w. performing	*49,008*	*49,921*	*+1.9%*
o.w. NPEs	*2,998*	*2,634*	*-12.2%*
Gross loans	**55,292**	**55,089**	**-0.4%**
o.w. performing	*49,169*	*50,082*	*+1.9%*
o.w. NPEs	*6,123*	*5,008*	*-18.2%*

- Customer loans strong recovery trend in 2Q20 also thanks to the measures of the Government to support the economy
- In 1H20, loans origination + 18.6% compared to 1H19 (even tough the comparison is not on a like-for-like basis)
- Significant drop in the stock of bad loans also thanks to the bad loans securitization "Spring" (1.2 €/bn of GBV)
- High quality of performing book confirmed despite economic scenario worsening

Net customer loans, quarterly trend (€/bn)



Performing exposure rated by risk profile[1] (%)



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.

Note. Pro-forma data including the effects of the "Spring" securitisation of bad loans. See Note 2 on page "Executive summary (1/2)".

*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, 1Q20 and 2Q20 are comparable on a like-for-like basis.

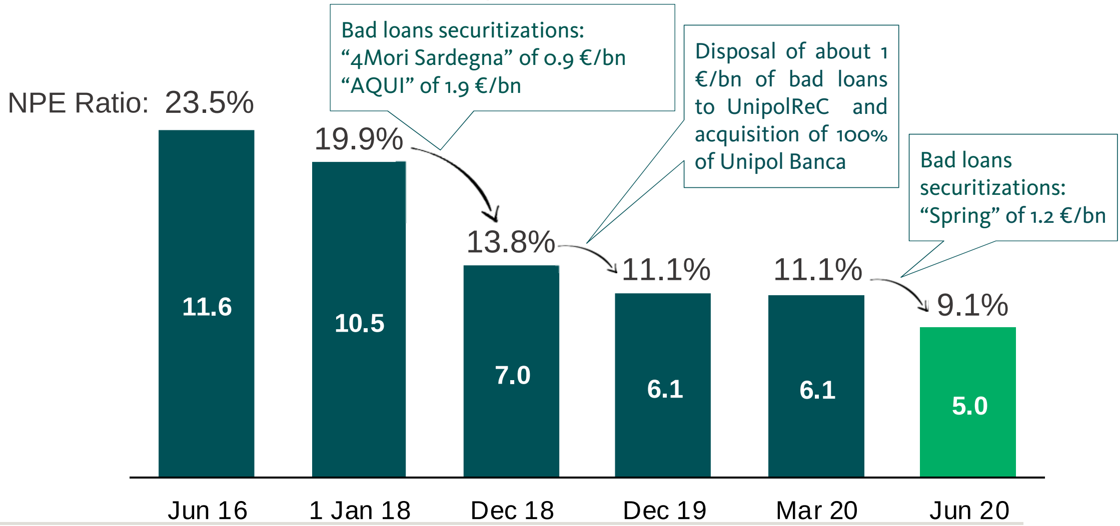
Non Performing Exposures (1/2)

Asset quality strong improvement. Gross NPE stock down by 18.2% since Dec.'19. Gross and net NPE ratios respectively down to 9.1% and 5.0%

Gross NPE (€/mn; %)

€/mn	Dec 19	Jun 20	Chg (%)
Bad loans	3,449	2,374	-31.2%
Unlikely to pay	2,479	2,405	-3.0%
Past due	195	228	+17.2%
Total	**6,123**	**5,008**	**-18.2%**

Gross NPE, quarterly trend (€/bn)



- Gross NPE stock decreased by 18.2% since Dec.'19 with a remarkable drop of bad loans (-31.2%) mainly thanks to bad loans securitization "Spring" of 1.2 €/bn
- Gross NPE ratio down at 9.1% vs 11.1% in Dec.'19
- Net NPE ratio slightly down at 5.0% vs 5.8% in Dec.'19 and net bad loans stock below 1 €/bn, back to 2009 levels
- NPE coverage decrease at 47.4% from 51.0% in Dec.'19 mainly due to the bad loans securitization and the different NPE mix. UtP coverage increase at 35.0% vs 33% in Dec.'20

Cash coverage ratios (%)

	Jun 19	Sept 19	Dec 19	Mar 20	Jun 20
Bad loans ("Sofferenze")	67.0%	63.7%	66.0%	66.3%	**62.8%**
including write-off	***72.1%***	***68.1%***	***69.9%***	***70.3%***	***67.1%***
Unlikely to pay	35.3%	37.2%	33.0%	34.0%	**35.0%**
Past due	12.8%	15.0%	14.6%	18.4%	**18.2%**
NPE	**54.8%**	**51.1%**	**51.0%**	**51.9%**	**47.4%**
including write-off	***59.3%***	***54.4%***	***54.3%***	***55.3%***	***50.5%***
Performing exposures	0.3%	0.4%	0.3%	0.3%	**0.3%**
Total loans	**7.8%**	**6.3%**	**5.9%**	**6.0%**	**4.6%**

Note: figures in this page may not add exactly due to rounding differences.
Note. Pro-forma data including the effects of the "Spring" securitisation of bad loans. See Note 2 on page "Executive summary (1/2)".

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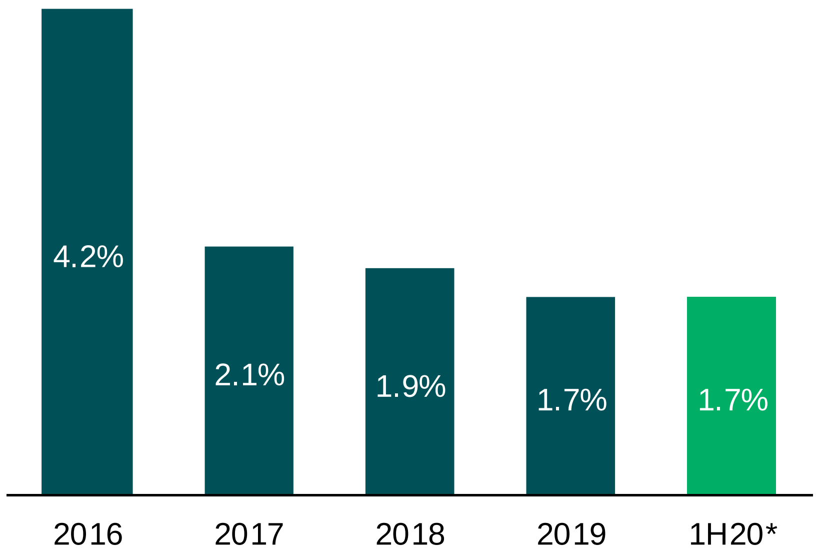
Non Performing Exposures (2/2)

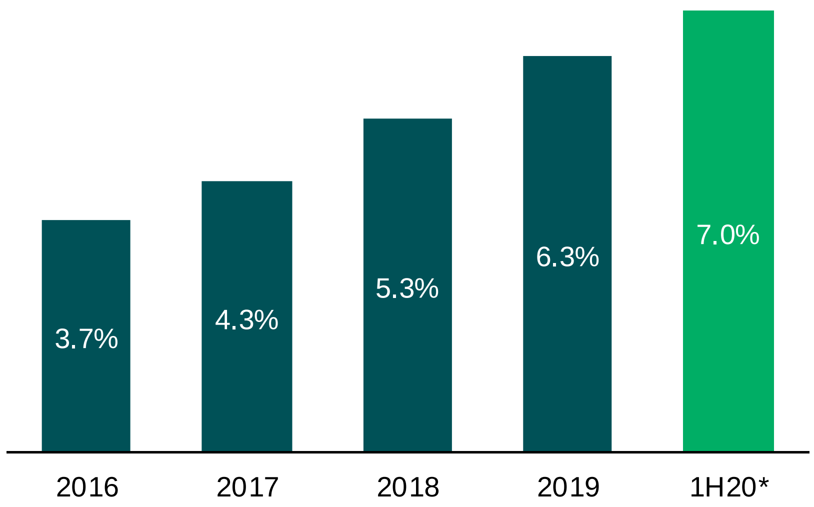
Balance sheet structure

Stable default rate at 1.7% (1.7% in 2019) despite of the economic slow-down and further strong increase of recovery rate at 7.0% from 6.3% in 2019

Default rate (%)



Bad loans average recovery rate[1] (%) (Bper Credit Management)



1. Source: management data.
Note: Default rate = 1H20 NPE inflows / performing loans stock at 31 Dec'19; bad loans average recovery rate = collections / average gross bad loan stock for the period.
* Annualized.

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Financial assets portfolio

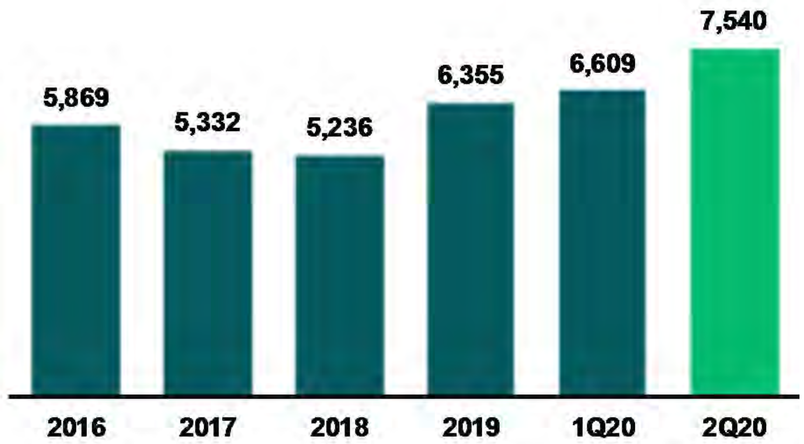
Balance sheet structure

Financial assets portfolio at 22.3 €/bn up by 2.4 €/bn since Mar.'20

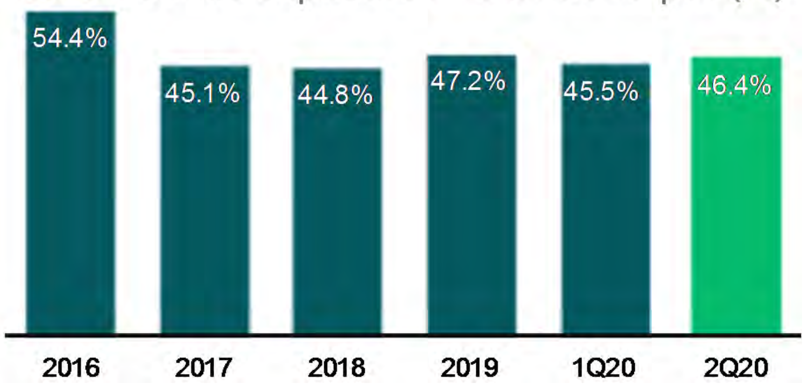
Financial Assets breakdown (€/mn; %)

€/mn	FVTPL	FVOCI	AC	Total	% on total
Bonds	346	6,234	14,730	21,310	95.7%
o.w. Italian gov	*174*	*428*	*6,938*	*7,540*	*33.9%*
Equity	108	218		326	1.5%
Funds and Sicav	481			481	2.2%
Other*	138			138	0.6%
Total as of 30.06.2020	**1,073**	**6,452**	**14,730**	**22,255**	**100.0%**
Total as of 31.03.2020	**1,044**	**6,510**	**12,325**	**19,879**	
Total as of 31.12.2019	**1,094**	**6,556**	**11,306**	**18,957**	
Chg vs Dec.'19 (%)	-1.9%	-1.6%	+30.3%	+17.4%	

Italian Government bonds[1] (€/mn)



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



- Financial assets portfolio increased by 2.4 €/bn since Mar.'20, mainly Italian government Bonds and Core Euro government bonds and agencies
- Italian government bonds at 7.5 €/bn (6.6 €/bn in Mar.'20) weighing 33.9% of the whole financial assets portfolio
- Italian Bond portfolio weighs:
  - 46.4% of Total Bond portfolio
  - 11.5% of Total Assets
- Total bonds and Italian government bonds portfolios duration[2] respectively 3.0 ys and 4.5 ys

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1. Source: management data.
2. Duration in years taking into account hedging.

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* Mainly derivatives.

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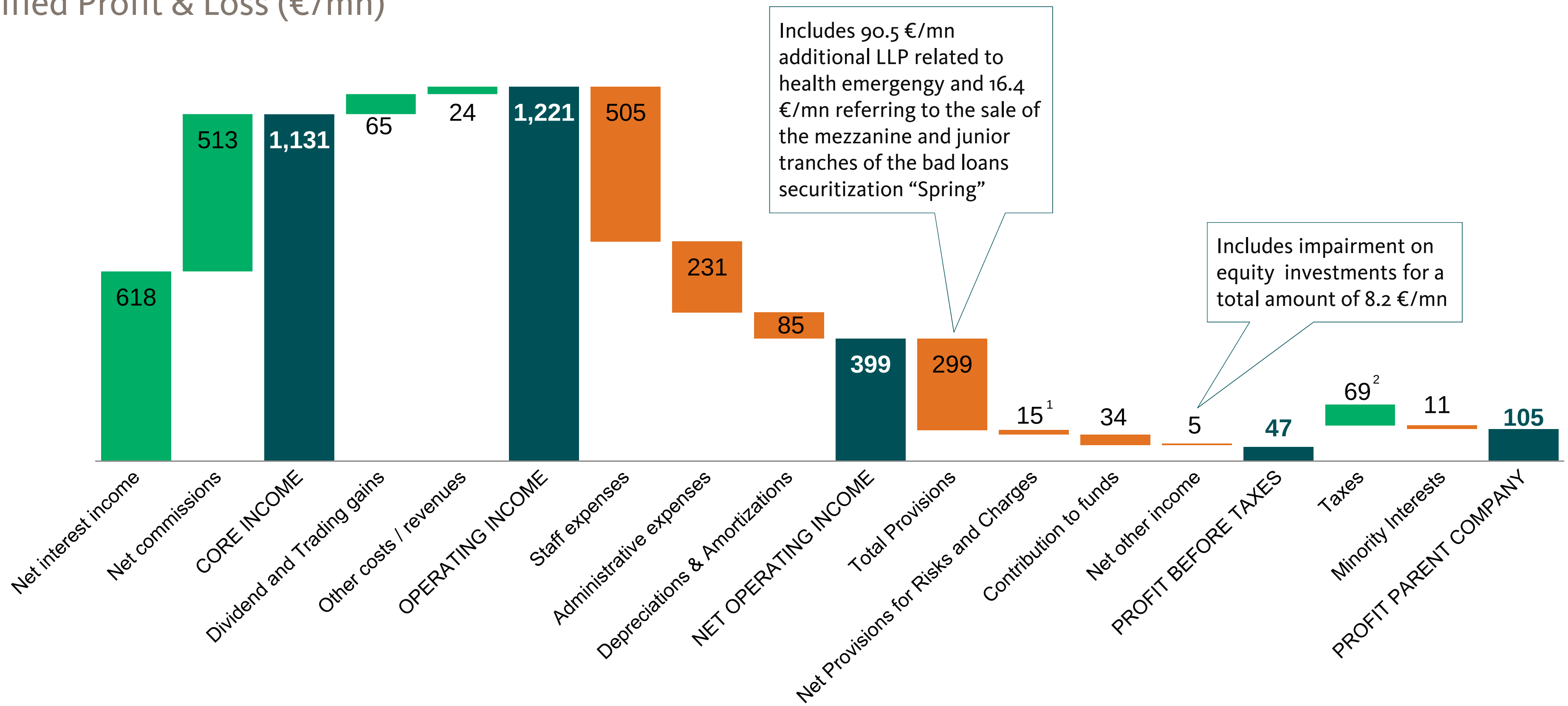
1H20 reclassified Profit & Loss

- **1H20 Net profit of 104.7 €/mn** supported by good revenues generation and effective cost control. The result is affected by some non-recurring items such as **additional loan loss provisions for 90.5 €/mn** relating to the worsening of the macroeconomic context caused by the health emergency and **other extraordinary charges for a total of 36.1 €/mn,** partially offset by **positive income taxes of 68.9 €/mn.**
- **2Q20 Net profit of 98.6 €/mn,** despite being affected by the lock-down period, significantly up vs. 6.1 €/mn in 1Q20

Reclassified Profit & Loss (€/mn)



1. Includes the profit sharing to recover previous tax losses to be paid to the Resolution Fund for 11.5 €/mn (provisions of 16.0 €/mn in 2Q20 vs a recovery of 4.5 €/mn in 1Q20).
2. Income taxes for the period are positive for € 68.9 million mainly due to the tax credit relating to the conversion of Deferred Tax Assets ("DTA") pursuant to Legislative Decree "Cura Italia" and from the release of goodwill and intangibles.

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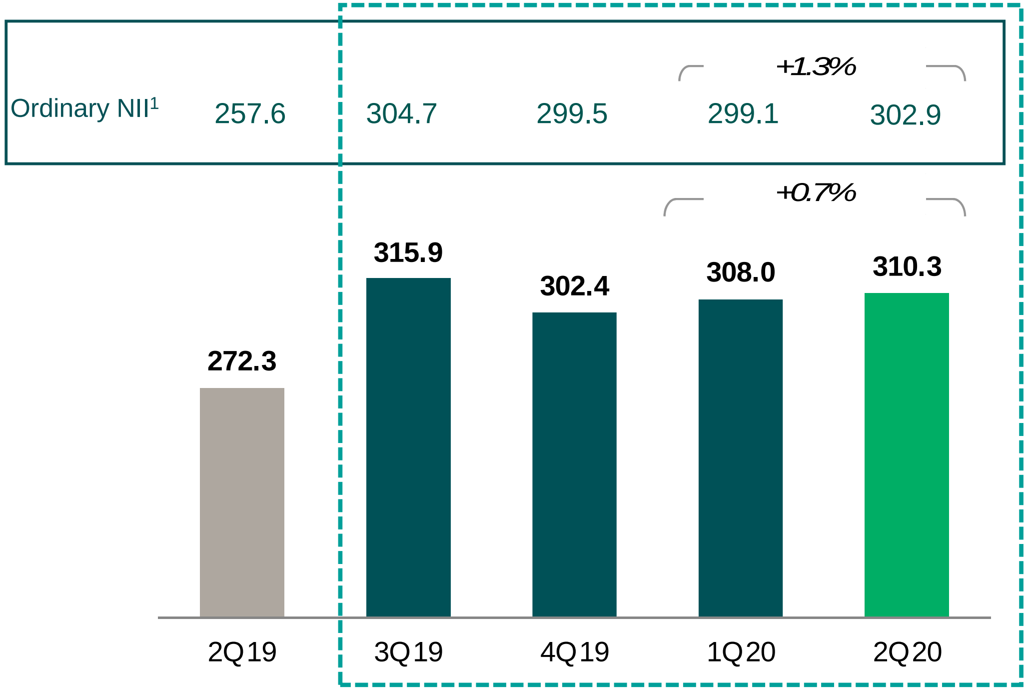
Net Interest Income

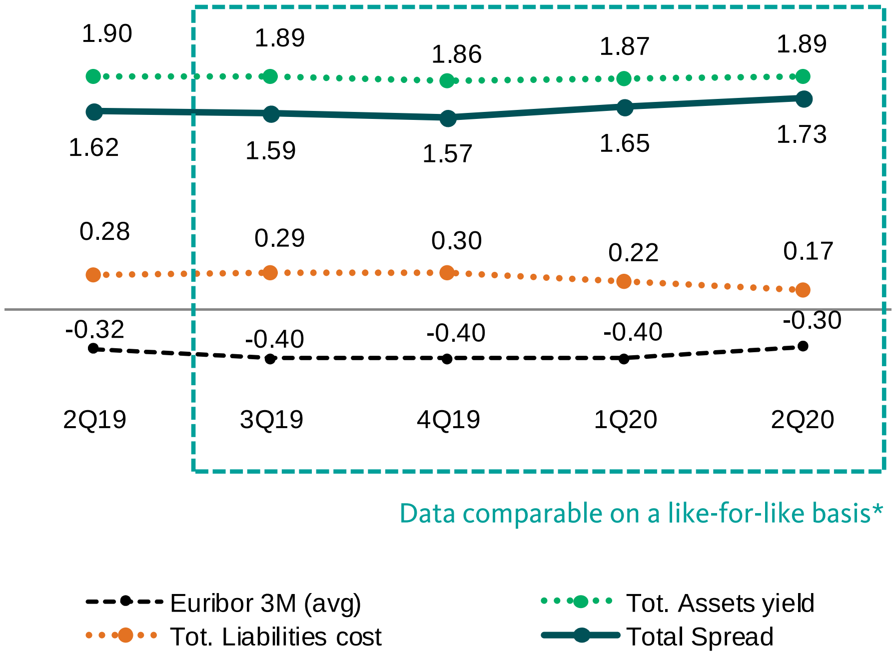
NII improvement in 2Q20 up by 0.7% q/q and by 1.3% q/q on ordinary basis mainly due to improvement of spread (+8 bps q/q) thanks to decrease of cost of funding and slight increase of asset yield

Net Interest Income evolution (€/mn)



Data comparable on a like-for-like basis*

Spread contribution (%)



Data comparable on a like-for-like basis*

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

Note: figures from Consolidated Profit and Loss (Bank of Italy format Circular 262/2005)- Item 10 «Interest and similar income» (TLTRO2 and TLTRO3 benefit included among "Other") and Item 20 «Interest and similar expense».

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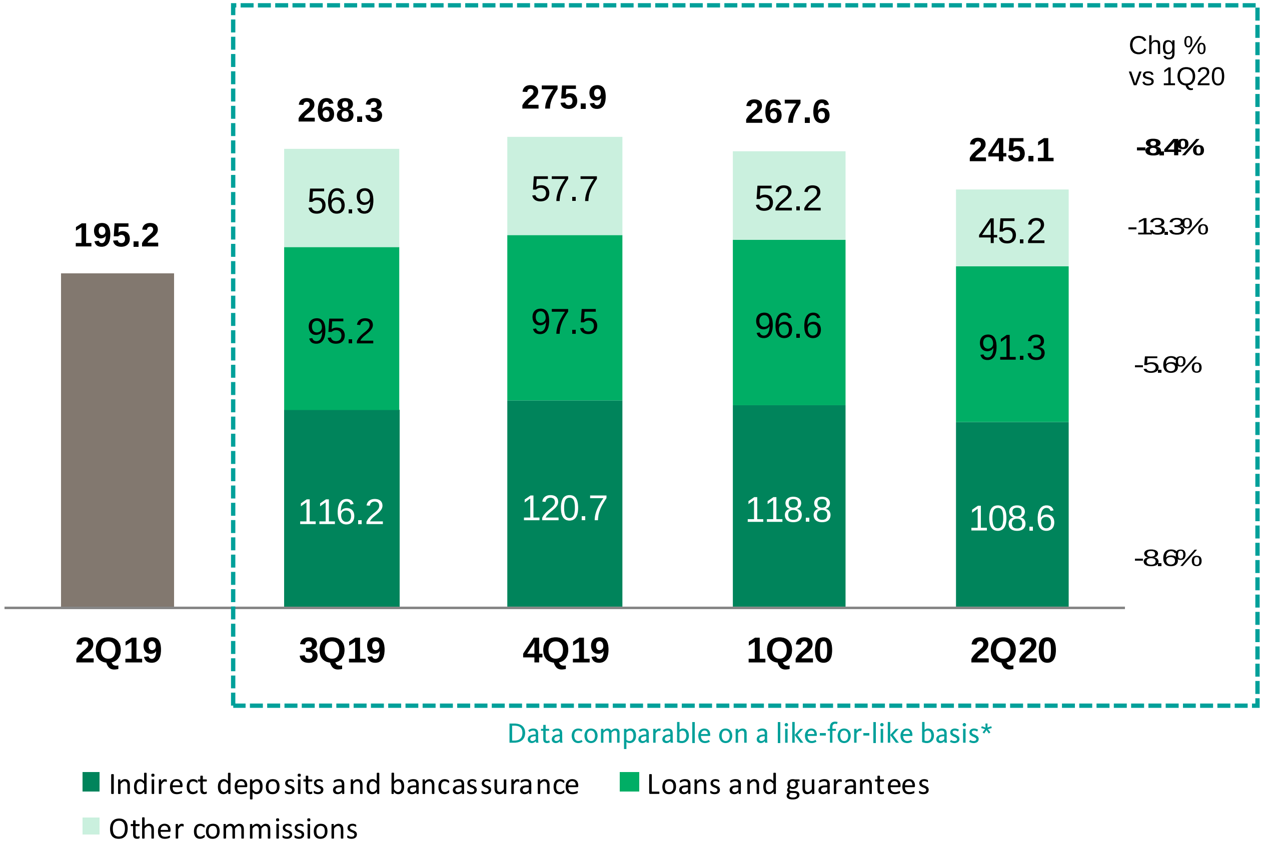
Net Commissions

Net commissions down by 8.4% q/q impacted by the prolonged lock-down of over 2 months related to the health emergency

Net Commissions breakdown (€/mn)



- AuC and Bancassurance resilient, broadly unchanged q/q
- AuM (-9.5 €/mn; -10.6% q/q), credit cards, collections and payments (-3.3 €/mn; -8.2% q/q) and loans and guarantees (-5.4€/mn; -5.6% q/q) were the most impacted segments by the lock-down
- AuM up-front fees contribution declined in 2Q20 (2.3 €/mn vs. 7.0 €/mn in 1Q20)
- Net commissions were particularly negative in April and May at the time of the lock-down, but in June returned to the level of the first months of the year

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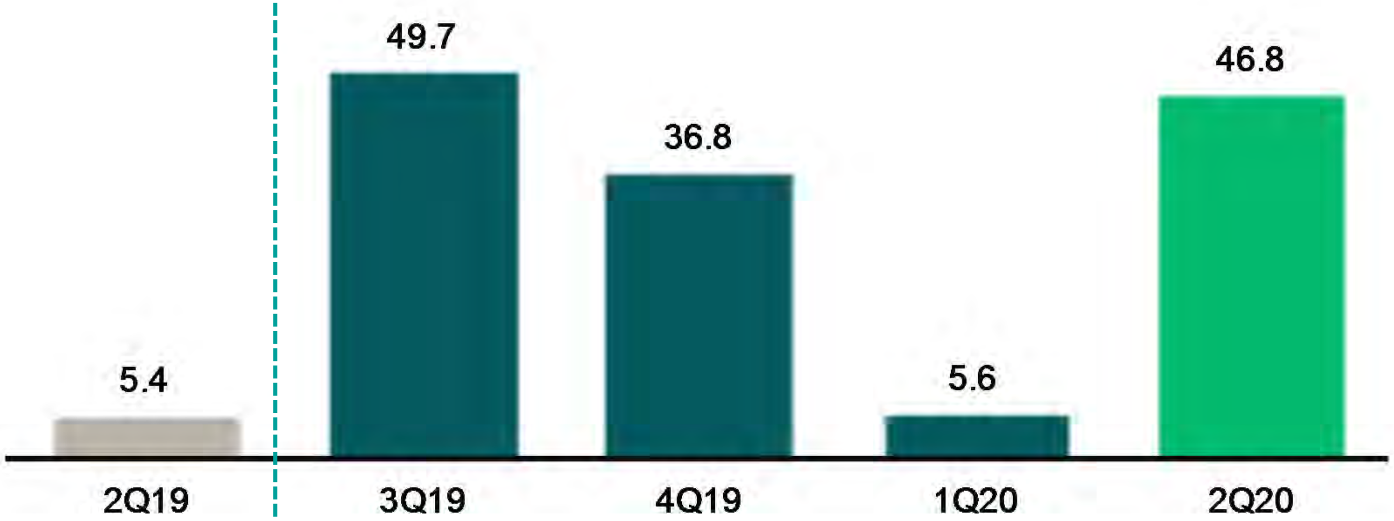
Trading income and Dividends

Profit and loss

2Q20 trading income of 46.8 €/mn vs 5.6 €/mn in 1Q20 influenced by the rebound in financial markets after the turmoil following the health emergency crisis

Trading income evolution (€/mn)



	2Q19	3Q19	4Q19	1Q20	2Q20
Dividends (€/mn)	9.7	3.4	0.5	0.8	12.0

Data comparable on a like-for-like basis*

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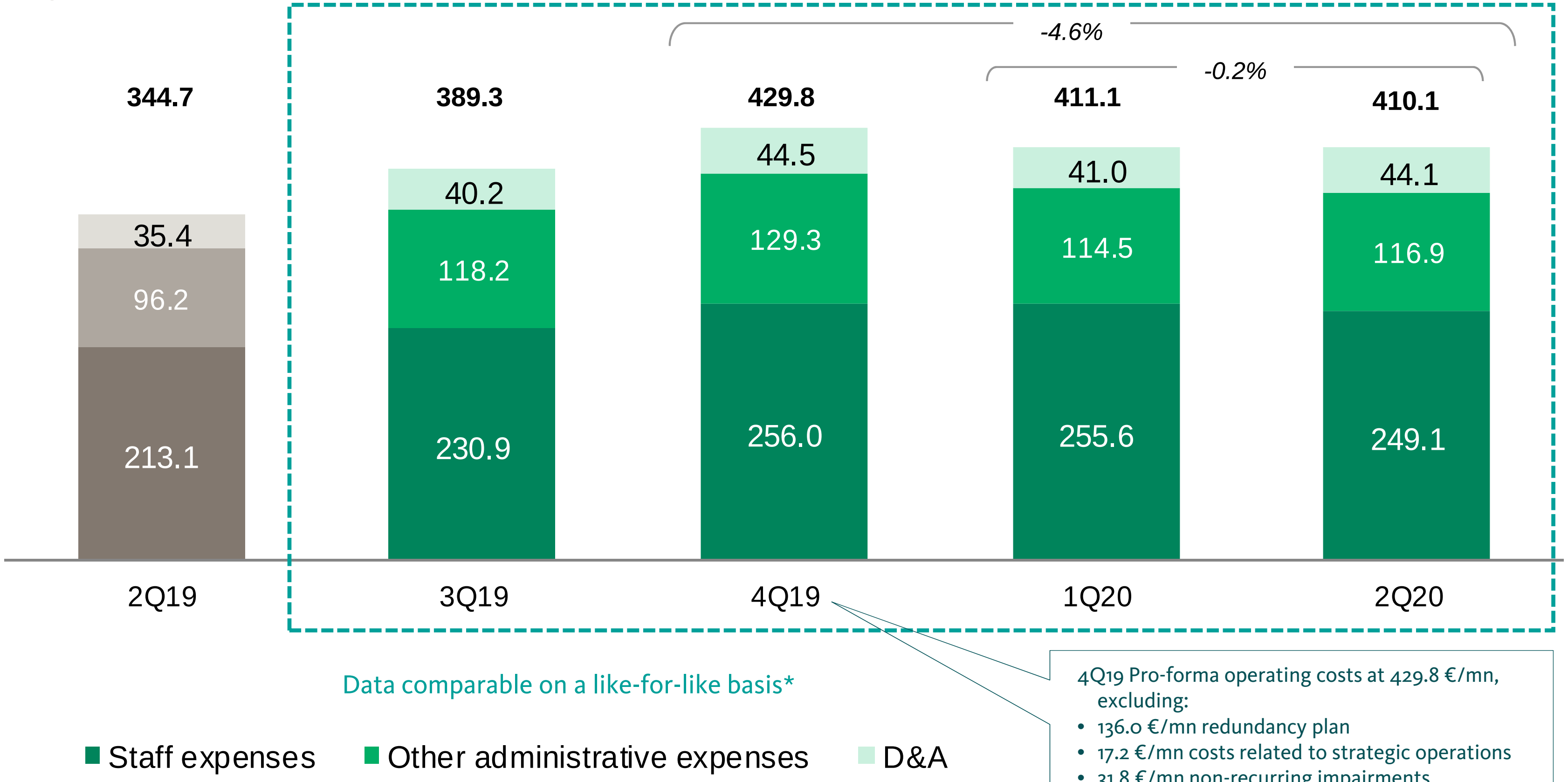
Operating costs

2Q20 operating costs amount to 410.1 €/mn slightly down by 0.2% q/q (-4.6% vs. 4Q19). Staff costs (-2.5% q/q) benefiting from redundancy plan. Higher admin costs (+2.1% q/q) mainly due to strategic operations projects and D&A (+7.6% q/q)

Operating costs evolution (€/mn)



4Q19 Pro-forma operating costs at 429.8 €/mn, excluding:
- 136.0 €/mn redundancy plan
- 17.2 €/mn costs related to strategic operations
- 31.8 €/mn non-recurring impairments

(4Q19 Stated Operating costs: 614.8 €/mn)

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Provisions and other items

Additional loan loss provisions of 90.5 €/mn in 1H20 relating to the worsening of the macroeconomic scenario caused by the health emergency (50 €/mn in 1Q20 and 40.5 €/mn in 2Q20).

Provisions and other items (€/mn)

	2Q19	3Q19	4Q19	1Q20	2Q20
Total Provisions	75.0	161.1	140.2	139.6	159.0
*of which LLPs**	*74.6*	*161.0*	*139.5*	*139.6*	*157.8*
*Cost of credit***	*0.16%*	*0.30%*	*0.27%*	*0.27%*	*0.29%* [1]
Net Provisions for Risks and Charges	9.7	-2.5	3.0	-2.3	17.2[2]
Contribution to funds	9.5	25.8	2.3	32.0	2.2
Net other income	-4.6	-354.2	12.6	-0.3	5.5[3]

Of which 50.0 €/mn additional LLP related to the worsening macro scenario

Of which:
- 40.5 €/mn additional LLP related to the worsening macro scenario
- 16.4 €/mn referring to the sale of the mezzanine and junior tranches of the bad loans securitization "Spring" [4]

- Loan loss provisions in 2Q20 at 157.8 €/mn vs 139.6 €/mn in 1Q20
- Cost of credit annualized at 71 bps excluding non-recurring items relating to the worsening of the macroeconomic scenario caused by the health emergency and the sale of the mezzanine and junior tranches of the bad loans securitization "Spring" (equivalent respectively to 35 bps and 6 bps)

1. Pro-forma data including the effects of the "Spring" securitisation of bad loans. See Note 2 on page "Executive summary (1/2)"
2. Including a "profit sharing" to recover tax losses carry-forward to be paid to the Resolution Fund for 11.5 €/mn (provisions of 16.0 €/mn in 2Q20 vs. a recovery of 4.5 €/mn in 1Q20).
3. Including an impairment on equity investments of 8.2 €/mn (accounted for in the second quarter).
4. As required by the GACS regulations, 95% of the mezzanine and junior tranches had to be placed with institutional investors in order to achieve derecognition - also for supervisory purposes - of the portfolio of bad loans sold. As part of the "Spring" securitisation of bad loans, the BPER Group sold, at the beginning of July, 95% of the mezzanine and junior tranches of the securities issued to an institutional investor. The difference between the nominal value of the notes issued and the selling price is € 16.4 million and was recorded in item 130 a) Adjustments to financial assets measured at amortised cost.

*Item 130 a) Net impairment losses to financial assets at amortized cost (Profit and Loss Financial statement).
** Calculated including only customer loans (excl. customer debt securities)

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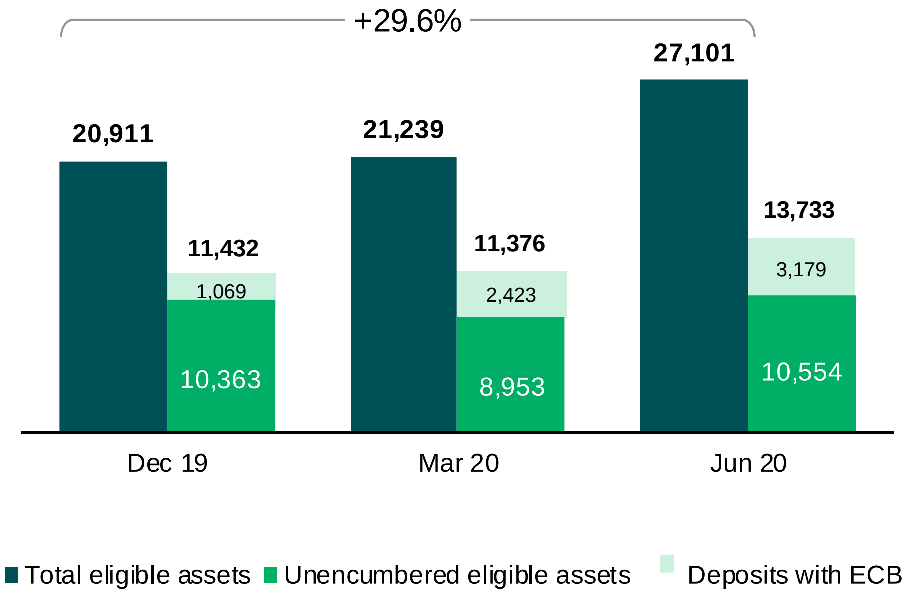
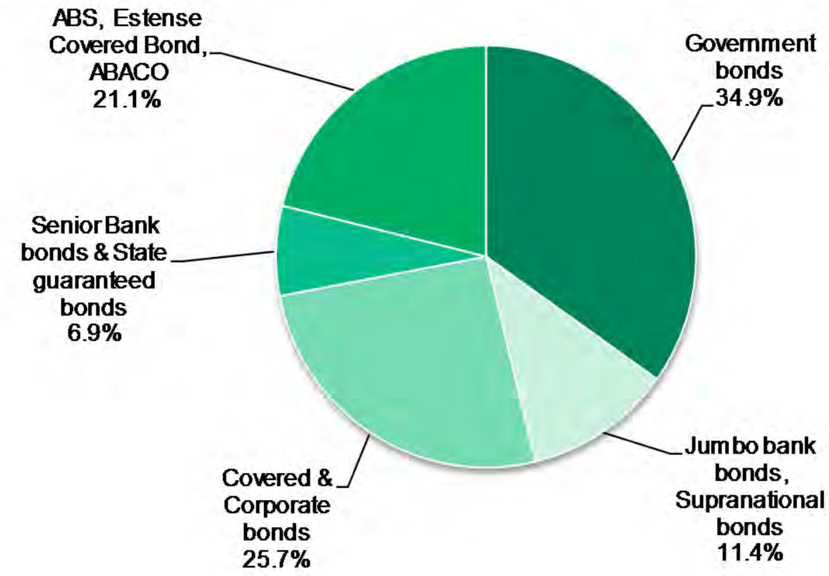
Liquidity

Solid liquidity position. In Jun.'20, total eligible assets strongly increased at 27.1 €/bn. Large unencumbered eligible assets and deposits with ECB at 13.7 €/bn

Total eligible Assets evolution* (€/mn)



Eligible Assets Pool Composition (%)



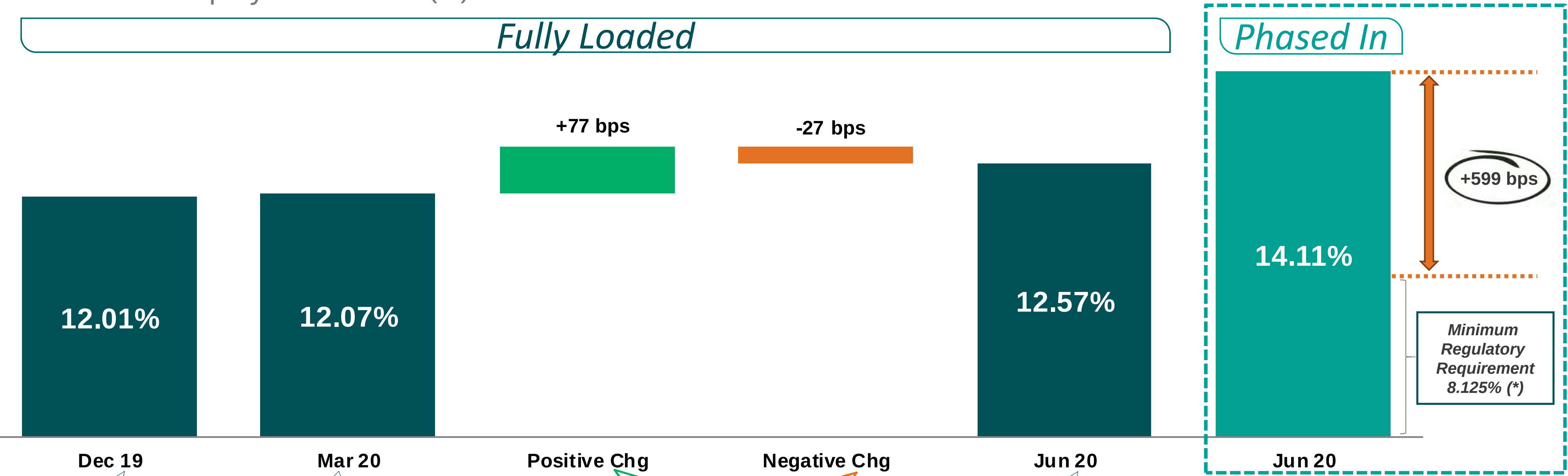
- ECB exposure of 15.0 €/bn in Jun.'20 of which 14.0 €/bn of TLTRO3 (TLTRO2 of 9.7 €/bn entirely reimbursed in Jun.'20)
- LCR index at 161.8% well above the regulatory threshold and NSFR ratio stands well above 100%

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

Capital

Capital position significant improvement with a CET1 Fully Loaded at 12.57% up by 50 bps vs. 12.07% in Mar.'20 and up by 56 bps vs. 12.01% in Dec.'19

Common Equity Tier 1 Ratios (%)



Dec 19
Common Equity TIER 1: 4,155 €/mn
Total RWA: 34,579 €/mn

Mar 20
Common Equity TIER 1: 4,052 €/mn
Total RWA: 33,580 €/mn

Positive Chg
- Profit 1H20 +31 bps
- PMI Supporting Factor +22 bps
- FVOCI Reserves +21 bps
- Lower goodwill and intangible assets +3 bps

Negative Chg
- Financial assets portfolio increase -9 bps
- Loans increase-18 bps

Jun 20 (Fully Loaded)
Common Equity TIER 1: 4,241 €/mn
Total RWA: 33,744 €/mn

Jun 20 (Phased In)
Common Equity TIER 1: 4,774 €/mn
Total RWA: 33,820 €/mn

Note. 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.
Note. The Fully Loaded Common Equity Tier 1 ratio has been estimated excluding the effects of the transitional provisions in force and taking into account the expected absorption of deferred tax assets relating to first-time adoption of IFRS9.
(*) 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. The Common Equity Tier 1 Ratio requirement to be met in 2020 was therefore equal to 8.125% Phased in.

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Final remarks

RESILIENT PROFITABILITY

- **1H20 Net profit of 104.7€/mn** showing **a good ability to generate revenues,** despite the difficult economic and financial environment, and **tight cost control**
- **Conservative approach to asset quality** (90.5 €/mn additional provisions accounted in 1H20 following the worsening of the macroeconomic context caused by the health emergency)

STRONG ASSET QUALITY IMPROVEMENT

- **Gross and net NPE stocks down** respectively by 18.2% and 12.2% vs Dec.'19
- **Gross and net NPE ratios down to 9.1% and 5.0% in 1H20,** the **lowest ratios and stocks since 2009**
- **Default rate** annualized still low at **1.7%**
- **Texas ratio at 70.8%** down by more than 8 p.p. in Dec.'19

SOLID CAPITAL and LIQUIDITY

- **CET1 RATIO Fully Loaded at 12.57%** up by 50 bps vs. 12.07 in Mar.'20
- **Large liquidity buffer with almost 14 €/bn** of unencumbered eligible assets and deposits with ECB

Customer loans are expressed pro-forma including the effects of the "Spring" securitisation of bad loans. See Note 2 on page "Executive summary (1/2)".

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Progress Update on Acquisition of Going Concern

Indicative Timetable

Feb 17th 2020	Transaction announcement ✓
Apr 22nd 2020	EGM approval of up to €1.0bn share capital increase ✓
Aug 5th 2020	Agreement on Revised Transaction Terms[1] ✓
Summer 2020	Regulatory and Antitrust approvals
2H 2020	Capital Increase via rights issue

BPER: Gruppo

Notes
1 Signing of third supplementary agreement on 5 August 2020

Summary Overview of the Transaction

Acquisition of a Going Concern from Intesa Sanpaolo including 532 branches, c. #1.4m clients and c. €26bn of loans, significantly enhancing competitive positioning in Italy

Overview of the Going Concern perimeter

Key Guiding Principles[1]

- **Branches**: #532 (mainly located in northern Italy, with a specific focus on Lombardy)
- **Net customer loans**: approximately €26bn
- **RWA**: maximum €15.5bn[2]

Additional Contractual Elements

- **Asset quality**: gross NPE ratio at 6.5%[3]
- **Allocated capital**: CET1 ratio at 13.4%[3]
- **Only including assets and liabilities strictly related to the branches acquired** (i.e. no head office and central structures)
- **No obligations with reference to current distribution agreements**

Estimated Metrics / Contribution

- Customer deposits and indirect funding estimated at €29bn and €31bn respectively[4]
- Over 70% of volumes[5] of the Going Concern related to customers located in the Northern regions of Italy
- **Operating income in excess of €930m in 2021**
- **Estimated earnings of c. €140m in 2021**

Revised transaction terms

- Acquisition in cash
- **Consideration equal to 0.38x the CET1 Capital of the Going Concern**
- Acquisition financed via rights issue
  - EGM approval for a up to €1bn share capital increase obtained in April 2020

BPER: Gruppo

Notes
1 Contractually agreed perimeter
2 Including credit and operational risk RWA
3 Based on UBI's figures as of Jun-2020; Gross NPE ratio takes into account €4.7bn of performing loans to be included in the Going Concern perimeter
4 BPER Management estimates based on public information available
5 BPER Management estimates based on public information available. Gross loans and direct funding

Strong Strategic Rationale Confirmed

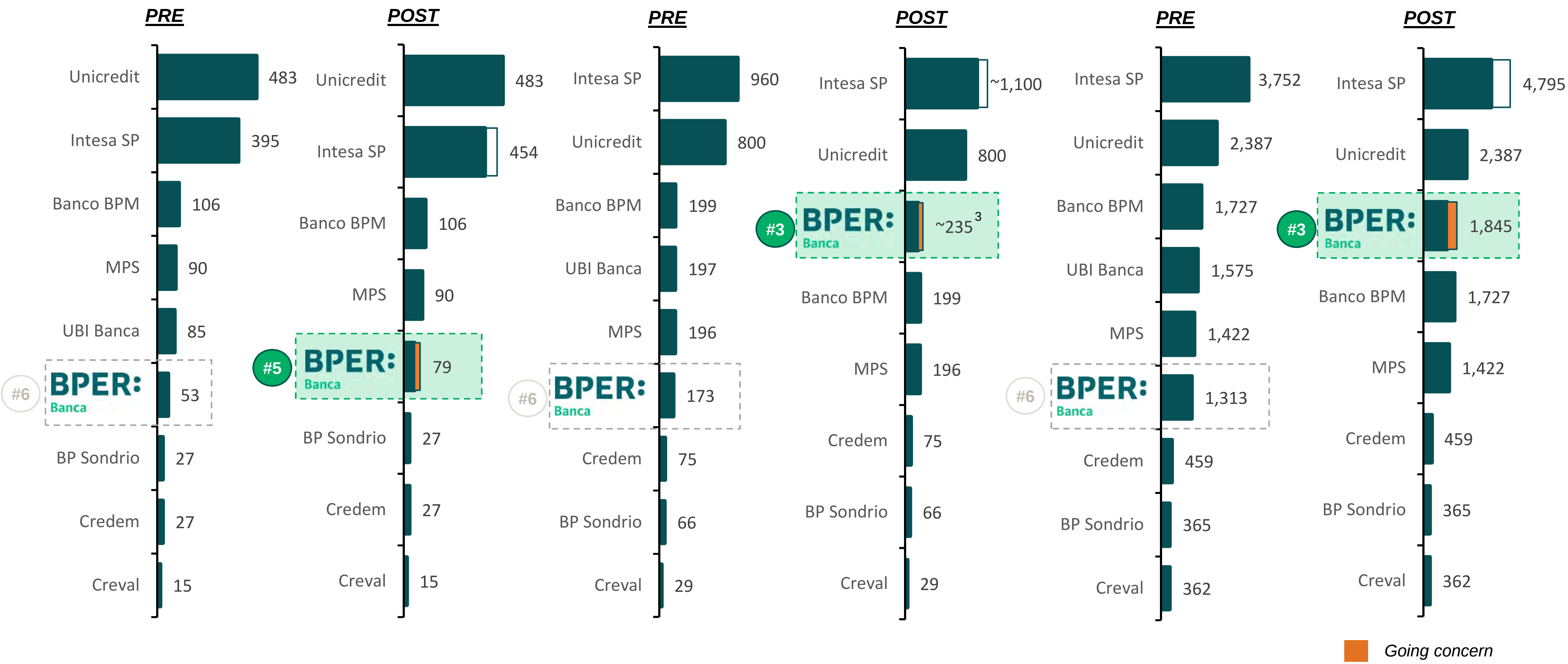
Confirming sound and sustainable growth

1. Transaction **coherent** with **2019 – 2021 industrial plan guidelines**
2. Creating shareholders value **enhancing profitability, improving asset quality and maintaining a strong capital position**
3. **Significant scale increase and strengthening of BPER competitive positioning**
4. **Strengthening of group presence in the more productive and dynamic areas of the country** (in particular Lombardy)
5. **Benefits on operating efficiency** (no head/back office legacy)
6. **Further potential value creation** through cross selling of BPER products to the newly acquired customers

Enhancing Scale and Competitive Positioning in the Italian Banking Landscape

Ranking of Selected Listed Italian Commercial Banks[1]

By Net Customer Loans (€bn) | **By Total Funding[2] (€bn)** | **By number of branches (#)**



BPER: Gruppo

Source: company filings

Notes

1 Figures for selected listed Italian commercial banks refer to FY 2019; figures for BPER refer to 1H 2020

2 Defined as a sum of direct and indirect funding

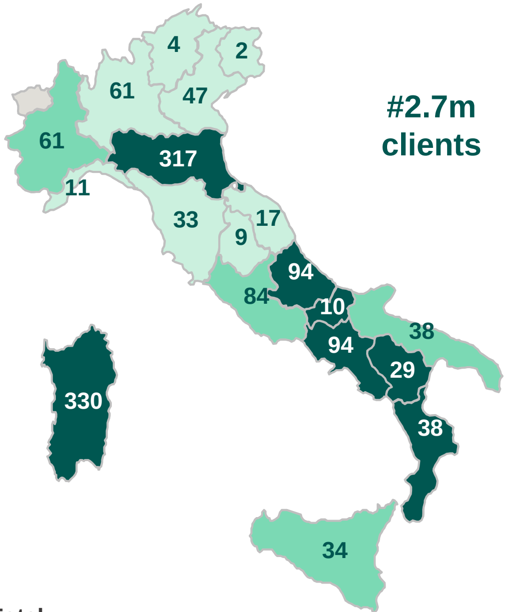
3 Based on preliminary estimates for Going Concern

Strengthening of BPER Presence in Attractive Geographic Areas (1/2)

Highly complementary branch networks which will significantly enlarge BPER "multi-regional presence" in the wealthiest northern Italian regions

BPER branches

Branches: #1,313[1] (5.4% m.s.[2])



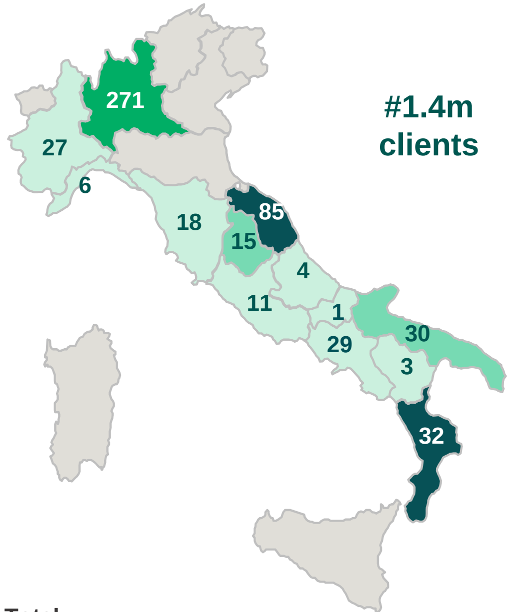
#2.7m clients

% on Total	
North-West	10%
o/w Lombardy	5%
North-East	28%
Centre	18%
South & Islands	44%

+

Going Concern branches

Branches: #532 (2.2% m.s.[2])



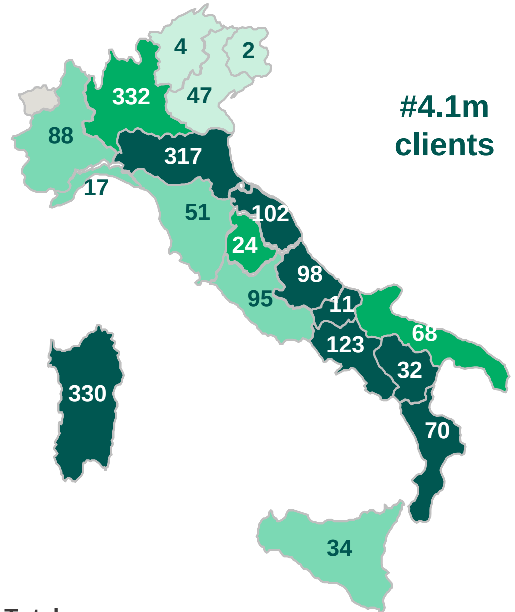
#1.4m clients

% on Total	
North-West	57%
o/w Lombardy	51%
North-East	0%
Centre	25%
South & Islands	18%

=

BPER branches pro-forma

Branches: #1,845 (7.6% m.s.[2])



#4.1m clients

% on Total	
North-West	24%
o/w Lombardy	18%
North-East	20%
Centre	20%
South & Islands	36%

Market shares: >7.5% | 5% - 7.5% | 2.5% - 5% | <2.5%

Notes

1 Number of BPER branches as of June 2020

2 Branch market share based on Bank of Italy data for 2019

BPER: Gruppo

Strengthening of BPER Presence in Attractive Geographic Areas (2/2)

Strengthening of group presence across Italy and in particular in the more productive and dynamic areas of the country (North-West and Lombardy)

By Loans

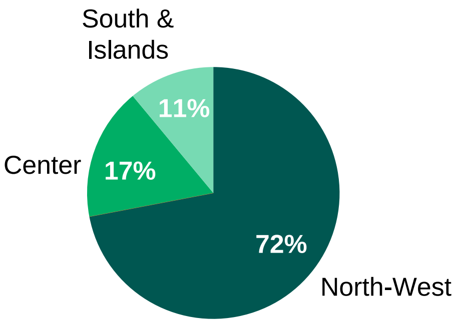
- Approximately threefold increase of market share in North-West regions and Lombardy

By Direct Funding

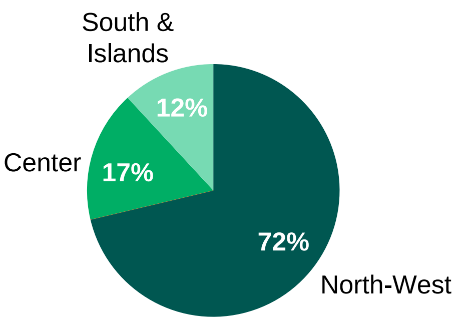
- 6x increase of market share in North-West regions and 9x in Lombardy

Going Concern Estimated Contribution

By Loans[1]



By Direct Funding



Market Shares (%)	BPER Standalone		Going Concern		BPER Pro-Forma
By Loans[1]					
Italy	3.1%	+	1.6%	=	4.7%
North-West	1.3%	+	2.6%	=	3.9%
Lombardy	1.1%	+	2.8%	=	3.9%
By Direct Funding					
Italy	3.0%	+	1.8%	=	4.8%
North-West	0.7%	+	3.6%	=	4.3%
Lombardy	0.5%	+	4.3%	=	4.7%

BPER: Gruppo

Notes
Numbers may not sum up due to rounding
1 Based on gross customer loans

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BPER is Fully Equipped to Face the New Challenging Environment

Revised Macro Environment	▪ **GDP contraction in 2020E,** with recovery in 2021 ▪ **"Lower for longer"** interest rate environment	**Selected Macro Indicators[1]** **-9.4% / +5.4%** GDP Evolution (2020 / 2021)
Fully Equipped to Face New Challenges	▪ **Strong reduction in Gross NPEs** on a pro-forma basis, also in light of GACS transaction ▪ **Solid capital position,** with c.440bps buffer vs. SREP on a fully loaded basis ▪ **Ample liquidity position** ▪ **More diversified business model** following completion of strategic transactions (Arca & Unipol Banca)	**Selected Indicators (1H 2020)** **9.1% / 5.0%[2]** PF Gross / Net NPE Ratio **12.57%** CET1 FL **161.8%** LCR **+4pp[3]** Commission Income / Core Income
Acquisition of Going Concern	▪ **Confirmed the strategic rationale of the acquisition of Going Concern,** with even stronger industrial value given the new macro-economic environment ▪ **Strong contribution to Group's earnings**	**Going Concern Contribution (2021)** **>€930m** Operating Income **~50%** Cost Income Ratio **~€140m** Net Income

BPER: Gruppo

Notes
1 Source: Prometeia
2 Including impact from securitisation of €1.2bn NPEs with State Guarantee (GACS)
3 1H20 vs. 1H19; Core Income represents the sum of Net Interest Income and Net Commission Income

Update on Financial Guidance

Selected Metrics

	Updated Guidance 2021E	
	BPER Standalone	**Combined PF**
P&L *(€/bn – unless otherwise stated)*		
Revenues	**~2.5**	**>3.4**
Operating Expenses	~(1.6)	~(2,1)
LLPs	~(0.5)	~(0.7)
Net Income *(€/m)*	**~235**	**~375**
Balance Sheet *(€/bn)*		
Total Loans	~54	~80
Direct Funding	~58	~90
Indirect Funding	~117	~150
KPIs		
C/I Ratio	63%	60%
CoR (bps)	~90	~90
RoTE	>5%	~6.5%[1]
CET1 FL Ratio[2]	>13%	~13%
Gross NPE Ratio	~10%	~9%

BPER: Gruppo

Notes
Numbers may not sum up due to rounding
1 RoTE calculated based on BPER methodology, which uses as numerator the Net Income for the period excluding Badwill and uses as denominator the average of the Tangible Equity amount (excluding the Net Income for the period) as of 1-Jan and 31-Dec. RoTE reflects preliminary estimate for expected capital increase amount
2 Net of dividend distribution

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Customer loans

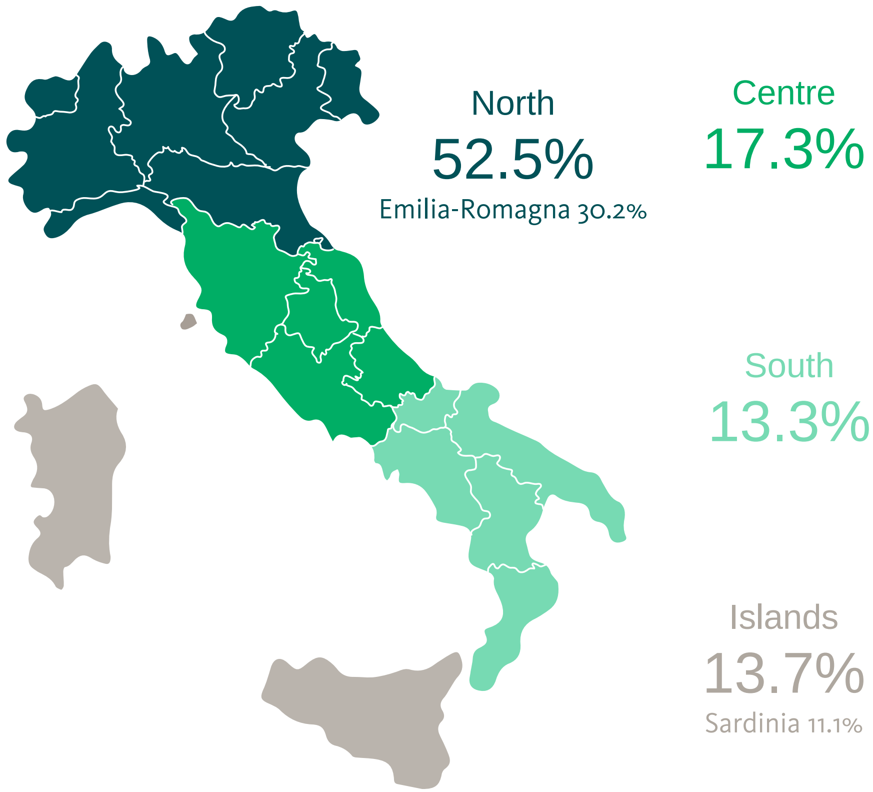
Annexes

Portfolio composition

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

Business sector	Jun 20	% on Total Customer Loans	Δ % vs Dec 19
Manufacturing	7,472	14.2%	+0.8%
Wholesale and retail services, recoveries and repairs	4,321	8.2%	-7.2%
Constructions	2,195	4.2%	-9.2%
Real Estate	3,117	5.9%	-0.8%
HORECA*	1,374	2.6%	+4.1%
Agriculture, forestry and fishing	764	1.5%	-9.9%
Other	5,438	10.3%	+8.2%
Total loans to non-financial businesses	**24,681**	**47.0%**	**-0.6%**
Households	21,422	40.8%	+1.1%
Total loans to financial businesses	6,450	12.3%	+7.6%
Total Customers Loans	**52,554**	**100.0%**	+1.1%
Debt Securities	10,751	**20.5%**	+25.6%

Customer loans breakdown by geographical distribution[1](%)



* Hotel, Restaurant & Cafè (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
Note. Pro-forma data including the effects of the "Spring" securitisation of bad loans. See Note 2 on page “Executive summary (1/2)”.

BPER: Gruppo

Asset quality

Asset quality breakdown (excl. customer debt securities)

Gross exposures (€/mn)	Jun 19		Sep 19		Dec 19		Mar 20		Jun 20		Chg YTD		Chg Y/Y	
		%		%		%		%		%	Abs.	Chg (%)	Abs.	Chg (%)
Non Performing Exposures (NPEs)	6,937	13.7%	6,515	11.6%	6,123	11.1%	6,056	11.1%	5,008	9.1%	-1,115	-18.2%	-1,929	-27.8%
Bad loans	4,321	8.6%	3,492	6.2%	3,449	6.2%	3,434	6.3%	2,374	4.3%	-1,075	-31.2%	-1,947	-45.1%
Unlikely to pay loans	2,526	5.0%	2,920	5.2%	2,479	4.5%	2,463	4.5%	2,405	4.4%	-74	-3.0%	-121	-4.8%
Past due loans	90	0.1%	103	0.1%	195	0.4%	159	0.3%	228	0.4%	33	+17.2%	138	+155.3%
Gross performing loans	43,549	86.3%	49,514	88.4%	49,169	88.9%	48,263	88.9%	50,082	90.9%	913	+1.9%	6,533	+15.0%
Total gross exposures	**50,486**	**100.0%**	**56,029**	**100.0%**	**55,292**	**100.0%**	**54,319**	**100.0%**	**55,089**	**100.0%**	**-203**	**-0.4%**	**4,603**	**+9.1%**

Adjustments to loans (€/mn)	Jun 19		Sep 19		Dec 19		Mar 20		Jun 20		Chg YTD		Chg Y/Y	
		coverage (%)		coverage (%)		coverage (%)		coverage (%)		coverage (%)	Abs.	Chg (%)	Abs.	Chg (%)
Adjustments to NPEs	3,799	54.8%	3,328	51.1%	3,125	51.0%	3,142	51.9%	2,374	47.4%	-751	-24.0%	-1,425	-37.5%
Bad loans	2,896	67.0%	2,225	63.7%	2,278	66.0%	2,277	66.3%	1,491	62.8%	-787	-34.5%	-1,405	-48.5%
Unlikely to pay loans	891	35.3%	1,087	37.2%	818	33.0%	836	34.0%	841	35.0%	23	+2.8%	-50	-5.6%
Past due loans	12	12.8%	16	15.0%	29	14.6%	29	18.4%	42	18.2%	13	+46.0%	30	+261.8%
Adjustments to performing loans	145	0.3%	205	0.4%	161	0.3%	143	0.3%	161	0.3%	0	-0.4%	16	+10.7%
Total adjustments	**3,944**	**7.8%**	**3,533**	**6.3%**	**3,286**	**5.9%**	**3,285**	**6.0%**	**2,535**	**4.6%**	**-751**	**-22.9%**	**-1,409**	**-35.7%**

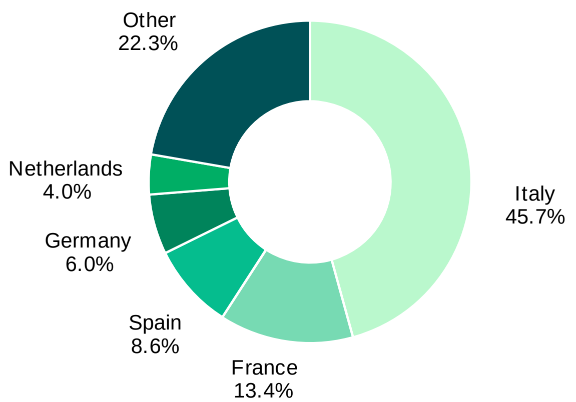
Net exposures (€/mn)	Jun 19		Sep 19		Dec 19		Mar 20		Jun 20		Chg YTD		Chg Y/Y	
		%		%		%		%		%	Abs.	Chg (%)	Abs.	Chg (%)
Non Performing Exposures (NPEs)	3,138	6.7%	3,187	6.1%	2,998	5.8%	2,914	5.8%	2,634	5.0%	-364	-12.2%	-504	-16.1%
Bad loans	1,425	3.1%	1,267	2.4%	1,171	2.3%	1,157	2.3%	883	1.7%	-288	-24.6%	-542	-38.0%
Unlikely to pay loans	1,635	3.5%	1,833	3.5%	1,661	3.2%	1,627	3.2%	1,564	3.0%	-97	-5.8%	-71	-4.3%
Past due loans	78	0.1%	87	0.1%	166	0.2%	130	0.3%	187	0.4%	21	+12.3%	109	+139.6%
Net performing loans	43,404	93.3%	49,309	93.9%	49,008	94.2%	48,120	94.3%	49,921	95.0%	913	+1.9%	6,517	+15.0%
Total net exposures	**46,542**	**100.0%**	**52,496**	**100.0%**	**52,006**	**100.0%**	**51,034**	**100.0%**	**52,554**	**100.0%**	**548**	**+1.1%**	**6,012**	**+12.9%**

Note: figures in this page may not add exactly due to rounding differences
Note. Pro-forma data including the effects of the "Spring" securitisation of bad loans. See Note 2 on page “Executive summary (1/2)”.

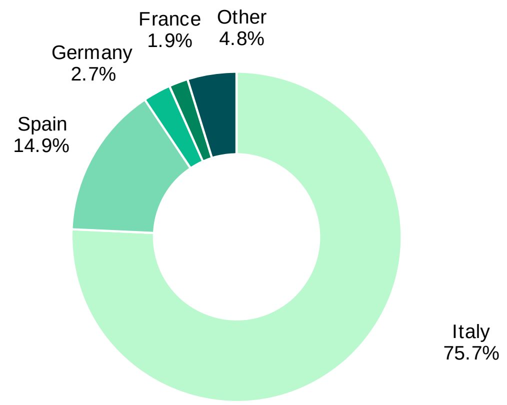
BPER: Gruppo

Financial Assets details

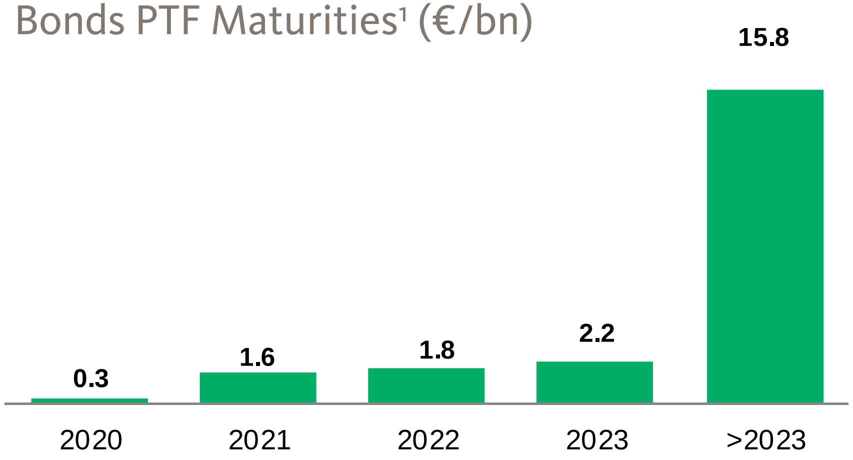
Bond PTF by Geographical breakdown (%)



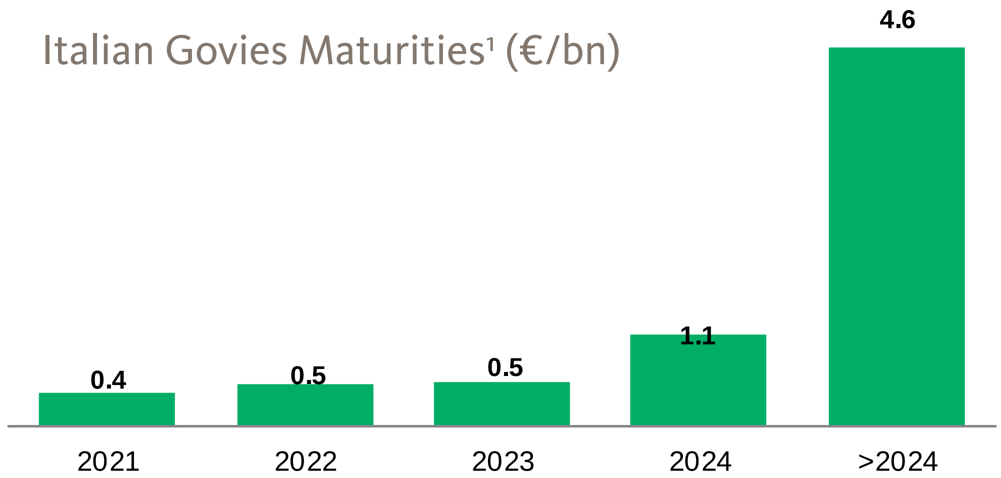
Govies PTF Geographical breakdown (%)



Bonds PTF Maturities[1] (€/bn)



Italian Govies Maturities[1] (€/bn)



1. Figures are shown as per nominal values

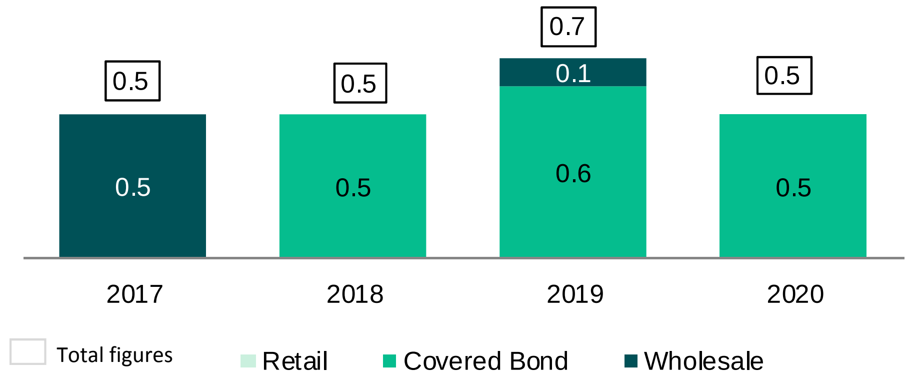
Note: figures from data management system

Bonds maturities and issues details

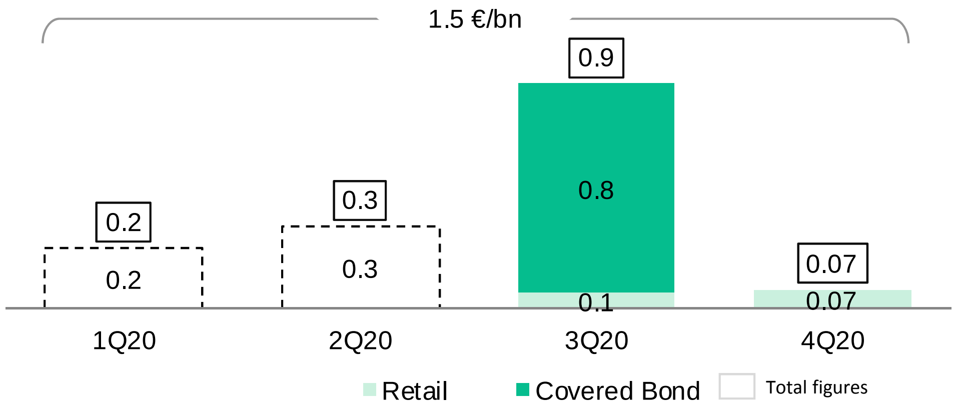
Outstanding bonds (€/bn)

	Dec 18	Dec 19*	Jun 20*
Wholesale bonds	2.5	3.2	3.6
o/w covered bonds	*2.0*	*2.6*	*3.1*
o/w subordinated bonds	*0.5*	*0.5*	*0.5*
Retail bonds	1.5	2.0	1.4
o/w subordinated bonds	*0.3*	*0.4*	*0.4*
Total bonds	**4.0**	**5.2**	**5.0**

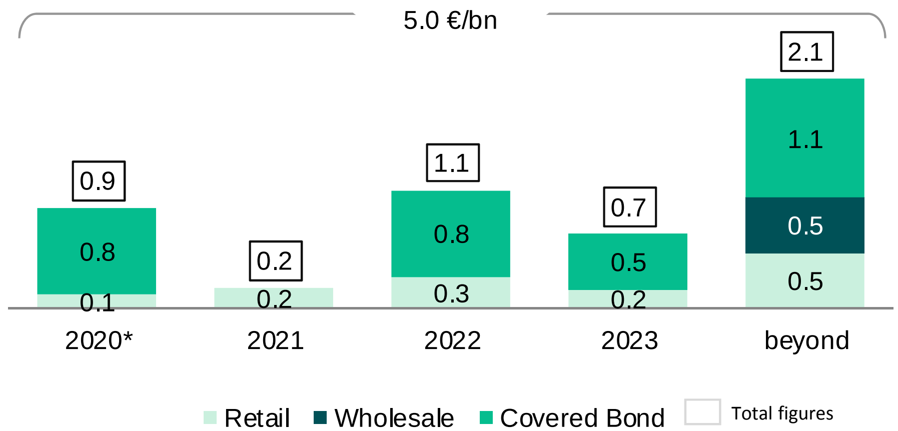
Bonds issued (€/bn)



2020 Bonds maturities (€/bn)



Bonds maturities breakdown (€/bn)



*** Remaining 2 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

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