



The New Leading Bank
Building Our Future
Strategic Plan 2016 – 2019

May, 16th 2016

Disclaimer

This presentation has been prepared by Banco Popolare – Società Cooperativa (“Banco Popolare”) and Banca Popolare di Milano S.c. a r.l. (“Banca Popolare di Milano”, together with Banco Popolare, the “Companies”) solely for your information and may not be reproduced, distributed or passed on to any other person or published, in whole or in part, for any purpose. Neither this presentation nor any part or copy of it may be taken or transmitted into the United States, Canada, Australia or Japan or distributed, directly or indirectly, in the United States, Canada or Australia or distributed or redistributed in Japan or to any resident thereof. The distribution of this presentation in other jurisdictions may be restricted by law or regulation, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of any such jurisdictions. To the fullest extent permitted by applicable law, the Companies disclaim any responsibility or liability for the violation of such restrictions by any person.

This presentation does not represent a prospectus or other offering documentation, and does not constitute or form part of, and should not be construed as, any offer or invitation to subscribe for, underwrite or otherwise acquire, any securities of Banco Popolare or any member of its group, any securities of Banca Popolare di Milano or any member of its group, any securities of the company resulting from potential consolidations of the Companies, nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities in Banco Popolare or any member of its group, any securities of Banca Popolare di Milano or any member of its group, any securities of the company resulting from potential consolidations of the Companies, or any commitment whatsoever. Any offer or solicitation would be made by means of a prospectus and/or an offering circular prepared for the purpose by Banco Popolare and/or Banca Popolare di Milano and any decision to purchase or subscribe for securities in connection with such offer or solicitation should be made solely on the basis of the information contained in such prospectus and/or offering circular published in final form by Banco Popolare and/or Banca Popolare di Milano in relation thereto. Any Prospectus published by Banco Popolare would be to satisfy the Italian regulatory requirements and for any retail offering and any Institutional Investors would not be able to rely on the Prospectus. Furthermore, this presentation does not provide any form of advice (investment, tax or legal) comparable to investment advice, nor does it make any suggestions about specific financial instruments, investments or products. The Companies decline any responsibility for any investment decisions made on the basis of the information contained in this presentation.

Nothing in this presentation constitutes an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The securities of Banco Popolare or any member of its group, any securities of Banca Popolare di Milano or any member of its group, or any securities of the company resulting from potential consolidations of the Companies have not been, and will not be, registered under the Securities Act of 1933 as amended (the “Securities Act”), or the securities laws of any state or other jurisdiction of the United States, and the securities may not be offered, sold, pledged or otherwise transferred in the United States except (1) in accordance with rule 144A under the Securities Act to a person that the holder and any person acting on its behalf reasonably believes is a qualified institutional buyer (“QIB”) within the meaning of rule 144A and is acquiring the securities for its own account or for the account of a QIB, or (2) in an offshore transaction in accordance with rule 903 or rule 904 of Regulation S under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or pursuant to an exemption from, or (3) in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

The information contained in this presentation is for background purposes only and is may be subject to amendment, revision and updating. The information, estimates, targets and projections contained herein reflect significant assumptions and subjective judgments by Banco Popolare’s and Banca Popolare di Milano’s management concerning anticipated results. In addition, certain statements in this presentation are forward-looking statements. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates” and similar expressions. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. Furthermore, the information, assumptions and judgments contained herein may or may not prove to be accurate or correct and there can be no assurance that any estimates, targets or projections are attainable or will be realized.

These include, among other factors, the satisfaction of the conditions of the offering, changing business or other market conditions and the prospects for growth anticipated by Banco Popolare’s and Banca Popolare di Milano’s management. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation. The delivery of this presentation shall not, under any circumstances, create any implication that there has been no change in the affairs of Banco Popolare and/or Banca Popolare di Milano since the date hereof. In furnishing this presentation, neither Banco Popolare nor Banca Popolare di Milano undertake any obligation to update or revise any of the information contained herein, whether as a result of new information, future events or otherwise, or to correct any inaccuracies which may become apparent.

The information contained herein has not been independently verified. No representation or warranty, express or implied, is or will be given by Banco Popolare or Banca Popolare di Milano or their respective affiliates, shareholders, directors, partners, employees or advisers or any other person as to the accuracy, completeness or fairness of the information contained in this presentation and no responsibility or liability whatsoever is accepted by the same for the accuracy or sufficiency thereof or for any errors, omissions or misstatements negligent or otherwise relating thereto.

This presentation is about the envisaged merger between Banco Popolare and Banca Popolare di Milano, which is subject to any required authorization and / or clearance from the relevant supervisory and regulatory authorities and to the approval by the respective boards and Extraordinary Shareholders’ General Meetings.

Neither Banco Popolare nor Banca Popolare di Milano undertake any obligation for any damage that may derive from the use of the content of the present document.

2019 Strategic Plan Key Messages

Attractive and Sustainable Profitability

Solid Balance Sheet and Improved Asset Quality

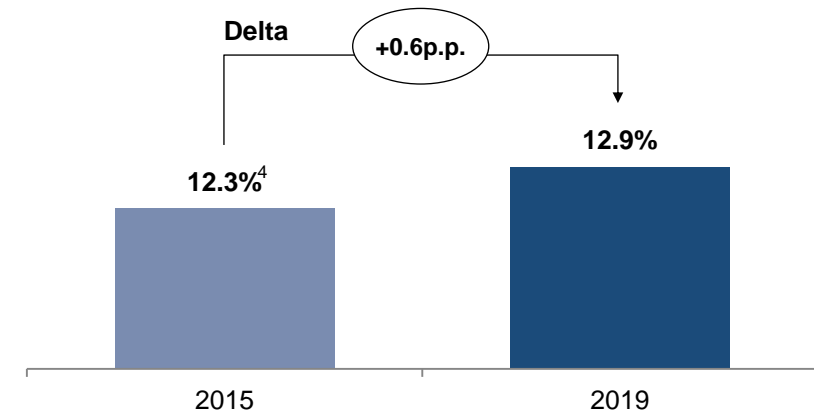
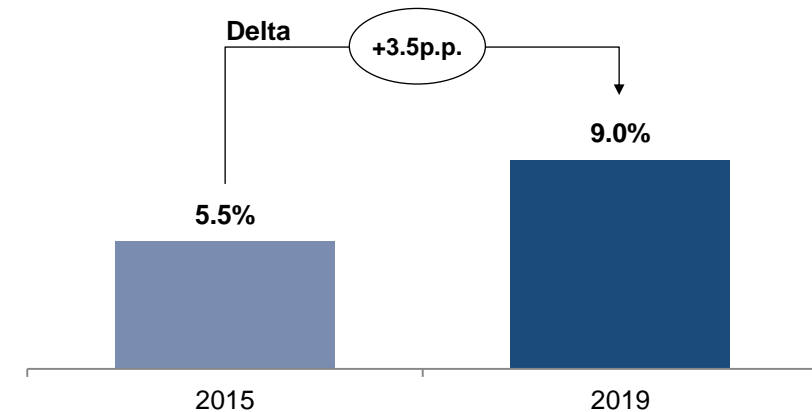
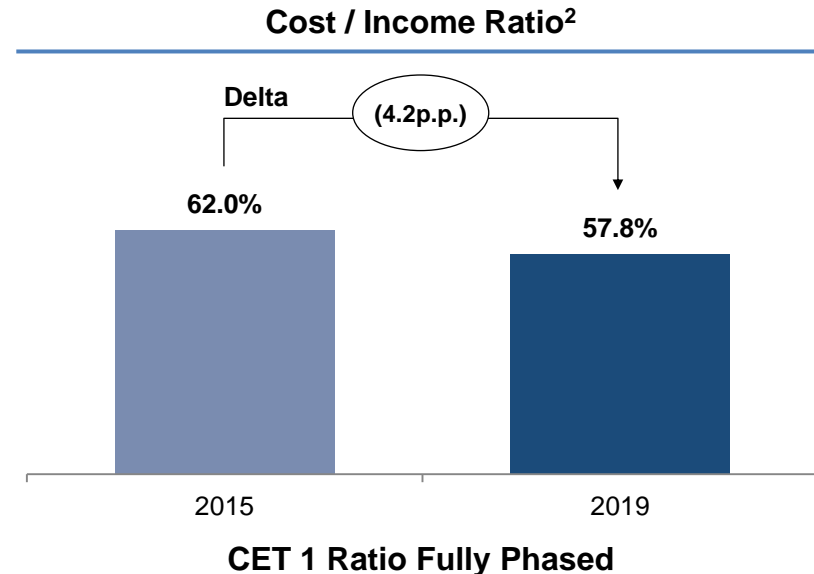
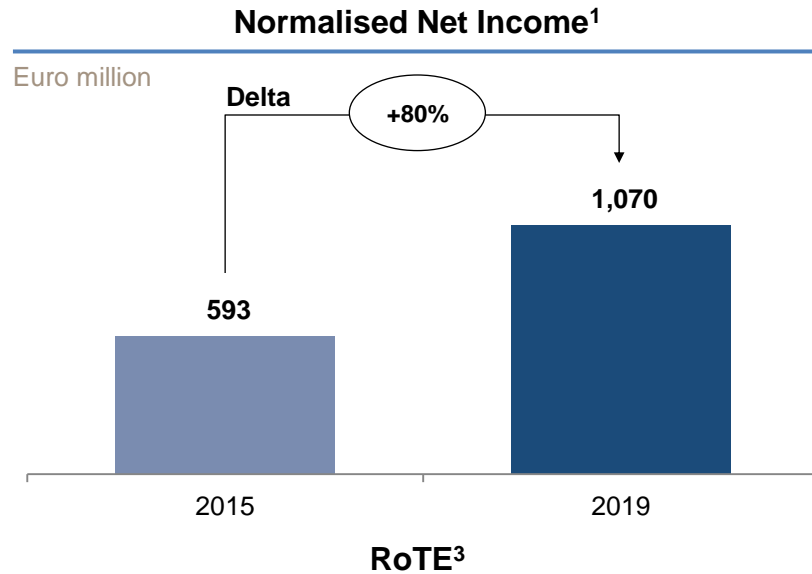
Significant Value Creation

Remunerative Dividend Policy

1. Summary of Strategic Plan Targets

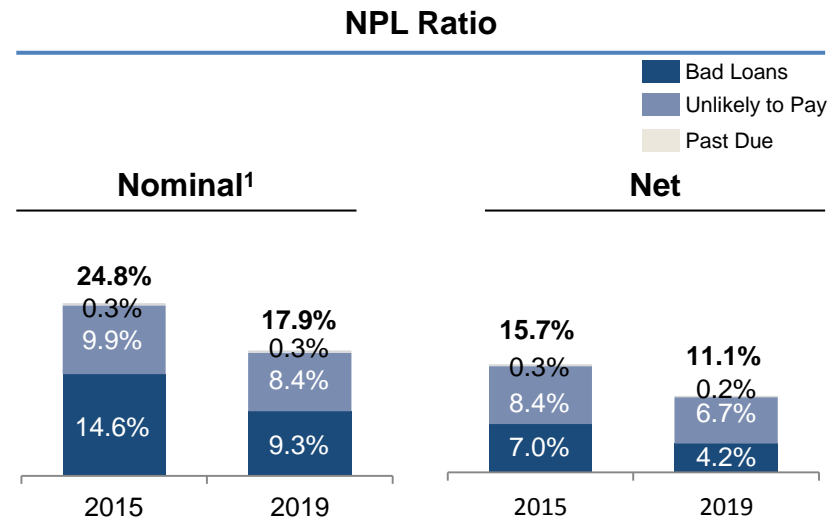
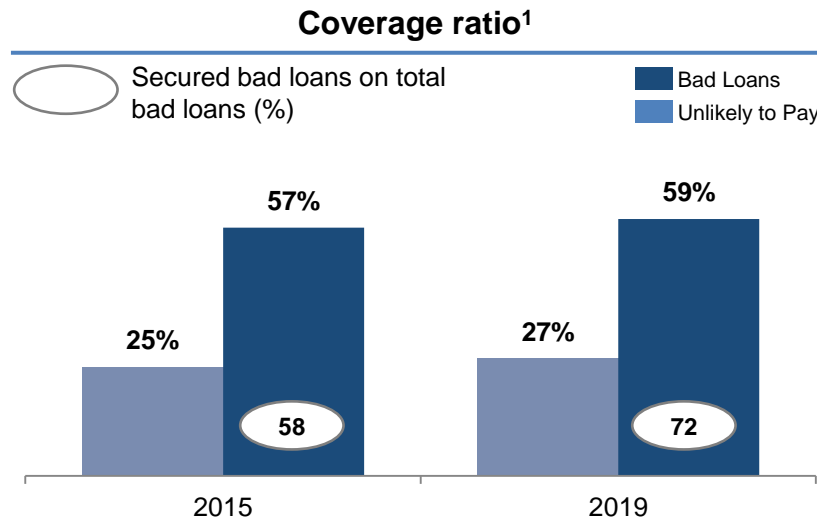
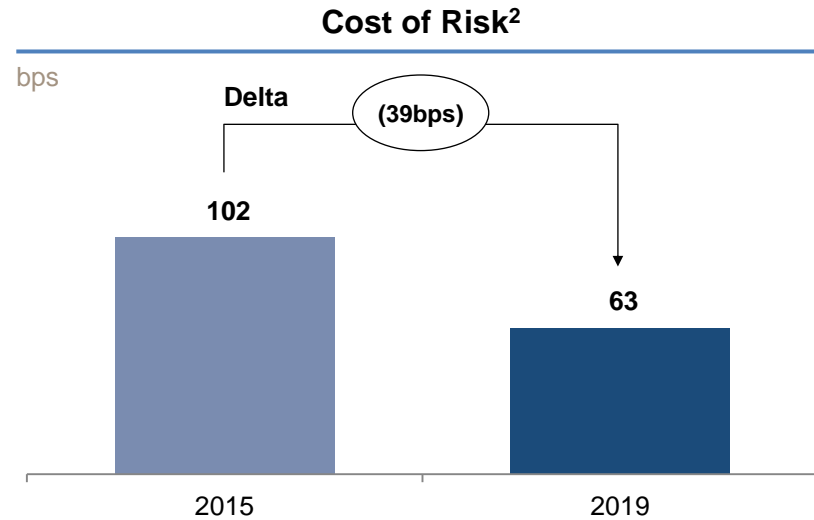
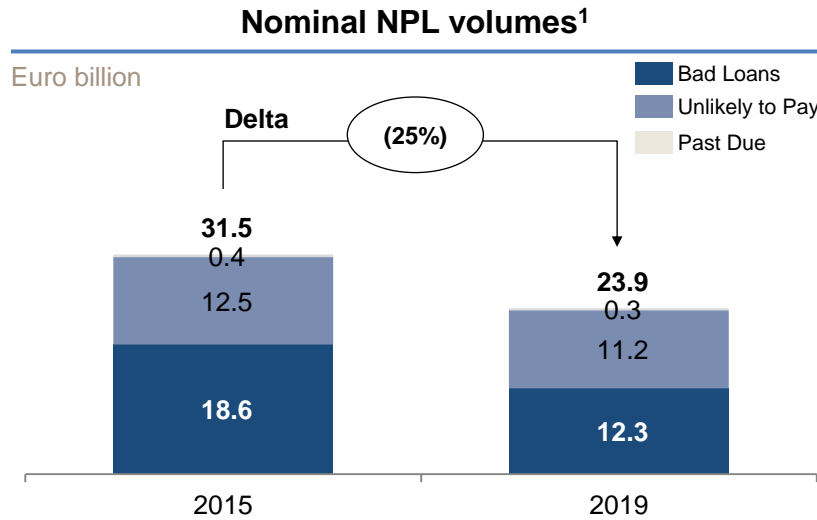


Attractive and Sustainable Profitability Supported by a Solid Capital Position...



Notes: 1. 2015 normalized for extraordinary items (i.e. extraordinary contribution to Single Resolution Fund, capital gains in associates and other minor extraordinary items). 2. Including contribution to Single Resolution Fund and Fondo Interbancario di Tutela dei Depositi. 3. Tangible equity net of dividends. 4. Aggregated data as of 2015 including full recognition of negative goodwill.

...Coupled with a Strong Asset Quality Improvement



Notes: 1. Gross of write-offs (i.e. "stralci"). 2. Calculated as Loan Loss Provisions (LLP) on year-end Net Customer Loans.

2. Strategic Plan Guidelines



Summary of Key Strategic Guidelines

A new leading banking group in some of the wealthiest regions in Europe...

- **3rd largest banking group in Italy with a leading position in the North**
- **4 million customers served through an extensive and fully complementary distribution network**
- **National leading player in a number of high value businesses**
- **Complementary and experienced management team**

...a winning banking model across market cycles...

- Customized proposition in all market segments
- Effective organizational structure supported by an enhanced digital platform
- Fully integrated multichannel distribution
- Talent retention through new professional roles and human capital enhancement

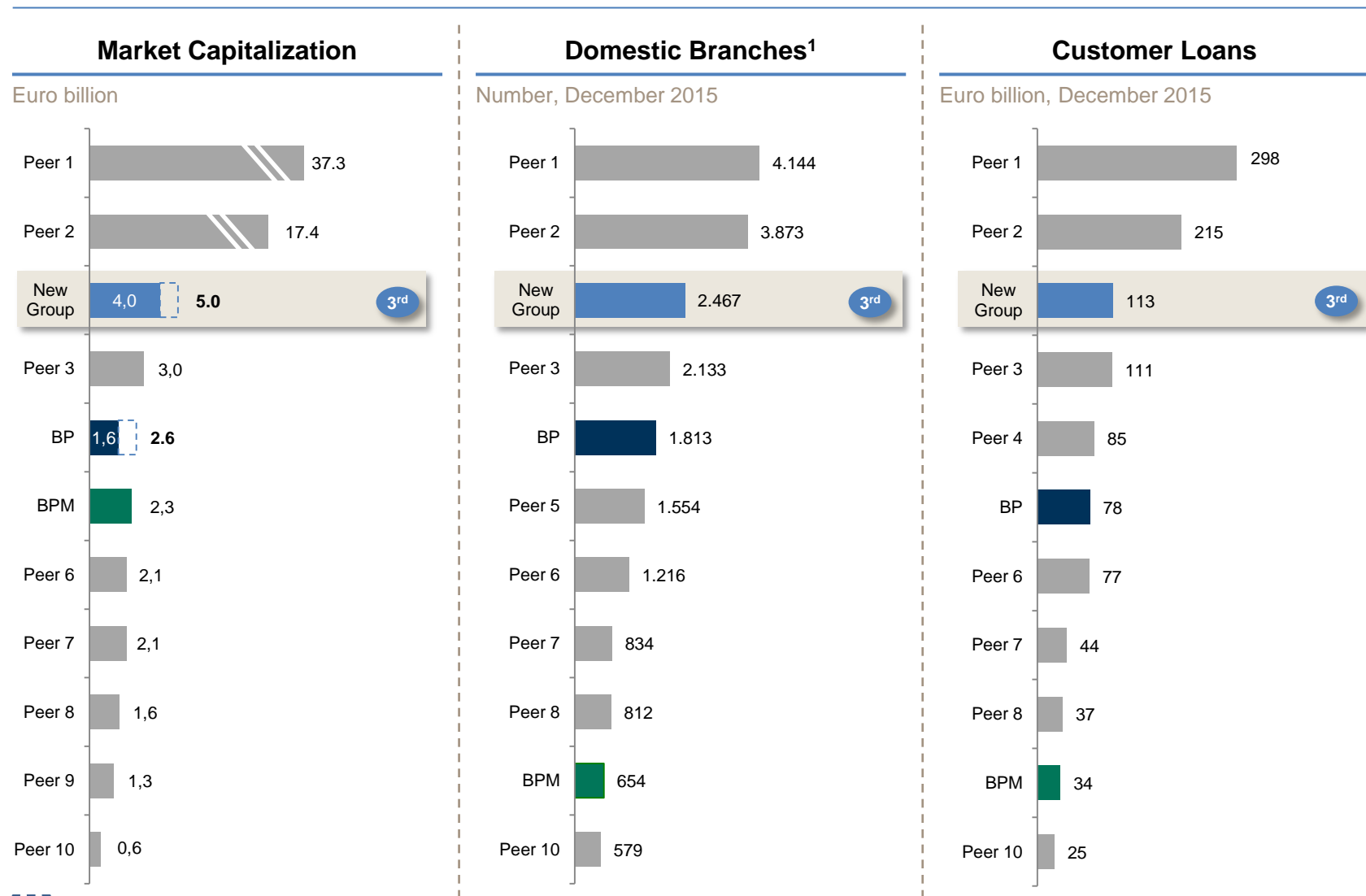
...solid balance sheet since inception and improved asset quality...

- CET 1 fully phased ratio at ~13%
- Liquidity ratios comfortably above regulatory requirements
- New dedicated NPL unit to maximize recoveries and deliver a strong disposal plan
- Efficient funding mix and prudential management of securities portfolio

...and significant value creation

- Fully phased synergies of ~€460m (pre-tax)
- Focus on efficiency
- Enhanced RoTE and dividend payment capacity

The 3rd Largest Italian Banking Group...



3rd also by direct and indirect deposits

[- - -] = €1bn Capital Increase of Banco Popolare

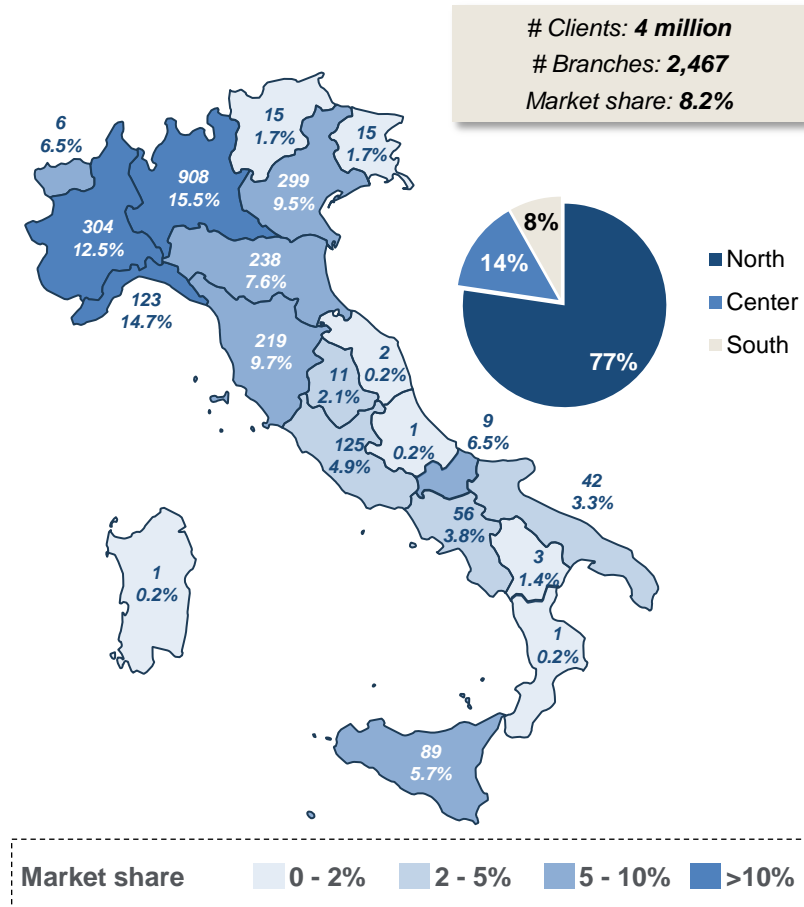
Source: Company data, annual reports, investor presentations and FactSet. Market capitalisation computed as number of shares (net of treasury shares) times last price as of 13 May 2016.

Notes: 1. Banco Popolare branches include #33 Banca Aletti branches. BPM branches exclude #1 Banca Akros branch.

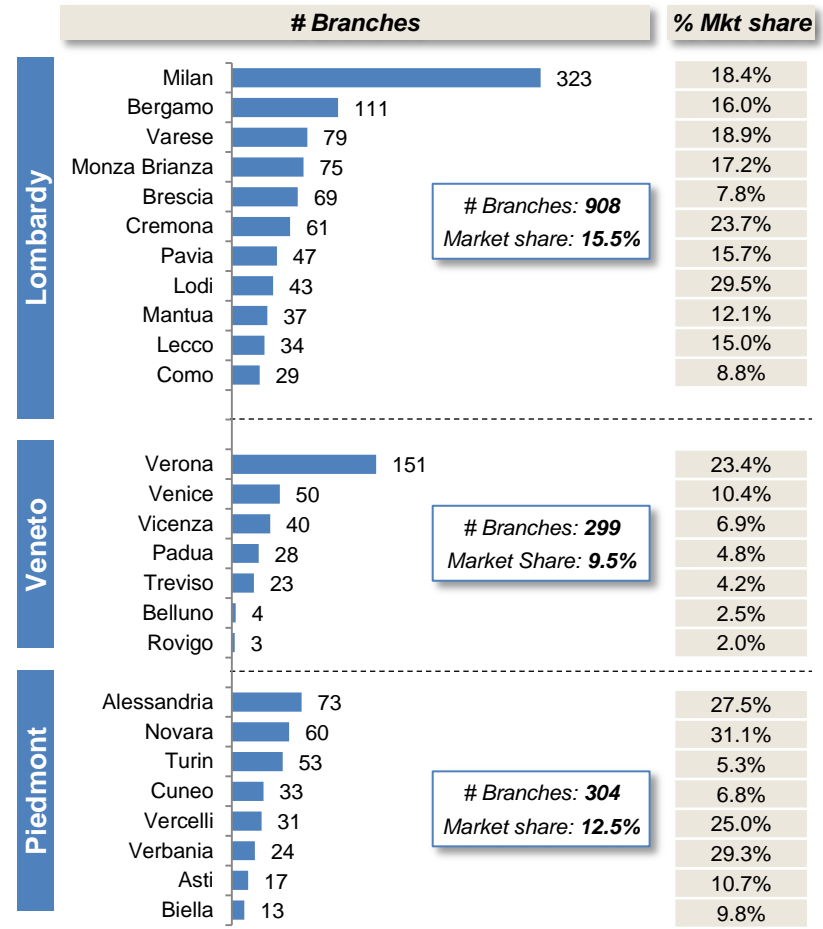
...Leader in the Wealthiest Areas of Italy with an Extensive and Fully Complementary Distribution Network

Market Share of the New Group Pro-Forma

Market Share in Italy
(before rationalizations)



Market Share in Lombardy, Veneto and Piedmont
(before rationalizations)

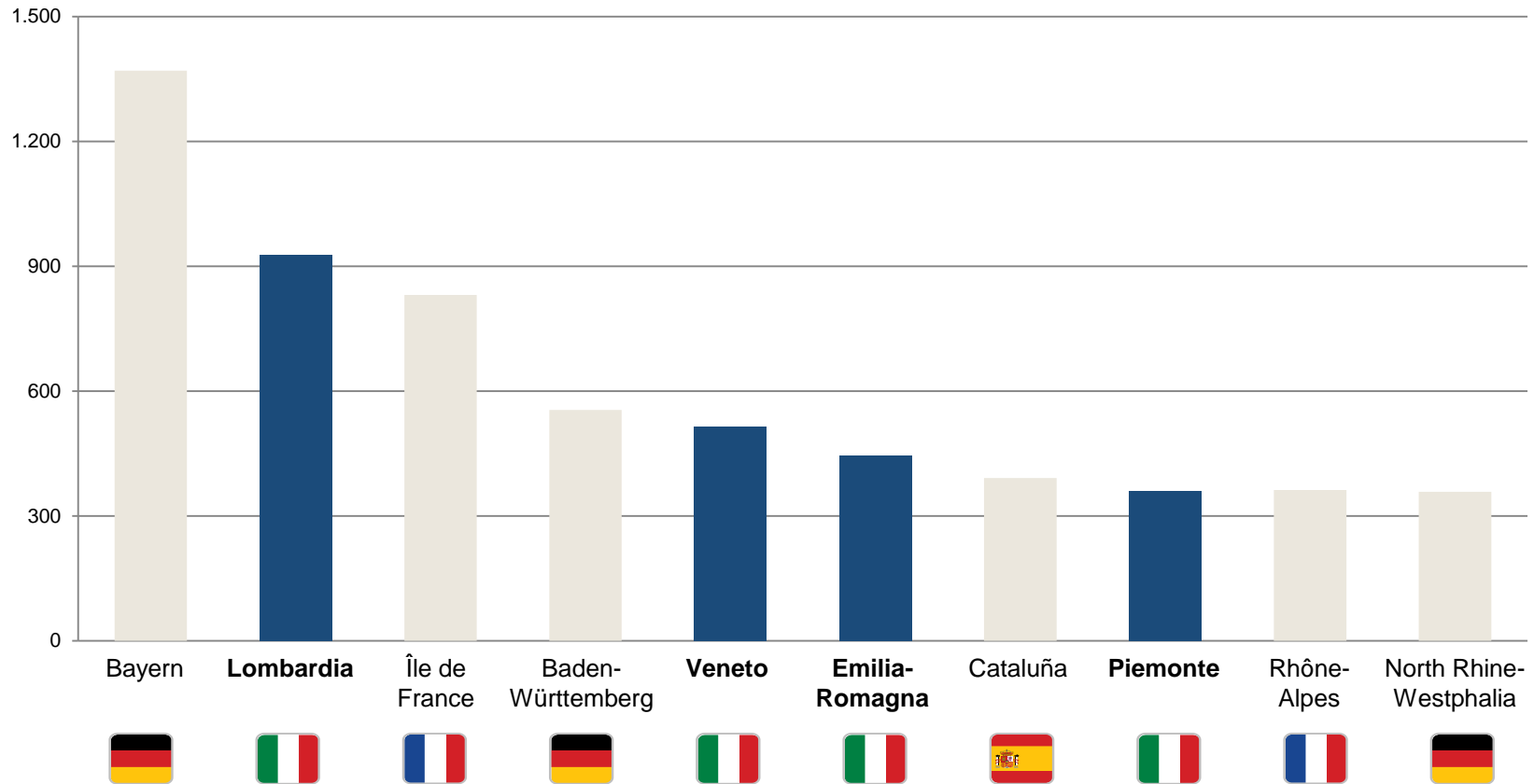


Source: Public Information, Bank of Italy.

4 out of the Top 10 Manufacturing Regions in Europe are Core for the New Group

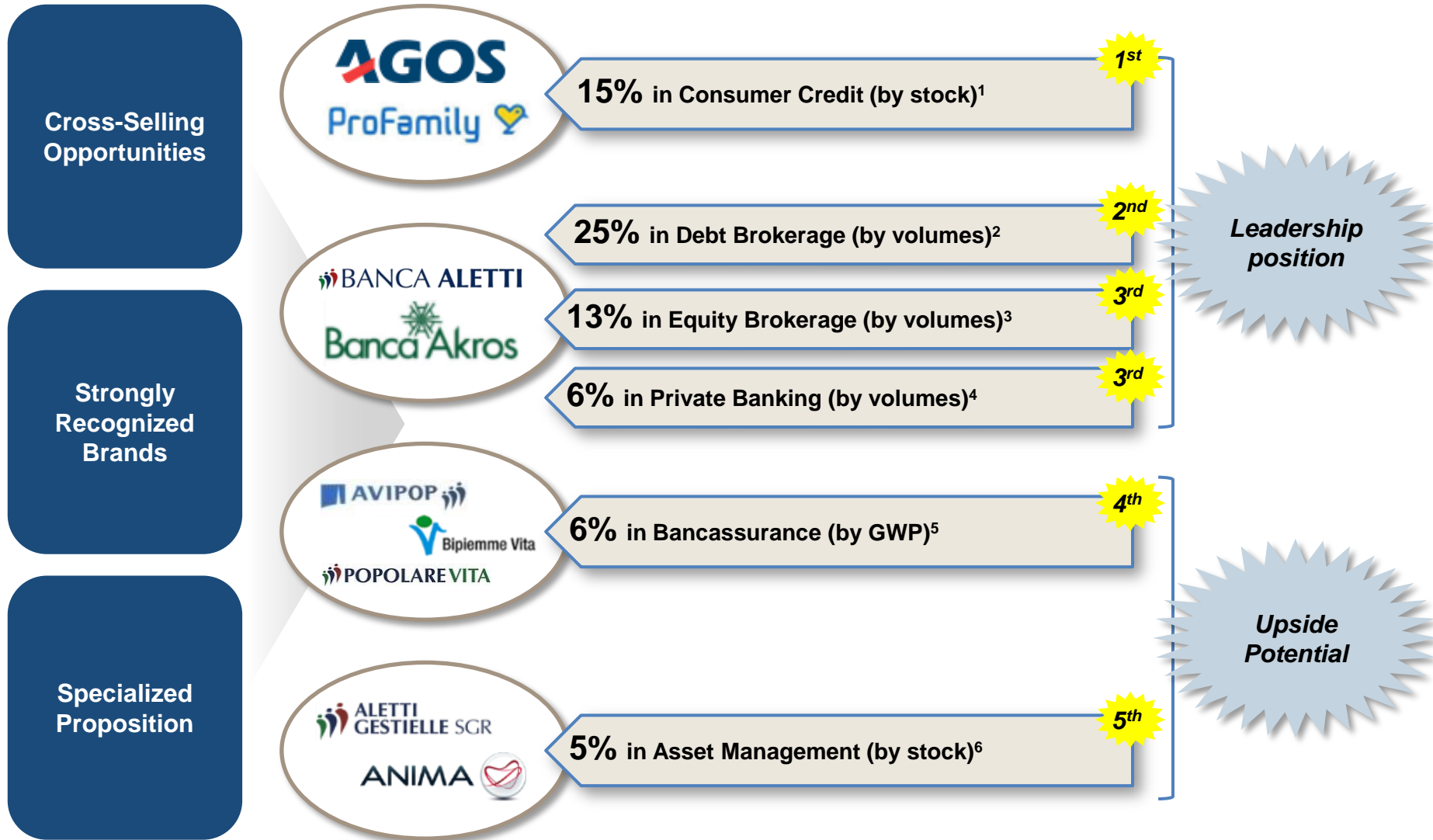
Number of Employees in Manufacturing Activities

Thousands, 2013



Source: Eurostat, 2013.

Leading Position in a Number of High Value Products



Notes: 1. Assofin Report on consumer credit 2015, including credit and securitisations. Data of the New Group including AGOS total assets . 2. Assosim report 2015. "Controvalori Bonds c/terzi". 3. Assosim 2015 "Controvalori Equity c/terzi". 4. AUM of Private Banking & Wealth Management clients 2015, AIPB website. Banca Aletti data include AUM of Institutional Bancassurance clients . 5. ANIA Trends 2015, new production bancassurance life, banking channel only. Position calculated excluding Aviva, Axa Italia, Ergo, Generali, Allianz, Sara, Unipol, Zurich, Old Mutual, Reale Assicura. 6. Assogestioni, total AUM including Anima.

Complementary and Experienced Top Management Team

Giuseppe Castagna
Chief Executive Officer



- Currently CEO of BPM
- More than 35 years in corporate, investment and retail banking
- Former General Manager of Intesa Sanpaolo

Maurizio Faroni
General Manager



- Currently General Manager of Banco Popolare
- Broad experience in finance, corporate investment banking, private banking, asset management
- Former CEO of Banca Aletti

Salvatore Poloni
Co-General Manager



- Currently Chief Human Resource & Organizational Officer at BPM
- Long standing experience in HR management, development and trade union relations
- Expert in process innovation and digital transformation
- Strong post merger integration (PMI) expertise gained at Intesa Sanpaolo

Domenico de Angelis
Co-General Manager



- Currently Co-General Manager at Banco Popolare
- Extensive experience in Commercial Banking
- Responsible for providing a full range of financial products and services to customers
- Former CEO of BP Novara

Summary of Key Strategic Guidelines

A new leading banking group in some of the wealthiest regions in Europe...

- 3rd largest banking group in Italy with a leading position in the North
- 4 million customers served through an extensive and fully complementary distribution network
- National leading player in a number of high value businesses
- Complementary and experienced management team

...a winning banking model across market cycles...

- **Customized proposition in all market segments**
- **Effective organizational structure supported by an enhanced digital platform**
- **Fully integrated multichannel distribution**
- **Talent retention and human capital enhancement**

...solid balance sheet since inception and improved asset quality...

- CET 1 fully phased ratio at ~13%
- Liquidity ratios comfortably above regulatory requirements
- New dedicated NPL unit to maximize recoveries and deliver a strong disposal plan
- Efficient funding mix and prudential management of securities portfolio



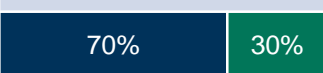
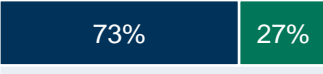
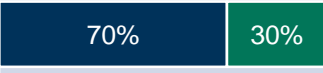

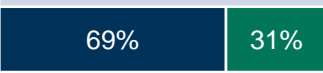
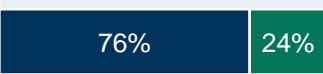
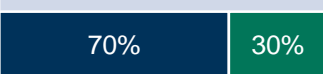
...and significant value creation

- Fully phased synergies of ~€460m (pre-tax)
- Focus on efficiency
- Enhanced RoTE and dividend payment capacity

The New Group Will Serve 4 million Customers with a Tailored Proposition

Number of Customers

Thousands, 2015 (as is)

	Size		 BANCA POPOLARE DI MILANO	Total		
Retail and Small Business clients	Corporate^{1,2}	>€5m	23		10	33
	Private^{3,4}	>€1m	22		8	30
	Small business²	<€5m	286		125	411
	Affluent³	€50k–€1m	478		254	732
	Mass³	<€50k	1,958		867	2,825
	Institutions, public sector and others⁵		26		8	34
	Total		2,793		1,272	4,065

Notes: 1. Equivalent to 11 thousands groups for Banco Popolare and 6 thousands groups for BPM. 2. Turnover; including POE. 3. Total wealth. 4. Includes around 4 thousands customers currently in BP Affluent segments with more than €1m in total wealth. 5. Religious entities, non-profit organizations, public sector, etc.

Become the Italian Mid Caps' Preferred Corporate and Investment Bank with the Brand



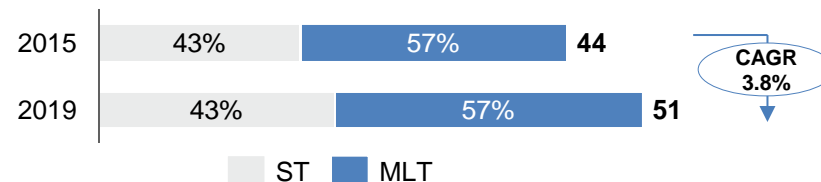
Pro-forma segments

Key Strategic Guidelines

- Dedicated division for Mid Caps
- Excellent credit underwriting process
- Full leverage on Investment Banking capabilities of Banca Akros and Banca Aletti
- Increase share of wallet in value added services
- Enhance Corporate Hedging & Advisory capabilities
- Leverage synergies with Private Banking

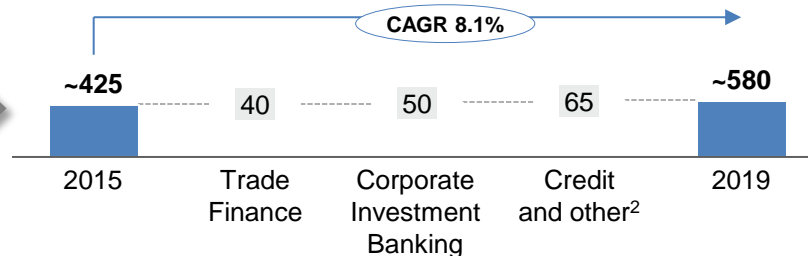
Gross Loans

Euro billion



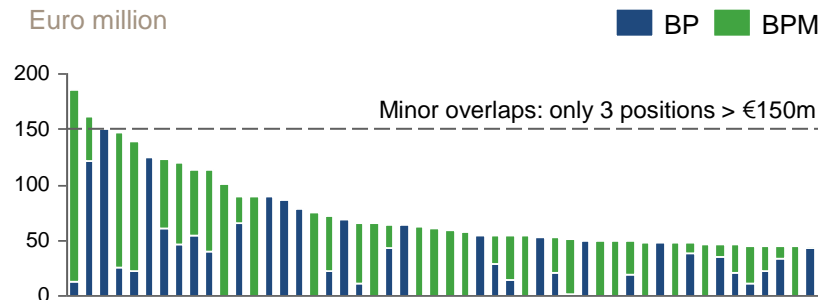
Fees

Euro million



Top 50 Combined Gross Loans¹

Euro million



Notes: 1. Loans volumes ranked by Volumes "Utilizzato Cassa e Firma", exposure by legal entity (not group). 2. Other includes: Issuing and acquiring and current accounts.

A Dedicated Top Tier Private Bank with an Established Brand

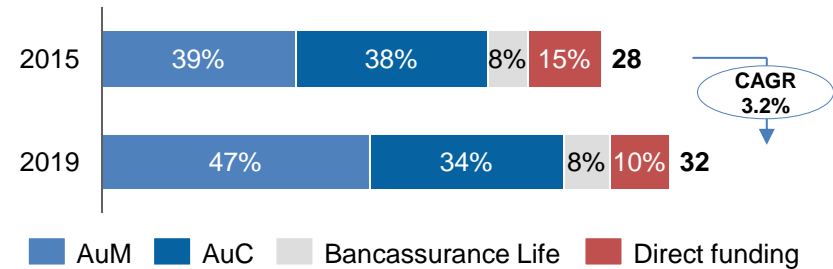
Pro-forma segments

Key Strategic Guidelines

- Coherent brand strategy, evolving the vision from investment to wealth advisory
- Attract talents from the market
- Compelling customer proposition through unified and extensive product/service catalogue
- Referral and cross-selling with corporates / entrepreneurs

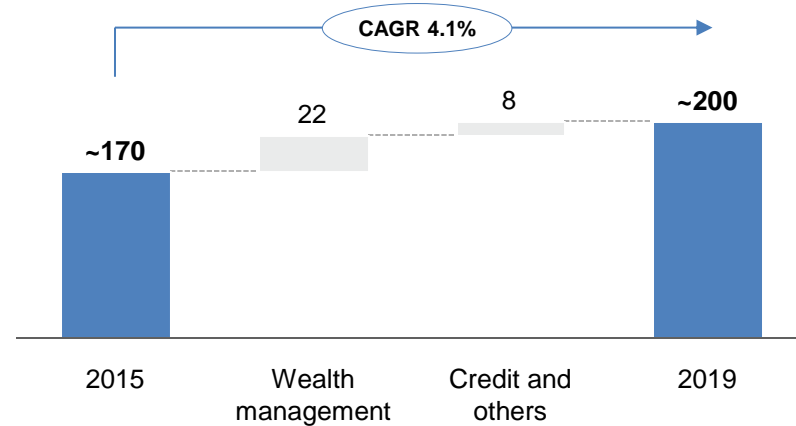
Total Client Assets¹

Euro billion



Fees

Euro million



Notes: 1. Includes all New Group Private customers plus around 4 thousand customers currently in BP Affluent segments with more than €1m assets.

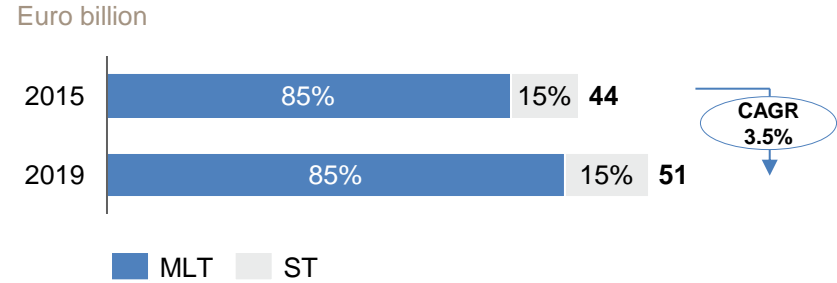
A Fully Integrated Multichannel Bank Serving Retail and Small Business Clients

Pro-forma segments

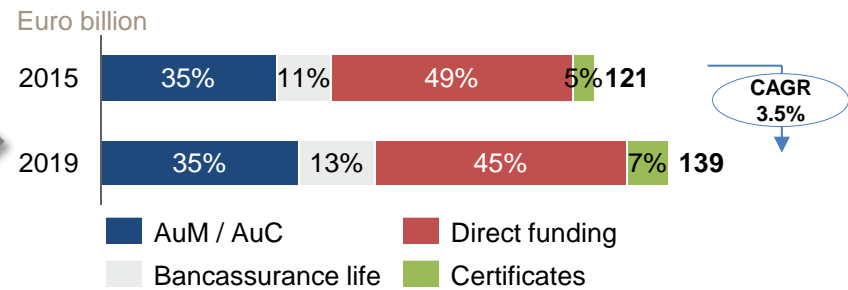
Key Strategic Guidelines

- Focus on client development and cross selling
- Differentiate by customer sub segment
- Process and product simplification
- Big Data development to support CRM
- 24/7 Accessibility

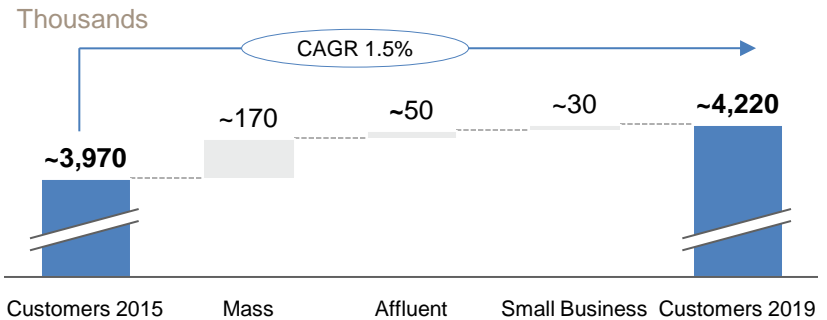
Gross Loans



Total Client Assets¹



Number of Customers

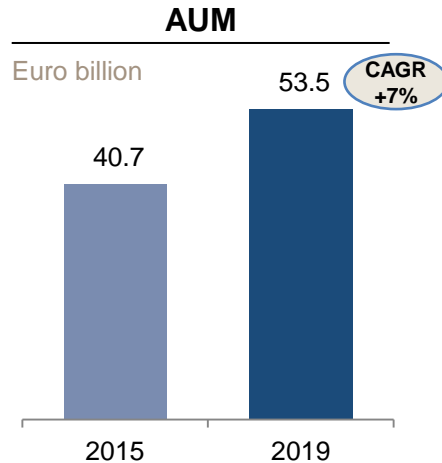


Notes: 1. Excluding around 4 thousands customers currently in BP Affluent segments with more than €1m assets.

Full-Scope Product Offering Sustained by Strongly Recognized Brands

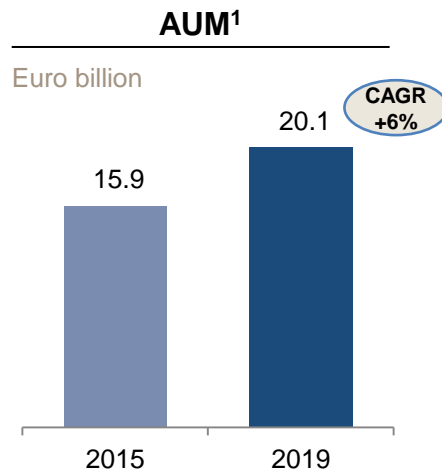
Asset Management

- Increased commercial focus on core segment (Private and Affluent)
- Strong combined product capabilities



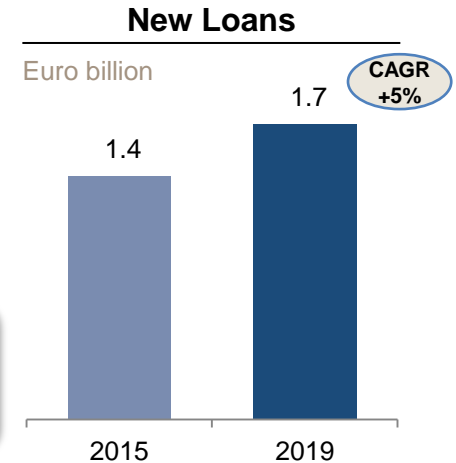
Bancassurance

- Leverage on combined commercial partnerships with external product factories



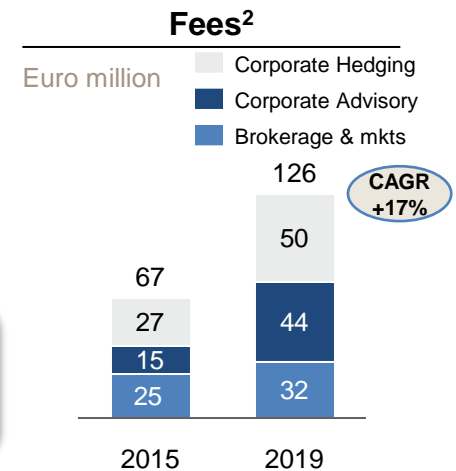
Consumer Credit

- Improved productivity via commercial best practice sharing



Investment Banking

- Benefit from new critical mass to develop specialized Investment Banking proposition for Corporate customers

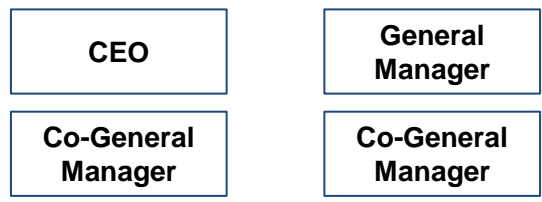


Notes: **Financial data and KPIs referred to the New Group's network.** 1. Average of December. 2. Corporate Advisory includes only upfront fees in M&A, ECM and DCM.

Effective Organizational Structure

New Group – Macro Building Blocks

Executive Management Team



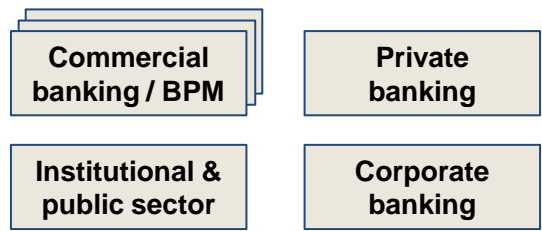
New Strategic Unit



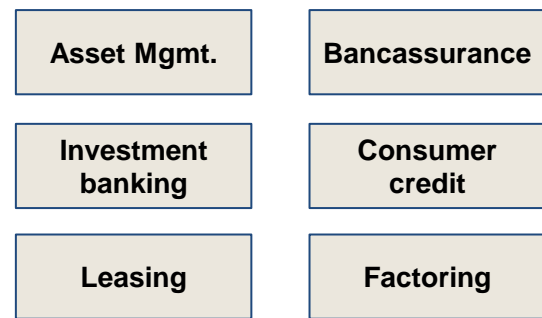
Corporate Centre



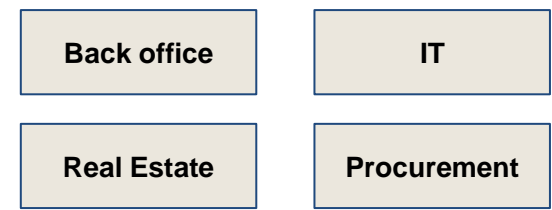
Customer Business Units



Product Units



Service Units



Enhanced IT Platform Sustained by Investments in Digitalization

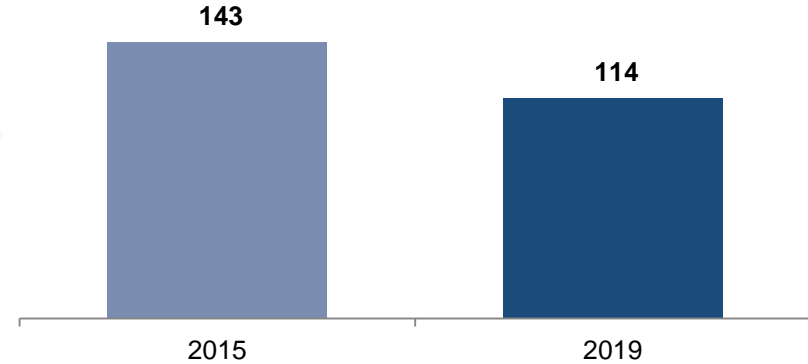
IT Integration

- State-of-the-art IT architecture integrating existing areas of excellence resulting in higher efficiency
- Quick migration process (by 2017) enhancing digital platform evolution
- Scalable and flexible infrastructure supporting future customer and employee experience



ICT Operating Expenses

Euro million



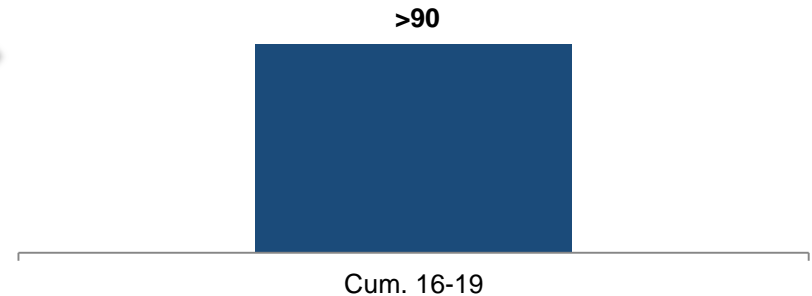
Digital Platform

- “High digitalized” target model to minimize operating activities



Digital Investments

Euro million



Fully Integrated Multichannel Distribution

Key Strategic Guidelines

Sustained digital evolution

- Extend fully digital model
- Evolve and strengthen SME/SB digital offer
- Enhance Retail and Corporate payments
- Increase cost and processing time efficiency

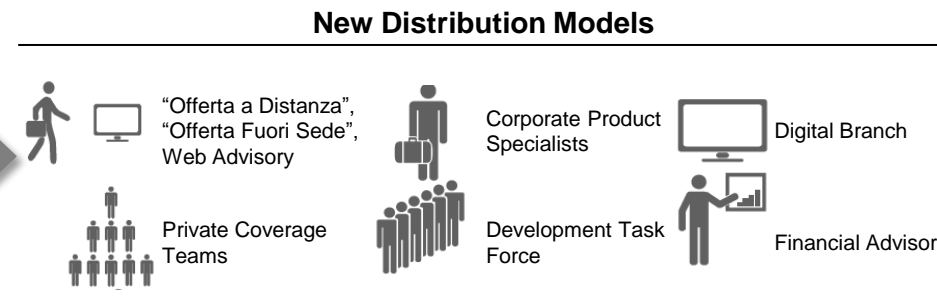
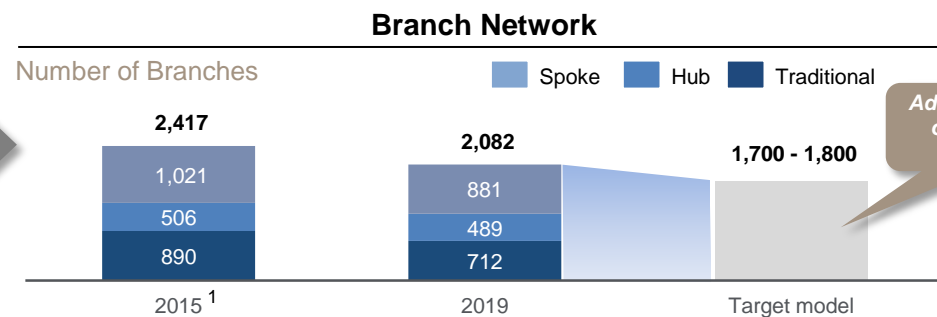
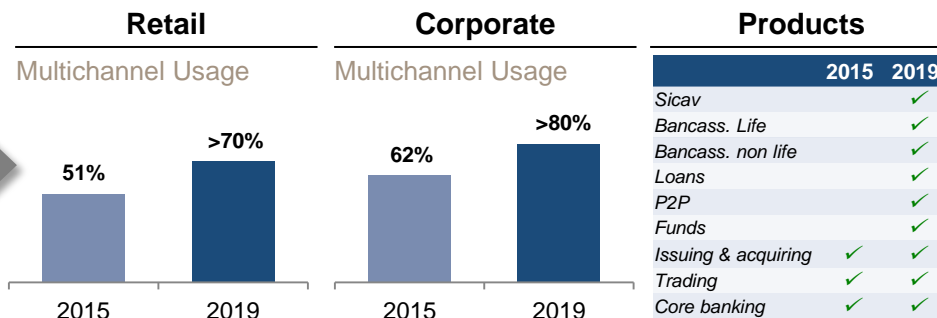
Innovative and optimized branch network

- Lighter territorial footprint
- Larger and modern branches
- Evolved roles in branches towards advisory
- Full multichannel integration
- More efficient service
- Improved customer experience

Highly evolved distribution models

- Closer to clients
- Equipped with fully integrated tools
- Certified and licensed personnel
- Scalable platform
- Strong governance and control model

Success Factors



Notes: 1. Not including digital branches and other branches not relevant to the analysis.

Engaged and Customer-Focused Human Resources

Key Strategic Guidelines

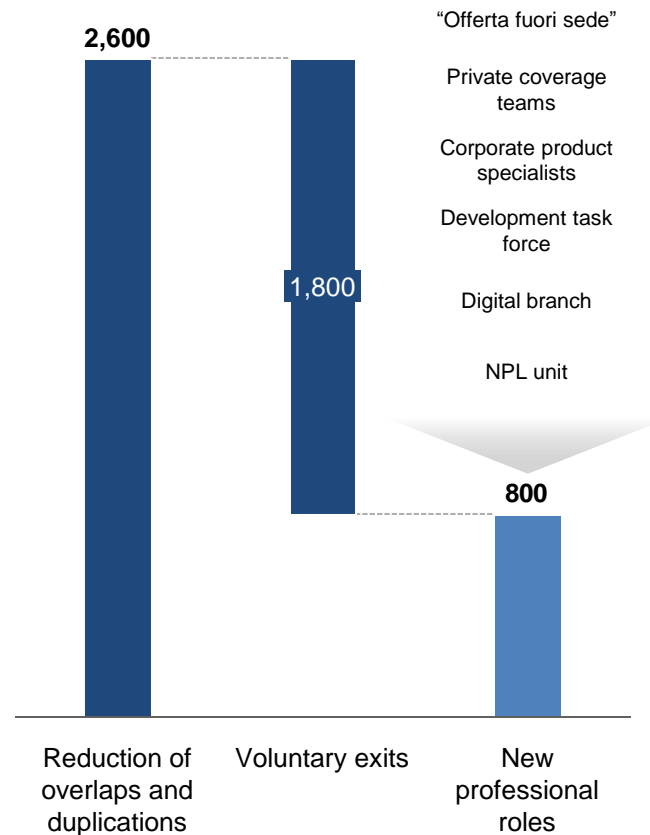
HR management and development

- Introduction of new career development programs and commercial role opportunities
- Adoption of performance management and incentive schemes linked to customer satisfaction in line with a sustainable growth
- Hiring of young resources
- Active commitment towards gender rebalancing and increasing presence of women in key roles
- Introduction of a new voluntary exit scheme
- Reduction of personnel costs by at least 0.5% CAGR 2015-2019

Training and requalification

- Investment in training programs and development of new commercial competences
- Talent management
- Enhanced flexibility and company welfare
- Over 100,000 training days per year

Resources Allocation¹



Notes: 1. Total headcount as of 2015 equal to 25,080.

Summary of Key Strategic Guidelines

A new leading banking group in some of the wealthiest regions in Europe...

- 3rd largest banking group in Italy with a leading position in the North
- 4 million customers served through an extensive and fully complementary distribution network
- National leading player in a number of high value businesses
- Complementary and experienced management team

...a winning banking model across market cycles...

- Customized proposition in all market segments
- Effective organizational structure supported by an enhanced digital platform
- Fully integrated multichannel distribution
- Talent retention through new professional roles and human capital enhancement

...solid balance sheet since inception and improved asset quality...

- **CET 1 fully phased ratio at ~13%**
- **Liquidity ratios comfortably above regulatory requirements**
- **New NPL unit to maximize recoveries and deliver a strong disposal plan**
- **Efficient funding mix and prudential management of securities portfolio**

...and significant value creation

- Fully phased synergies of ~€460m (pre-tax)
- Focus on efficiency
- Enhanced RoTE and dividend payment capacity

Evolution of the New Group's Capital and Asset Quality KPIs

Key Strategic Guidelines

Asset Quality

- New dedicated unit to ensure effective management of NPL
- Increase coverage of bad loans together with a rebalanced secured/unsecured mix
- Strong NPL reduction plan (at least €8bn disposals)

Capital Adequacy

- €1bn capital strengthening executed by BP
- Benefit from extension of BP AIRB system to the New Group
- Organic capital generation off-setting conservative assumptions on regulation evolution

Liquidity

- Liquidity ratios above regulatory guidelines

KPIs Evolution

	2015	2019
NPL Ratio – Nominal	24.8%	17.9%
NPL Ratio – Net	15.7%	11.1%
Bad Loans Ratio – Net	7.0%	4.2%
Coverage on Bad Loans ²	57% ¹	59%
Cost of Risk ³ (bps)	102	63
CET 1 ratio (Fully phased)	12.3% ⁴	12.9%
LCR	>100%	>100%
NSFR	98%	>100%

Notes: 1. Does not include extra provisions to be completed in 2016. 2. Calculated including write-offs. 3. Calculated on year-end net customer loans. 4. Aggregated data as of 31 December 2015 including full recognition of negative goodwill.

Top Management Fully Committed on the New Dedicated NPL Unit

A new NPL unit focused on bad loans management and workout will increase recovery performance and could create further opportunities for maximizing value. Performance and results will be adequately disclosed over the strategic plan horizon



Notes: 1. Calculated on nominal value and considering only cash recoveries (no effects from disposals considered).

Nominal NPL Ratio Below 18% and Net NPL Ratio at 11%

Key Strategic Guidelines and Initiatives

Organizational Structure

- Dedicated business unit for the management of Bad Loans directly reporting to CEO
- Loan portfolio diversification and adoption of best practices for risk management

Coverage Ratios

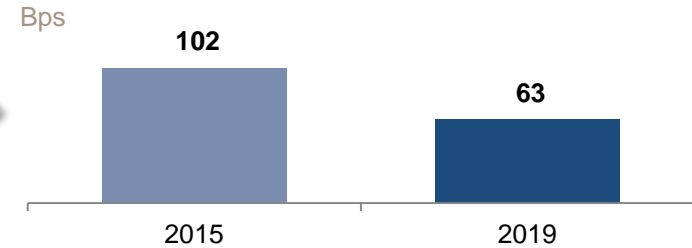
- Immediate increase in coverage ratios within the main NPLs categories (i.e. Secured Bad Loans, Unsecured Bad Loans and other NPLs)
- Overall coverage ratio influenced by “mix effect”, due to declining weight of highly provisioned categories

NPL Stock Reduction

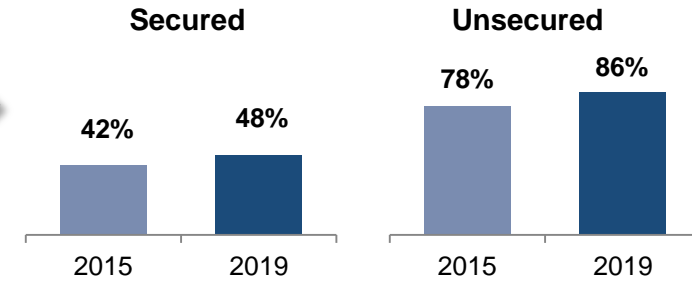
- NPL reduction plan for €8bn of nominal book value leading to a nominal NPL ratio below 18%
 - Further €2bn may be added to reduction plan in the event of significantly adverse asset quality trends

KPIs Evolution

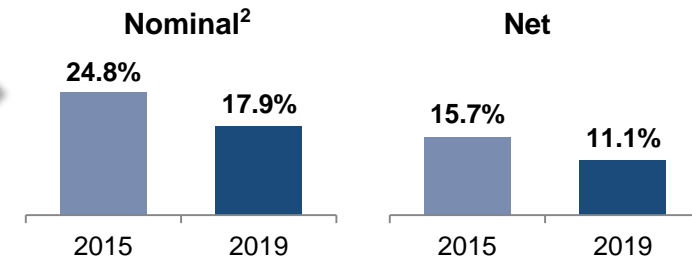
Cost of Risk¹



Bad Loans Coverage²



NPL Ratio



Notes: 1. Calculated on year-end net customer loans. 2. Ratios calculated on nominal book value including write-offs (gross + write-offs).

Solid Capital Position with CET1 Ratio at 12.9%

Key CET1 Evolution Items

Pillar I Capital Requirements

- Extension of BP AIRB system to the New Group
- Conservative assumptions on market risk and operational risk capital requirements evolution

Organic Capital Generation

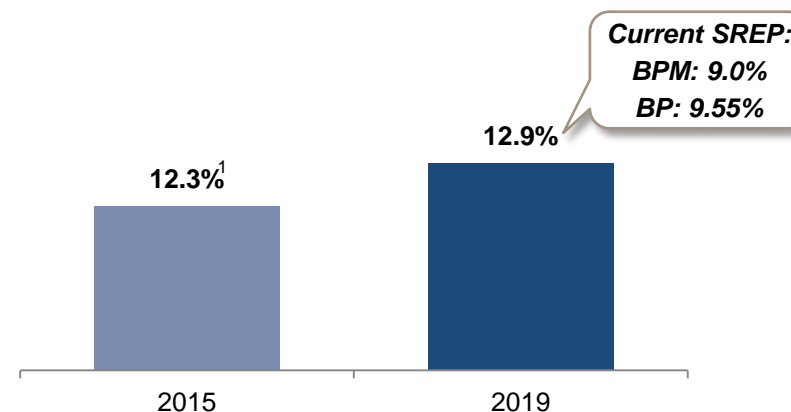
- Increase of capital mainly due to the profit retained in the plan horizon, partially offset by credit portfolio growth
- 40% dividend payout

NPL Stock Reduction

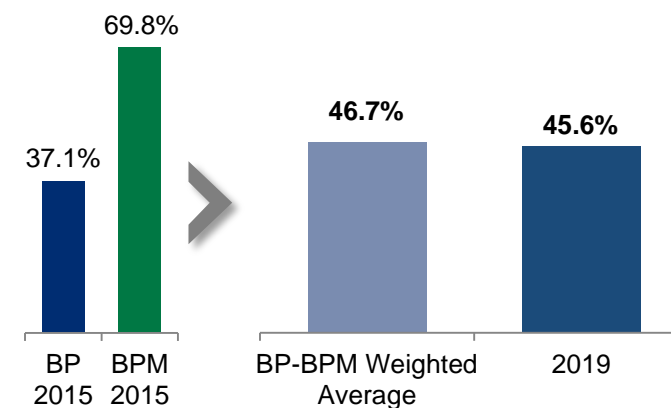
- Effect of NPL disposal and provisioning strategy

KPIs Evolution

CET 1 Ratio Fully Phased



RWA Density²



Notes: 1. Aggregated data as of 2015 including full recognition of negative goodwill. CET1 Ratio phased in at 12.5% in 2015. 2. RWA density calculated on total assets.

ALM Strategy Focused on Reducing Cost of Funding

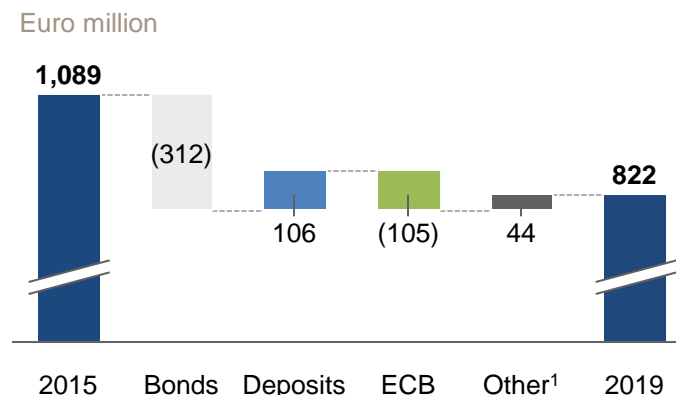
Funding Mix Evolution

- Funding mix rebalancing and an improved credit standing will lead to a reduction of cost of funding driven by:
 - Reduction of Retail Bonds (~€5bn) and Wholesale bonds (~€4bn-€5bn), balanced by increase of deposits and certificates (~€16bn)

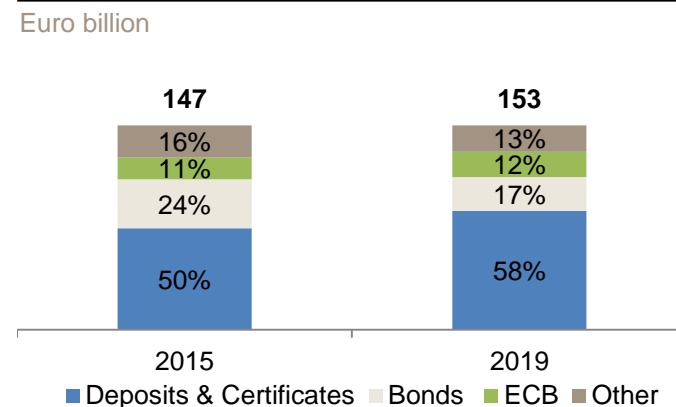
- Issue of €1.5bn of subordinated bonds will partially offset existing bond maturities

KPIs Evolution

Cost of Funding Evolution



Funding Mix



Notes: 1. Other includes "certificati di deposito", REPO/PCT, other securities issued and other deposits.

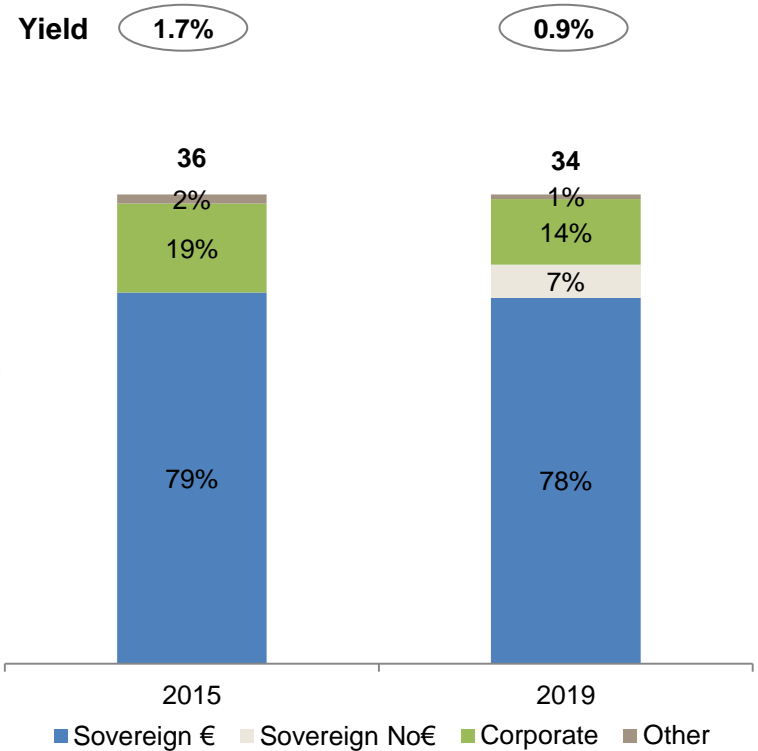
Prudential Management of the Securities Portfolio

Securities Portfolio Evolution

- Low interest rate scenario will reduce the returns of securities portfolio
- IFRS3 fair value impact on BPM portfolio would also reduce the inertial returns
- After reallocation, the 2019 portfolio will include an increase of non-euro sovereign (~€2bn), with stable duration (avg. duration <4y)

Securities Portfolio

Euro billion



Summary of Key Strategic Guidelines

**A new leading banking group
in some of the wealthiest
regions in Europe...**

- 3rd largest banking group in Italy with a leading position in the North
- 4 million customers served through an extensive and fully complementary distribution network
- National leading player in a number of high value businesses
- Complementary and experienced management team

**...a winning banking model
across market cycles...**

- Customized proposition in all market segments
- Effective organizational structure supported by an enhanced digital platform
- Fully integrated multichannel distribution
- Talent retention through new professional roles and human capital enhancement

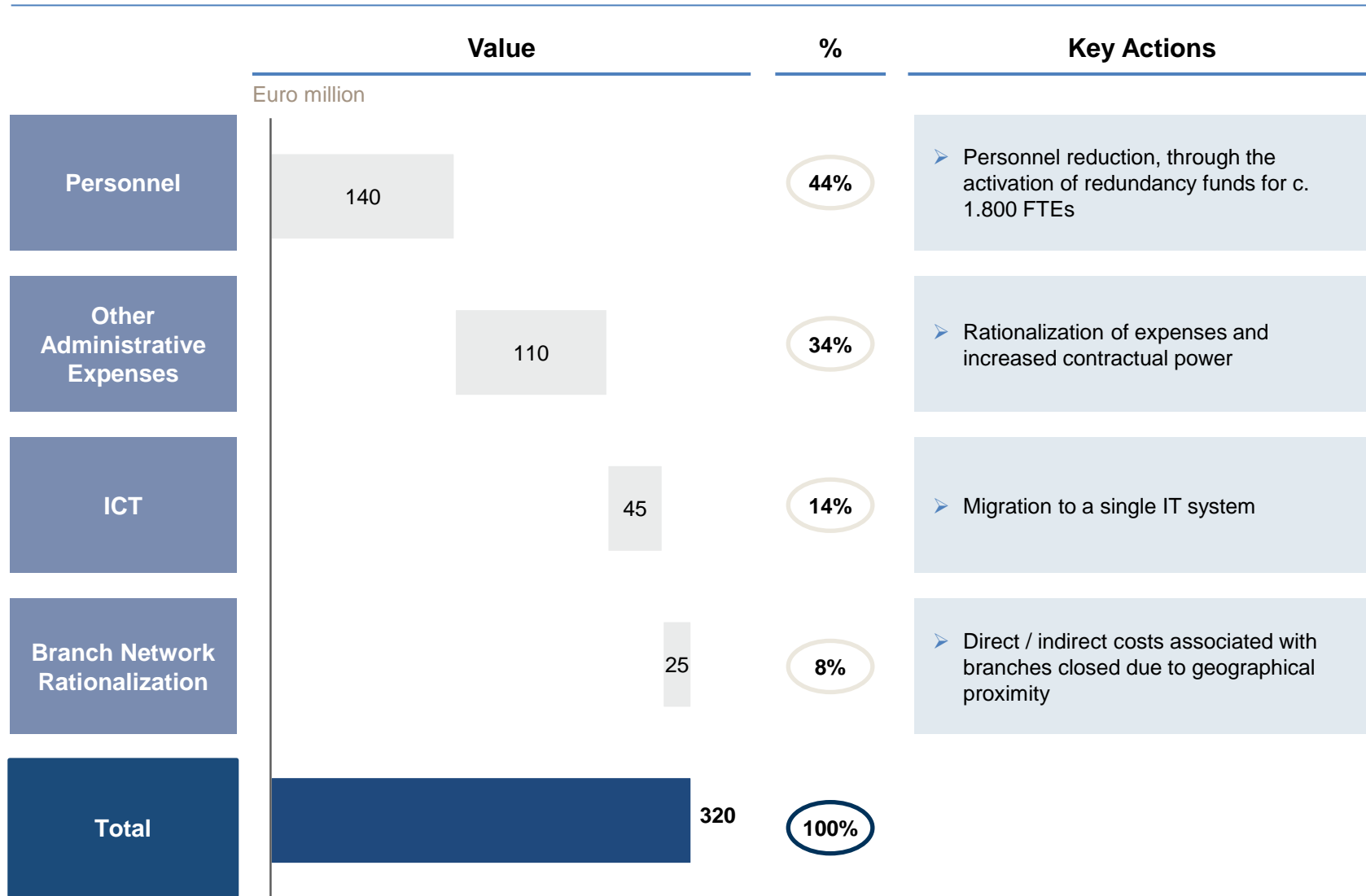
**...solid balance sheet since
inception and improved asset
quality...**

- CET 1 fully phased ratio at ~13%
- Liquidity ratios comfortably above regulatory requirements
- New dedicated NPL unit to maximize recoveries and deliver a strong disposal plan
- Efficient funding mix and prudential management of securities portfolio

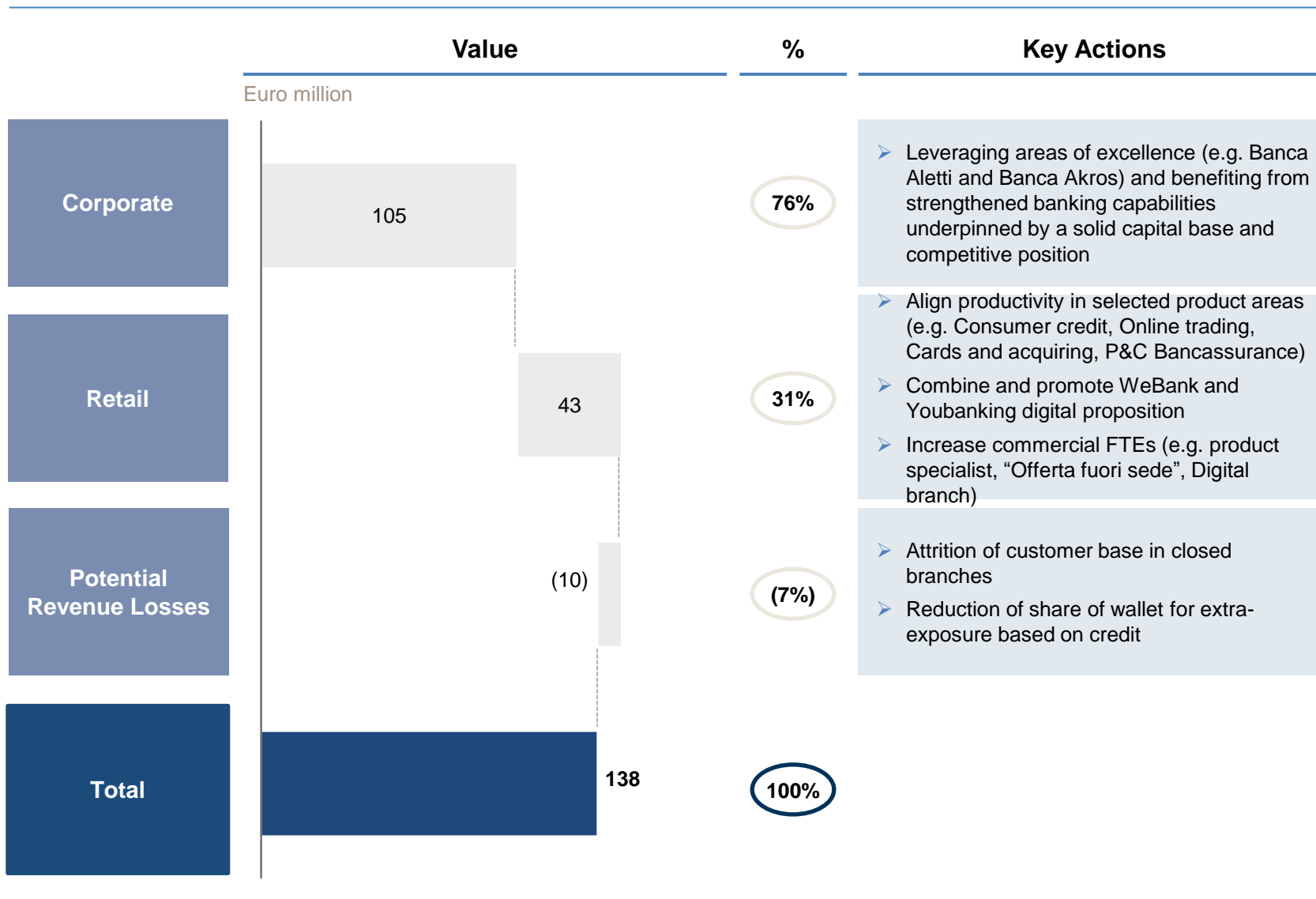
**...and significant value
creation**

- **Fully phased synergies of ~€460m (pre-tax)**
- **Focus on efficiency**
- **Enhanced RoTE and dividend payment capacity**

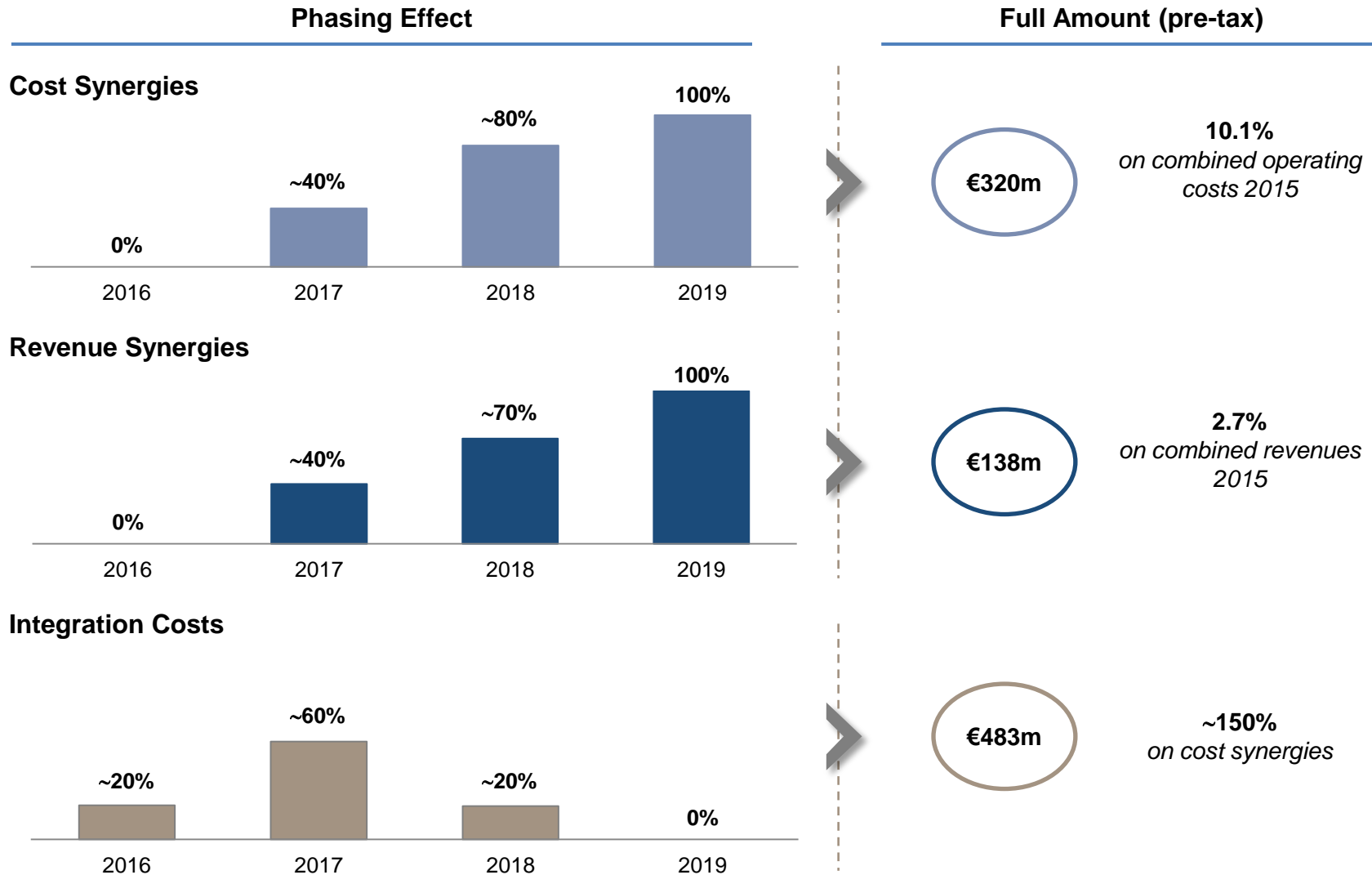
Cost Base Optimization with Substantial Savings



Revenues Boost from New Banking Model



Synergies Fully Achieved by 2019 with Integration Costs Expensed by 2018

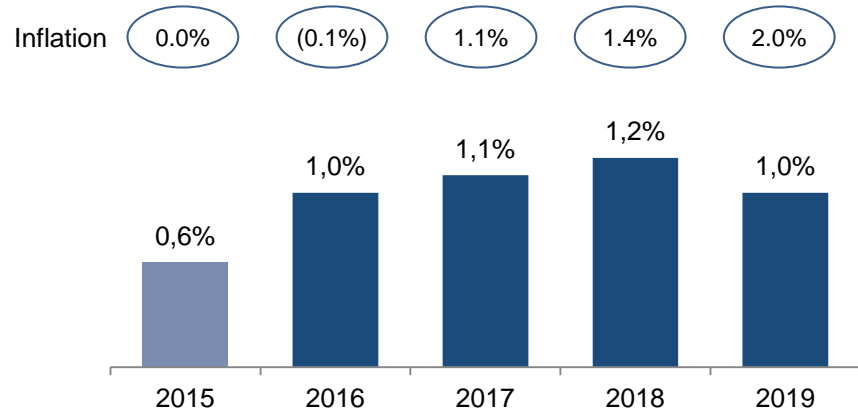


3. Financial Projections



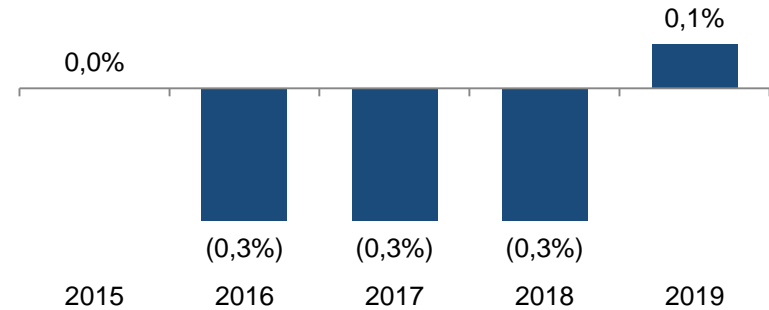
Macroeconomic and Banking Scenario

Italy GDP and Inflation (y/y, % change)

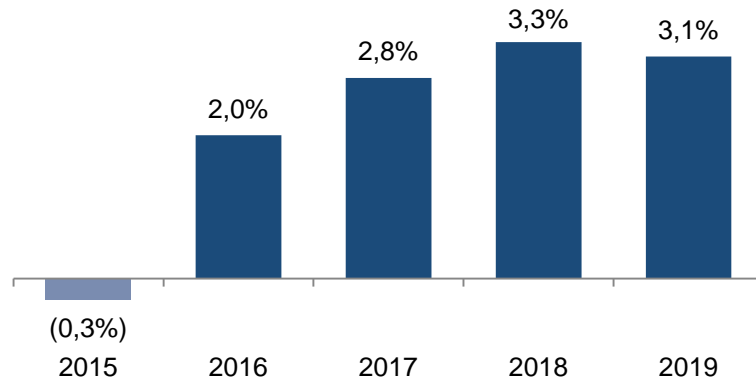


Euribor 3m (%)

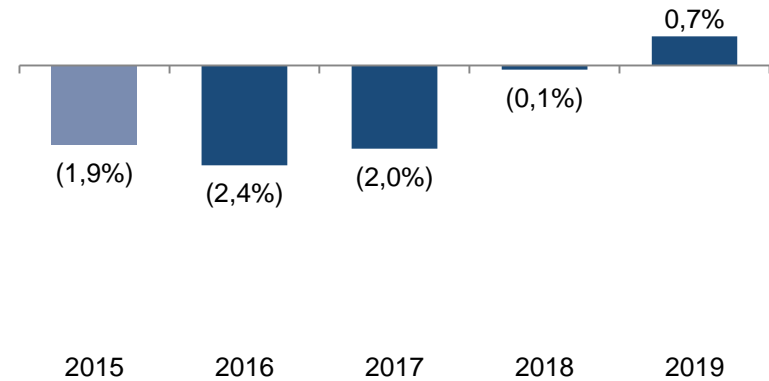
Annual Mean



Gross Loans to Customer (y/y, % change)



Direct Funding (y/y, % change)



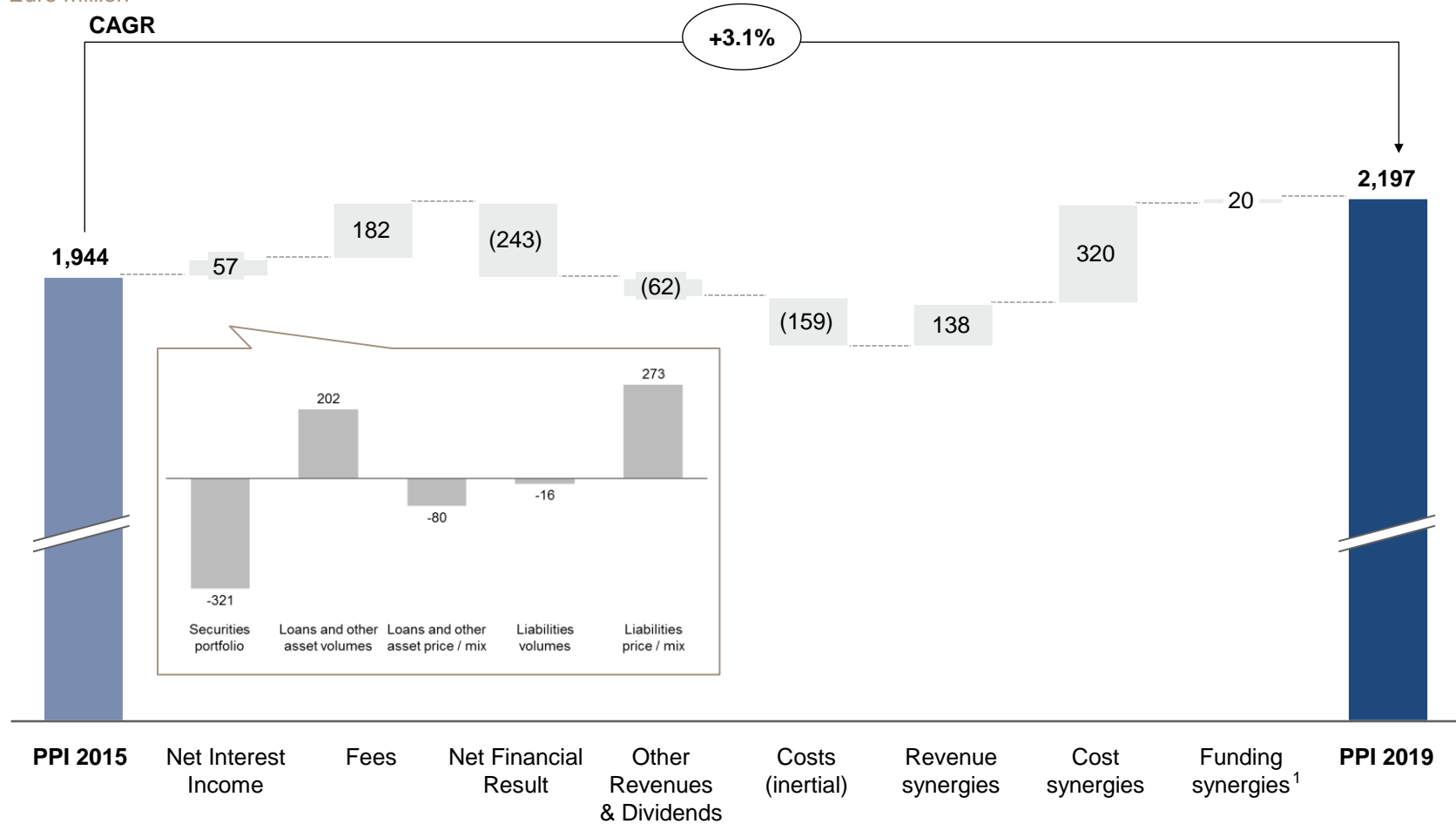
Actual Projections

Source: Prometeia (March 2016).

Pre-Provision Income Reaching €2.2bn by 2019

Components of Δ PPI

Euro million



Notes: 1. Funding synergies attributable to spreads reduction thanks to potential rating improvement for the New Group.

Key P&L and Balance Sheet Targets

		2015	2019	CAGR / Delta 2015-2019
Key P&L Items	Normalised Operating Income ¹	€5.1bn	€5.2bn	+0.4%
	Operating Expenses	(€3.2bn)	(€3.0bn)	(1.3%)
	Pre Provision Income	€1.9bn	€2.2bn	+3.1%
	Normalised Net Income ¹	€0.6bn	€1.1bn	+16.1%
Key Balance Sheet Items	Gross Performing Loans	€95bn	€109bn	+3.1%
	Gross Performing Loans Net Of Non Core and Run-off Assets	€84bn	€98bn	+4.1%
	Deposits ²	€67bn	€79bn	+4.1%
	Indirect Funding	€100bn	€116bn	+3.7%
Key Ratios	Cost/Income ³	62.0%	57.8%	(4.2 p.p.)
	Cost of Risk ⁴	102bps	63bps	(39bps)
	RoTE ⁵	5.5%	9.0%	+3.5p.p.
	CET1 Ratio Fully Phased	12.3% ⁶	12.9%	+0.6p.p.
	Dividend Payout Ratio	n.m.	40%	n.m.
	Texas Ratio ⁷	162%	114%	(48 p.p.)

Notes: 1. 2015 normalized for extraordinary items (i.e. extraordinary contribution to Single Resolution Fund, capital gains in associates and other minor extraordinary items). 2. Calculated as Sight Deposits plus Term Deposits. 3. Including contribution to Single Resolution Fund and Fondo Interbancario di Tutela dei Depositi. 4. Calculated on year-end net customer loans. 5. Tangible equity net of dividends. 6. Aggregated data as of 31 December 2015 including full recognition of negative goodwill. 7. Calculated as Total Net NPL on Tangible Equity.

4. Integration Timeline and Guidelines



Timetable Overview

