BANCO POPOLARE

Presentation of Group Q1 2015 results

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Agenda

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Q1 2015 performance highlights

Capital	❑ Further strengthening in the capital ratios in Q1 2015 : ▪ **CET 1 ratio Phase-in:** 11.9% including the net result of Q1 2015 **(proforma*: 12.0%)** ▪ **CET 1 ratio Fully Phased (proforma*): 11.8%**
Profitability	❑ **Profit from operations increased by 22.7% y/y**, thanks to: ▪ the trend of total income (+6.9%; of which Net Interest Income +4.0% and Net Commissions +13.6%) ▪ and the reduction in the operating costs (-2.7%). ❑ Including also the recognition of *tax assets* related to ex-Banca Italease (equal to €85m) and despite registering the estimated annual cost of the Single Resolution Fund (SRF) ,equal to €23m, the **net income of the period came in at €209m**.
Commercial Performance	❑ LENDING: Total new lending amounts to €2.5bn in the period and registers a significant increase vs.Q1 2014 (+111.2%), in particular in the main core segments: €0.4bn in the Households & Other Individuals segment (+44% y/y); €0.5bn in the Small Business segment (+82% y/y); €1.4bn in the Mid Corporate segment (+134% y/y). ❑ INVESTMENT PRODUCTS: More than €4.6bn of indirect fund products placed by the network in the quarter, of which ~€3bn Mutual Funds&SICAV, ~€0.8bn Bancassurance products and ~€0.8bn Certificates. ❑ CONSUMER CREDIT: New lending of Agos Ducato products grows by +28.5% vs. Q1 2014. ❑ CARDS: The number of cards (both debit and credit) rose by more than 50,000 in the quarter, of which roughly 42,000 related to the new generation ATM cards (YouCards). ❑ ON-LINE BANKING: Number of YouWeb contracts register a further increase in the quarter (+3.8%). ❑ CURRENT ACCOUNTS: The number of commercial current accounts (both retail and corporate) grew by more than 18,300 in Q1 2015, reaching a level of 2.22 million.
Loans	❑ Cost of credit risk at 82bps (annualised), at the very low end of the range of 80-100bps expected for FY 2015. ❑ Stock of the gross customer loans back to growth: +€974m in the quarter (+1.1%). ❑ Net flows to NPLs in sharp decline: €206m in the quarter, -76.3% vs. Q1 2014. ❑ Gross NPLs: Clear inversion in the trend registered in the stock, with a reduction of €165m (-0.8%) in the quarter. ❑ Net NPLs: The positive trend already registered at year-end 2014 is confirmed, with a decrease both on a quarterly basis (-0.9%) and on an annual basis (-2.2%). ❑ Coverage of NPLs strengthened further vs. the good level reached at year-end 2014: 45.1%, +0.5p.p. vs. 31/12/2014 (including write-offs). ❑ *Downsizing* of the Leasing Division portfolio (ex Italease & Release): total gross customer loans down by 1.8% and gross NPLs down by 0.7% in the quarter.

Note:
* Proforma takes into account the net income of Q1 2015 and the reduction in the RWA following the transformation of DTA for €689m into tax credits.

Consolidated Q1 2015 income statement: annual change

Reclassified income statement €/m	Q1 2015	Q1 2014	Chg.	Of which: PPA Q1 2015	Of which: PPA Q1 2014
Net interest income	387.6	372.5	4.0%		(0.4)
Income (loss) from investments in associates carried at equity	24.6	19.4	27.3%		
Net interest, dividend and similar income	**412.2**	**391.9**	**5.2%**	**-**	**(0.4)**
Net fee and commission income	422.3	371.7	13.6%		
Other net operating income	28.3	40.6	(30.3%)	(6.0)	(7.4)
Net financial result (excluding FVO)	91.2	88.4	3.2%		
Total income	**954.0**	**892.6**	**6.9%**	**(6.0)**	**(7.9)**
Personnel expenses	(341.4)	(344.2)	(0.8%)		
Other administrative expenses	(165.5)	(161.7)	2.3%		
Amortization and depreciation	(32.5)	(48.8)	(33.3%)	(0.9)	(0.9)
Operating costs	**(539.5)**	**(554.7)**	**(2.7%)**	**(0.9)**	**(0.9)**
Profit (loss) from operations	**414.5**	**337.9**	**22.7%**	**(6.9)**	**(8.8)**
Net adjustments on loans to customers	(181.4)	(328.0)	(44.7%)		
Net adjustments on receivables due from banks and other assets	(3.6)	(3.5)	2.7%		
Net provisions for risks and charges	(43.2)	(1.5)	n.s.		
Impairment of goodwill and equity investments	-	-			
Profit (loss) on the disposal of equity and other investments	(0.1)	1.0	n.s.		
Income (loss) before tax from continuing operations	**186.3**	**5.9**	**n.s.**	**(6.9)**	**(8.8)**
Tax on income from continuing operations (excluding FVO)	27.0	(5.3)	n.s.	2.2	2.9
Income (loss) after tax from discontinued operations	-	(0.1)	n.s.		
Income (loss) attributable to minority interests	3.9	0.7	485.1%		0.0
Net income (loss) for the period excluding FVO	**217.2**	**1.2**	**n.s.**	**(4.7)**	**(5.9)**
Fair Value Option result (FVO)	(12.6)	(30.1)	(58.0%)		
Tax on FVO result	4.2	9.9	(58.0%)		
Net income (loss) for the period	**208.8**	**(19.0)**	**n.s.**	**(4.7)**	**(5.9)**

From Q1 2015, following the merger of Banca Italease into the parent bank Banco Popolare, the PPA refers only to the ex-BPI Group.

Includes extraordinary items shown in slide 7

Banco Popolare Group

Consolidated Q1 2015 income statement: quarterly change

Reclassified income statement €/m	Q1 2015	Q4 2014	Var.	Of which: PPA Q1 2015	Of which: PPA Q4 2014
Net interest income	387.6	388.3	(0.2%)		(0.9)
Income (loss) from investments in associates carried at equity	24.6	25.0	(1.3%)		
Net interest, dividend and similar income	**412.2**	**413.3**	**(0.3%)**	**-**	**(0.9)**
Net fee and commission income	422.3	310.5	36.0%		
Other net operating income	28.3	26.3	7.7%	(6.0)	(7.4)
Net financial result (excluding FVO)	91.2	(1.9)	n.s.		
Total income	**954.0**	**748.2**	**27.5%**	**(6.0)**	**(8.4)**
Personnel expenses	(341.4)	(376.1)	(9.2%)		
Other administrative expenses	(165.5)	(135.5)	22.1%		
Amortization and depreciation	(32.5)	(86.8)	(62.5%)	(0.9)	(0.9)
Operating costs	**(539.5)**	**(598.5)**	**(9.9%)**	**(0.9)**	**(0.9)**
Profit (loss) from operations	**414.5**	**149.7**	**176.9%**	**(6.9)**	**(9.3)**
Net adjustments on loans to customers	(181.4)	(2,496.1)	(92.7%)		
Net adjustments on receivables due from banks and other assets	(3.6)	(19.3)	(81.5%)		
Net provisions for risks and charges	(43.2)	(50.6)	(14.7%)		
Impairment of goodwill and equity investments	-	(239.0)	n.s.		(39.0)
Profit (loss) on the disposal of equity and other investments	(0.1)	0.2	n.s.		
Income (loss) before tax from continuing operations	**186.3**	**(2,655.1)**	**n.s.**	**(6.9)**	**(48.3)**
Tax on income from continuing operations (excluding FVO)	27.0	804.5	(96.6%)	2.2	14.1
Income (loss) after tax from discontinued operations	-	-			
Income (loss) attributable to minority interests	3.9	30.0	(86.9%)		
Net income (loss) for the period excluding FVO	**217.2**	**(1,820.6)**	**n.s.**	**(4.7)**	**(34.2)**
Fair Value Option result (FVO)	(12.6)	(5.1)	147.1%		
Tax on FVO result	4.2	1.5	173.0%		
Net income (loss) for the period	**208.8**	**(1,824.1)**	**n.s.**	**(4.7)**	**(34.2)**

From Q1 2015, following the merger of Banca Italease into the parent bank Banco Popolare, the PPA refers only to the ex-BPI Group.

Includes extraordinary items shown in slide 7

Banco Popolare Group

Consolidated Q1 2015 income statement: breakdown

Reclassified income statement €/m	Q1 2015 Banco Popolare Group	Of which: *Leasing Division*
Net interest income	387.6	*9.2*
Income (loss) from investments in associates carried at equity	24.6	-
Net interest, dividend and similar income	**412.2**	***9.2***
Net fee and commission income	422.3	*(0.2)*
Other net operating income	28.3	*4.6*
Net financial result (excluding FVO)	91.2	*0.0*
Total income	**954.0**	***13.6***
Personnel expenses	(341.4)	*(3.3)*
Other administrative expenses	(165.5)	*(11.9)*
Amortization and depreciation	(32.5)	*(7.2)*
Operating costs	**(539.5)**	***(22.5)***
Profit (loss) from operations	**414.5**	***(8.9)***
Net adjustments on loans to customers	(181.4)	*(24.7)*
Net adjustments on receivables due from banks and other assets	(3.6)	-
Net provisions for risks and charges	(43.2)	*(0.3)*
Profit (loss) on the disposal of equity and other investments	(0.1)	*(0.1)*
Income (loss) before tax from continuing operations	**186.3**	***(34.0)***
Tax on income from continuing operations (excluding FVO)	27.0	*9.6*
Income (loss) after tax from discontinued operations	-	-
Income (loss) attributable to minority interests	3.9	*3.9*
Net income (loss) for the period excluding FVO	**217.2**	***(20.6)***

Aggregate of Release and ex-Banca Italease (management accounting data)

Extraordinary P&L items in Q1 2015

ELEMENTS FOR THE NORMALISATION

€/m

	Q1 2015 gross	Q1 2015 net	P&L Items
- WRITE-DOWN ON PROPERTY AND EQUIPMENT (REAL ESTATE ASSETS)	(3.8)	(2.2)	Amortization and Depreciation
- BANCA ITALEASE TAX ASSETS *	85.1	85.1	Tax on income from continuing operations
- LEGAL DISPUTES	(17.7)	(12.2)	Net provisions for risks and charges
- FAIR VALUE OPTION	(12.6)	(8.4)	FVO results
TOTAL	**51.0**	**62.2**	

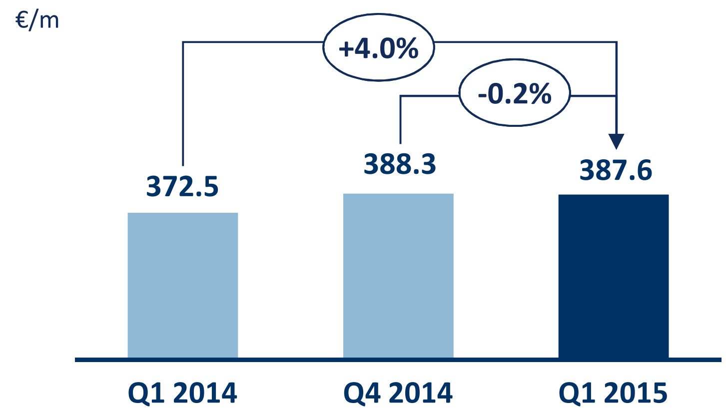
It is also noted that in Q1 2015 the item 'net provisions for risks and charges' includes €23m (expected amount concerning the full year 2015) pertaining to the Single Resolution Fund, which came into effect starting from 2015.

* Tax assets of Banca Italease related to the tax losses carried forward, recoverable without any time limit.

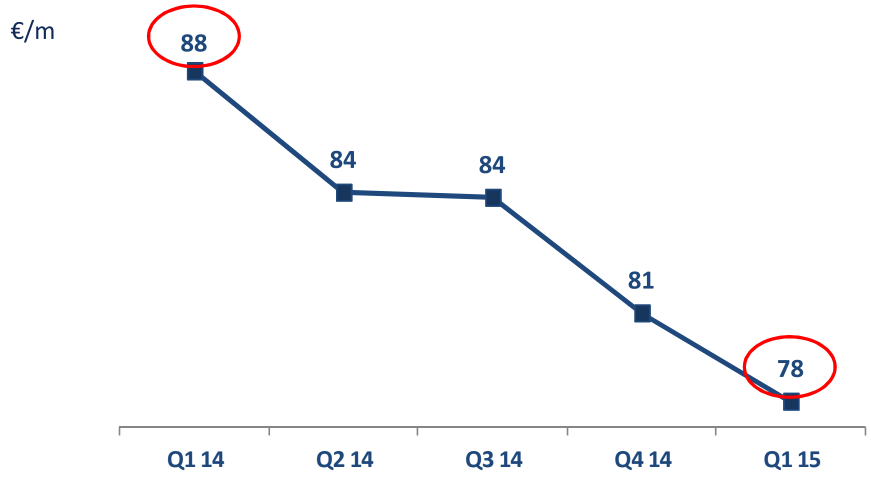
** The estimate does not consider adjustments due to the potential change in the risk profile of the Group and assumes that 70% of the annual contribution, equal to €32.9m, is paid in cash (the residual 30% is treated as a payment commitment and, hence, has not entailed any charge in the P&L).

Net interest income

Evolution of net interest income



Evolution of interest expenses on institutional funding



Customer spread evolution**
(commercial network)

	Q1 14	Q2 14	Q3 14	Q4 14	Q1 15
Total customer spread	1.87%	1.92%	1.87%	1.81%	1.86%
Asset spread	2.92%	2.94%	2.90%	2.77%	2.75%
Liability spread	-1.05%	-1.02%	-1.03%	-0.96%	-0.89%
Euribor 1M	0.23%	0.22%	0.07%	0.01%	0.00%
Euribor 3M	0.30%	0.30%	0.16%	0.08%	0.05%

- On an annual basis, the NII increased by 4.0%, mainly due to the lower cost of funding, which offset the reduction in gross customer loans (-2.6% y/y).
  The total customer spread was substantially flat following the strong recovery in the liability spread (still underway), which balanced the decrease in the asset spread.
- On a quarterly basis, the NII is slightly lower (-0.2%), exclusively due to a ‘day count effect’ (less days in the period), with an impact of about €6m. To be noted the recovery in the total customer spread, which rose by 5bps compared to the previous quarter, reflecting the continuous improvement in the cost of funding, thereby confirming the positive trend started in Q4 2014. The asset spread is set to stabilize following repricing policy in process.

** 2014 quarterly data have been adjusted to take into account the change in the perimeter for the calculation of the commercial network spreads, which took place in Q1 2015 , following the inclusion of some institutional clients and of the direct customer deposits related to the mutual funds for which Banco Popolare is the custodian bank (mainly Gestielle funds).

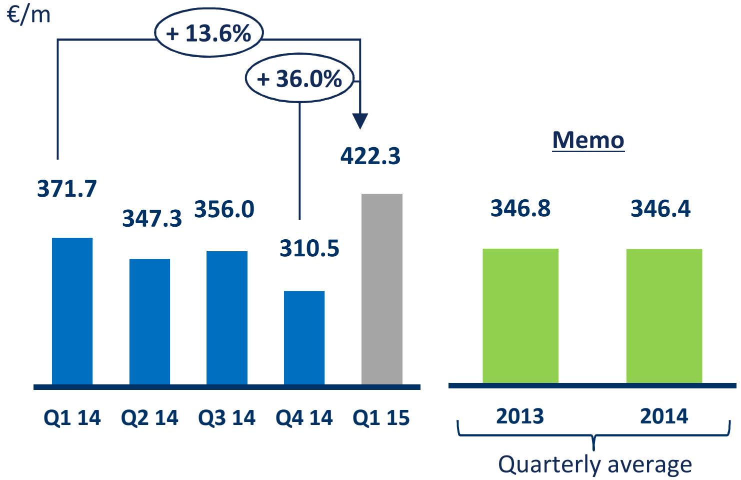
Net interest income

Analysis of Net commissions

€/m

	Q1 2015	Q1 2014	Chg. %
Mgmt. brokerage and advisory services	246.4	197.1	25.0%
Management of c/a and customer relations	121.0	127.5	-5.1%
Payment and collection services	29.7	30.8	-3.6%
Guarantees given	13.2	4.1	223.9%
Other services	12.0	12.2	-1.9%
Total	**422.3**	**371.7**	**13.6%**

Quarterly evolution



Composition of *'Management, brokerage and advisory services'*

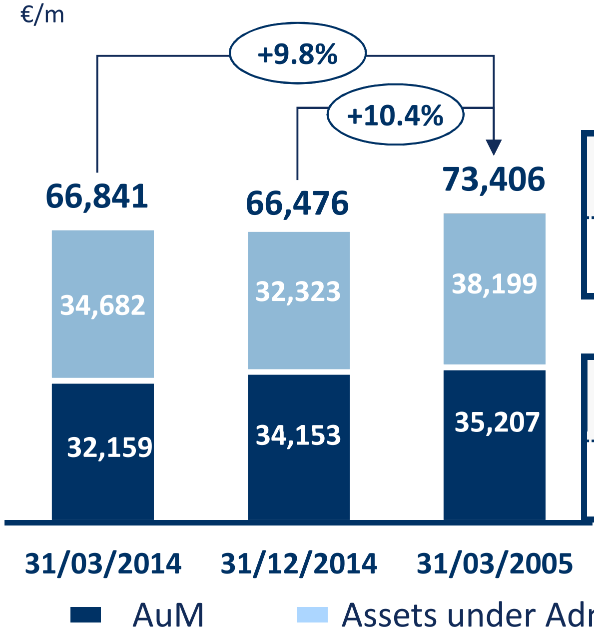
€/m

	Q1 2015	Q1 2014	Chg. %
Placement of savings products:	199.5	158.2	26.1%
- Securities sale and distribution	*1.0*	*0.4*	*167.9%*
- Asset management	*164.2*	*115.1*	*42.6%*
- Bancassurance	*34.3*	*42.7*	*-19.6%*
Consumer credit	8.7	7.2	20.2%
Credit cards	6.8	7.9	-14.7%
Custodian banking services	4.5	3.6	22.7%
FX & trading activities of branch customers	18.8	15.7	19.6%
Other	8.2	4.4	86.3%
Total	**246.4**	**197.1**	**25.0%**

- Net commissions increased by **13.6% y/y**, benefiting from the good performance registered in the commercial network, following the growing demand of customers for a wide range of investment products (in particular AuM).
- Also the strong quarterly increase **(+36.0%)** was driven by the good demand of customers for investment products, as well as by the fact that core deposits had been favoured in the previous quarter.

Indirect customer funding

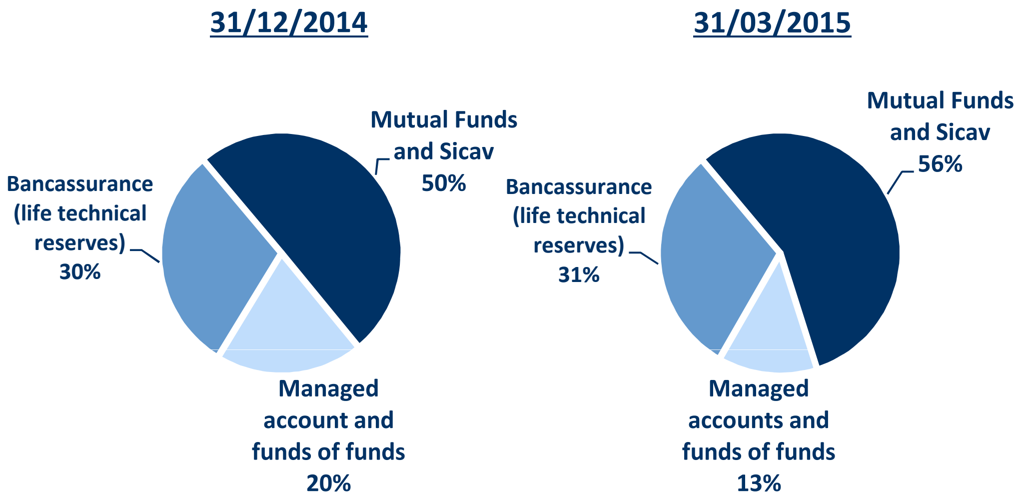
Total indirect funding
(stock)



Var. % t/t	*Var % a/a*
+18.2%	+10.1%

Var. % t/t	*Var % a/a*
+3.1%	+9.5%

Breakdown of Assets under Management
(stock)

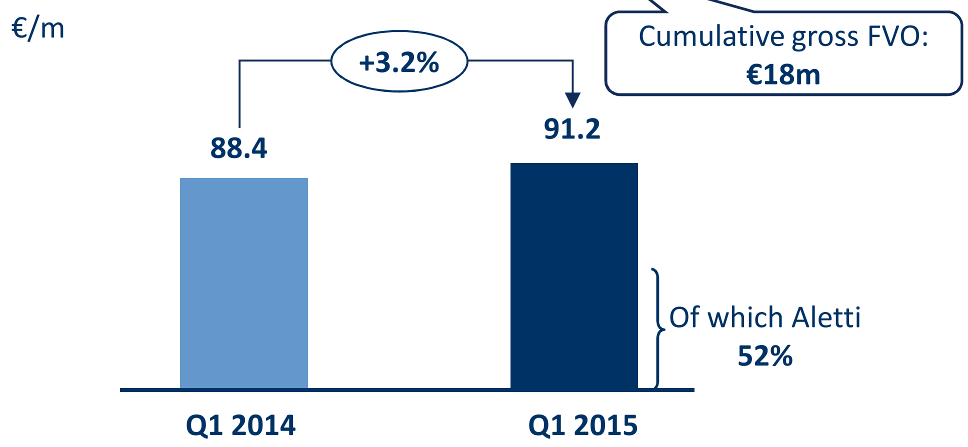


- Total indirect customer funding increased both on an annual basis (+9.8%) and on a quarterly basis (+10.4%). In particular, the Asset under Management component grew by 9.5% y/y and by 3.1% q/q (**+19% y/y and +11% q/q** on a homogenous basis*).
- Within AuM, the ‘Mutual Funds and Sicav’ component (+15.5% q/q e +26.1% y/y) strengthens the positive trend started last year.

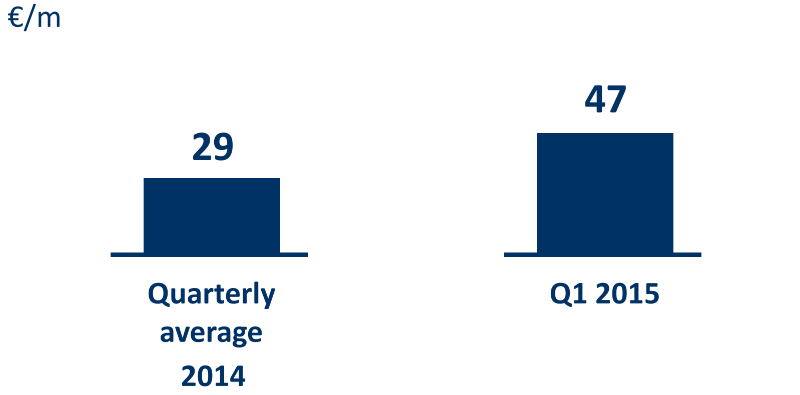
* Excluding from the ‘Assets under Management’ component also in 2014 a managed account belonging to Eurovita (about €2.5bn), which was wound down in Q1 2015, with the underlying securities reclassified in the ‘Assets under Administration’ component.

Net financial result (NFR)

NFR excluding FVO



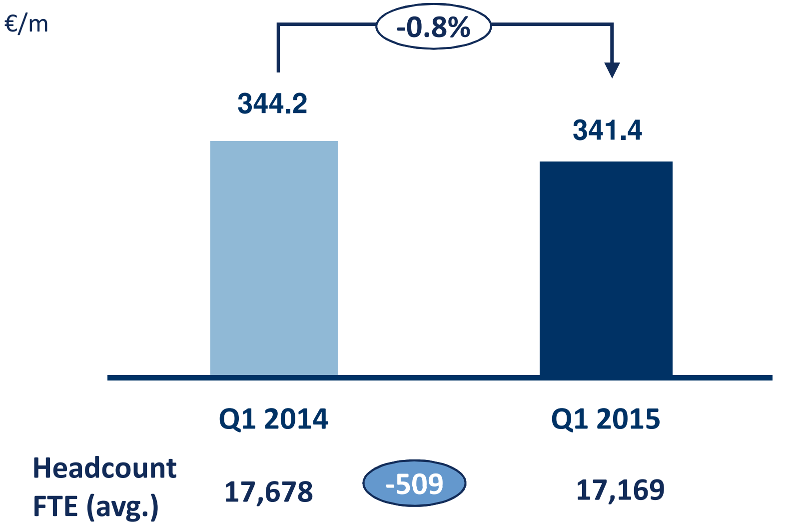
Contribution of Banca Aletti to NFR



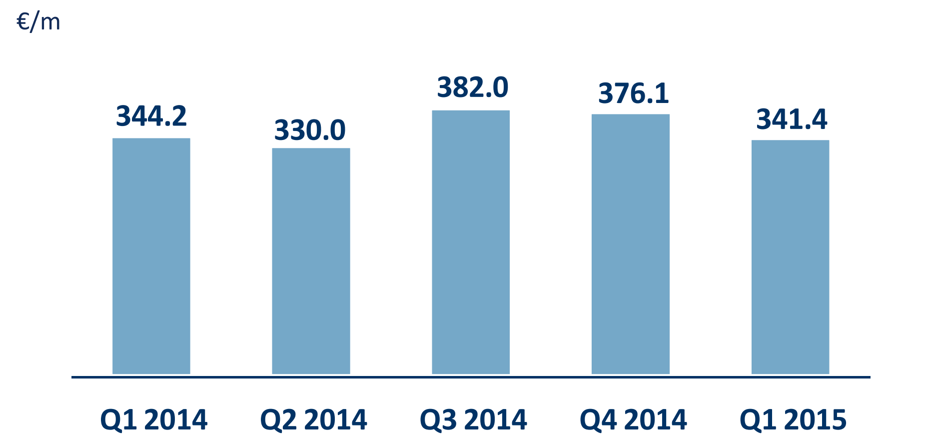
- The NFR increased by 3.2% y/y, following a better performance in the trading activity.
- The contribution of Banca Aletti, which represents **52% (about €47m)** of the NFR, was also supported by an important placement activity of investment products, as well as by the traditional structuring activity of products for the commercial network.

Operating costs: personnel expenses

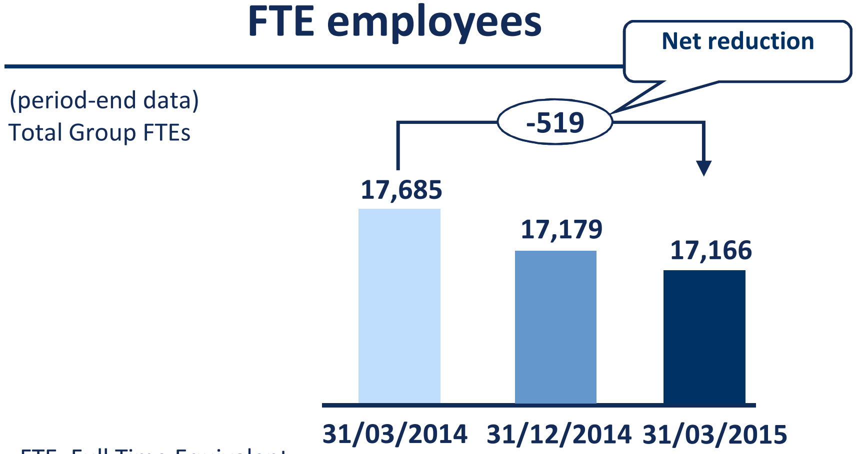
Personnel expenses



Quarterly average



FTE employees



FTE: Full Time Equivalent

- Q1 2015 was characterised by a cost reduction generated by the decrease in the average headcount, in spite of the lastest contractual increase (effective from June 2014) agreed in the previous national labour contract (CCNL).
- The average headcount decreased by 509 resources (FTE) on an annual basis.
- The period-end number of employees was slightly lower in Q1 2015 , in line with the expected downward trend. The exits in Q1 2015 (126 of which related to Solidarity Funds and incentivized exits) were largely offset by new recruitments. In the next quarters, more that 400 resources (net of recruitments) shall exit the Group.

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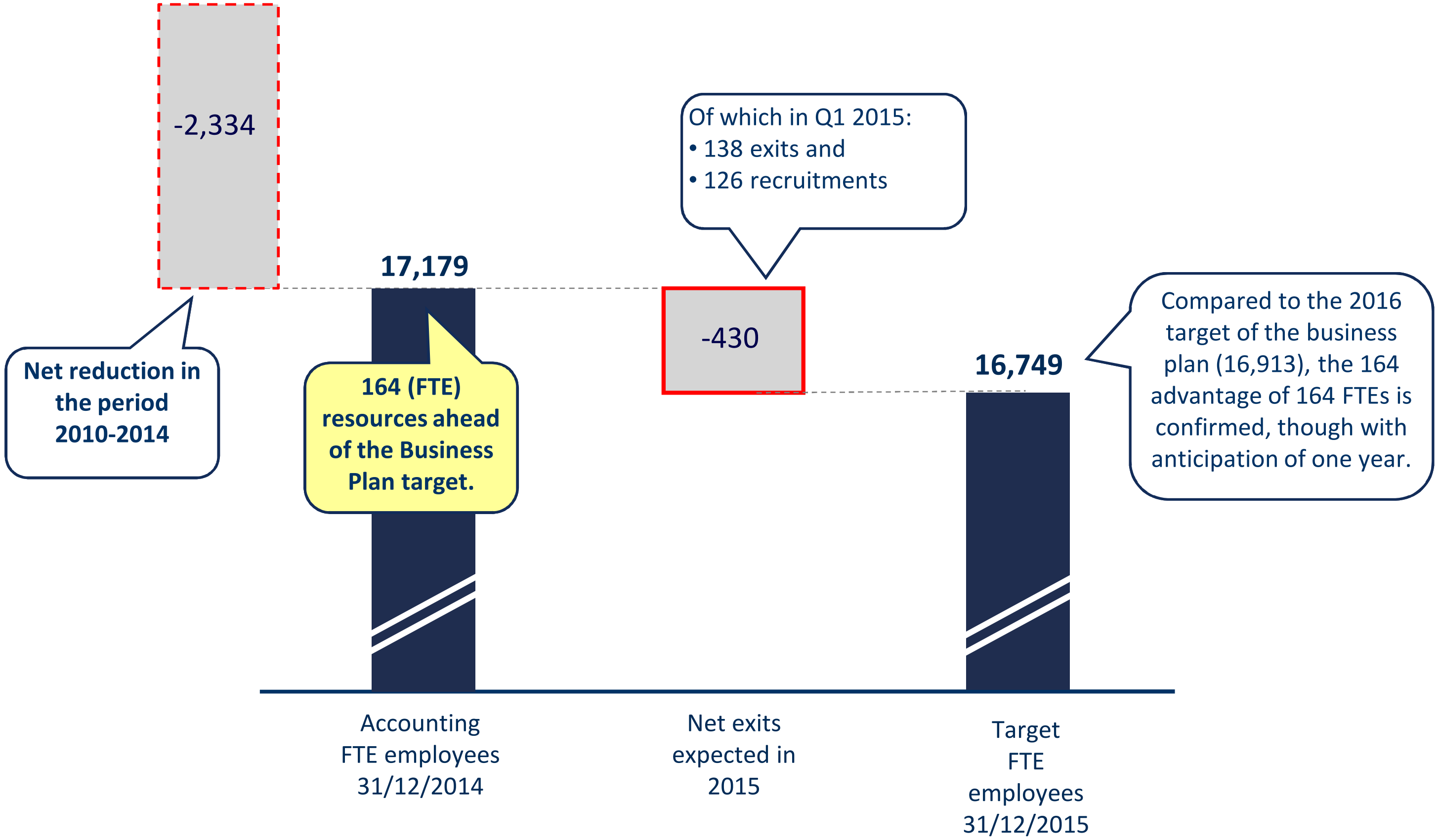
Expected headcount evolution in 2015

FTEs (including temporary workers)



The headcount reduction is ahead of the Business Plan target.

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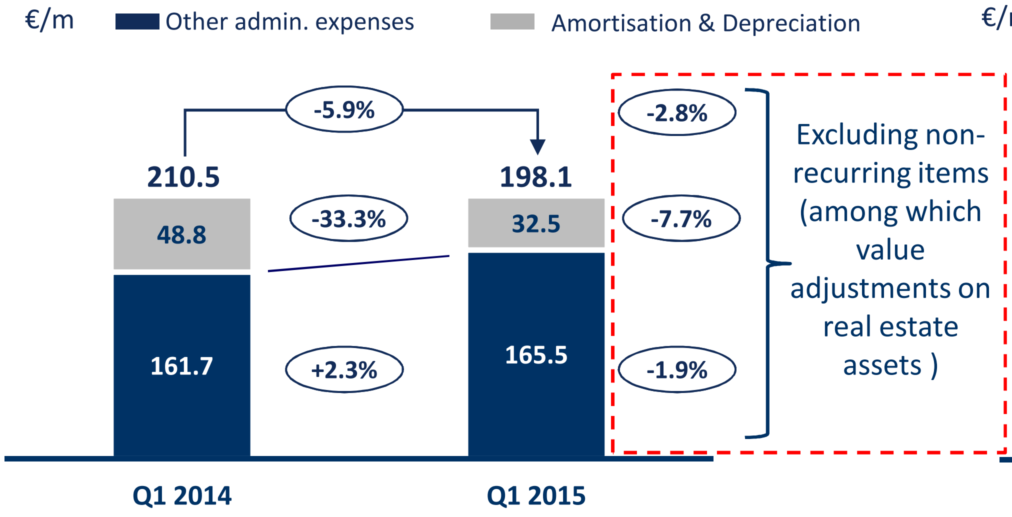
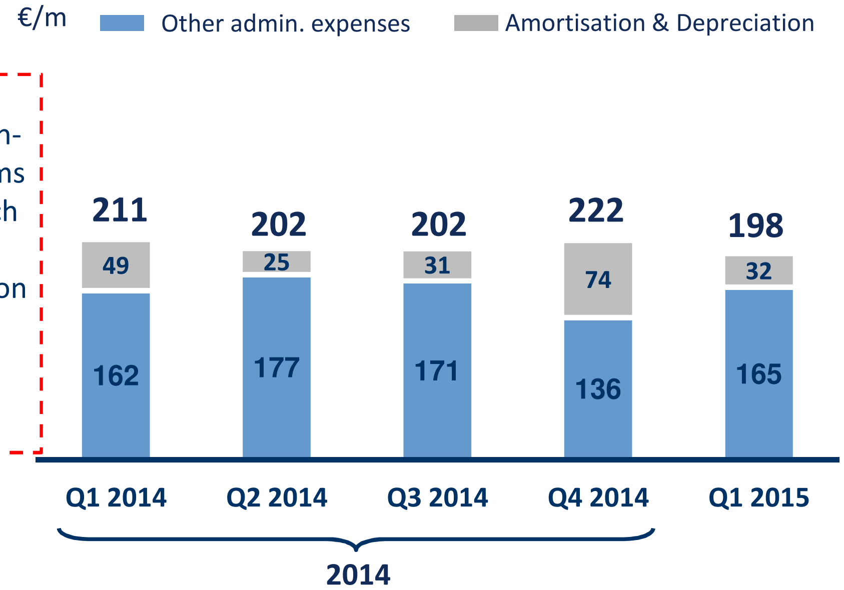
Operating costs: non-personnel expenses

Total non-personnel expenses



Quarterly trend

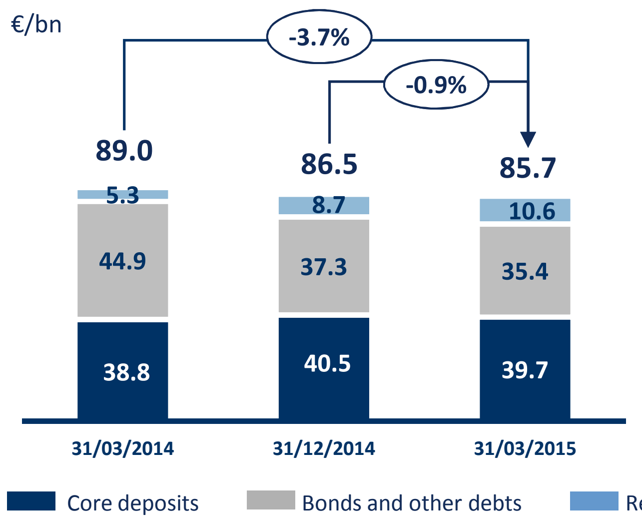


- Non-personnel expenses decreased by -5.9% y/y. In particular, the Other administrative expenses increased by +2.3%, but when excluding from Q1 2014 positive non-recurring items for about €7m (related to the positive closure of some disputes with suppliers), they actually decreased by -1.9%.
- The significant reduction in Amortization & Depreciation on an annual basis (-33.3%) was mainly due to lower value adjustments on real estate assets (€3.8m in Q1 2015 vs. €17.0m in Q1 2014). Excluding these adjustments, the reduction is equal to -7.7%.

Agenda

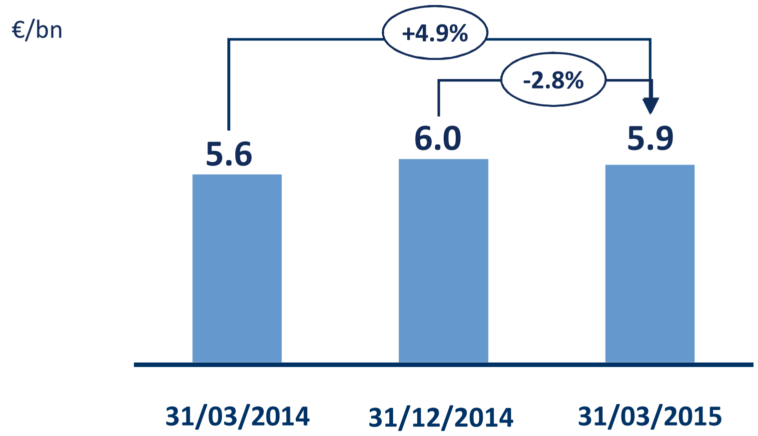
Direct customer funds: trends and breakdown

Total direct customer funds*

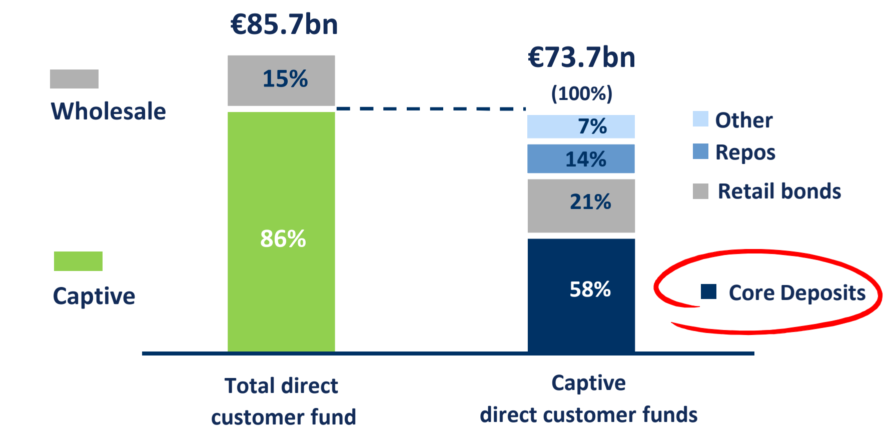


Chg.% q/q	Chg.% y/y
+22.3%	+98.6%
-5.1%	-21.0%
-2.1%	+2.2%

Of which: 'corporate'



Direct customer funds: breakdown as at 31/03/2015



- The reduction of 3.7% y/y in the total direct customer funds, was due to the decrease in bond-related funding, partially offset by an increase in repos and core deposits. Such reduction is further mitigated by the increase in the liquidity (equal to €2.0bn y/y) generated by the stock of '*Certifcates*'**.
- The progressive decrease in bond-related funding, which is also registered on a quarterly basis (-2.3%), was mainly due to actions aimed at reducing the total cost of funding, through the partial replacement (still underway) with other less expensive forms of customer funds and through the call of bonds.
- The reduction in core deposits in Q1 2015 was mainly due to both the decrease in time deposits (-€500m q/q and -€1.8bn y/y) and the placement of investment products.
- The weight of wholesale funding is confirmed at 15%, in line with the level at year-end 2014 (it had stood at 17% at year-end 2013).

* The composition of the total direct customer funds in 2014 have been adjusted to take into account the change in the perimeter of the commercial network and the merger of Italease.

**The corresponding Balance Sheet item for *Certificates* is "Financial liabilities held for trading", therefore included in AuM.

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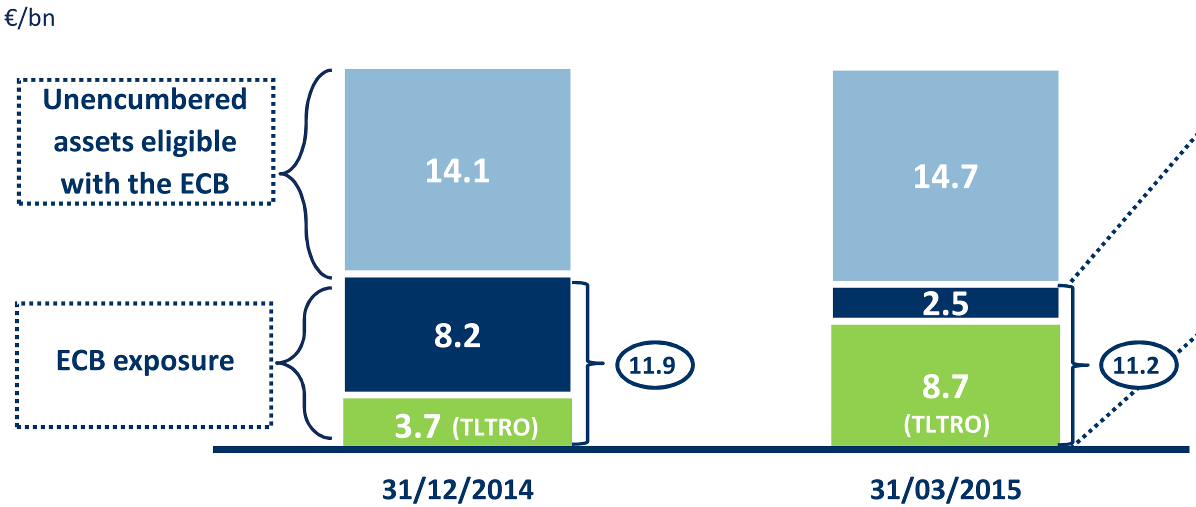
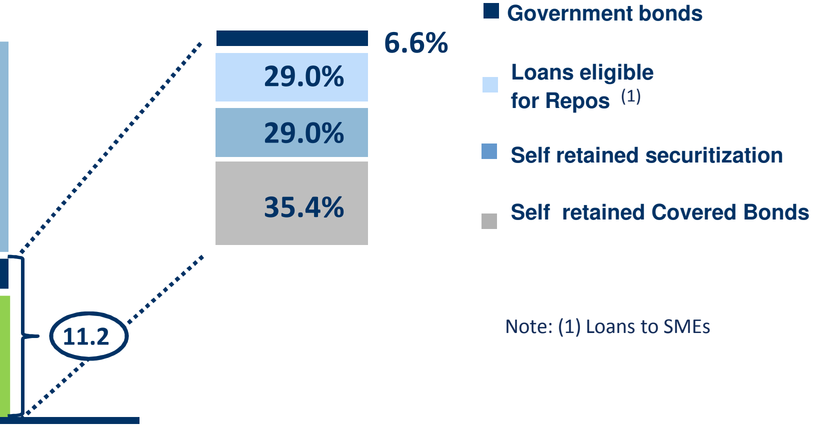
Group liquidity: strong position

Liquidity buffer



Details of assets in the 'ECB Pooling'
(% breakdown as at 31/03/2015)



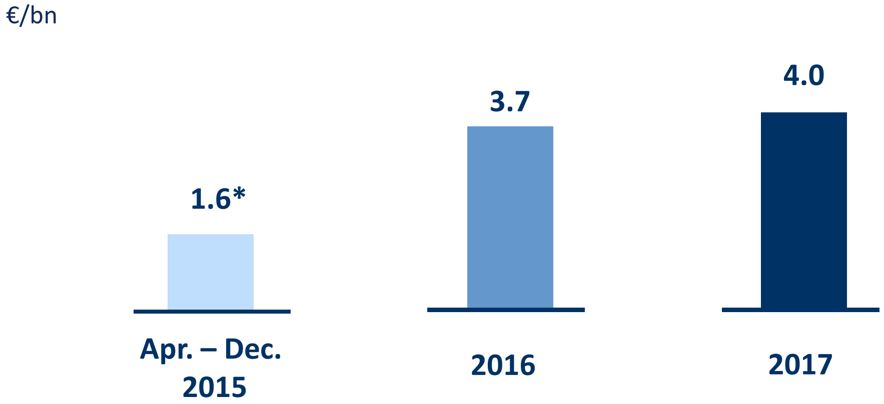
Note: (1) Loans to SMEs

- The ECB exposure is equal to **€11.2bn**, slightly lower compared to year-end 2014 (€11.9bn). In Q1 2015, €8.2bn of LTRO funding maturing in the quarter, was replaced with an additional €5bn of TLTRO funding (the total amount of which rose to €8.7bn) and with €2.5bn of short-term funding.
- Further unencumbered assets eligible with the ECB of **€14.7bn,** net of haircut (vs. €14.1bn as at 31/12/2014), largely consisting of a portfolio of unencumbered Italian Government bonds.
- Basel 3 liquidity ratios: LCR > 100%, above the fully phased target; NSFR ~95%, calculated according to the most updated rules of the Quantitative Impact Study*.

* Data not yet mandatory as the final rules shall be defined by year-end 2015.

Maturity profile and funding coverage

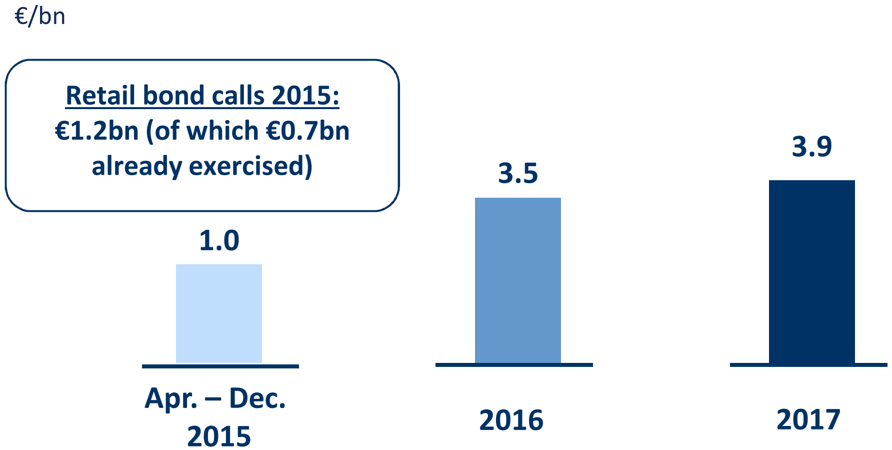
Wholesale bond maturities



* Including the reimbursement of the Tier 1 bond (ISIN XS0223454512), for which the authorization to exercise the call option on 30/06/2015, has already been received by the Bank of Italy.

Retail bond maturities

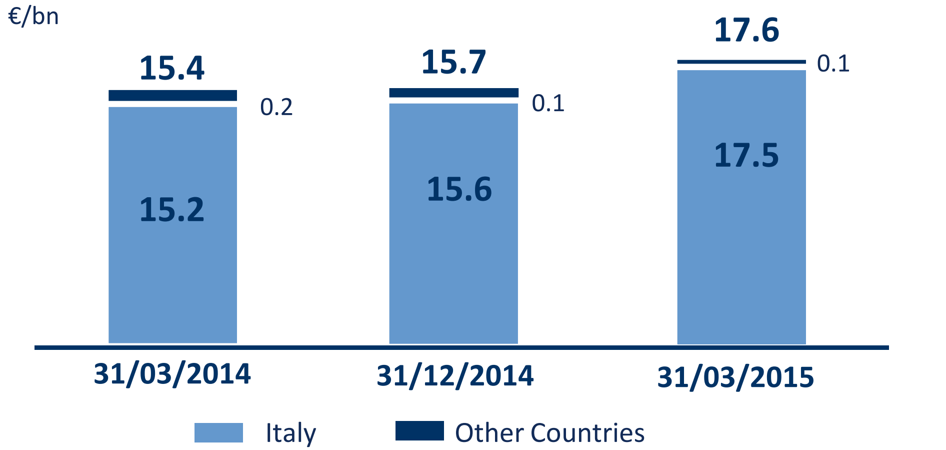
Retail bond calls 2015:
€1.2bn (of which €0.7bn already exercised)



- In Q1 2015, a 7-year covered bond was successfully placed to institutional investors for a total of €1bn and priced at the mid-swap rate plus 28bps (oversubscribed 2.5 times the issuance amount).
- During the course of the year, further bonds are set to be issued on the wholesale market.

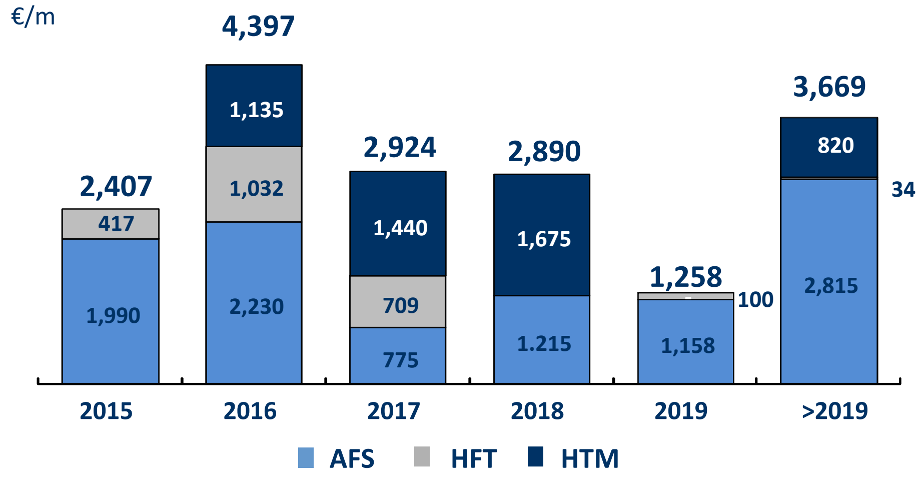
Treasury securities portfolio: evolution

Total Government bond portfolio, with details on Italian bonds (nominal amounts)



- The Government bond portfolio reaches €17.6bn, almost entirely represented by Italian Government bonds.
- As at 08/05/2015, the unrealized gains on Government bonds in HTM and the AFS reserve of Government bonds together amounted to more than €450m.
- The average maturity of the Italian Government bond portfolio is 3.7 years (up from 3.2 as at end-2014).

Focus on Italian government bonds: maturities profile and accounting classification

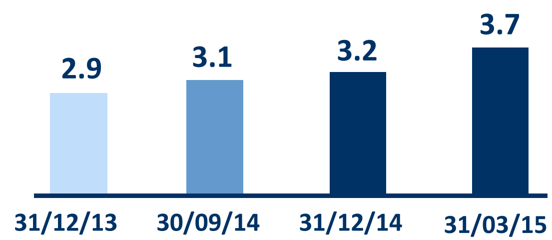


Total Treasury securities portfolio: geographic analysis

€/m

			Accounting classification		
COUNTRY	**NOMINAL**	**%SHARE**	**HFT**	**AFS**	**HTM**
ITALY	17,544	99.5%	2,291	10,183	5,070
SPAIN	50	0,3%	-	50	-
Other EU Countries	3	0%		-	3
TOTAL EU	**17,598**	**99.8%**	**2,291**	**10,233**	**5,073**
USA	31	0.2%		31	
TOTAL	**17,629**	**100%**	**2,291**	**10,264**	**5,073**

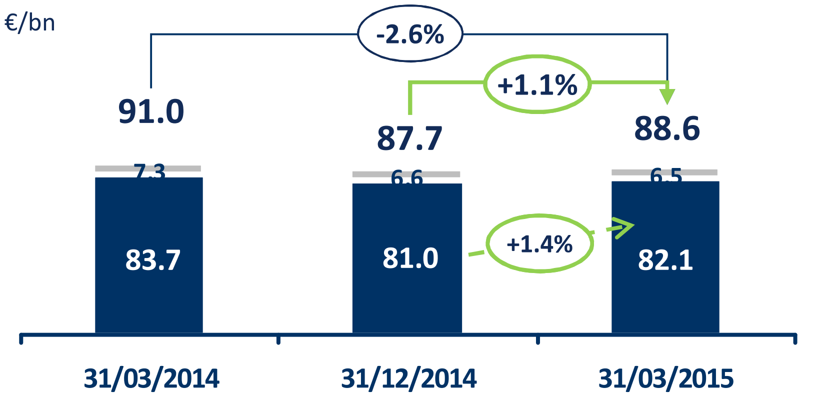
Average maturity (Italy)



Agenda

Customer loans: evolution and segmentation

Gross customer loans

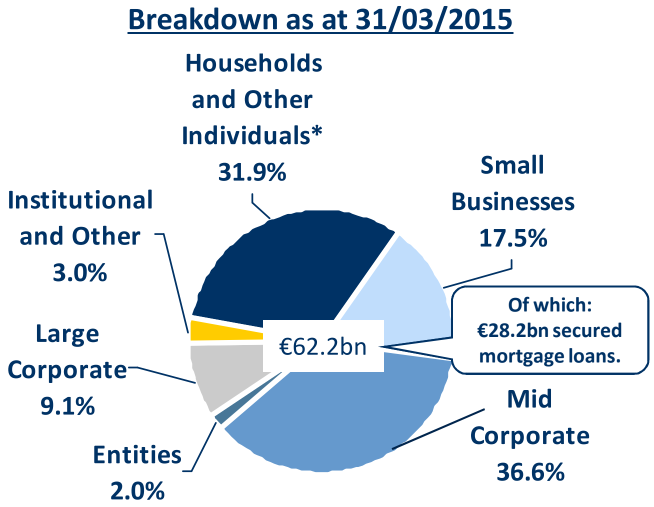


of which: Leasing Division (ex Italease + Release) net of infracompany

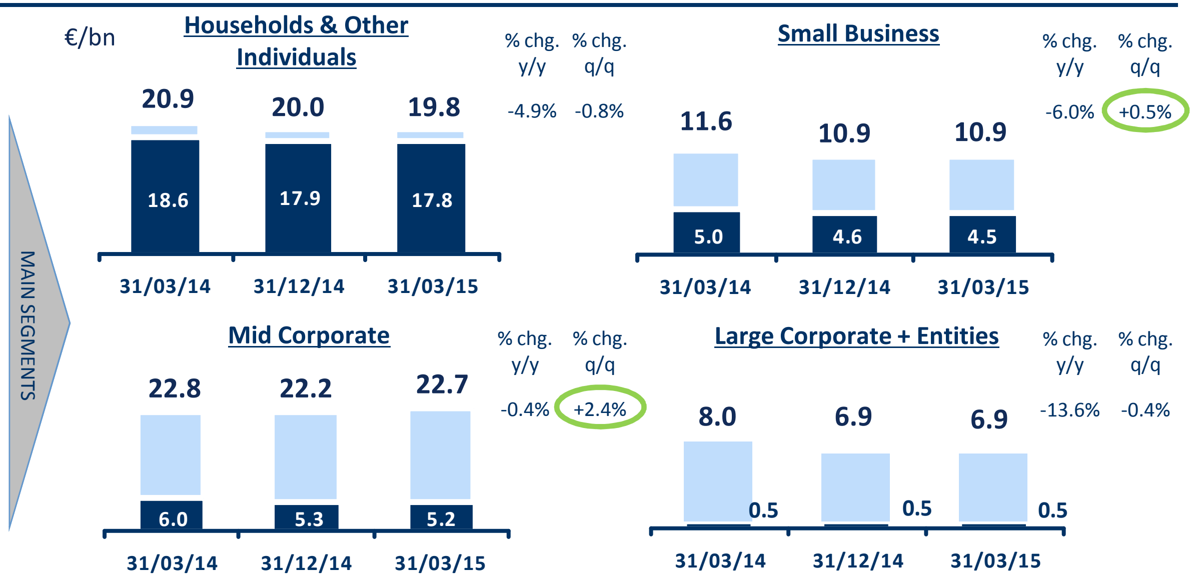
- Inversion of the trend of Group gross customer loans, which return to growth on a quarterly basis (+1.1%). Net of the Leasing Division (in *run-off*), the increase is +1.4% in Q1 2015, while on an annual basis the decrease of the Group loans (-2.6%) declines to -1.9%.
- New lending flows in the first three months of 2015 were particularly good (€2.5bn in total), registering a significant increase vs. Q1 2014 (+111.2%), in particular in the main *core* segments:
  - €0.4bn in the Households & Other Individuals segment: +44% y/y;
  - €0.5bn in the Small Business segment: +82% y/y;
  - €1.4bn in the Mid Corporate segment: +134% y/y.

Performing customer loans: customer breakdown

(Management data: exclude NPLs. Leasing Division perimeter, REPO transactions and other minor accounting elements)



Note: (*) The segment "Households & Other Individuals" includes also businesses and professionals with a turnover <€100K).



of which: Secured mortgage loans

The quarterly data of 2014 have been restated taking into account a refining of the internal data base of customers.

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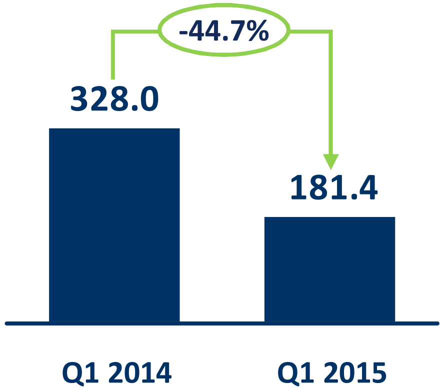
Cost of credit risk

Loan Loss Provisions

€/m

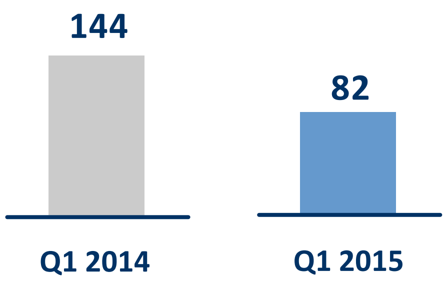


	Q1 2014	Q1 2015
Gross loans (period-end data)	91,003	**88,635**

Cost of Credit Risk

(on gross customer loans, period-end data)

In basis points - annualised

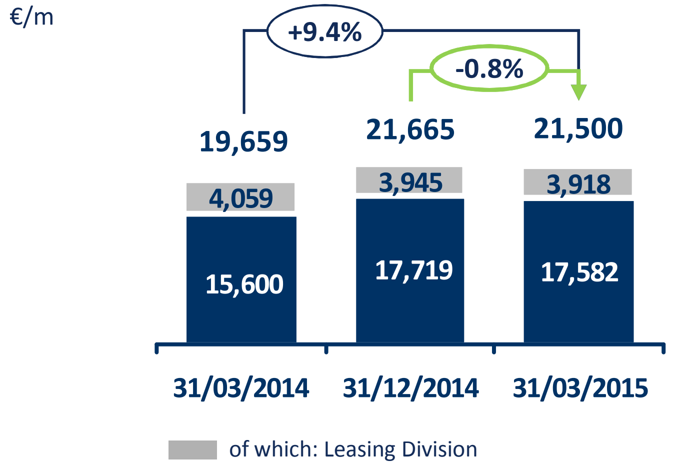


- The decrease of LLPs vs. Q1 2014 (-44.7%) is substantially attributable to a material reduction in the flows of new Non-performing loans, having confirmed the higher level of coverage reached at year-end 2014.
- The cost of credit risk (82bps) registers a strong improvement and stands at the very low end of the range of 80-100bps expected for FY 2015.

Banco Popolare Group

Group NPLs: evolution

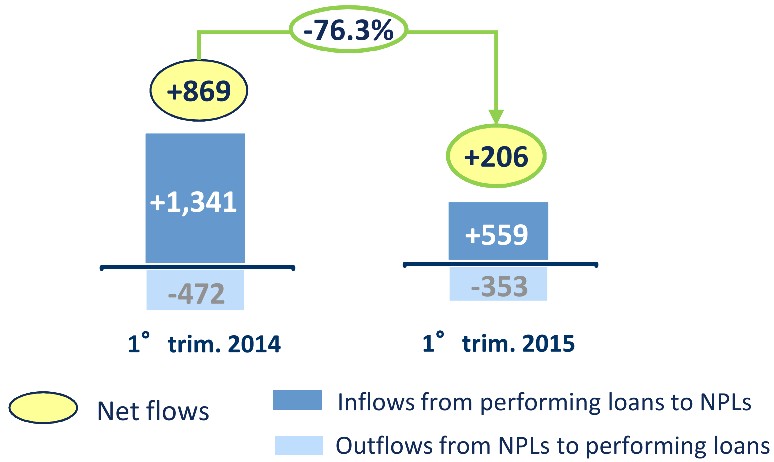
Stock of gross NPLs



GROSS EXPOSURES	31/03/14	31/12/14	31/03/15	% chg. y/y	% chg. q/q
Bad loans	9,283	10,527	**10,751**	+15.8%	+2.1%
Unlikely to pay loans	9,804	10,723	**10,360**	+5.7%	-3.4%
Past Due loans	572	415	**388**	-32.1%	-6.4%
TOTAL NPLs	**19,659**	**21,665**	**21,500**	**+9.4%**	**-0.8%**

NET EXPOSURES	31/03/14	31/12/14	31/03/15	% chg. y/y	% chg. q/q
Bad loans	5,822	6,000	**6,185**	+6.2%	+3.1%
Unlikely to pay loans	8,088	7,906	**7,611**	-5.9%	-3.7%
Past Due loans	533	344	**326**	-38.9%	-5.5%
TOTAL NPLs	**14.443**	**14.250**	**14.122**	**-2.2%**	**-0.9%**

Net flows to NPLs



- Thanks to a sharp drop of the net flows in the first three months of 2015 (-76.3% vs. Q1 2014), the stock of gross NPLs decreases by €165m (-0.8%) in the first three months of the year.
- The increase in coverage levels vs. Q1 2014 and the decline in the gross stock vs. year-end 2014 drive the decrease of net NPLs, both on an annual basis (-2.2%) and on a quarterly basis (-0.9%).
- The quarterly drop of 3.4% and of 6.4% registered by gross Unlikely to pay loans and by gross Past Due loans, respectively, is particularly positive, while the quarterly growth of gross Bad loans is lower than the +3.2% registered by the system (source: Bank of Italy, Supplements to the Statistical Bulletin, May 2015).

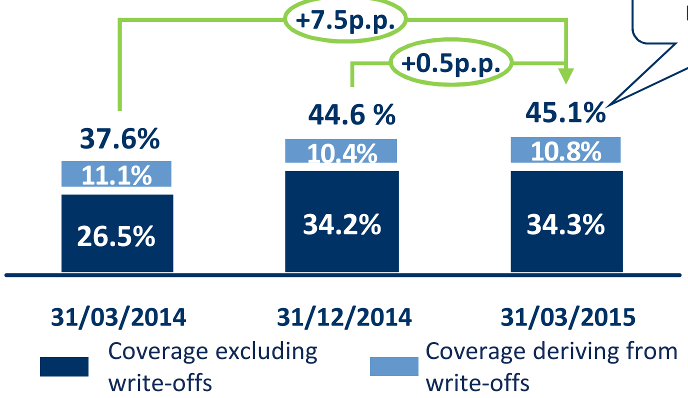
Coverage of Group NPLs

Excludes both real and personal guarantees

Evolution of the coverage of Group NPLs

Coverage of NPLs (including write-offs)

47.2% excluding the Leasing Divison



	31/03/2014		31/12/2014		**31/03/2015**	
	Excl. write-offs	**Incl. write-offs**	Excl. write-offs	**Incl. write-offs**	Excl. write-offs	**Incl. write-offs**
Bad loans	37.3%	**54.4%**	43.0%	**58.8%**	42.5%	**58.7%**
- Incl. real guarantees	*92.9%*	***94.8%***	*96.1%*	***97.2%***	*96.5%*	***97.5%***
Unlikely to pay loans	17.5%		26.3%		**26.5%**	
- Incl. real guarantees	*77.9%*		*84.8%*		*85.6%*	
Past Due loans	6.9%		17.0%		16.2%	

>115% at *Fair Value*

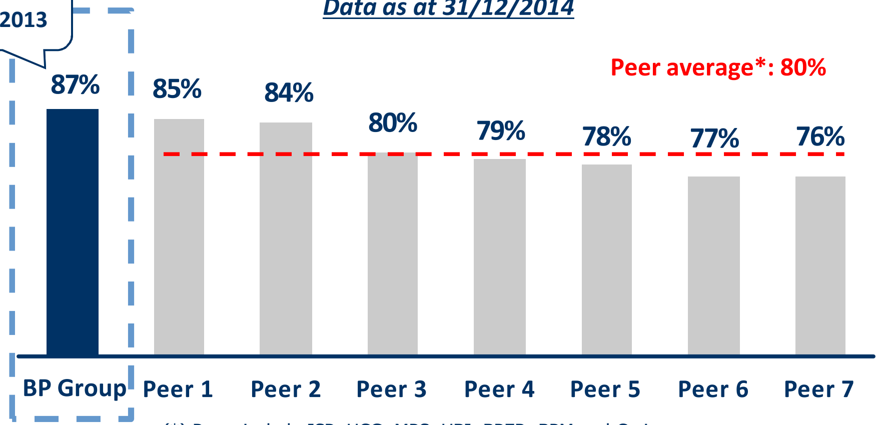
N.B.: The value of the real guarantees considered for the coverage ratios reported in this table is capped at the residual exposure outstanding with borrowers; conversely, the data of real guarantees at Fair Value consider the full fair value of the total underlying real guarantees.

- The coverage of NPLs has been further strengthened vs. the good levels reached at year-end 2014: 45.1%, with Bad loans at 58.7% (including write-offs), Unlikely to pay loans at 26.5% and Past Due loans at 16.2%.
- The coverage including real guarantees exceeds 97% for Bad loans and 85% for Unlikely to pay loans, thanks to the high share of loans assisted by real guarantees (equal to 74.4% and to 72.0%, respectively).
- The coverage levels of our Group should also be read in light of the high share of loans assisted by guarantees on total net NPLs, in comparison with the main Italian players (data as at 31/12/2014).

Share of loans assisted by guarantees on total net NPLs

Data as at 31/12/2014

85% as at 31/12/2013



(*) Peers include ISP, UCG, MPS, UBI, BPER, BPM and Carige.
Source: FY 2014 Annual Reports. Arithmetic mean.

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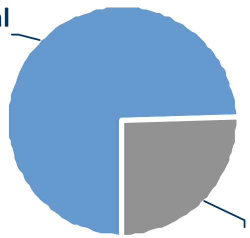
Focus on coverage and guarantees of Bad & Unlikely to pay loans

Share of gross Bad loans assisted by real guarantees

Bad loans assisted by real guarantees: 74.4%



Bad loans not assisted by real guarantees: 25.6%

Analysis of the coverage of 58.7% for Bad loans as at 31/03/15

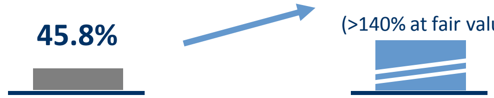
N.B. Bad loan coverage including write-offs.

Bad loans assisted by real guarantees

45.8%

105.5%

(>140% at fair value)



Coverage excluding real guarantees

Coverage including real guarantees

High quality guarantees: 94% of real guarantees are represented by real estate assets, of which >40% residential and >70% located in the north of Italy. The remaining 6% is represented by pledges on securities and on cash*.

Note: (*) BP excluding Leasing Division

Bad loans not assisted by real guarantees

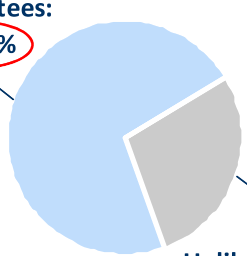
82.5%

Coverage

Highly fragmented risk: Average ticket size of €68K.

Share of gross Unlikely to pay loans assisted by real guarantees

Unlikely to pay loans assisted by real guarantees: 72.0%



Unlikely to pay loans not assisted by real guarantees: 28.0%

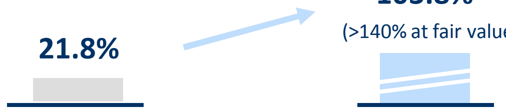
Analysis of the coverage of 26.5% for Unlikely to pay loans as at 31/03/15

Unlikely to pay loans assisted by real guarantees

21.8%

103.8%

(>140% at fair value)



Coverage excluding real guarantees

Coverage including real guarantees

High quality guarantees: 94% of real guarantees are represented by real estate assets, of which ~33% residential and ~70% located in the north of Italy. The remaining 6% is represented by pledges on securities and on cash*.

Note: (*) BP excluding Leasing Division

Unlikely to pay loans not assisted by real guarantees

38.8%

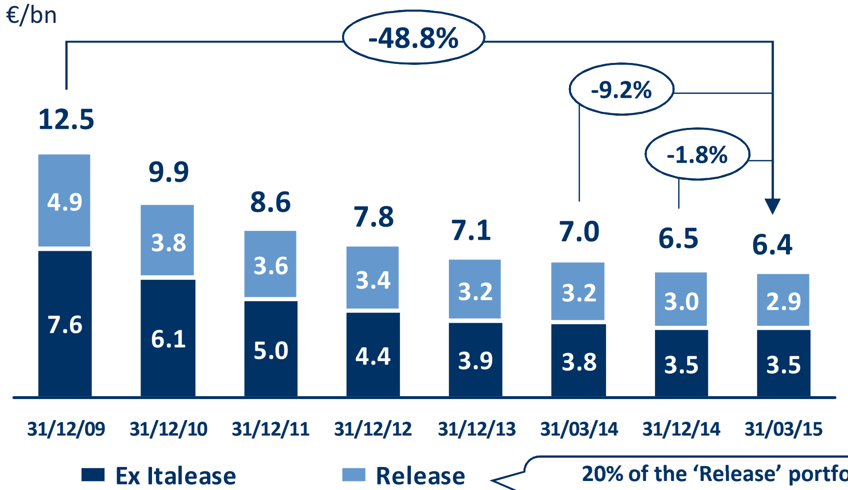
Coverage

Increases to 65.2% including personal guarantees.

Highly fragmented risk: Average ticket size of €90K.

Leasing Division: further progress in the downsizing

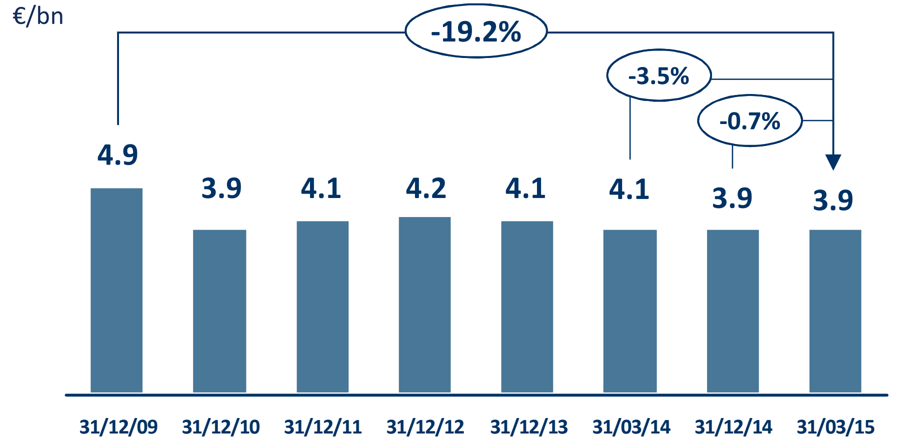
Evolution of total gross customer loans*



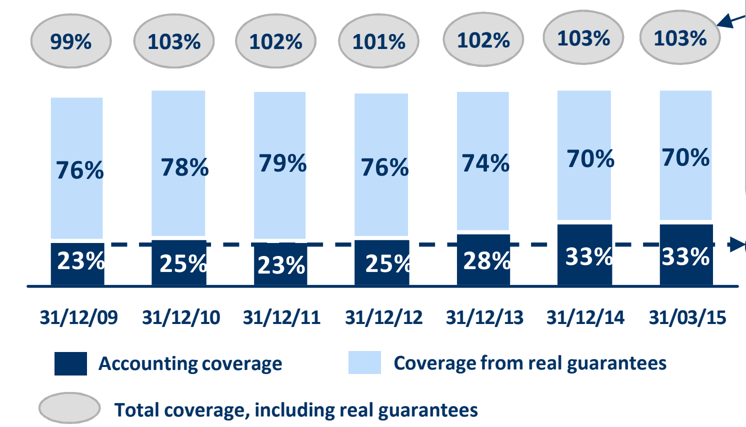
Note: (*) Exclude notes in L&R

20% of the 'Release' portfolio belongs to the shareholders BPER, BPM and BPS.

Evolution of gross NPLs



Evolution of the coverage of NPLs



The value of real guarantees includes an average haircut of more than 20%, thereby creating a further coverage buffer for credit risks.

+10p.p. vs. 2009

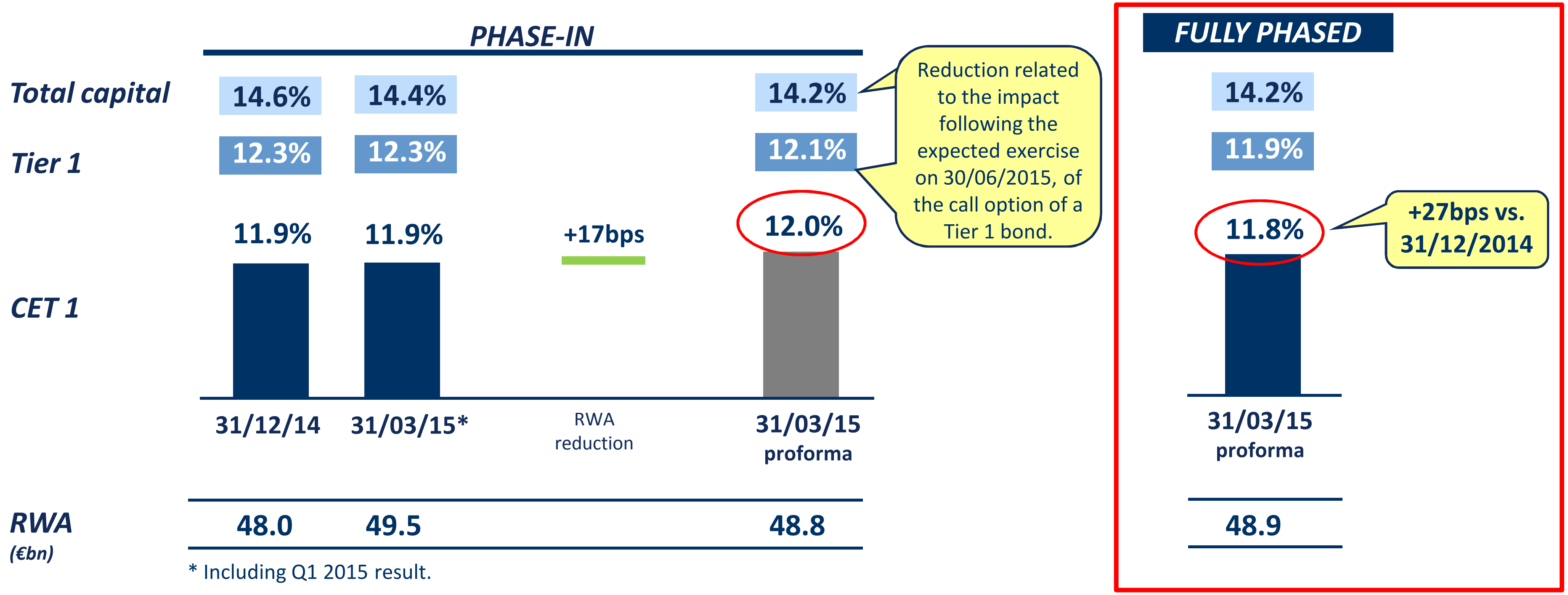
- The downsizing of the portfolio of the Leasing Division progresses, with a decrease of €114m in Q1 2015 (-1.8%), after a drop of roughly €6bn registered in the period 2009-2014.
- Stable asset quality, with gross NPLs in line with the level at year-end 2010, registering a decrease of €28m vs. year-end 2014.
- Accounting coverage (excluding real guarantees) confirmed at the level reached at year-end 2014 (33%, +10p.p. vs. year-end 2009).
- The coverage, including collateral, stands at a level above 100% (103%, +4p.p. vs. 2009), in spite of the incorporation of an average haircut of more than 20% for underlying collateral values, which represents an additional coverage buffer for outstanding risks.

Agenda

Banco Popolare Group

Group regulatory capital ratios

ECB Capital Decision of February 2015 for the CET1 ratio: 9.4%



- As at 31/03/2015, the phase-in CET1 ratio, including the Q1 2015 result, is equal to 11.9%, in spite of the increase in RWA (following higher credit and counterparty risks, mainly driven by the growth in the customer loans registered in the period) and the higher transitional adjustments.
- Including also the RWA reduction to be registered in Q2 2015, following the transformation of €689m of DTA into tax credits, the capital ratios stand at:
  - CET1 ratio proforma (***phase-in):* 12.0%**;
  - CET1 ratio proforma (***fully phased):* 11.8%, up by 27bps vs. year-end 2014 (11.5%)**
- Including the impact of the exercise of a call option on a Tier 1 bond and still not considering the issuance of Tier 2 bonds, the total proforma capital ratio is equal to 14.2% on a fully phased basis.

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Conclusions: first signs of the turnaround

- **Healthy recovery in profitability,** with a growth of 22.7% y/y in operating profit, driven:
  - both by the revenue performance (+6.9% y/y; of which +4.0% y/y for Net Interest Income and +13.6% for Net Commissions);
  - as well as by the decrease in operating costs (-2.7% a/a).

- **Clear improvement in credit quality:**
  - The stock of Non-performing loans (gross and net) registers a decrease in the quarter;
  - Net flows to NPLs in sharp decline: -76% compared with Q1 2014;
  - Further strengthening in the coverage of NPLs: 45.1% (up by 0.5p.p. vs. year-end 2014);
  - Further downsizing and derisking of the Leasing Division portfolio.

- **Strong decline in the cost of credit risk,** which stood at the very low end of the range of 80-100bps expected for FY 2015:
  - 82bps in Q1 2015, vs. 144bps in Q1 2014 (annualised).

- **Further strengthening in the Group's CET 1 ratios,** which register a level well above the minimum threshold of 9.4% set by the ECB in February 2015:
  - 12.0% for the CET 1 ratio Phase-in (proforma*);
  - 11.8% for the CET 1 ratio Fully phased (proforma*) +27bps vs. 31/12/2014

***Proforma to take account of the net income generated in Q1 2015 as well as of a reduction in RWAs, which is set to be registered in Q2 2015 following the transformation of €689m of deferred tax assets into tax credits.**

Agenda

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Reclassified consolidated balance sheet

Reclassified assets (in euro thousand)	31/03/2015	31/12/2014	Chg.	
Cash and cash equivalents	524,126	619,529	(95,403)	(15.4%)
Financial assets and hedging derivatives	29,120,427	26,190,599	2,929,828	11.2%
Due from banks	3,852,918	5,058,816	(1,205,898)	(23.8%)
Customer loans	80,834,608	79,823,603	1,011,005	1.3%
Equity investments	1,086,237	1,061,412	24,825	2.3%
Property and equipment	2,116,485	2,139,962	(23,477)	(1.1%)
Intangible assets	2,049,414	2,049,912	(498)	(0.0%)
Non-current assets held for sale and discontinued operations	104,036	94,308	9,728	10.3%
Other assets	6,057,392	6,043,545	13,847	0.2%
Total	**125,745,643**	**123,081,686**	**2,663,957**	**2.2%**

Reclassified liabilities (in euro thousand)	31/03/2015	31/12/2014	Chg.	
Due to banks	18,536,295	17,383,317	1,152,978	6.6%
Due to customers, debt securities issued and financial liabilities designated at fair value	85,701,335	86,513,468	(812,133)	(0.9%)
Financial liabilities and hedging derivatives	7,749,725	6,650,235	1,099,490	16.5%
Liability provisions	1,294,114	1,281,459	12,655	1.0%
Other liabilities	3,977,523	3,176,858	800,665	25.2%
Minority interests	67,936	12,130	55,806	460.1%
Shareholders' equity	8,418,715	8,064,219	354,496	4.4%
- Capital and reserves	8,209,934	10,010,110	(1,800,176)	(18.0%)
- Net income (loss) for the period	208,781	(1,945,891)	2,154,672	
Total	**125,745,643**	**123,081,686**	**2,663,957**	**2.2%**

Consolidated income statement: quarterly trend

Reclassified income statement €/m	Q1 15	Q4 14	Q3 14	Q2 14	Q1 14
Net interest income	387.6	388.3	396.6	398.2	372.5
Income (loss) from investments in associates carried at equity	24.6	25.0	24.9	20.8	19.4
Net interest, dividend and similar income	**412.2**	**413.3**	**421.5**	**419.0**	**391.9**
Net fee and commission income	422.3	310.5	356.0	347.3	371.7
Other net operating income	28.3	26.3	38.5	33.5	40.6
Net financial result (excluding FVO)	91.2	(1.9)	23.8	105.6	88.4
Other operating income	**541.8**	**334.9**	**418.3**	**486.3**	**500.7**
Total income	**954.0**	**748.2**	**839.8**	**905.4**	**892.6**
Personnel expenses	(341.4)	(376.1)	(382.0)	(330.0)	(344.2)
Other administrative expenses	(165.5)	(135.5)	(170.9)	(177.0)	(161.7)
Amortization and depreciation	(32.5)	(86.8)	(31.0)	(25.3)	(48.8)
Operating costs	**(539.5)**	**(598.5)**	**(583.9)**	**(532.2)**	**(554.7)**
Profit (loss) from operations	**414.5**	**149.7**	**255.9**	**373.1**	**337.9**
Net adjustments on loans to customers	(181.4)	(2,496.1)	(445.3)	(292.0)	(328.0)
Net adjustments on receivables due from banks and other assets	(3.6)	(19.3)	(8.4)	(8.6)	(3.5)
Net provisions for risks and charges	(43.2)	(50.6)	2.7	9.9	(1.5)
Impairment of goodwill and equity investments	-	(239.0)	-	-	-
Profit (loss) on the disposal of equity and other investments	(0.1)	0.2	1.0	0.2	1.0
Income (loss) before tax from continuing operations	**186.3**	**(2,655.1)**	**(194.2)**	**82.6**	**5.9**
Tax on income from continuing operations (excluding FVO)	27.0	804.5	59.4	(56.3)	(5.3)
Income (loss) after tax from discontinued operations	-	-	0.1	(0.1)	(0.1)
Income (loss) attributable to minority interests	3.9	30.0	4.6	3.4	0.7
Net income (loss) for the period excluding FVO	**217.2**	**(1,820.6)**	**(130.1)**	**29.6**	**1.2**
Fair Value Option result (FVO)	(12.6)	(5.1)	3.4	(7.1)	(30.1)
Tax on FVO result	4.2	1.5	(1.1)	2.5	9.9
Net income (loss) for the period	**208.8**	**(1,824.1)**	**(127.8)**	**25.0**	**(19.0)**

Appendix: Banco Popolare Group

PPA effect: quarterly evolution

From Q1 2015, following the merger of Banca Italease into the parent bank Banco Popolare, the PPA refers only to the ex-BPI Group.

Reclassified income statement €/m	Q1 15	Q4 14	Q3 14	Q2 14	Q1 14
Net interest income	-	(0.9)	(1.0)	(0.4)	(0.4)
Income (loss) from investments in associates carried at equity	-	-	-	-	-
Net interest, dividend and similar income	**-**	**(0.9)**	**(1.0)**	**(0.4)**	**(0.4)**
Net fee and commission income	-	-	-	-	-
Other net operating income	(6.0)	(7.4)	(7.4)	(7.4)	(7.4)
Net financial result (excluding FVO)	-	-	-	-	-
Other operating income	**(6.0)**	**(7.4)**	**(7.4)**	**(7.4)**	**(7.4)**
Total income	**(6.0)**	**(8.4)**	**(8.4)**	**(7.9)**	**(7.9)**
Personnel expenses	-	-	-	-	-
Other administrative expenses	-	-	-	-	-
Amortization and depreciation	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)
Operating costs	**(0.9)**	**(0.9)**	**(0.9)**	**(0.9)**	**(0.9)**
Profit (loss) from operations	**(6.9)**	**(9.3)**	**(9.4)**	**(8.8)**	**(8.8)**
Net adjustments on loans to customers	-	-	-	-	-
Net adjustments on receivables due from banks and other assets	-	-	-	-	-
Net provisions for risks and charges	-	-	-	-	-
Impairment of goodwill and equity investments	-	(39.0)			
Income (loss) before tax from continuing operations	**(6.9)**	**(48.3)**	**(9.4)**	**(8.8)**	**(8.8)**
Tax on income from continuing operations (excluding FVO)	2.2	14.1	3.0	4.7	2.9
Income (loss) after tax from discontinued operations	-	-	-	-	-
Income (loss) attributable to minority interests	-	-	-	(0.0)	0.0
Net income (loss) for the period excluding FVO	**(4.7)**	**(34.2)**	**(6.4)**	**(4.1)**	**(5.9)**

Appendix: Banco Popolare Group

Income Statement pre PPA: quarterly evolution

Reclassified income statement €/m	Q1 15	Q4 14	Q3 14	Q2 14	Q1 14
Net interest income	387.6	389.2	397.6	398.6	373.0
Income (loss) from investments in associates carried at equity	24.6	25.0	24.9	20.8	19.4
Net interest, dividend and similar income	**412.2**	**414.2**	**422.5**	**419.5**	**392.3**
Net fee and commission income	422.3	310.5	356.0	347.3	371.7
Other net operating income	34.3	33.7	45.9	40.9	48.1
Net financial result (excluding FVO)	91.2	(1.9)	23.8	105.6	88.4
Other operating income	**547.7**	**342.4**	**425.7**	**493.8**	**508.1**
Total income	**960.0**	**756.6**	**848.2**	**913.2**	**900.5**
Personnel expenses	(341.4)	(376.1)	(382.0)	(330.0)	(344.2)
Other administrative expenses	(165.5)	(135.5)	(170.9)	(177.0)	(161.7)
Amortization and depreciation	(31.6)	(85.9)	(30.1)	(24.3)	(47.8)
Operating costs	**(538.6)**	**(597.5)**	**(583.0)**	**(531.3)**	**(553.8)**
Profit (loss) from operations	**421.4**	**159.0**	**265.2**	**381.9**	**346.6**
Net adjustments on loans to customers	(181.4)	(2,496.1)	(445.3)	(292.0)	(328.0)
Net adjustments on receivables due from banks and other assets	(3.6)	(19.3)	(8.4)	(8.6)	(3.5)
Net provisions for risks and charges	(43.2)	(50.6)	2.7	9.9	(1.5)
Impairment of goodwill and equity investments	-	(200.0)	-	-	-
Profit (loss) on the disposal of equity and other investments	(0.1)	0.2	1.0	0.2	1.0
Income (loss) before tax from continuing operations	**193.1**	**(2,606.8)**	**(184.8)**	**91.4**	**14.6**
Tax on income from continuing operations (excluding FVO)	24.8	790.4	56.3	(61.0)	(8.2)
Income (loss) after tax from discontinued operations	-	-	0.1	(0.1)	(0.1)
Income (loss) attributable to minority interests	3.9	30.0	4.6	3.4	0.7
Net income (loss) for the period excluding FVO	**221.9**	**(1,786.4)**	**(123.7)**	**33.7**	**7.1**
Fair Value Option result (FVO)	(12.6)	(5.1)	3.4	(7.1)	(30.1)
Tax on FVO result	4.2	1.5	(1.1)	2.5	9.9
Net income (loss) for the period	**213.4**	**(1,790.0)**	**(121.4)**	**29.1**	**(13.0)**

Leasing Division: breakdown of Q1 2015 results

Management accounting data

	Leasing Division		of which: Release	
Reclassified income statement €/m	**Q1 15**	**Q1 14**	***Q1 15***	***Q1 14***
Net interest income	9.2	40.3	*0.8*	*0.6*
Income (loss) from investments in associates carried at equity	-	(4.6)	-	-
Net interest, dividend and similar income	**9.2**	**35.7**	***0.8***	***0.6***
Net fee and commission income	(0.2)	3.3	*(0.2)*	*(0.2)*
Other net operating income	4.6	7.3	*2.8*	*4.6*
Net financial result (excluding FVO)	0.0	(6.3)	*0.0*	-
Other operating income	**4.4**	**4.3**	***2.7***	***4.4***
Total income	**13.6**	**40.0**	***3.5***	***5.1***
Personnel expenses	(3.3)	(12.9)	*(0.4)*	*(0.5)*
Other administrative expenses	(11.9)	(27.9)	*(5.1)*	*(4.6)*
Amortization and depreciation	(7.2)	(3.1)	*(7.0)*	*(13.0)*
Operating costs	**(22.5)**	**(43.9)**	***(12.5)***	***(18.1)***
Profit (loss) from operations	**(8.9)**	**(3.9)**	***(9.1)***	***(13.1)***
Net adjustments on loans to customers	(24.7)	(140.3)	*(17.8)*	*(3.4)*
Net adjustments on receivables due from banks and other assets	-	(0.0)	-	-
Net provisions for risks and charges	(0.3)	(1.4)	*(0.2)*	*0.0*
Profit (loss) on the disposal of equity and other investments	(0.1)	(0.8)	*(0.0)*	*(0.0)*
Income (loss) before tax from continuing operations	**(34.0)**	**(146.4)**	***(27.0)***	***(16.4)***
Tax on income from continuing operations	9.6	39.7	*7.5*	*4.1*
Income (loss) after tax from discontinued operations	-	-	-	-
Income (loss) attributable to minority interests	3.9	15.9		
Net income (loss) for the period	**(20.6)**	**(90.8)**	**(19.6)**	**(12.4)**

BANCO POPOLARE

Leasing Division: quarterly trend of the income statement

Management accounting data

Reclassified income statement €/m	Q1 15	Q4 14	Q3 14	Q2 14	Q1 14
Net interest income	9.2	9.6	16.8	6.0	8.6
Income (loss) from investments in associates carried at equity	-	0.3	0.8	(0.0)	(1.1)
Net interest, dividend and similar income	**9.2**	**9.9**	**17.6**	**6.0**	**7.5**
Net fee and commission income	(0.2)	(0.2)	(0.0)	(0.1)	(0.4)
Other net operating income	4.6	6.2	4.3	4.9	7.0
Net financial result (excluding FVO)	0.0	(1.1)	0.0	(0.2)	(0.2)
Other operating income	**4.4**	**4.8**	**4.3**	**4.6**	**6.4**
Total income	**13.6**	**14.7**	**22.0**	**10.6**	**13.9**
Personnel expenses	(3.3)	(2.9)	(3.0)	(3.4)	(3.4)
Other administrative expenses	(11.9)	(12.6)	(12.4)	(12.5)	(11.4)
Amortization and depreciation	(7.2)	(45.1)	(3.8)	(3.1)	(14.0)
Operating costs	**(22.5)**	**(60.7)**	**(19.2)**	**(18.9)**	**(28.7)**
Profit (loss) from operations	**(8.9)**	**(46.0)**	**2.7**	**(8.3)**	**(14.8)**
Net adjustments on loans to customers	(24.7)	(170.7)	(56.6)	(15.4)	(19.2)
Net adjustments on receivables due from banks and other assets	-	0.1	0.1	0.0	0.1
Net provisions for risks and charges	(0.3)	(1.4)	(0.6)	4.6	(0.0)
Impairment of goodwill and equity investments	-	-	-	-	-
Profit (loss) on the disposal of equity and other investments	(0.1)	(0.4)	(0.3)	(0.2)	(0.0)
Income (loss) before tax from continuing operations	**(34.0)**	**(218.4)**	**(54.6)**	**(19.3)**	**(34.0)**
Tax on income from continuing operations	9.6	79.6	16.2	3.7	9.0
Income (loss) after tax from discontinued operations	-	-	-	-	-
Income (loss) attributable to minority interests	3.9	30.2	4.5	1.7	2.6
Net income (loss) for the period	**(20.6)**	**(108.5)**	**(33.9)**	**(13.9)**	**(22.3)**

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Appendix: Banco Popolare Group

Asset quality of the Group (1/2)

With new categories of NPLs (see slide 42)

	Gross exposure	Impairments	Net exposure	Coverage		Write-offs	Coverage including write-offs
31/03/2015							
Bad loans	10,751	4,566	6,185	42.5%		4,207	58.7%
Unlikely to pay loans	10,360	2,749	7,611	26.5%			
Past Due loans	388	63	326	16.2%			
Non-performing loans	**21,500**	**7,378**	**14,122**	**34.3%**		**4,207**	**45.1%**
Performing loans	67,136	423	**66,713**	**0.6%**	(1)		
Total customer loans	**88,635**	**7,801**	**80,835**	**8.8%**		**4,207**	**12.9%**
31/12/2014							
Bad loans	10,527	4,527	6,000	43.0%		4,048	58.8%
Unlikely to pay loans	10,723	2,817	7,906	26.3%			
Past Due loans	415	70	344	17.0%			
Non-performing loans	**21,665**	**7,414**	**14,250**	**34.2%**		**4,048**	**44.6%**
Performing loans	**65,997**	**423**	**65,573**	**0.6%**	(2)		
Total customer loans	**87,661**	**7,838**	**79,824**	**8.9%**		**4,048**	**13.0%**
31/03/2014							
Bad loans	9,283	3,460	5,822	37.3%		3,475	54.4%
Unlikely to pay loans	9,804	1,716	8,088	17.5%			
Past Due loans	572	39	533	6.9%			
Non-performing loans	**19,659**	**5,215**	**14,443**	**26.5%**		**3,475**	**37.6%**
Performing loans	**71,345**	**270**	**71,075**	**0.4%**	(3)		
Total customer loans	**91,003**	**5,485**	**85,518**	**6.0%**		**3,475**	**9.5%**

Note:
(1) 0.7% excluding the Performing exposures totally risk free.
(2) 0.7% excluding the Performing exposures totally risk free.
(3) 0.4% excluding the Performing exposures totally risk free.
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BANCO POPOLARE

Appendix: Banco Popolare Group

Asset quality of the Group (2/2)

MEMO: With previous categories of NPLs (see slide 42)

31/03/2015	Gross exposure	Impairments	Net exposure	Coverage		Write-offs	Coverage including write-offs
Bad loans	10,751	4,566	6,185	42.5%		4,207	58.7%
Substandard loans	8,745	2,278	6,467	26.1%			
Restructured loans	1,615	470	1,144	29.1%			
Past Due loans	388	63	326	16.2%			
Non-performing loans	**21,500**	**7,378**	**14,122**	**34.3%**		**4,207**	**45.1%**
Performing loans	**67,136**	**423**	**66,713**	**0.6%**	(1)		
Total customer loans	**88,635**	**7,801**	**80,835**	**8.8%**		**4,207**	**12.9%**

31/12/2014	Gross exposure	Impairments	Net exposure	Coverage		Write-offs	Coverage including write-offs
Bad loans	10,527	4,527	6,000	43.0%		4,048	58.8%
Substandard loans	9,008	2,354	6,655	26.1%			
Restructured loans	1,715	464	1,251	27.0%			
Past Due loans	415	70	344	17.0%			
Non-performing loans	**21,665**	**7,414**	**14,250**	**34.2%**		**4,048**	**44.6%**
Performing loans	**65,997**	**423**	**65,573**	**0.6%**	(2)		
Total customer loans	**87,661**	**7,838**	**79,824**	**8.9%**		**4,048**	**13.0%**

31/03/2014	Gross exposure	Impairments	Net exposure	Coverage		Write-offs	Coverage including write-offs
Bad loans	9,283	3,460	5,822	37.3%		3,475	54.4%
Substandard loans	8,527	1,479	7,048	17.3%			
Restructured loans	1,277	236	1,040	18.5%			
Past Due loans	572	39	533	6.9%			
Non-performing loans	**19,659**	**5,215**	**14,443**	**26.5%**		**3,475**	**37.6%**
Performing loans	**71,345**	**270**	**71,075**	**0.4%**	(3)		
Total customer loans	**91,003**	**5,485**	**85,518**	**6.0%**		**3,475**	**9.5%**

Nota:
(1) 0,7% escludendo le posizioni in bonis totalmente prive di rischio.
(2) 0,7% escludendo le posizioni in bonis totalmente prive di rischio.
(3) 0,4% escludendo le posizioni in bonis totalmente prive di rischio.
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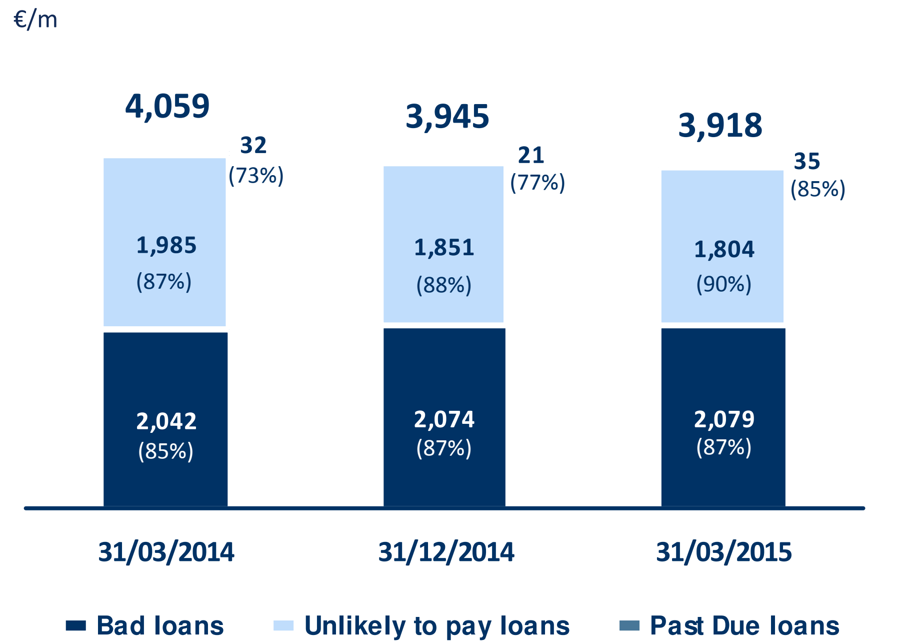
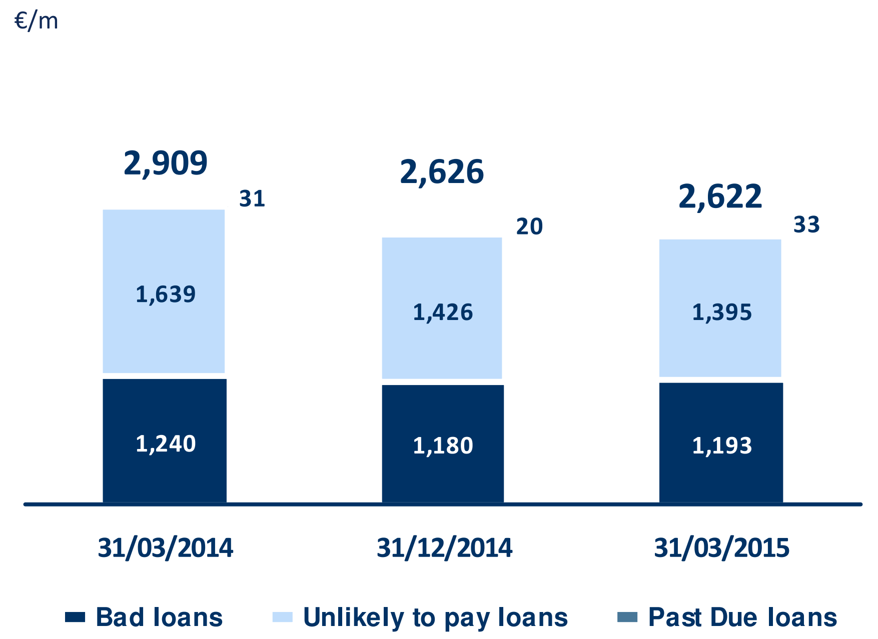
Non-performing loans of the Leasing Division

Gross Non-performing loans



Net Non-performing loans

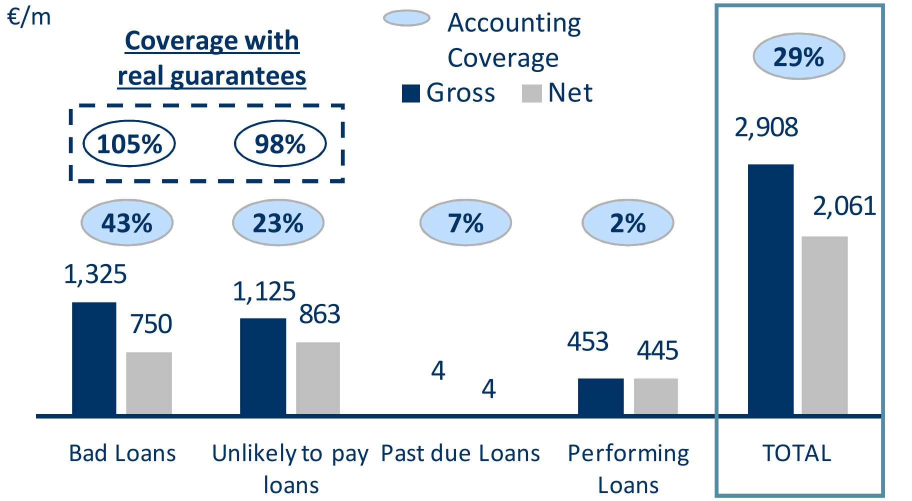


N.B.: The figures indicated in brackets indicate the % share of real estate-related lending.

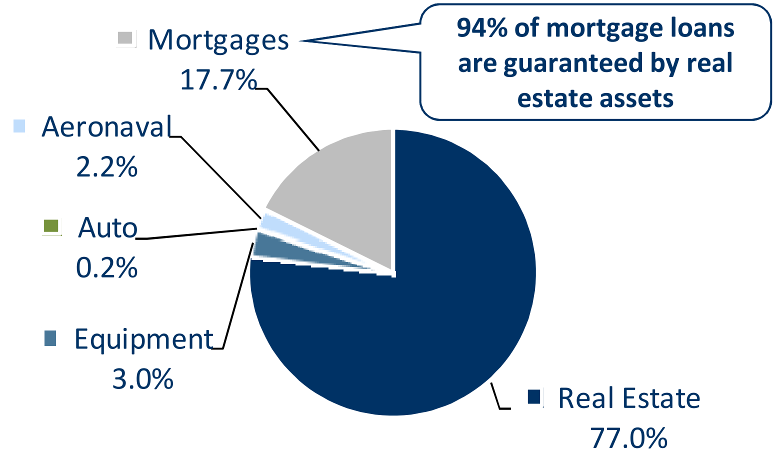
‘Release’ Portfolio: analysis as at 31/03/2015

20% of the ‘Release’ portfolio belongs to the shareholders BPER, BPM and BPS

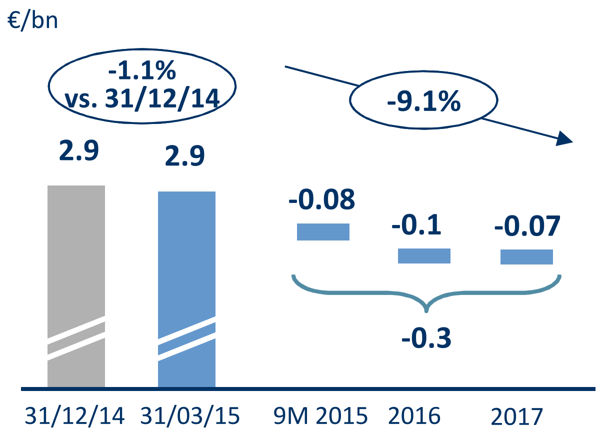
Gross customer loans: classification



Loan portfolio by product category



Repayment plan until 2017*



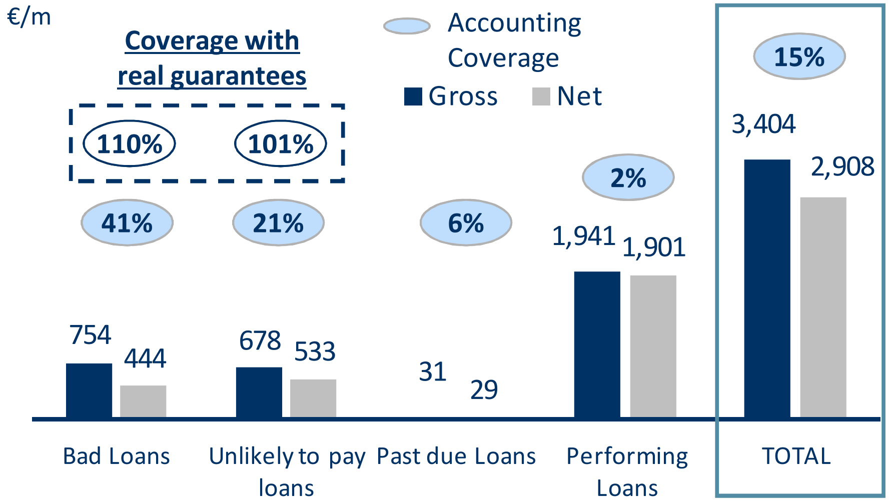
% chg. expected as at year-end 2017	
Real Estate	-6.2%
Mortgages	-21.0%
Equipment	-17.3%
Other	-0.7%
TOTAL	**-9.1%**

* Forecasts on the portfolio maturities, based on the financial plan for performing loans.

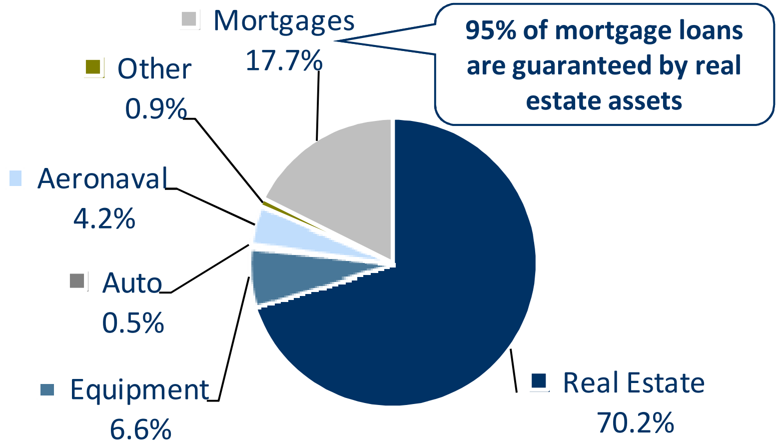
- The ‘Release’ portfolio falls by 40.0% vs. year-end 2009; in the same period, the aggregate of Bad loans and Unlikely to pay loans decreases by 36.1%.
- The coverage, including real guarantees, is 105% for Bad loans and 98% for Unlikely to pay loans.
- Repayment plan for performing loans: -9.1% expected by year-end 2017 (-€0.3bn).

'Ex Italease' Portfolio: analysis as at 31/03/2015

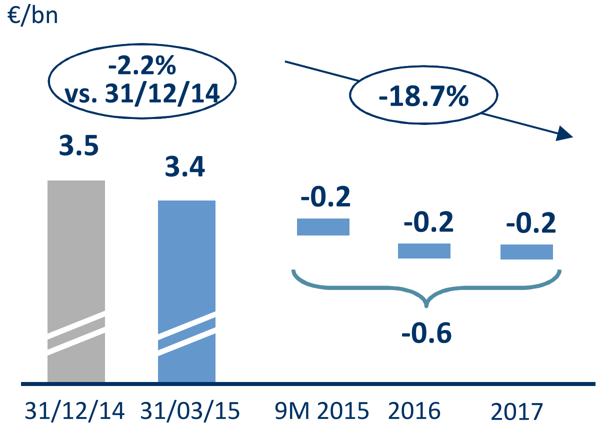
Gross customer loans: classification



Loan portfolio by product category



Repayment plan until 2017*



% chg. expected as at year-end 2017	
Real Estate	-18.8%
Mortgages	-16.4%
Equipment	-21.5%
Other	-21.0%
TOTAL	**-18.7%**

- The 'Ex Italease' portfolio drops by 53.7% vs. year-end 2009 and by 2.2% in Q1 2015.
- The coverage, including real guarantees, is 110% for Bad loans and 101% for Unlikely to pay loans.
- Repayment plan for performing loans: -18.7% expected by year-end 2017 (-€0.6bn).

* Forecasts on the portfolio maturities, based on the financial plan for performing loans.

New NPL classification

- Since the beginning of 2015, Non-performing loans have been subdivided into Bad loans, Unlikely to pay and Past Due exposures. These three categories put together form the aggregate denominated Non-Performing Exposures in the Implementing Technical Standards (ITS). Also, Non-performing exposures must be measured on the basis of any concessions, or forbearance measures, that have been extended (Forborne exposures in ITS). They do not represent a specific category of Non-performing exposures, but rather a specification - depending on the circumstances - of Bad loans, Unlikely to pay or Past Due exposures.

Previous classification

- Bad loans
- Substandard
- Restructured
- Past Due

NON-PERFORMING LOANS

New classification

- Bad loans
- Unlikely to pay
- Past Due

NON-PERFORMING LOANS

Substandard and Restructured loans are now included in the Unlikely to pay category

DEFINITIONS:

- **Bad loans:** exposures to insolvent debtors (even when the insolvency has not been declared by a court), or in essentially similar situations, regardless of any expected loss calculation made by the bank.
- **Unlikely to pay:** exposures, other than Bad loans, where according to the bank the debtor is unlikely to pay its credit obligation in full (principal and interest), without embarking on actions such as the realization of collateral.
- **Past Due:** exposures, other than Bad loans and Unlikely to pay, which at the reference date are more than 90 days past-due and exceed a given materiality threshold.

Note: * Banco Popolare decided not to publish the amount and the details on Performing and Non-performing Forborne exposures in the Quarterly report as at 31/03/2015, because the organizational processes and their dedicated IT procedures are still under implementation. This activity shall be completed during 2015.

Source: Circular n. 272 of the Bank of Italy, updated on 20 January 2015.

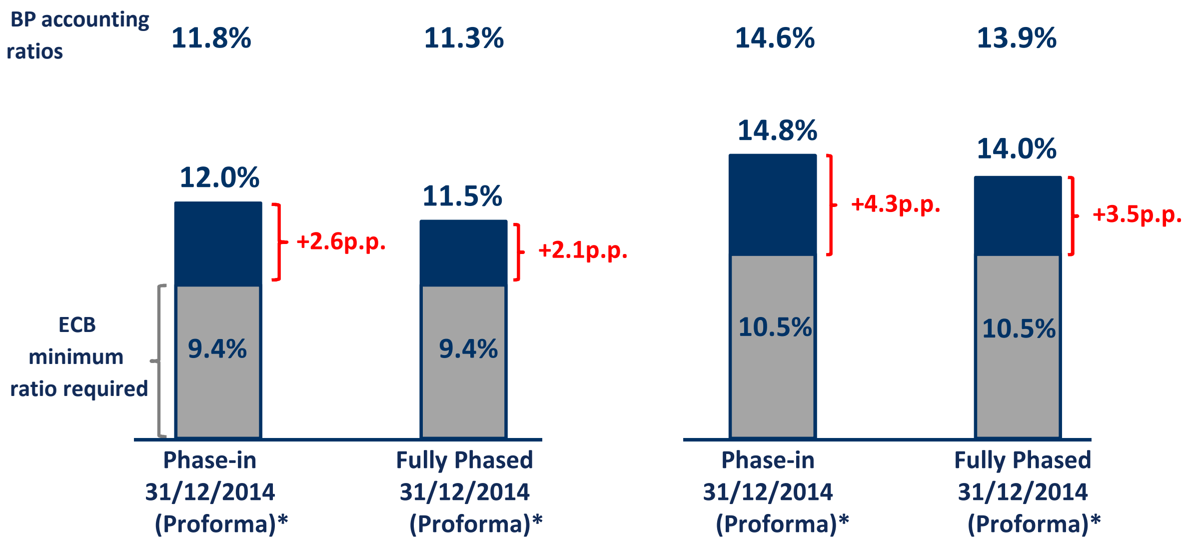
ECB's minimum capital requirements

ECB capital decision communicated end-February 2015

Banco Popolare is largely compliant with ECB's minimum capital requirements

CET 1 ratio

Total Capital ratio

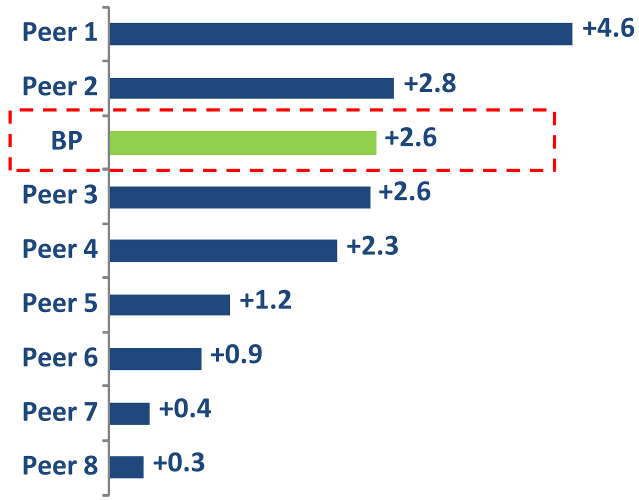


* Proforma including estimated impact of the merger of Italease, finalised in March 2015.

On the basis of the **11.8%** proforma CET 1 Fully Phased reached by Banco Popolare as at 31/03/2015, **the buffer increases to +2.4p.p.**

Comparison of CET1 Phase-in ratio buffer vs. ECB minimum required

(percentage points)



Peers include: BPER, BPM, BP Vicenza, MPS, ISP, UCG ,UBI and Veneto Banca.

Note:
CET1 Phase-in ratio accounting (and proforma when reported), including dividend payment when declared, as at 31/12/2014.

Source: Press releases and results presentations.

BANCO POPOLARE

Number of shares outstanding

Shares outstanding as of 31/03/2014	**176,373,087**
❑ ***New shares issued for the €1.5bn capital increase (completed on 29/04/2014)***	***+166,473,775***
❑ ***New shares issued to serve the merger of Credito Bergamasco (effective from 01/06/2014)***	***+19,332,744***
Shares outstanding as of 31/12/2014	**362,179,606**
Shares outstanding as of 31/03/2015	**362,179,606**

Memo:

The merger of Banca Italease did not entail any impact on the number of shares outstanding.

IR events in 2015

Work in progress

Date	Place	Events
16 January 2015	Milan	The CEEMEA and Italian Financials Conference 2015 - UBS (investor meetings)
11 February 2015	Verona	Press release on FY 2014 results
11 February 2015	Verona	Banco Popolare: Conference call on FY 2014 results
26 March 2015	London	Morgan Stanley 2015 European Financials Conference (panel & investor meetings)
11 April 2015	Novara	Annual Registered Shareholders' Meeting (2nd call)
12 May 2015	Verona	Press release on Q1 2015 results
12 May 2015	Verona	Banco Popolare: Conference call on Q1 2015 results
14 May 2015	London	Deutsche Bank Conference: "dbAccess Italy Conference" (investor meetings)
16 June 2015	Rome	Goldman Sachs 19th Annual European Financials Conference (panel & investor meetings)
25 June 2015	Milan	Mediobanca Italian Conference: Italy on the growth path (panel & investor meetings)
7 August 2015	Verona	Press release on H1 2015 results
7 August 2015	Verona	Banco Popolare: Conference call on H1 2015 results
10 November 2015	Verona	Press release on Q3 2015 results
10 November 2015	Verona	Banco Popolare: Conference call on Q3 2015 results

N.B. The above pipeline is in progress and does not include ongoing roadshows, meetings and other possible Investor Conferences.

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