9M 2017 Group Results Presentation

9 November 2017

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This presentation includes both accounting data (based on financial accounts) and internal management data (which are also based on estimates).

Mr. Gianpietro Val, as the manager responsible for preparing the Bank's accounts, hereby states pursuant to Article 154-*bis*, paragraph 2 of the Financial Consolidated Act that the accounting data contained in this presentation correspond to the documentary evidence, corporate books and accounting records.

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METHODOLOGICAL NOTES

- In this presentation, with a view to provide adequate information on the Group's balance sheet, financial and income statement position, reclassified accounting tables and comparative data have been prepared, on an aggregate basis, with reference to 31 December 2016 and 30 September 2016 for the balance sheet and to 30 September 2016 for the profit and loss account. Such data have been obtained through the aggregation of the data referring to the former Banco Popolare Group and to the former BPM Group as at 31/12/2016 and as at 30/09/2016, with the inclusion of appropriate adjustments.
- Comparative data calculated on an aggregate basis have not been subject to an external audit.

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- In August 2017, Banco BPM signed a binding Memorandum of Understanding to sell 100% of Aletti Gestielle SGR’s capital to Anima Holding. For this reason, starting from 30/09/2017, the contribution of Aletti Gestielle has been classified according to IFRS 5 as a “discontinued operation”.
- In this presentation, in order to ensure coherence with the historical reporting, all the P&L data are stated accounting data, with the exception of Aletti Gestielle SGR which has remained line-by-line.
- In the Annex, slides on the P&L account where Aletti Gestielle is reported on a line-by-line basis are also referred to as 'Previous Perimeter‘ (from 46 to 51). At the same time, slides on the P&L account where Aletti Gestielle is classified according to IFRS 5 as a "discontinued operation" are also referred to as 'New Perimeter‘(from 52 to 57)

Agenda

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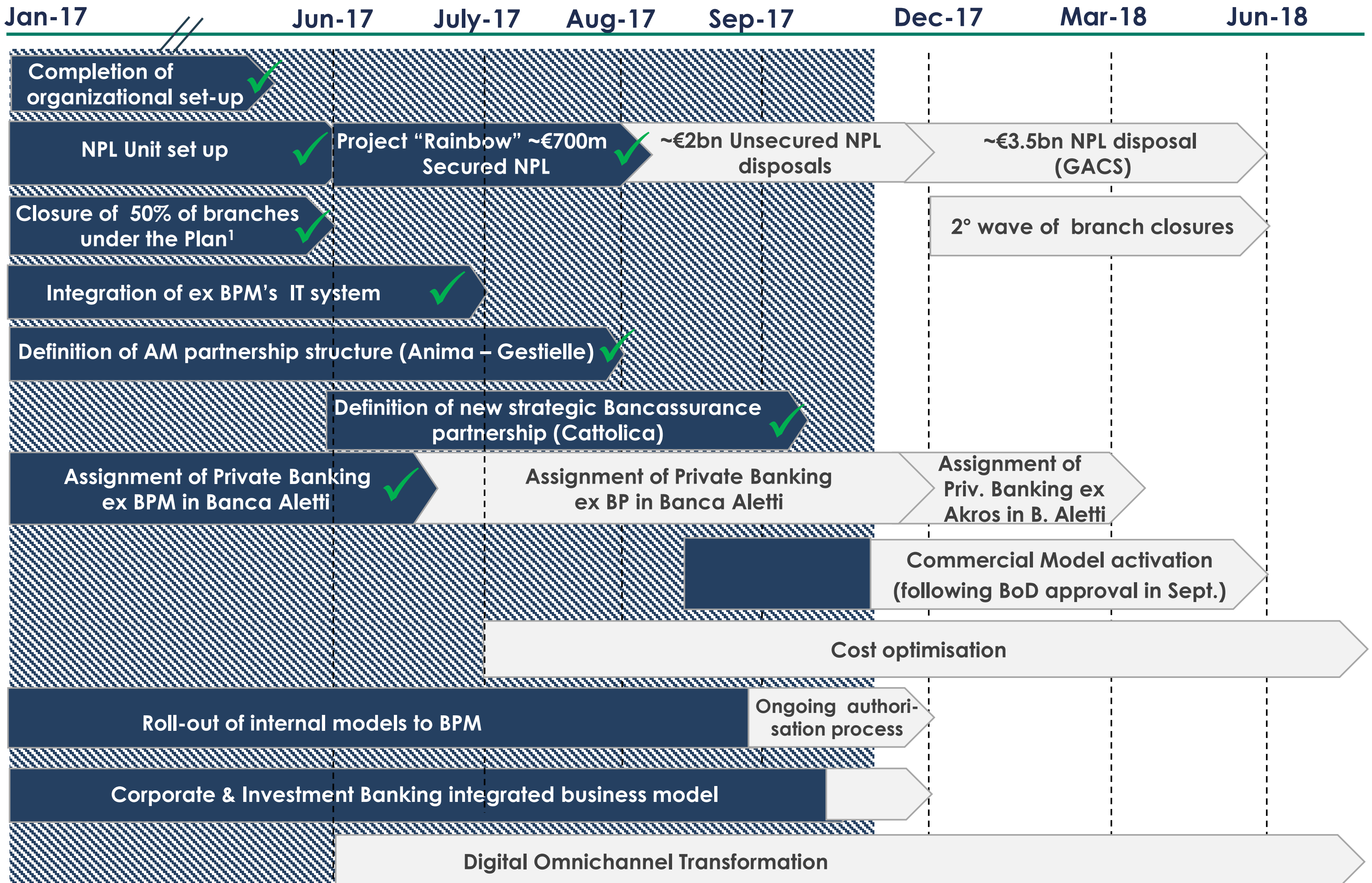
MAIN ACHIEVEMENTS: PROJECT TIMELINE



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Note:
1. The Strategic Plan envisages the closure of 335 branches by 2019.

BUSINESS PLAN ROADMAP: WELL AHEAD

	Key factors	Expected/Realized impact
COST SAVINGS & SYNERGIES	COST OF FUNDING ✓	Cost of funding reduction in 2017 already in line with 2018 Strategic Plan projections
	STAFF COSTS REDUCTION ✓	Personnel cost savings >€140m already in 2018
	ADMIN. COSTS REDUCTION ✓	Increase in expected cost savings: ~€50m (Cost Optimisation Project)
DERISKING	PROGRESS ON NPL DISPOSAL PLAN ✓	100% completion of €8bn NPL disposal plan by H1 2018
	RECOVERY RATE IMPROVEMENT ✓	Material results from recoveries: ~€500m, +28% vs. 2017 Strategic Plan
	UTP STOCK CONTRACTION ✓	UTP stock already well below the 2019 target: €10.1bn as at 30/09/2017 vs. €11.2bn Strategic Plan target
GROUP STRUCTURE OPTIMIZATION	NEW PARTNERSHIP IN BANCASSURANCE ✓	Deal with Cattolica: +126bps to 2017 CET1 FL
	NEW PARTNERSHIP IN ASSETS UNDER MANAGEMENT BUSINESS ✓	Deal with Anima: +91bps to 2017 CE1 FL (or +106bps including the potential transfer of Insurance Reserve Management)

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EXECUTIVE SUMMARY: MAIN P&L DATA

✓ **NET PROFIT AT €53M / €143M ADJUSTED[1]**

€143M

✓ **«CORE[2]» REVENUES UP**

€3,162m in 9M 2017 (+5.3% y/y)
€3,135m Adjusted[1] in 9M 2017 (+4.4% y/y)

+5.3% Y/Y

✓ **OPERATING COSTS DOWN**

€2,316m in 9M 2017 (-9.9% y/y)
€2,290m Adjusted[1] in 9M 2017 (-2.5% y/y)

-9.9% Y/Y

Notes:
1. Net of non-recurring items.
2. Net interest income + Net fees and commissions.

EXECUTIVE SUMMARY: MAIN BALANCE SHEET DATA

✓ **C/A AND SIGHT DEPOSITS UP**
Reaching €74.7bn (+10.7% y/y)

+€7.2BN Y/Y

✓ **AUM INCREASING**
Reaching €62.4bn (+8.7% y/y)

+€5.0BN Y/Y

✓ **NEW LOANS GROWING**
€14.3bn (+17.6% y/y), o/w €11.5bn granted to Corporates/SMEs (+22.9% y/y) and €2.8bn to Households (flat y/y)[1]

+€2.1BN Y/Y

✓ **SOLID CAPITAL POSITION - CET1 FL pro-forma at 12.5%[2] (phase-in at 12.8%):**
Still not factoring in the positive impact expected from the AIRB model roll-out

12.5%

Notes:
1. See slide 20 for details.
2. For full details, see slide 34.

EXECUTIVE SUMMARY: RISK PROFILE IMPROVING FURTHER

✓ 2016-19 BAD LOAN DISPOSALS AHEAD OF PLAN

Total disposals already completed: €2.5bn (out of €8bn agreed with ECB)

Beauty contest ongoing for ~€2bn Bad loan disposal in Q4 2017

Remaining ~€3.5bn to be sold in H1 2018 (with GACS)

56% TO BE COMPLETED BY YE 2017

✓ NET NPLs FURTHER DOWN

To €14.0bn (-17.5% y/y), with a strong decrease in UTP (-€1.7bn: -19.9% y/y)

-€3.0BN Y/Y

✓ INCREASE IN WORKOUT RECOVERIES

Workout recoveries of about €500m in 9M 2017 (with a decrease of around €1.4bn in GBV)

+43.5% Y/Y

✓ NET FLOWS TO NPLs SIGNIFICANTLY DOWN

€641m as at Sept. 2017: -€1.3bn y/y

-66.2% Y/Y

✓ COVERAGE LEVELS STRENGTHENED

NPLs: +244bps y/y

Bad Loans: +48bps y/y

UTPs: +553bps y/y

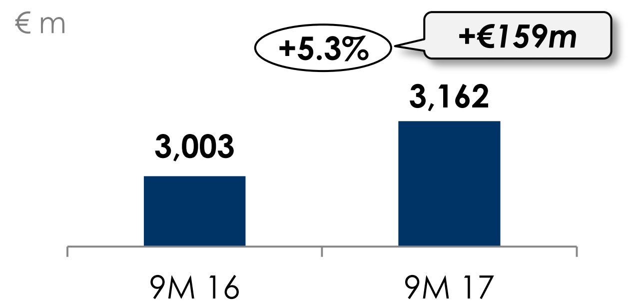
NPLs[1]	Bad loans[1]	UTPs
49.1%	60.0%	31.0%

Note:
1. **Including write-offs, the coverage rises to 50.7% for NPLs (+400 bps y/y) and to 62.0% for Bad loans (+250bps y/y).** See slide 32 for details.

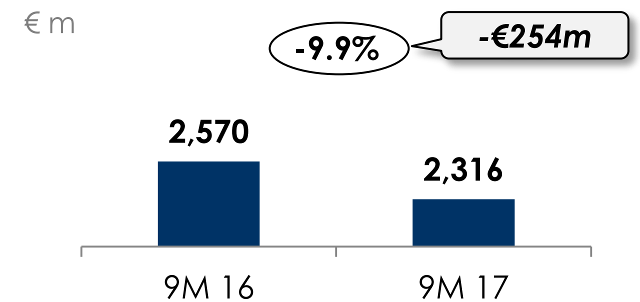
HIGHLIGHTS: OPERATING RESULTS

Good operating trends

CORE REVENUES[1]

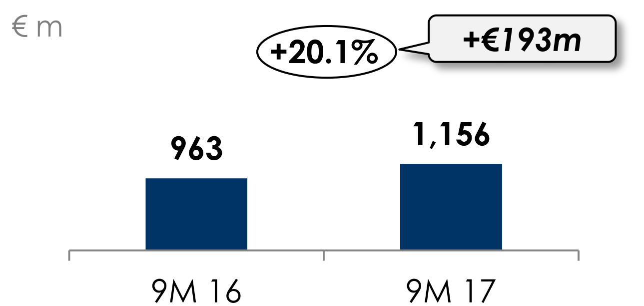


OPERATING COSTS

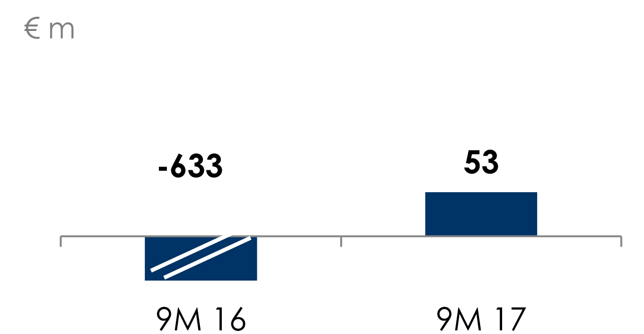


Net Profit at €53m – Adjusted net profit at €143m,
considering €122m of one-off systemic charges[2]

GROSS OPERATING PROFIT



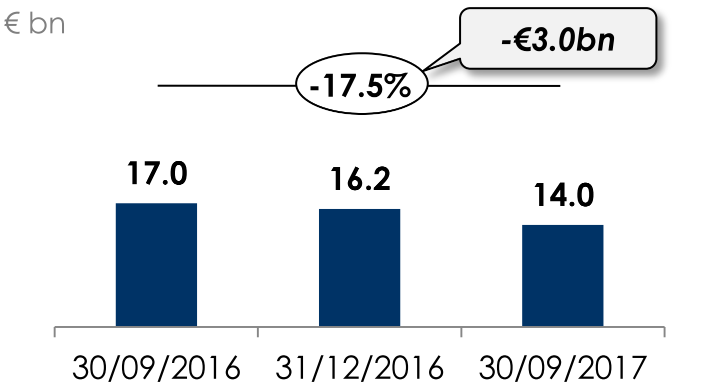
NET PROFIT



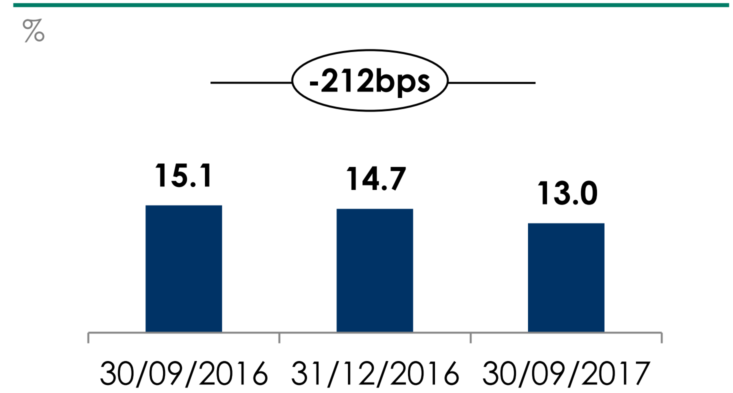
Notes:
1. NII+ Net Fees and Commissions.
2. Impairment forAtlante fund, Veneto Banks and FITD (€87m net of tax)
3. Net of non-recurring items.

HIGHLIGHTS: ASSET QUALITY

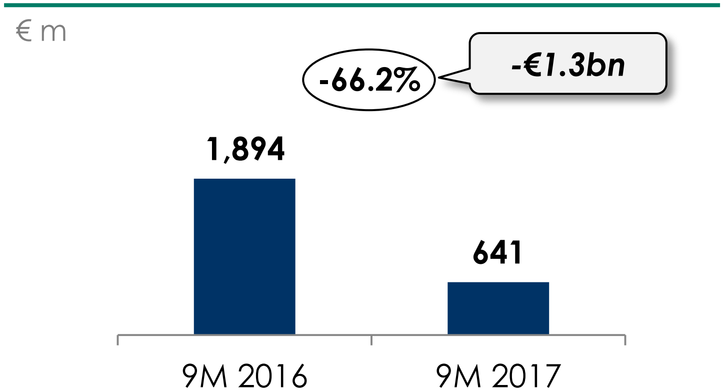
NET NPLs



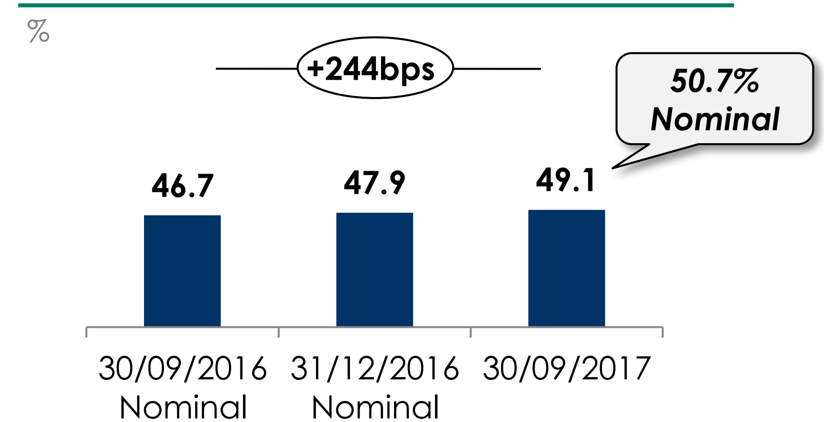
NET NPL RATIO



NET FLOWS TO NPLs



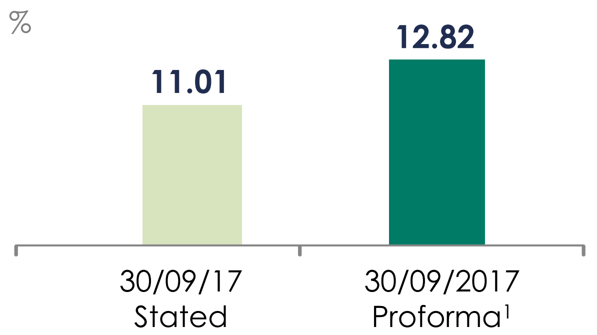
NPL COVERAGE RATIO



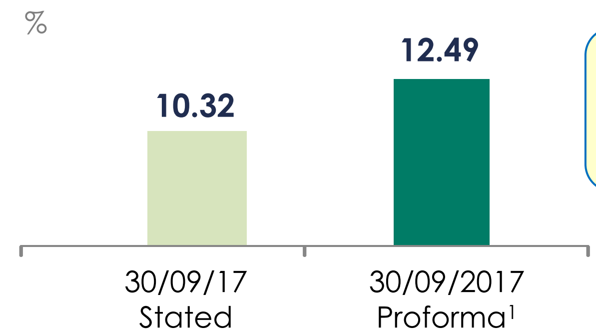
HIGHLIGHTS: SOUND CAPITAL AND LIQUIDITY POSITION

SOUND CAPITAL POSITION AS AT 30/09/2017

PHASE-IN CET 1 RATIO



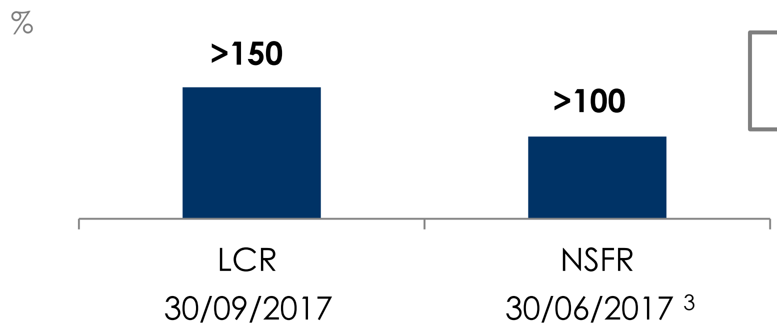
FULLY-LOADED CET 1 RATIO



Proforma ratio still does not factor in the expected positive impact from the AIRB model roll-out

LIQUIDITY PROFILE ALLOWS FUNDING FLEXIBILITY

LIQUIDITY RATIOS



Unencumbered eligible assets: >€20bn[2]

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Note:
1. See slide 34 for more details on the proforma ratio.
2. Management accounting data as at 07 November 2017.
3. Latest available data.

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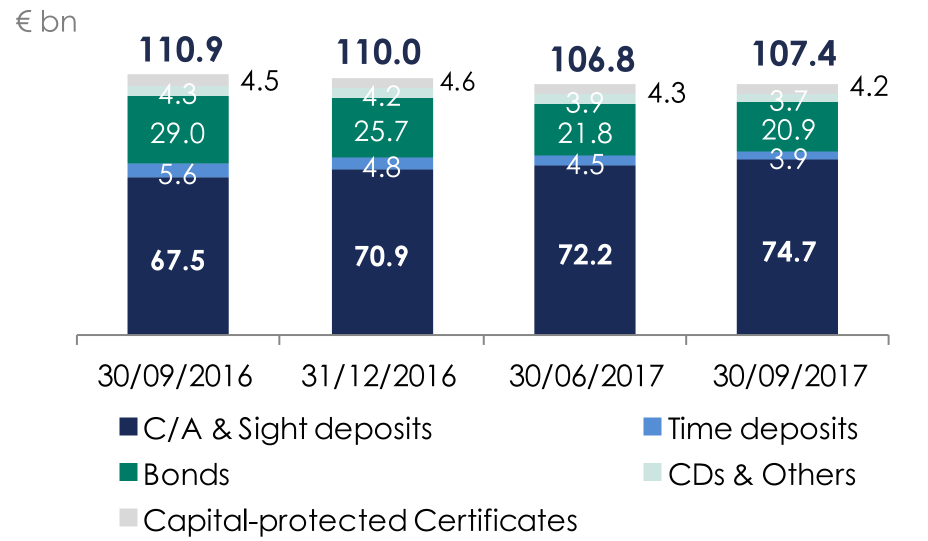
DIRECT FUNDING

Healthy growth in core deposits, with concurrent decline in more expensive sources of funding

Direct funding[1] (*without* Repos)



CHANGES	In % 12M	In % 9M	In % 3M
C/A & Sight deposits	10.7%	5.4%	3.5%
Time deposits	-30.1%	-17.6%	-12.6%
Bonds	-28.0%	-18.6%	-4.4%
CDs & Others	-14.2%	-11.4%	-6.3%
Cap.-protected Certificates	-7.2%	-7.6%	-2.8%
Direct Funding (excl. Repos)	**-3.2%**	**-2.4%**	**0.6%**

- Direct funding trend (-3.2% y/y; -2.4% YTD; +0.6% q/q) driven by:
  - Positive dynamic of C/A and sight deposits (+10.7% y/y; +5.4% YTD; +3.5% q/q)
  - Decrease in more expensive components (bonds -28.0% y/y; -18.6% YTD; -4.4% q/q)
- Bond reduction continues to have a positive effect on cost of funding and on AuM growth

Note:
1. Direct funding restated according to a management logic: it includes capital-protected certificates, recognized under 'Held-for-trading liabilities', while it does not include Repos (€6.7bn at September 2017, basically transactions with Cassa di Compensazione e Garanzia), classified in the Accounting Report under 'Due to customers'.

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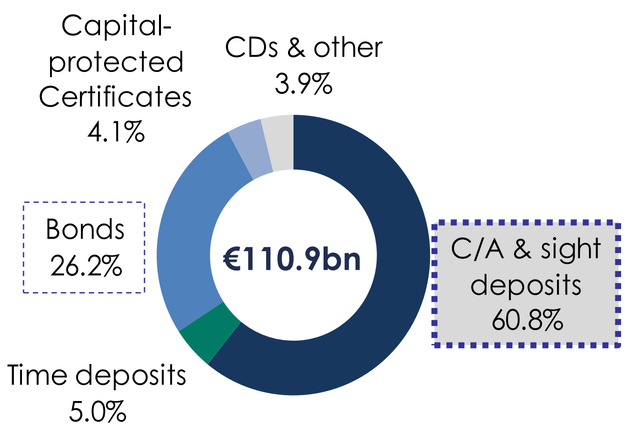
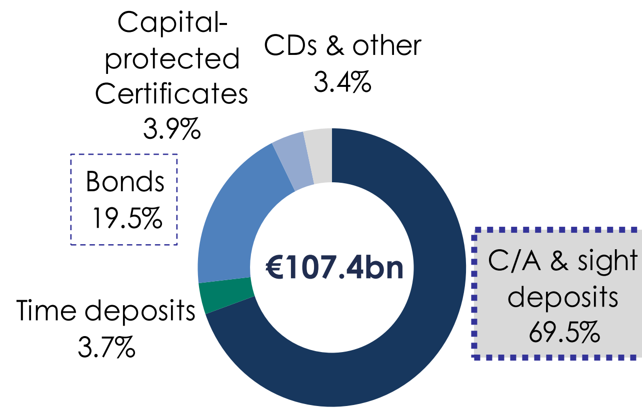
ANALYSIS OF DIRECT FUNDING[1]

Good progress in the cheapest sources of funding

Breakdown at 30/09/2016 (without Repos)



Breakdown at 30/09/2017 (without Repos)



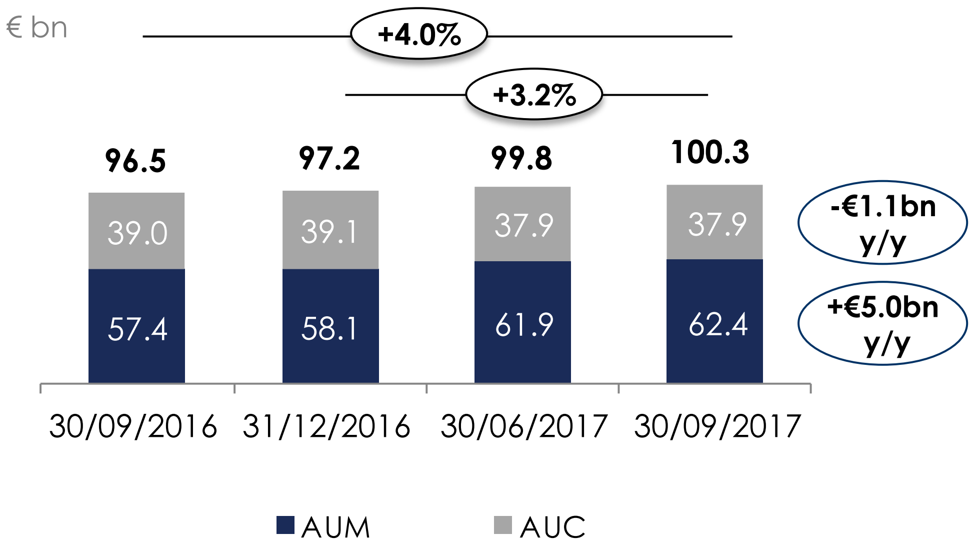
- Increase in the share of C/A and sight deposits (to 69.5%; +8.7 p.p. y/y), in line with the strategy to reduce the cost of funding

Note:
1. Direct funding restated according to a management logic: it includes capital-protected certificates, recognized under 'Held-for-trading liabilities', while it does not include Repos (€6.7bn at September 2017, basically transactions with Cassa di Compensazione e Garanzia), classified in the Accounting Report under 'Due to customers'.

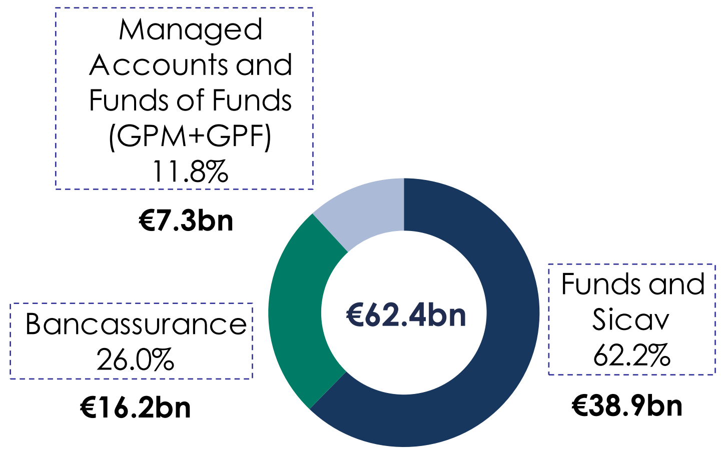
INDIRECT FUNDING

Strong performance of AuM, driven by 'Funds and Sicav' sleeve

Indirect funding[1]



AuM breakdown at 30/09/2017

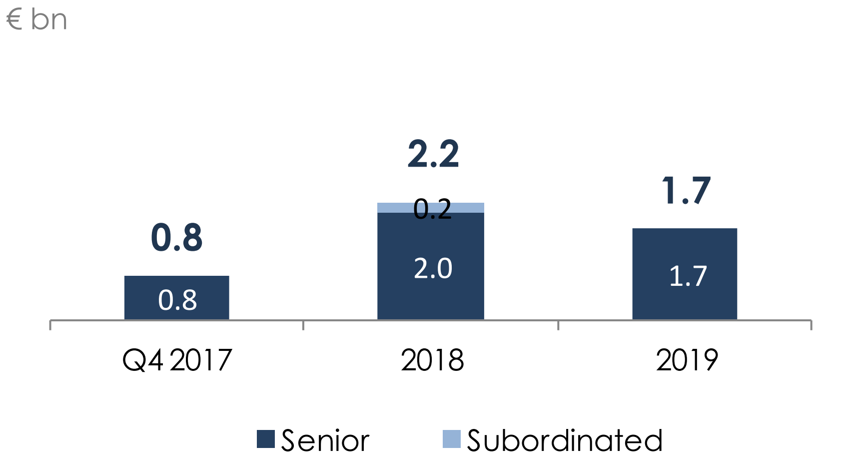


- Excellent growth in AuM (+€5.0bn y/y; +€4.3bn YTD; +0.5bn q/q), bringing the share on total Indirect Funding to 62.2%
- AuM growth mainly driven by 'Funds and Sicav' (+14.3% y/y)

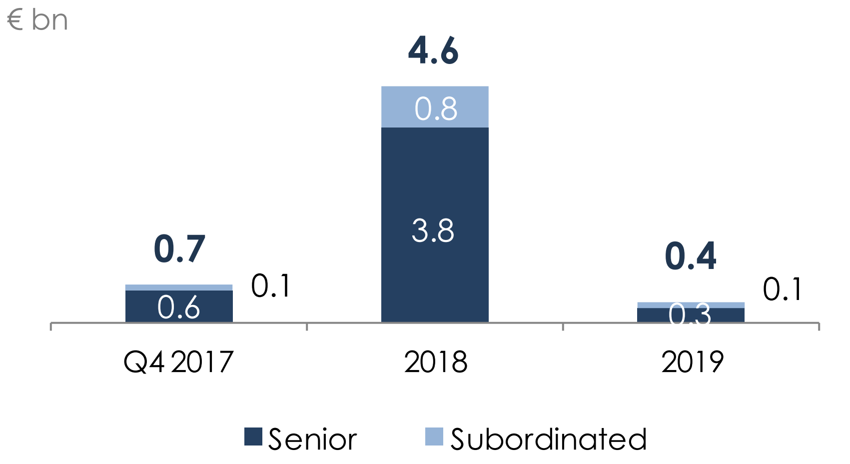
Note:
1. Indirect Funding is reported net of capital-protected certificates (previously included in Assets under Custody), as they have been regrouped in extended Direct Funding (see previous two slides).

BOND MATURITIES: POSITIVE FOR FUNDING COST REDUCTION

Institutional bond maturities



Retail bond maturities



- >€5bn[1] of bond maturities in 9M 2017, with a positive effect on the cost of funding
- Average spread of bonds maturing in Q4 2017 and in FY 2018 (€8.3bn in total) is ~2.8%
- Thanks to the Group's strong liquidity position, the upcoming maturities can be managed to optimize the cost of funding and to further increase assets under management, while maintaining a robust funding structure and a balanced Assets & Liabilities profile

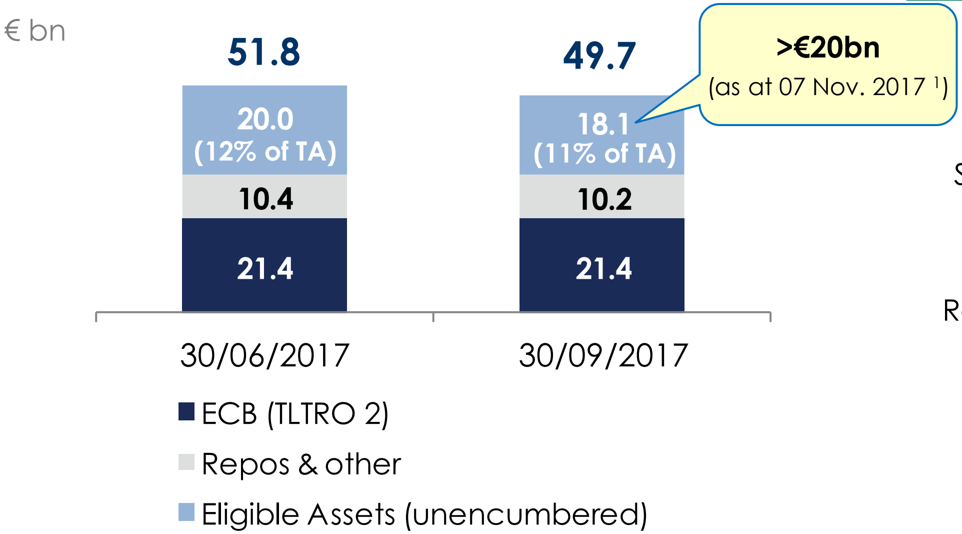
Maturities include calls.

Note:
1. Including also the two buy-backs completed in April and June.

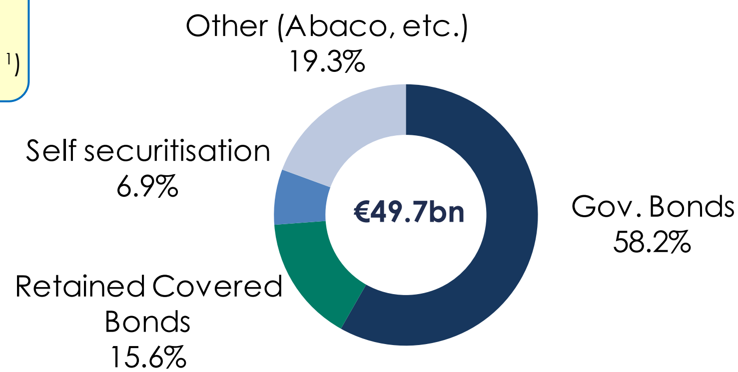
STRONG LIQUIDITY POSITION

Unencumbered assets at 11% of total assets, with almost 90% composed of Government bonds

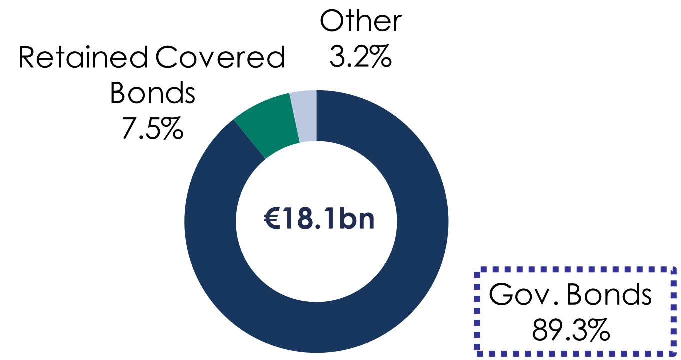
Use of eligible assets and liquidity buffer



Breakdown of total eligible assets



Breakdown of <u>unencumbered</u> eligible assets



- Unencumbered assets at 11% of Total Assets (12% as at June 2017), composed by 89% of Italian Government bonds
- TLTRO 2 position stable at €21.4bn: maximum take-up reached at the March 2017 auction
- LCR >150%; NSFR >100% [2]

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Notes:
Net of haircuts. Inclusive of assets received as collateral.
1. Management accounting data.
2. NSFR as at 30/06/2017, latest available data.

SECURITIES PORTFOLIO

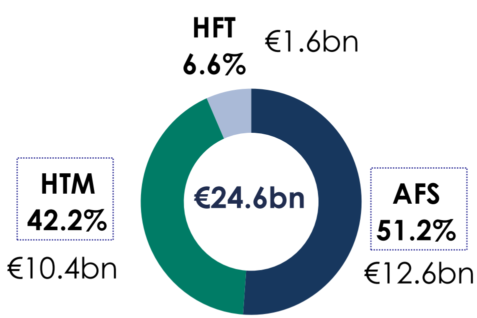
Prudent diversification, support NII and solid liquidity level

€ bn

Analysis of the Securities Portfolio

	30/09/17	30/06/17	31/12/16	30/09/16	Chg. 12M Value	Chg. 12M %	Chg. 9M Value	Chg. 9M %	Chg. 3M Value	Chg. 3M %
Debt securities: Govies and Central Banks	28.6	28.6	26.9	29.3	-0.6	-2.2%	1.7	6.4%	0.0	-0.1%
- o/w: Italian Govies	**24.6**	**26.0**	**26.7**	**29.2**	**-4.5**	**-15.5%**	**-2.0**	**-7.6%**	**-1.3**	**-5.1%**
Debt securities: Financials & other	5.1	4.9	4.7	5.0	0.1	2.2%	0.4	9.0%	0.2	3.2%
Equity securities: Financials & other	1.8	1.7	1.2	0.9	0.9	96.0%	0.6	51.8%	0.1	6.2%
Open-end funds & private equity	0.6	0.7	1.0	1.0	-0.5	-44.1%	-0.5	-45.2%	-0.1	-11.6%
TOTAL	**36.1**	**35.9**	**33.8**	**36.2**	**-0.1**	**-0.3%**	**2.3**	**6.7%**	**0.2**	**0.5%**

Classification of Italian Government bonds at 30/09/2017



- Increased diversification of the government bond portfolio:
  - Italian govies: -€4.5bn y/y and -€2.0bn YTD
  - 14% of non-Italian govies (vs. 9% in June and 4% in March), primarily France (7%) and USA (4%), followed by Germany and Spain
- Italian govies : 51.2% in AFS, 42.2% in HTM and 6.6% in HFT (vs. 63.8% in AFS, 31.1% in HTM and 5.1% in HFT as at 31/12/2016)
- Modified duration of Italian govies in AFS: ~2.8 years[1]
- Gross AFS reserve on debt securities at €84.9m. Increased to €275m as at 07 Nov. 2017, mainly thanks to the improvement in the reserve for Italian govies[1]

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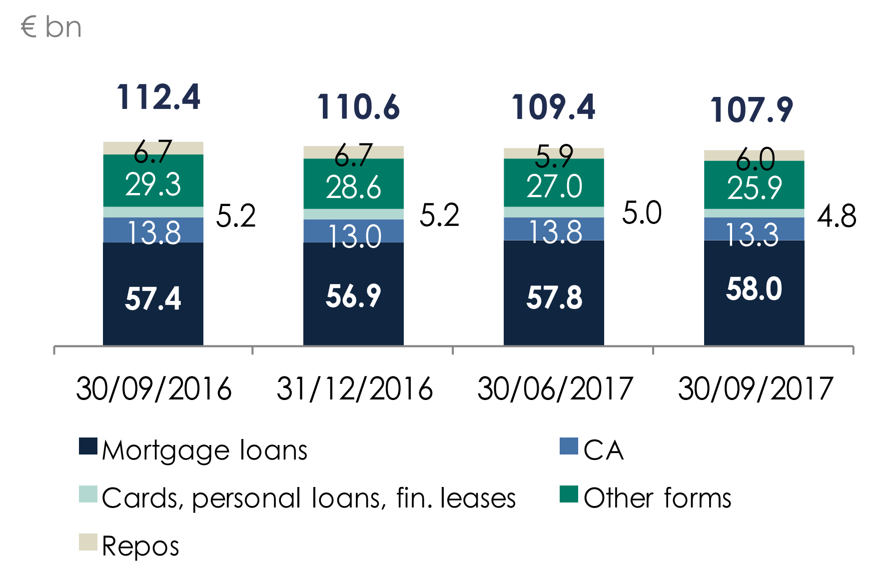
Note:
1. Management accounting data, excluding Banca Akros perimeter.

CUSTOMER LOANS

Trend in customer loans driven by derisking process and leasing run-off

Net Customer Loans[1]



CHANGES	In % 12M	In % 9M	In % 3M
Mortgages loans	1.1%	1.8%	0.3%
Current Accounts	-3.5%	2.1%	-3.4%
Cards, personal loans and leasing	-8.4%	-8.2%	-3.8%
o/w leasing	*-16.7%*	*-15.1%*	*-3.6%*
Other technical forms	-11.8%	-9.7%	-4.0%
Repos	-11.5%	-11.2%	0.4%
TOTAL	**-4.0%**	**-2.4%**	**-1.4%**
o/w: Performing	***-1.6%***	***-0.5%***	***-1.4%***
o/w: NPLs	***-17.5%***	***-13.7%***	***-1.7%***

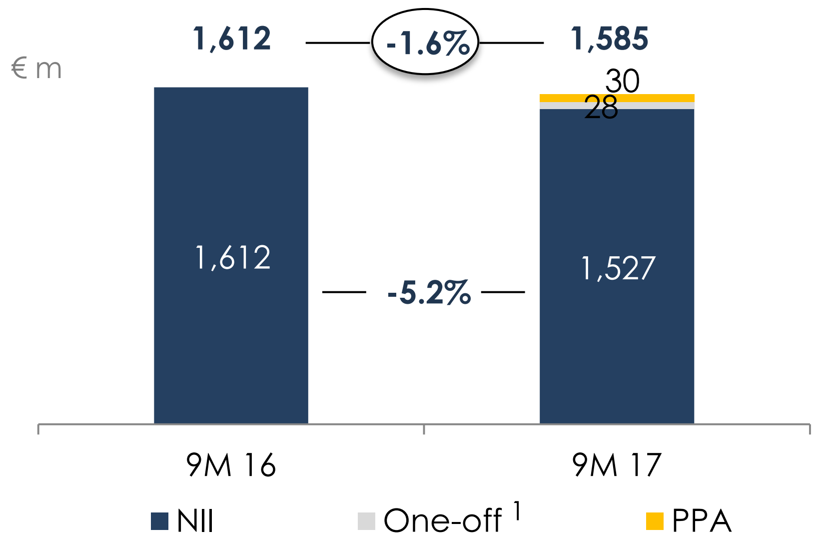
NEW LENDING (€ bn)	**9M 2017**	**9M 2016**
HOUSEHOLDS [2]	2.8	2.8
CORPORATE/SMEs [3]	11.5	9.4
TOTAL	**14.3**	**12.1**

- Net customer loans mainly impacted by de-risking process: net NPLs -17.5% y/y; -13.7% YTD; -1.7% q/q
- Good performance of Mortgage loans (+1.1% y/y; +1.8% YTD; +0.3% q/q), while non-core components (leasing in run-off and REPOs) register a double digit decrease y/y and YTD
- Q3 trend impacted by seasonality, mainly on short-term lending
- €14.3bn of new mortgages and personal loans granted in 9M (+17.6% y/y), of which €11.5bn to Corporates (+22.9% y/y) and €2.8bn to Households (-0.3% y/y)

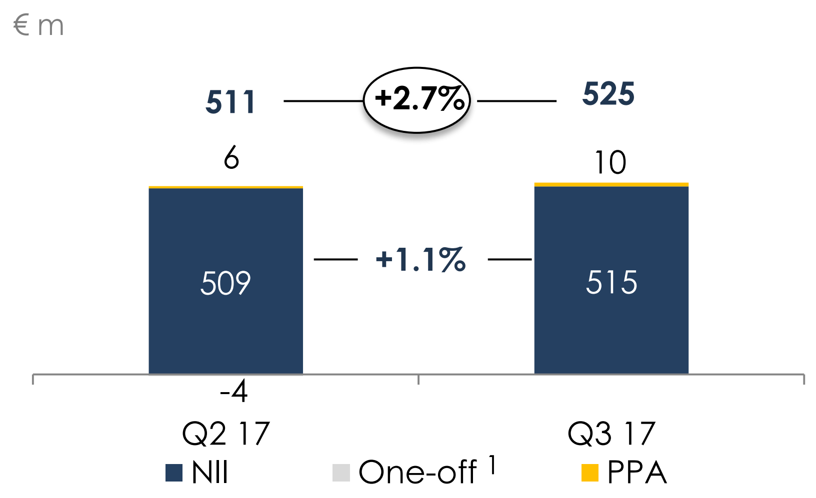
Notes:
1. Customer loan breakdown based on management accounting data.
2. Mortgages and personal loans.
3. Includes SMEs, Large Corporates, Institutionals and Third Sector.

NET INTEREST INCOME

Yearly comparison



Quarterly comparison

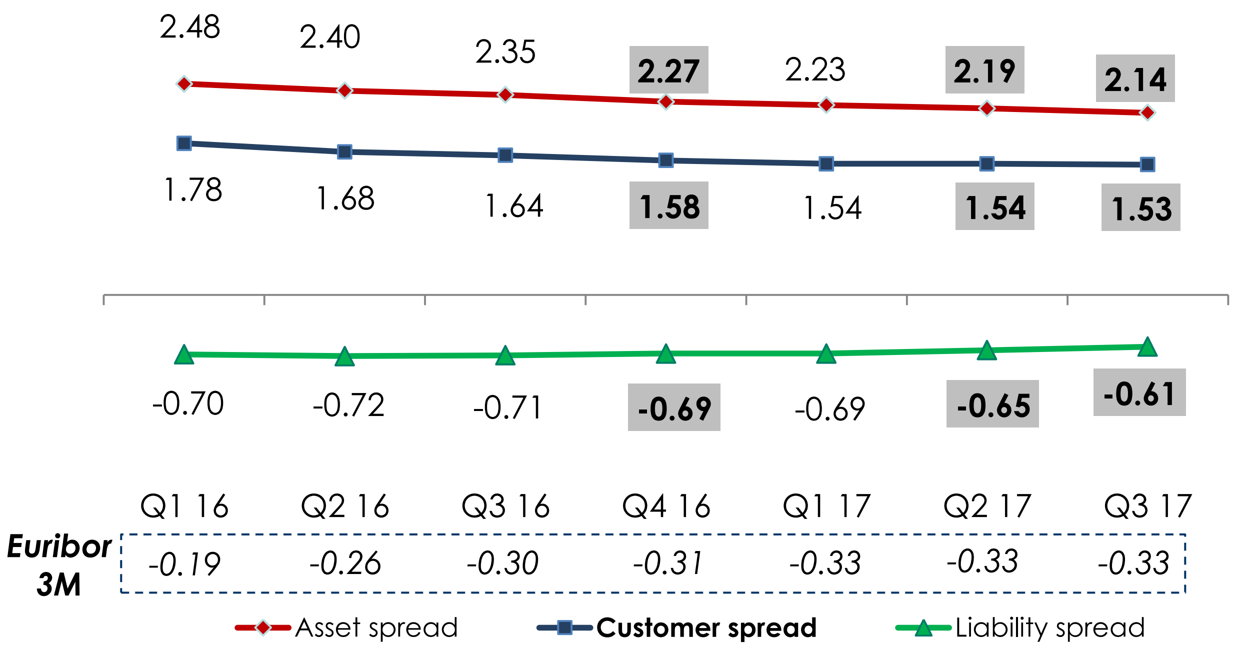


- Net Interest Income fell by 1.6% y/y and 5.2% on a like-for-like basis (excluding PPA and one-offs), mainly driven by the declining contribution of financial income from the AFS portfolio (-€67m vs 9M 16), also due to the initial mark-to-market of the ex-BPM portfolio, and lower loan book contribution
- Net interest income was up 2.7% q/q. On a like-for-like basis, a growth was registered for the third consecutive quarter (+1.1% q/q), mainly driven by lower cost of funding

Note:
1. Includes approx. €32m TLTRO2 accrued in 2016 and booked in Q1 17 and a one-off interest expense of €4m linked to a tax litigation closed in Q2 2017.

NET INTEREST SPREAD

Quarterly comparison



Q/Q	YTD
-5 bps	-13 bps
-1 bps	**-5 bps**
+4 bps	+8 bps

- Customer spread (1.53%) basically stable q/q, thanks to the improvement in the liability spread
- The liability spread improved by 8bps YTD and by 4bps q/q

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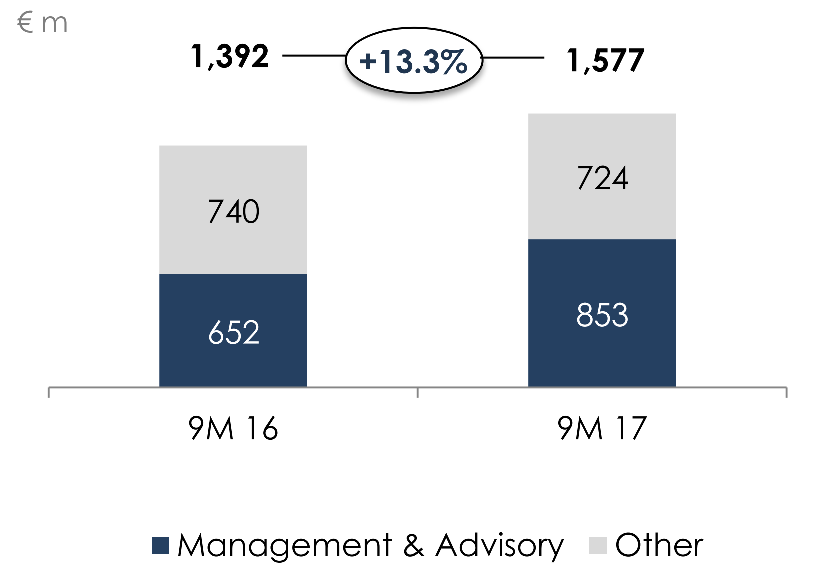
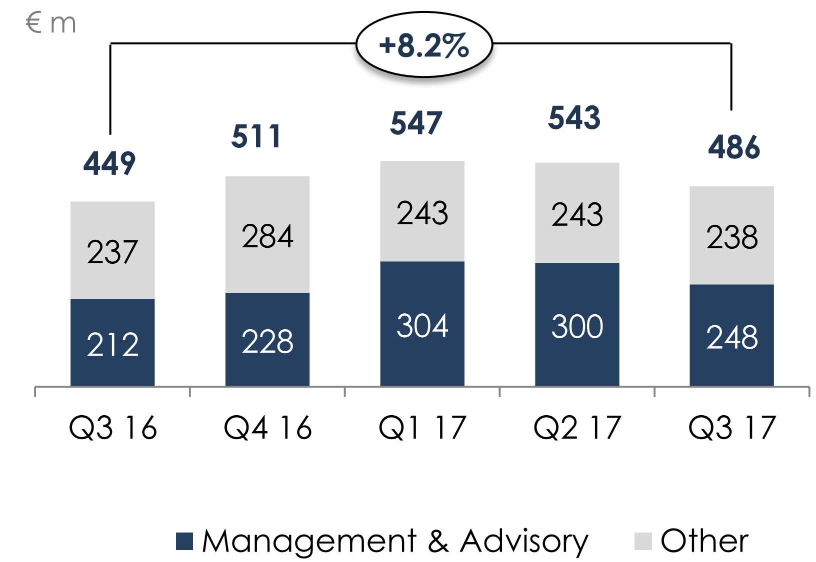
NET FEES AND COMMISSIONS

Yearly comparison



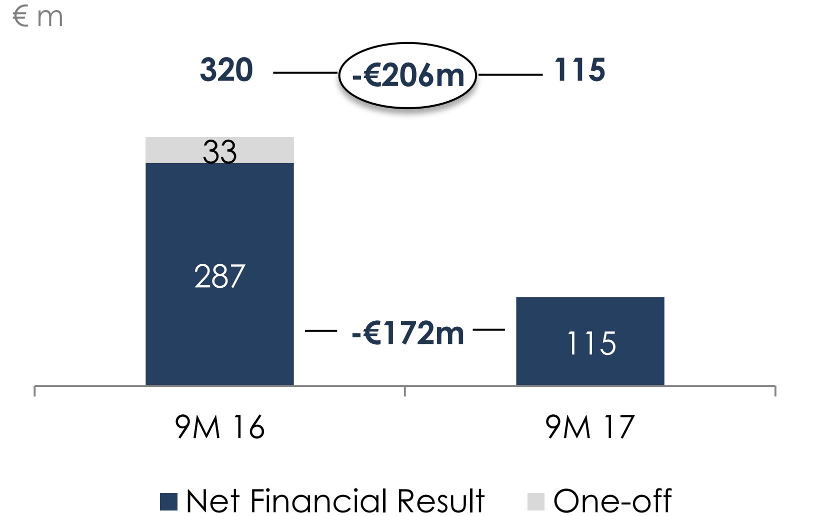
Quarterly comparison



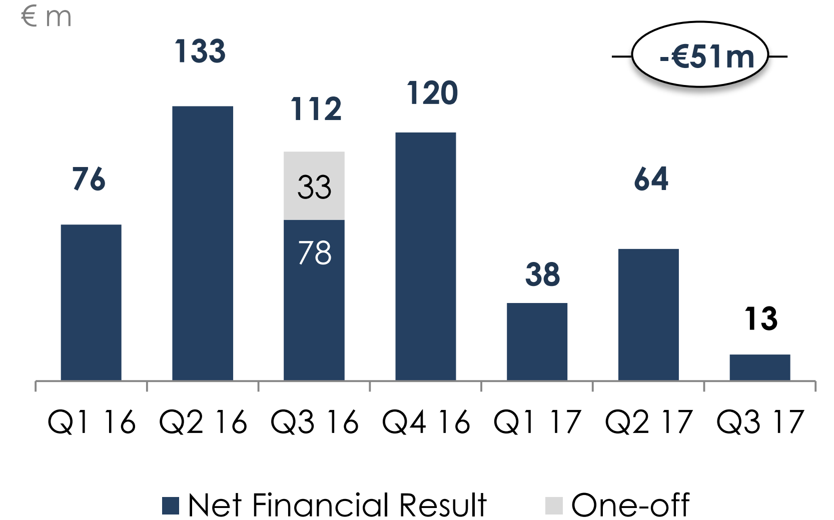
- In 9M 2017, Net fees and commissions grew by 13.3% y/y, driven by increasing commissions from management, brokerage and advisory services (+30.7% y/y), mainly thanks to the growing asset management business
- In Q3 2017, commissions were up 8.2% y/y while q/q were down due to the typical seasonal effect
- Commissions were strongly supported also by performance fees related to Aletti Gestielle's fund management activities

NET FINANCIAL RESULT

Yearly comparison



Quarterly comparison



- The nine-month performance is fully coherent with the assumptions of the Strategic Plan
- The y/y reduction was mainly due to strong one-off gains registered in 9M 2016 from the disposal of debt securities classified in the AFS portfolio, related to the merger (€29m in 9M 2017 vs. €198m in 9M 2016: - €168m)
- The quarterly decrease (-€51m) is mainly due to the combined effect of lower income from trading (-€16m), dividends from equity investments reflecting the seasonal effect (-€19m) and the disposal of debt securities (-14m)

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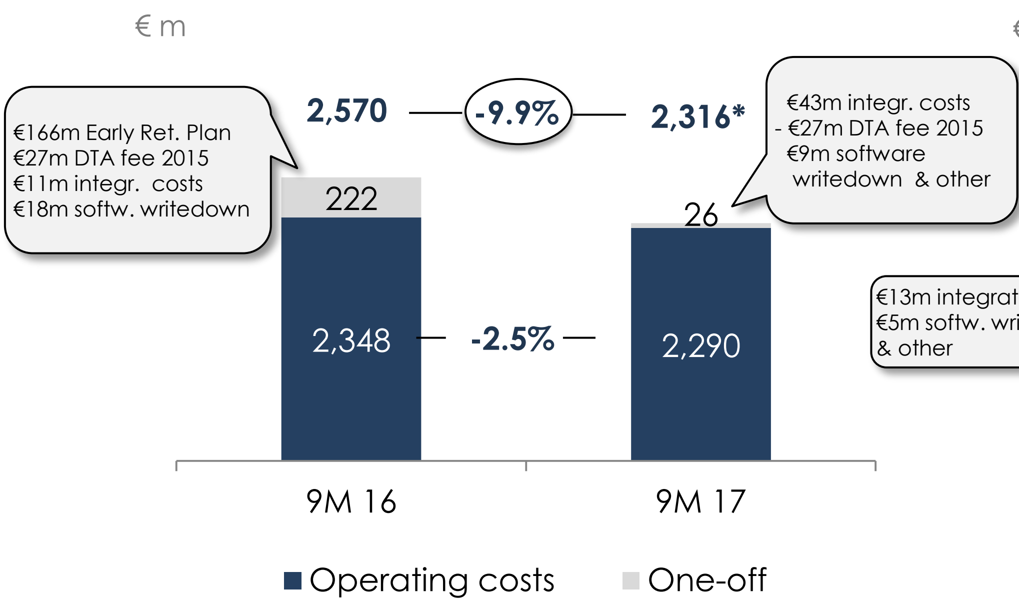
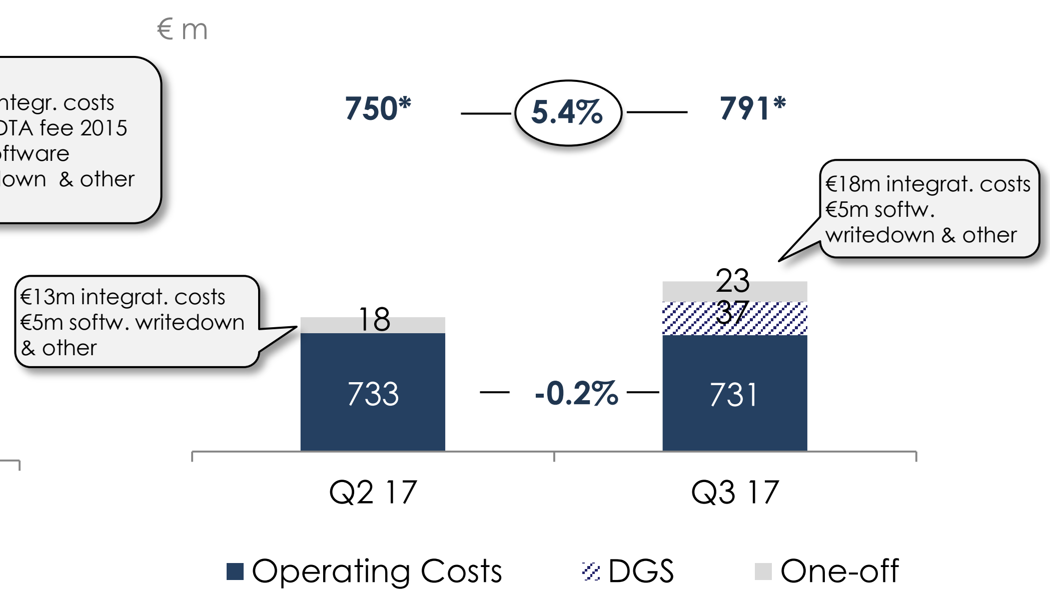
OPERATING COSTS

Yearly comparison



Quarterly comparison

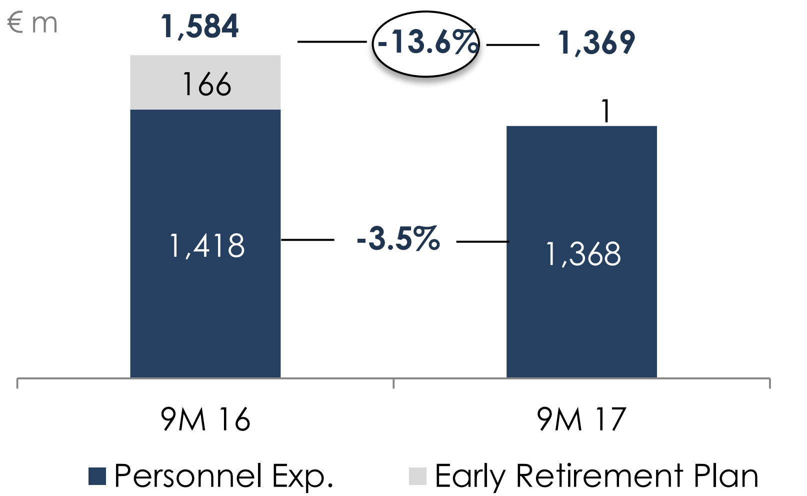


- In 9M 2017, Operating costs dropped by 9.9% y/y, while on a like-for-like basis (excluding one-offs), they fell by 2.5%
- In the quarterly comparison, Operating costs were up 5.4% q/q, while when excluding non-recurring items and the ordinary contribution to the DGS in Q3 2017, they were down 0.2%

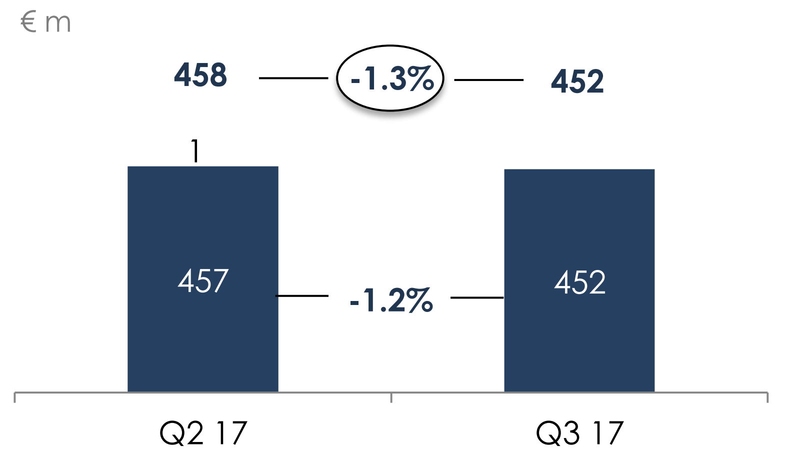
Notes:
* 9M 17 includes approx. €9.5m PPA (~€3m per quarter).

PERSONNEL EXPENSES

Yearly comparison



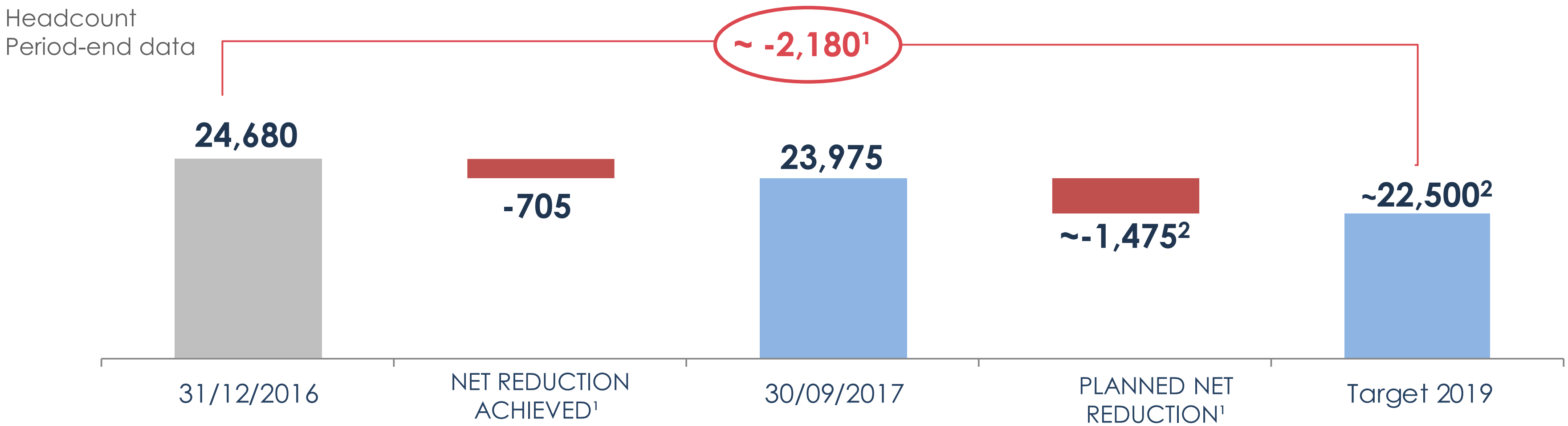
Quarterly comparison



- On a like-for-like basis, Personnel expenses were down 3.5% y/y, mainly driven by headcount reduction
- Personnel expenses down by 1.2% t/t, mainly thanks to the partial effect of 373 exits linked to the Solidarity Fund (o/w 216 exits at 30 June 2017 and 157 exits at 31 August 2017). An additional 264 people left the Bank at the end of September 2017
- Total headcount stood at 23,975 at 30 September 2017, down from 24,680 in December 2016 (-705)
- Additional 542 exits are planned in Q4 2017 (linked to the Solidarity Fund)

HEADCOUNT EVOLUTION

Headcount evolution



Solidarity Fund: Exit phasing in 2017-2018

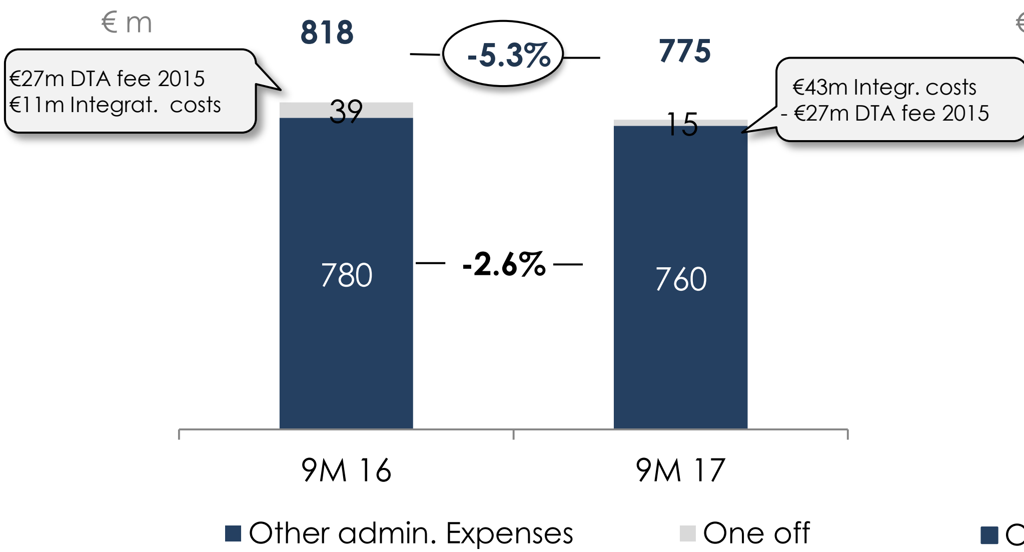
EXITS 2016	JUNE 2017	SEPTEMBER 2017	DECEMBER 2017	JUNE 2018	DECEMBER 2018
-300	-216	-421	-542	-373	-319
-300	-1,179			-692	

- Starting from 31/12/2015 (25,073 units), the headcount reduction expected by 2019 is ~2,570, equal to -10%

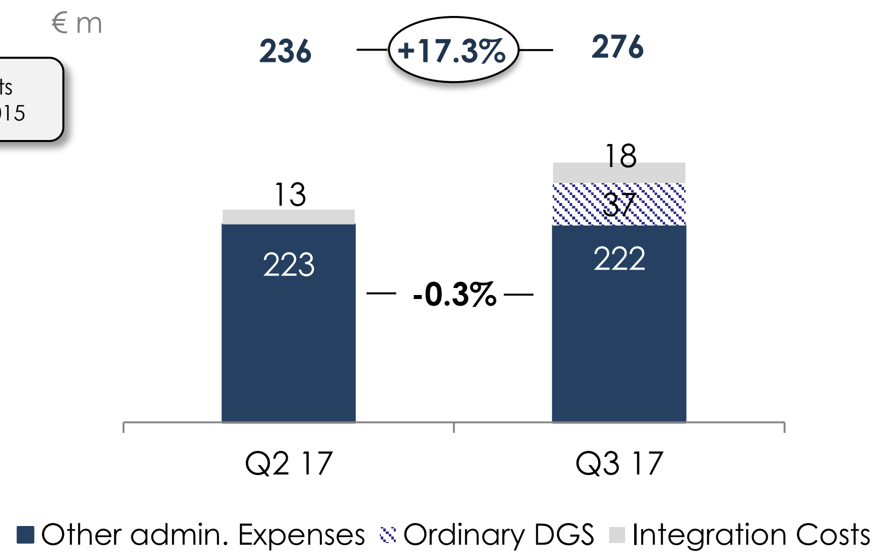
Notes:
1. Including natural turnover.
2. Including the 71 higher Solidarity Fund exits coming from the new agreement signed in June 2017.

OTHER ADMINISTRATIVE EXPENSES

Yearly comparison



Quarterly comparison

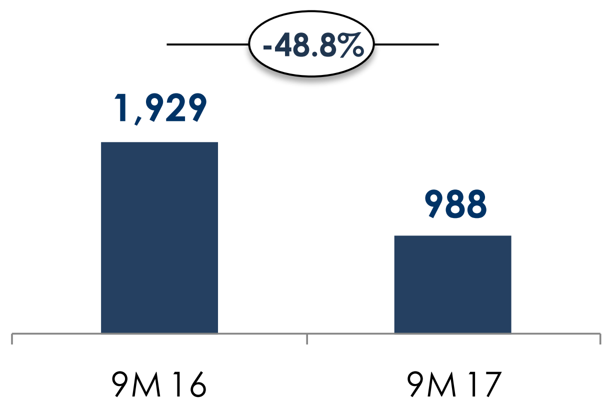


- Other administrative expenses decreased 5.3% y/y and 2.6% on a like-for-like basis (net of DTA fee for 2015 and integration costs)
- In the quarterly comparison, Other administrative expenses increased 17.3% Q/Q, mainly due to the ordinary contribution to the DGS, not booked in Q2 17. On a like-for-like basis (net of DGS and integration costs), they are down 0.3%

LOAN LOSS PROVISIONS

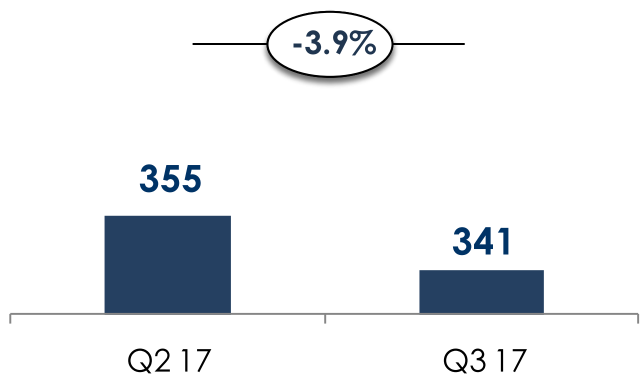
Yearly comparison

€ m



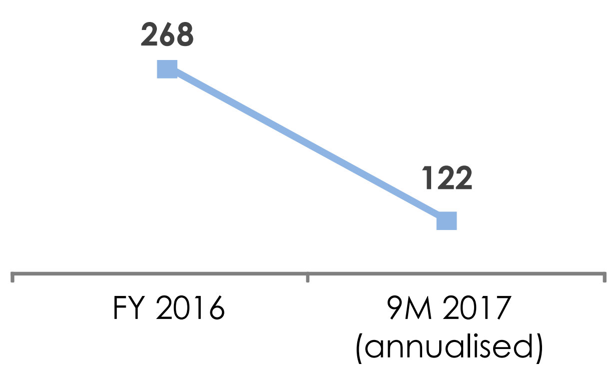
Quarterly comparison

€ m



Cost of credit

In bps, calculated on net customer loans



- At the conservative level of 122bps (broadly in line with 118bps in H1 2017), the cost of credit has allowed to strengthen the NPL coverage
- PPA reversal (+€44.1m in Q1, +€49.3m in Q2 +€41.2m in Q3) used to stabilize the Group's sound coverage levels, also in the light of accelerated disposal plans

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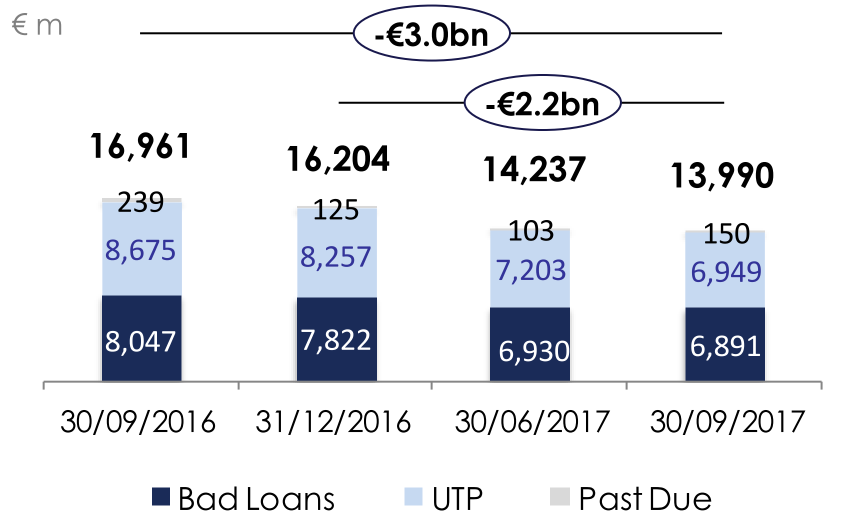
STRONG NPL STOCK REDUCTION...

Net NPLs

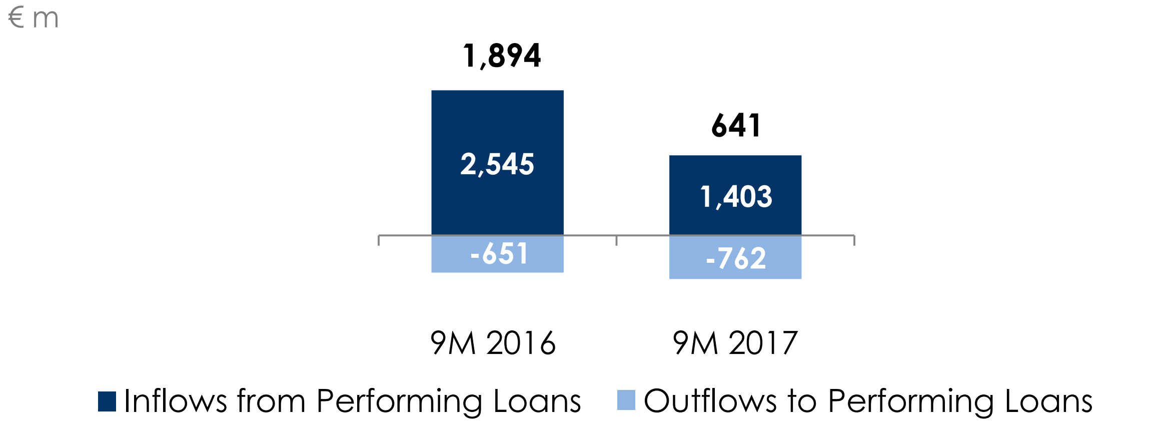


CHANGE €/m and %	Chg. 12M		Chg. 9M		Chg. 3M	
	Value	%	Value	%	Value	%
Bad Loans	-1,155	-14.4%	-931	-11.9%	-39	-0.6%
UTP	-1,726	-19.9%	-1,308	-15.8%	-254	-3.5%
Past Due	-90	-37.5%	25	19.8%	47	45.1%
TOTAL	**-2,971**	**-17.5%**	**-2,214**	**-13.7%**	**-246**	**-1.7%**

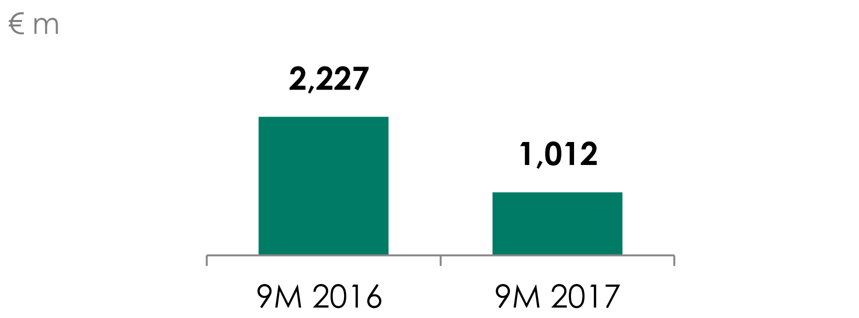
- Net NPL stock down by €3.0bn y/y (-17.5%), thanks to:
  - decrease in net flows of NPLs (-66.2% y/y)
  - internal workout recoveries (+43.5% y/y) and disposals (€2.1bn of gross BV since Oct. 2016)
  - increase in coverage (+244bps)
- Net UTPs down by €1.7bn y/y (-19.9%), confirming a normalization in asset quality trends
- Organic Net NPL reduction confirmed also in Q3: -€246m, with no disposals
- Pipeline of Bad Loan disposals set to be completed by June 2018, i.e. 18 months ahead of the business plan target

…AND MATERIAL IMPROVEMENT IN NPL FLOWS

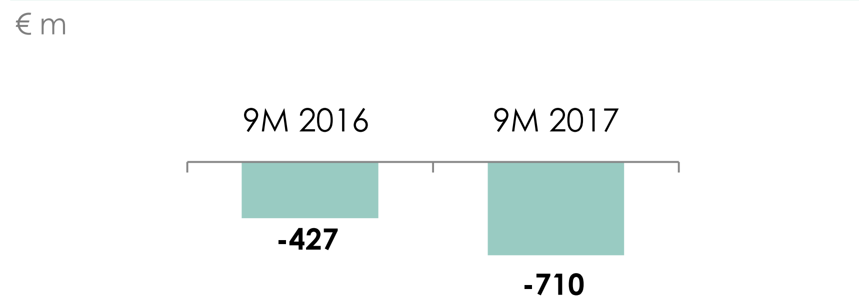
FLOWS TO NPLs



INFLOWS FROM UTP TO BAD LOANS



OUTFLOWS FROM UTP TO PERFORMING LOANS



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SIGNIFICANT INCREASE IN COVERAGE LEVELS

Coverage in line with Strategic Plan targets

NPL coverage

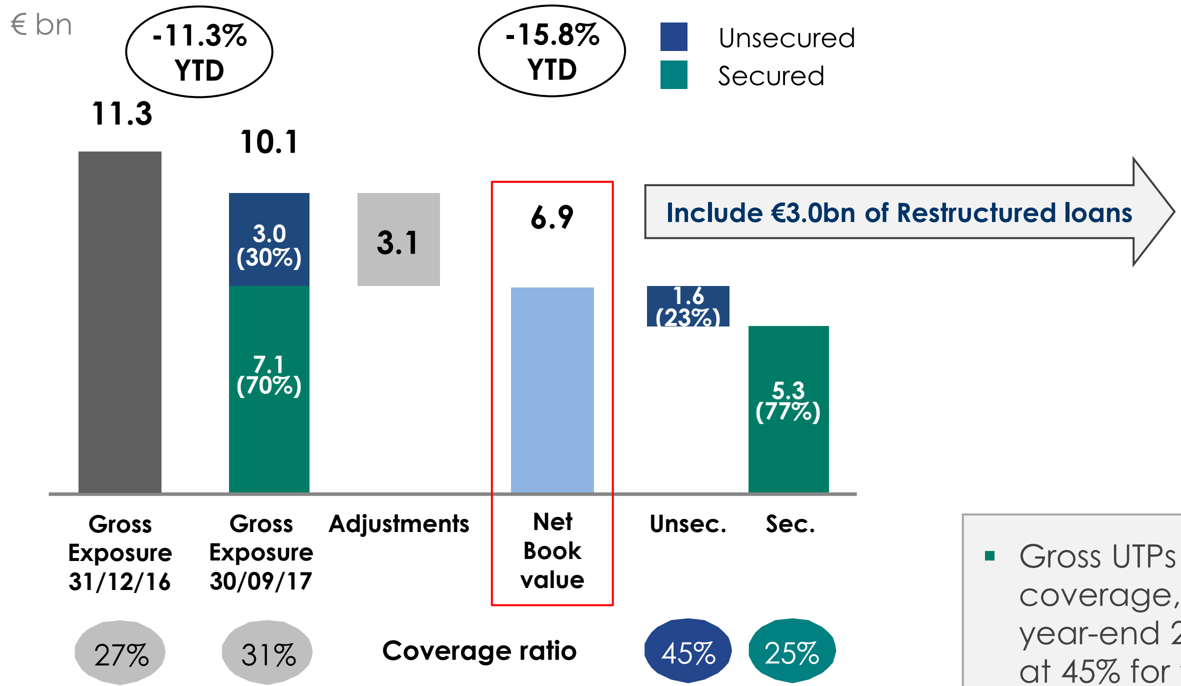
		30/09/2017	30/06/2017	31/12/2016 Nominal[2]	30/09/2016 Nominal[2]	CHANGE (in bps) 12M [3]	9M [3]	3M
Total NPLs	**Nominal: 50.7%** +400bps y/y	**49.1%**	**49.0%**	**47.9%**	**46.7%**	**244**	**125**	**13**
Bad Loans	**Nominal: 62.0%** +250bps y/y	60.0%	59.9%	60.0%	59.5%	48	-4	14
Unlikely-to-Pay Loans		31.0%	31.5%	27.2%	25.5%	553	374	-48
Past Due Loans		22.1%	19.6%	18.2%	16.2%	594	394	252

- Bad Loan coverage at 60%: +48bps y/y (62.0% nominal), in line with the Strategic Plan target
- Coverage strengthened in all NPL classes, particularly for UTP (+553bps y/y) and Past Due (+594bps y/y)

Notes:
1. Starting from 31/03/2017, most write-offs, which had been included in the Nominal values in the past, have been brought back on-balance sheet. At the end of March 2017, write-offs of about €1bn were still recorded off-balance sheet (down to €0.9bn in September 2017).
2. The December and September 2016 Nominal coverage includes all the write-offs that had been off-balance sheet at that time, in line with the values used in the Strategic Plan. For further details, please see slide 60.
3. The twelve- and nine-month changes are measured against the nominal values in September and December 2016, respectively (i.e. inclusive of all write-offs).

FOCUS ON UNLIKELY-TO-PAY LOANS

UTP analysis



Geographic breakdown of gross UTP	%
Northern Italy	72%
Central Italy	21%
Southern Italy and Islands	6%
ROW	1%

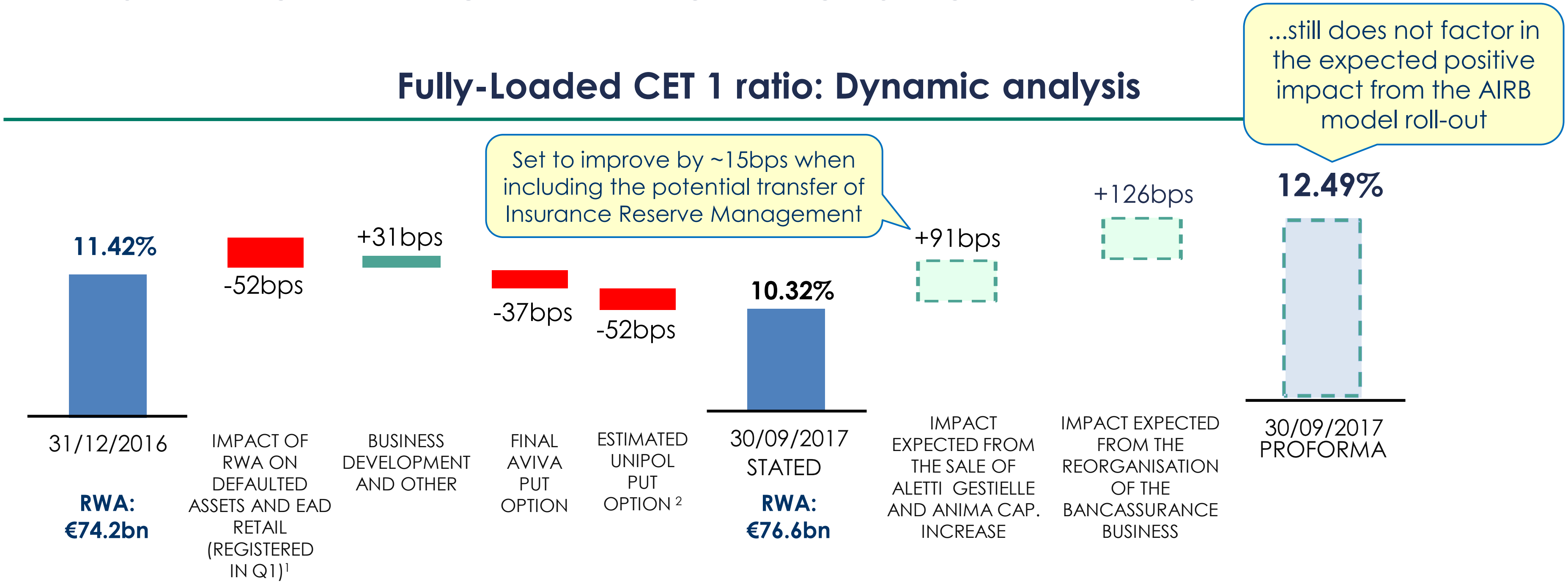
Breakdown of Net UTP Loans

Total net UTP		6.9
of which:	**Restructured**	**3.0**
	- Secured	*2.0*
	- Unsecured	*1.0*
of which:	**Other UTP**	**3.9**
	- Secured	*3.3*
	- Unsecured	*0.6*

- Gross UTPs have fallen 11.3% YTD. The coverage, which has risen from 27% at year-end 2016 to 31% as at 30/09/2017, stands at 45% for the unsecured portion
- Net Restructured loans (€3.0bn) account for 43% of total net UTP and are essentially related to formalised underlying restructuring plans and procedures (mainly under italian credit protection rules procedures)
- Net unsecured UTP other than Restructured loans are limited to €0.6bn

FULLY-LOADED CET1 RATIO: EVOLUTION DETAILS

Fully-Loaded CET 1 ratio: Dynamic analysis



- The proforma FL CET1 ratio of 12.49% (phase-in 12.82%) includes:
  - the disposal of Aletti Gestielle together with the possible capital increase of Anima (+91bps)
  - the expected impact from the reorganisation of the Bancassurance business (+126bps)
- … but still does not factor in the expected positive impact from the AIRB model roll-out

Notes:
1. As communicated to the market in the Q1 2017 Results presentation.
2. Preliminary impact estimated from the exercise of Unipol's put option, in line with the value indicated in the H1 2017 results presentation, pending the result from the closure of the arbitration under way.

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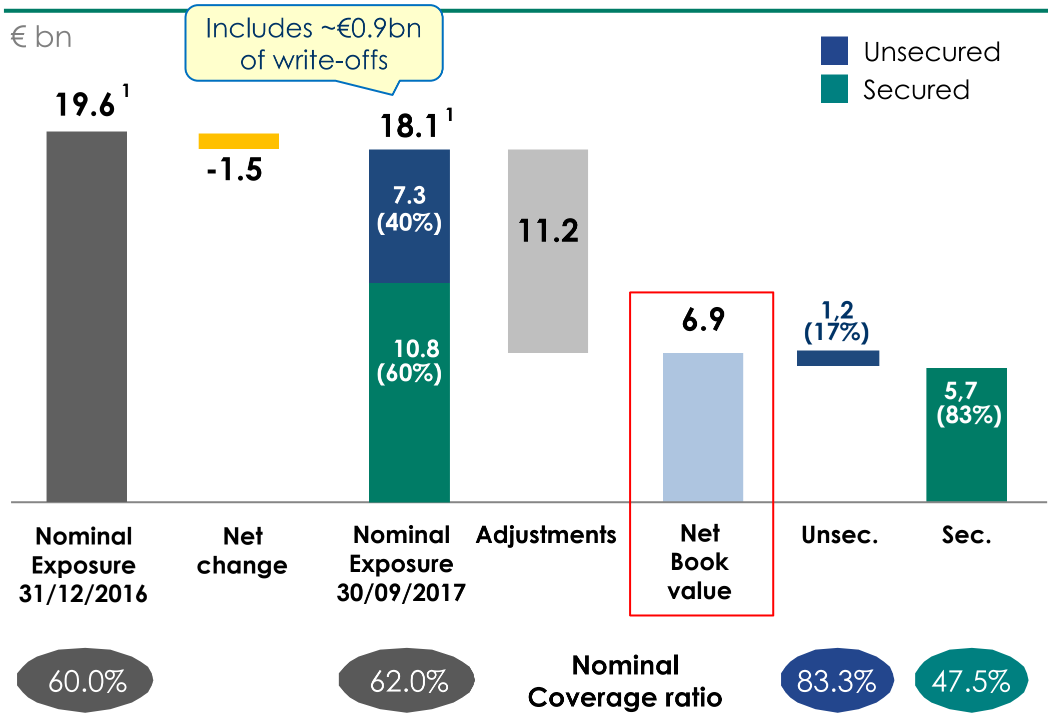
BAD LOANS: ANALYSIS AS OF 30 SEPTEMBER 2017

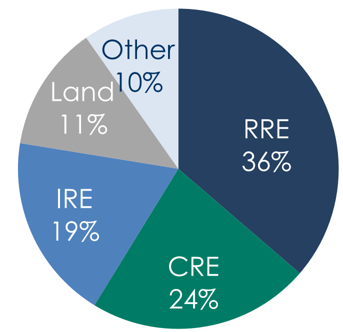
Bad Loans: evolution and composition



- Secured/Unsecured composition in terms of book value (59%/41%) well above industry average (48%/52%)[2]
- Nominal exposure expected at year-end 2017: ~€16bn (of which ~66% secured and ~34% unsecured)

Collateral composition

Fair Value of collateral: €14.4bn



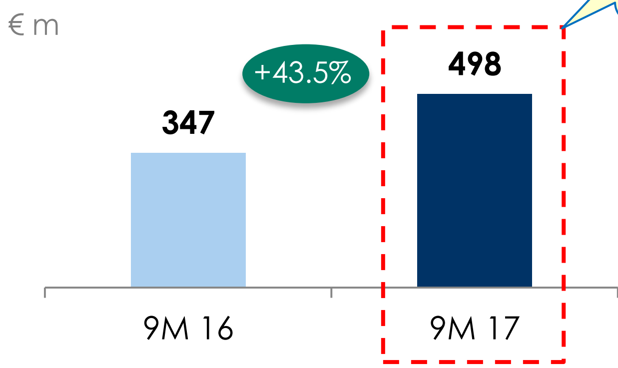
Coverage with collateral

	Non Capped	Capped[3]
FV Collateral + Coverage / Nominal Value	181%	124%
FV Collateral / Net Value	252%	146%

Notes:
1. For details regarding the write-offs, see slide 60.
2. Report PWC "The Italian NPL market – the place to be", July 2017.
3. Collateral FV capped at nominal value.

NPL UNIT: MAIN KPI IN 9M 2017

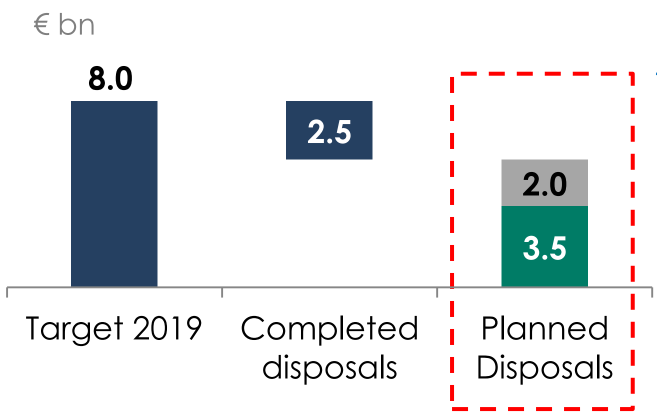
Workout Recoveries



Corresponding to €1.4bn of NPL stock reduction (2.9x recovery value)

- Recovery activities are producing material results since their first months: +28% as compared to the 2017 Operating Plan target
- Material recovery pipeline also for Q4 2017

Disposal Status



Disposal of €2bn foreseen in Q4 and €3.5bn in H1 2018.

- Ongoing activities to finalize the 2017 disposal plan: investors selected for final shortlist
- DD launched for 2018 disposals, which will leverage on GACS mechanism

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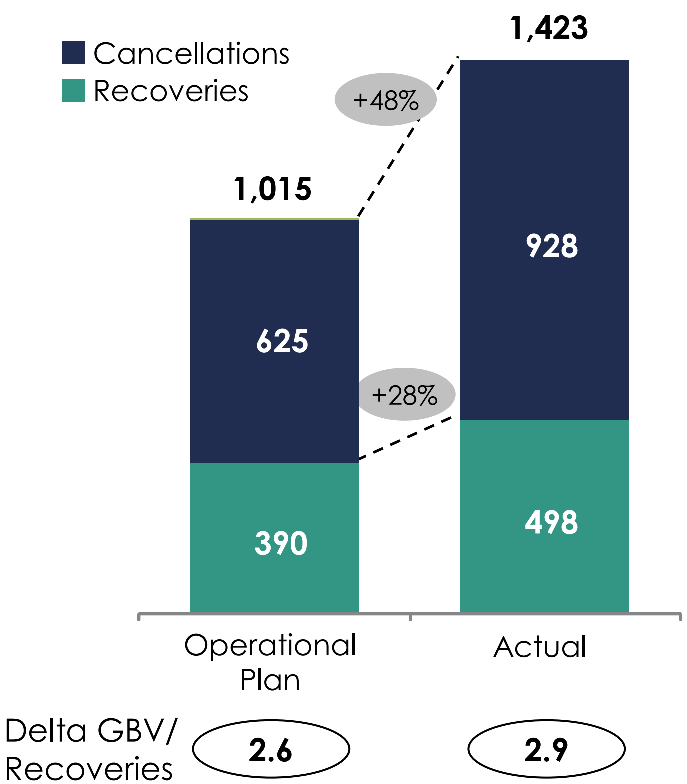
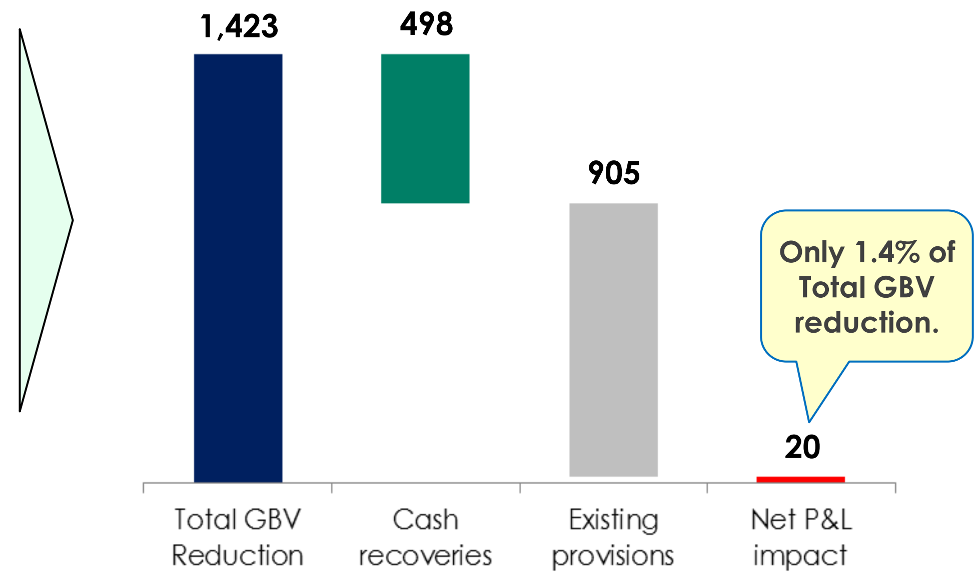
2017 WORKOUT ACTIVITIES *VS* TARGET - YTD

Delta GBV from Cancellations & Recoveries (€m) – YTD 9M



Bad Loans GBV Reduction (€m) – YTD 9M



- In the first 9 months of 2017, recoveries were ~30% higher and cancellations were 48% higher when compared to the operational plan target. This dynamic, however, had a very limited impact on the cost of credit

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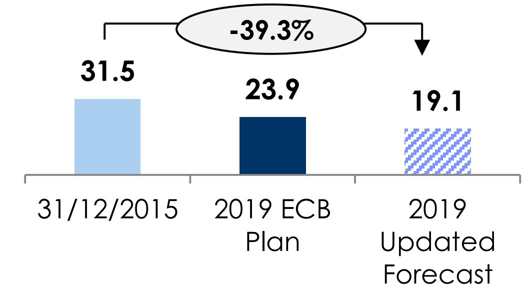
NPL OUTLOOK: BASIC INERTIAL ASSUMPTIONS

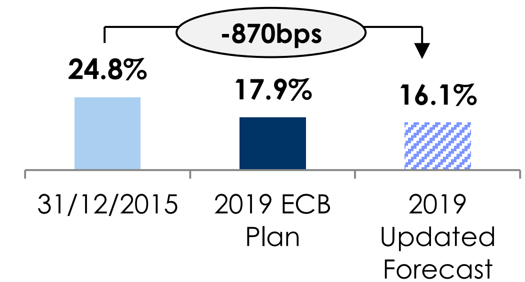
Key indicator		Outlook over the plan horizon (2018-2019)
Confirmation of the Strategic Plan	Disposals	€8bn NPL disposal to be completed by June 2018 No additional disposals assumed during the time horizon of the Strategic Plan
Additional derisking	Reduction in inflows from Performing	Confirmation of strong reduction in flows in 9M 2017 vs. 2016
	UTP reduction and Outflow to performing	Confirmation of the trend registered in 2017, with an expected annual reduction of €1.2bn in the UTP stock
	Cash recoveries	Consolidation/improvement in the recovery rate trend

Impact

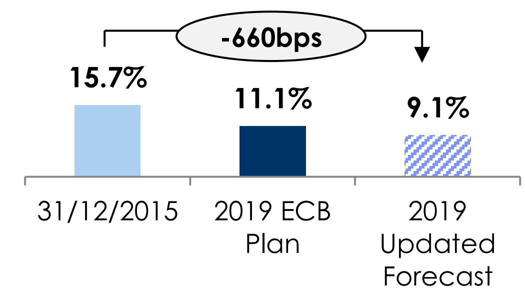
€ bn **Nominal NPEs**



Nominal NPE ratio



Net NPE ratio



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STRATEGIC RATIONALE

The transaction will allow Banco BPM to:

1. Set up a JV with a leading national insurance player, sharing a common cultural background
2. Streamline the Bancassurance partnership setup of the Group and valorise Banco BPM's distribution network
3. Improve the synergies between the two joint-ventures on the former Banco Popolare network that will refer to a single partner
4. Maintain a significant pro-quota contribution from the expected earnings of the Insurance Companies
5. Maintain a capital buffer deemed sufficient to sustain the capital impacts expected from the repurchase of the stakes in the Insurance Companies currently held by Aviva and UnipolSAI

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BANCASSURANCE TRANSACTION STRUCTURE

Scope of the Transaction and Tenor	▪ Sell to Cattolica of a 65% stake in both Avipop Assicurazioni and Popolare Vita ▪ Total consideration: €853.4m, of which €544.6m for the 65% stake in Popolare Vita (including €89.6m as extraordinary dividend paid by Popolare Vita to Banco BPM ahead of the closing) and €308.8m for the 65% stake in Avipop Assicurazioni
Key Industrial Terms	▪ Establishment of a 15-year Life and Non-Life bancassurance partnership on the ex-BP franchise ▪ Management control of the Insurance Companies transferred to Cattolica. Banco BPM will keep holding veto powers on significant strategic matters
Timing	▪ Signing of the legal documentation on 9 November 2017 ▪ Closing of the transaction (subject to regulatory approvals) expected in H1 2018 and, in any case, subject to the purchase by Banco BPM of the remainder of the shares of Avipop Assicurazioni (sale and purchase agreement with Aviva signed on 28th October) and Popolare Vita (the Arbitration's process is pending: deadline 15th November)

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CONCLUSIONS: ACHIEVEMENTS AT A GLANCE

Key achievements of Banco BPM Group since its inception on 01/01/2017:

- ✓ Integration/rationalisation/simplification
- ✓ Derisking, with solid results in terms of workout and disposals and with further progress under way
- ✓ Significant improvement in flows to NPL
- ✓ Cost efficiency actions, set to translate into stronger cost savings from FY 2018
- ✓ Capital strengthening, with a pro-forma CET 1 FL ratio of 12.5% (still excluding the AIRB model impact)
- ✓ Consolidation of core businesses and defintion of new commercial network model, paving the way for enhanced commercial effectiveness

The Group is positioning itself as a strong domestic player, with a sound risk profile, a solid capital base and with significant potential to build up its profitability

Agenda

Annexes

PREVIOUS PERIMETER*: 9M 2017 RECLASSIFIED P&L Y/Y COMPARISON

Reclassified income statement (in euro million)	9M 2017 Stated	o/w PPA	9M 2017 without PPA	9M 2016 Aggregated	o/w PPA	9M 2016 Aggregated without PPA	Chg. Y/Y with PPA	Chg. Y/Y without PPA
Net interest income	1,585.1	30.1	1,555.0	1,611.5	0.0	1,611.5	-1.6%	-3.5%
Income (loss) from investments in associates carried at equity	120.9	0.0	120.9	111.2	0.0	111.2	8.7%	8.7%
Net interest, dividend and similar income	**1,705.9**	**30.1**	**1,675.9**	**1,722.7**	**0.0**	**1,722.7**	**-1.0%**	**-2.7%**
Net fee and commission income	1,577.0	0.0	1,577.0	1,391.9	0.0	1,391.9	13.3%	13.3%
Other net operating income	74.7	-34.7	109.4	98.5	-16.4	114.9	-24.2%	-4.8%
Net financial result	114.8	0.0	114.8	320.3	0.0	320.3	-64.2%	-64.2%
Other operating income	**1,766.5**	**-34.7**	**1,801.2**	**1,810.7**	**-16.4**	**1,827.1**	**-2.4%**	**-1.4%**
Total income	**3,472.4**	**-4.7**	**3,477.1**	**3,533.5**	**-16.4**	**3,549.9**	**-1.7%**	**-2.1%**
Personnel expenses	-1,369.4	0.0	-1,369.4	-1,584.1	0.0	-1,584.1	-13.6%	-13.6%
Other administrative expenses	-775.1	0.0	-775.1	-818.1	0.0	-818.1	-5.3%	-5.3%
Amortization and depreciation	-171.7	-9.5	-162.3	-168.3	-2.7	-165.6	2.1%	-2.0%
Operating costs	**-2,316.2**	**-9.5**	**-2,306.7**	**-2,570.4**	**-2.7**	**-2,567.7**	**-9.9%**	**-10.2%**
Profit (loss) from operations	**1,156.3**	**-14.1**	**1,170.4**	**963.1**	**-19.1**	**982.1**	**20.1%**	**19.2%**
Net adjustments on loans to customers	-987.8	134.5	-1,122.4	-1,928.6	0.0	-1,928.6	-48.8%	-41.8%
Net adjustments on other assets	-127.5	0.0	-127.5	-23.8	0.0	-23.8	434.8%	434.8%
Net provisions for risks and charges	-4.5	0.0	-4.5	-13.6	0.0	-13.6	n.s.	n.s.
Impairment of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	n.s.	n.s.
Profit (loss) on the disposal of equity and other investments	13.6	-0.9	14.5	35.1	0.0	35.1	-61.2%	-58.8%
Income (loss) before tax from continuing operations	**50.0**	**119.6**	**-69.5**	**-967.9**	**-19.1**	**-948.8**	**n.s.**	**n.s.**
Tax on income from continuing operations	-6.3	-39.8	33.5	319.6	6.2	313.5	n.s.	n.s.
Income (loss) after tax from discontinued operations	0.2	0.0	0.2	-1.5	0.0	-1.5	n.s.	n.s.
Income (loss) attributable to minority interests	8.8	0.0	8.8	17.0	0.0	17.0	-48.4%	-48.4%
Net income (loss) for the period excluding Badwill	**52.7**	**79.8**	**-27.0**	**-632.7**	**-12.9**	**-619.7**	**n.s.**	**n.s.**
Badwill	3,076.1		3,076.1			0.0	n.s.	n.s.
Net income (loss) for the period	**3,128.9**	**79.8**	**3,049.1**	**-632.7**	**-12.9**	**-619.7**	**n.s.**	**n.s.**

* With Aletti Gestielle line-by-line

BANCO BPM

ANNEXES
PREVIOUS PERIMETER*: ADJUSTED 9M 2017 RECLASSIFIED P&L Y/Y COMPARISON

Reclassified income statement (in euro million)	9M 2017 Stated	o/w One-off	9M 2017 Adjusted	9M 2016 Aggregated	o/w One-off	9M 2016 Aggregated Adjusted	Chg. Y/Y Adjusted
Net interest income	1,585.1	27.6	1,557.5	1,611.5	0.0	1,611.5	-3.4%
Income (loss) from investments in associates carried at equity	120.9	-10.5	131.3	111.2	0.0	111.2	18.1%
Net interest, dividend and similar income	**1,705.9**	**17.1**	**1,688.8**	**1,722.7**	**0.0**	**1,722.7**	**-2.0%**
Net fee and commission income	1,577.0	0.0	1,577.0	1,391.9	0.0	1,391.9	13.3%
Other net operating income	74.7	0.0	74.7	98.5	0.0	98.5	-24.2%
Net financial result	114.8	0.0	114.8	320.3	33.0	287.4	-60.1%
Other operating income	**1,766.5**	**0.0**	**1,766.5**	**1,810.7**	**33.0**	**1,777.8**	**-0.6%**
Total income	**3,472.4**	**17.1**	**3,455.3**	**3,533.5**	**33.0**	**3,500.5**	**-1.3%**
Personnel expenses	-1,369.4	-1.3	-1,368.1	-1,584.1	-165.7	-1,418.4	-3.5%
Other administrative expenses	-775.1	-15.5	-759.6	-818.1	-38.6	-779.5	-2.6%
Amortization and depreciation	-171.7	-9.0	-162.7	-168.3	-17.9	-150.3	8.2%
Operating costs	**-2,316.2**	**-25.8**	**-2,290.3**	**-2,570.4**	**-222.2**	**-2,348.2**	**-2.5%**
Profit (loss) from operations	**1,156.3**	**-8.7**	**1,165.0**	**963.1**	**-189.2**	**1,152.3**	**1.1%**
Net adjustments on loans to customers	-987.8	0.0	-987.8	-1,928.6	0.0	-1,928.6	-48.8%
Net adjustments on other assets	-127.5	-121.7	-5.8	-23.8	0.0	-23.8	-75.8%
Net provisions for risks and charges	-4.5	0.0	-4.5	-13.6	0.0	-13.6	n.s.
Impairment of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	n.s.
Profit (loss) on the disposal of equity and other investments	13.6	13.6	0.0	35.1	15.4	19.8	n.s.
Income (loss) before tax from continuing operations	**50.0**	**-116.8**	**166.9**	**-967.9**	**-173.9**	**-794.0**	**n.s.**
Tax on income from continuing operations	-6.3	25.6	-31.8	319.6	67.7	251.9	n.s.
Income (loss) after tax from discontinued operations	0.2	0.0	0.2	-1.5	0.0	-1.5	n.s.
Income (loss) attributable to minority interests	8.8	0.5	8.3	17.0	1.9	15.1	-45.4%
Net income (loss) for the period excluding Badwill	**52.7**	**-90.7**	**143.5**	**-632.7**	**-104.2**	**-528.4**	**n.s.**

* With Aletti Gestielle line-by-line

BANCO BPM

PREVIOUS PERIMETER*: 9M 2017 RECLASSIFIED P&L NON RECURRING ITEMS

Reclassified income statement (in euro million)	9M 2017 Stated	9M 17 Adjusted	*One- off 9M 17*	Non-recurring items and extraordinary systemic charges
Net interest income	1,585.1	1,557.5	*27.6*	*TLTRO2 interests accrued in 2H16 and tax litigation*
Income (loss) from investments in associates carried at equity	120.9	131.3	*-10.5*	*SelmaBipiemme Leasing impact*
Net interest, dividend and similar income	**1,705.9**	**1,688.8**	***17.1***	
Net fee and commission income	1,577.0	1,577.0	*0.0*	
Other net operating income	74.7	74.7	*0.0*	
Net financial result	114.8	114.8	*0.0*	
Other operating income	**1,766.5**	**1,766.5**	***0.0***	
Total income	**3,472.4**	**3,455.3**	***17.1***	
Personnel expenses	-1,369.4	-1,368.1	*-1.3*	*Early Retirement Plan*
Other administrative expenses	-775.1	-759.6	*-15.5*	*Refund of the 2015 DTA fee (+€27.2m) and integration costs (-€42.7m)*
Amortization and depreciation	-171.7	-162.7	*-9.0*	*Software impairments*
Operating costs	**-2,316.2**	**-2,290.3**	***-25.8***	
Profit (loss) from operations	**1,156.3**	**1,165.0**	***-8.7***	
Net adjustments on loans to customers	-987.8	-987.8	*0.0*	
Net adjustments on other assets	-127.5	-5.8	*-121.7*	*Impairment of Atlante,Vicenza bond and FITD*
Net provisions for risks and charges	-4.5	-4.5	*0.0*	
Impairment of goodwill	0.0	0.0	*0.0*	
Profit (loss) on the disposal of equity and other investments	13.6	0.0	*13.6*	*Real Estate investments and other investments*
Income (loss) before tax from continuing operations	**50.0**	**166.9**	***-116.8***	
Tax on income from continuing operations	-6.3	-31.8	*25.6*	*Impact linked to tax litigation and other fiscal effects on non-recurring items*
Income (loss) after tax from discontinued operations	0.2	0.2	*0.0*	
Income (loss) attributable to minority interests	8.8	8.3	*0.5*	
Net income (loss) for the period excluding Badwill	**52.7**	**143.5**	***-90.7***	

* With Aletti Gestielle line-by-line

BANCO BPM

PREVIOUS PERIMETER*: Q3 2017 RECLASSIFIED P&L Q/Q COMPARISON

Reclassified income statement (in euro million)	Q3 2017 Stated	o/w PPA	Q3 2017 without PPA	Q2 2017 Stated	o/w PPA	Q2 2017 without PPA	Chg. Q/Q with PPA	Chg. Q/Q without PPA
Net interest income	525.1	*10.0*	515.1	511.3	*5.9*	505.3	2.7%	1.9%
Income (loss) from investments in associates carried at equity	38.9	*0.0*	38.9	40.4	*0*	40.4	-3.5%	-3.5%
Net interest, dividend and similar income	**564.0**	**10.0**	**554.0**	**551.6**	**5.9**	**545.7**	**2.2%**	**1.5%**
Net fee and commission income	486.3	*0.0*	486.3	543.4	*0.0*	543.4	-10.5%	-10.5%
Other net operating income	30.0	*-11.6*	41.6	14.5	*-11.2*	25.7	107.4%	62.1%
Net financial result	13.3	*0.0*	13.3	63.8	*0.0*	63.8	-79.2%	-79.2%
Other operating income	**529.5**	**-11.6**	**541.2**	**621.7**	**-11.2**	**632.9**	**-14.8%**	**-14.5%**
Total income	**1,093.6**	**-1.6**	**1,095.2**	**1,173.3**	**-5.3**	**1,178.6**	**-6.8%**	**-7.1%**
Personnel expenses	-452.3	*0.0*	-452.3	-458.4	*0.0*	-458.4	-1.3%	-1.3%
Other administrative expenses	-276.3	*0.0*	-276.3	-235.6	*0.0*	-235.6	17.3%	17.3%
Amortization and depreciation	-62.3	*-3.2*	-59.1	-56.5	*-3.1*	-53.4	10.2%	10.6%
Operating costs	**-790.9**	**-3.2**	**-787.7**	**-750.4**	**-3.1**	**-747.4**	**5.4%**	**5.4%**
Profit (loss) from operations	**302.7**	**-4.8**	**307.5**	**422.9**	**-8.3**	**431.2**	**-28.4%**	**-28.7%**
Net adjustments on loans to customers	-340.8	*41.2*	-382.0	-354.5	*49.3*	-403.8	-3.9%	-5.4%
Net adjustments on other assets	-48.3	*0.0*	-48.3	-70.8	*0.0*	-70.8	-31.8%	-31.8%
Net provisions for risks and charges	4.6	*0.0*	4.6	-9.6	*0.0*	-9.6	n.s.	n.s.
Impairment of goodwill	0.0	*0.0*	0.0	0.0	*0.0*	0.0	-	-
Profit (loss) on the disposal of equity and other investments	0.3	*0.1*	0.2	-3.8	*-1.0*	-2.8	-108.8%	-107.4%
Income (loss) before tax from continuing operations	**-81.5**	**36.5**	**-118.0**	**-15.9**	**40.0**	**-55.8**	**n.s.**	**n.s.**
Tax on income from continuing operations	38.8	*-12.2*	51.0	-9.8	*-13.3*	3.5	n.s.	n.s.
Income (loss) after tax from discontinued operations	-0.2	*0.0*	-0.2	0.4	*0.0*	0.4	n.s.	n.s.
Income (loss) attributable to minority interests	1.4	*0.0*	1.4	4.3	*0.0*	4.3	-67.2%	-67.2%
Net income (loss) for the period excluding Badwill	***-41.5***	**24.3**	**-65.8**	**-21.0**	**26.7**	**-47.7**	**n.s.**	**n.s.**

* With Aletti Gestielle line-by-line

PREVIOUS PERIMETER*: ADJUSTED Q3 2017 RECLASSIFIED P&L Q/Q COMPARISON

Reclassified income statement (in euro million)	Q3 2017 Stated	o/w one-off	Q3 2017 Adjusted	Q2 2017 Stated	o/w one-off	Q2 2017 Adjusted	Chg. Q/Q Adjusted
Net interest income	525,1	*0,0*	525,1	511,3	*-4,1*	515,4	1,9%
Income (loss) from investments in associates carried at equity	38,9	*0,0*	38,9	40,4	*-10,5*	50,8	-23,4%
Net interest, dividend and similar income	**564,0**	**0,0**	**564,0**	**551,6**	**-14,6**	**566,2**	**-0,4%**
Net fee and commission income	486,3	*0,0*	486,3	543,4	*0,0*	543,4	-10,5%
Other net operating income	30,0	*0,0*	30,0	14,5	*0,0*	14,5	107,4%
Net financial result	13,3	*0,0*	13,3	63,8	*0,0*	63,8	-79,2%
Other operating income	**529,5**	**0,0**	**529,5**	**621,7**	**0,0**	**621,7**	**-14,8%**
Total income	**1.093,6**	**0,0**	**1.093,6**	**1.173,3**	**-14,6**	**1.187,9**	**-7,9%**
Personnel expenses	-452,3	*0,0*	-452,3	-458,4	*-1,3*	-457,1	-1,0%
Other administrative expenses	-276,3	*-17,7*	-258,7	-235,6	*-13,0*	-222,6	16,2%
Amortization and depreciation	-62,3	*-5,5*	-56,8	-56,5	*-3,5*	-53,0	7,1%
Operating costs	**-790,9**	**-23,2**	**-767,7**	**-750,4**	**-17,8**	**-732,6**	**4,8%**
Profit (loss) from operations	**302,7**	**-23,2**	**325,9**	**422,9**	**-32,4**	**455,3**	**-28,4%**
Net adjustments on loans to customers	-340,8	*0,0*	-340,8	-354,5	*0,0*	-354,5	-3,9%
Net adjustments on other assets	-48,3	*-45,5*	-2,8	-70,8	*-67,5*	-3,3	n.s.
Net provisions for risks and charges	4,6	*0,0*	4,6	-9,6	*0,0*	-9,6	n.s.
Impairment of goodwill	0,0	*0,0*	0,0	0,0	*0,0*	0,0	n.s.
Profit (loss) on the disposal of equity and other investments	0,3	*0,3*	0,0	-3,8	*-3,8*	0,0	n.s.
Income (loss) before tax from continuing operations	**-81,5**	**-68,3**	**-13,2**	**-15,9**	**-103,7**	**87,8**	**-115,0%**
Tax on income from continuing operations	38,8	*28,2*	10,6	-9,8	*9,8*	-19,6	n.s.
Income (loss) after tax from discontinued operations	-0,2	*0,0*	-0,2	0,4	*0,0*	0,4	n.s.
Income (loss) attributable to minority interests	1,4	*0,5*	0,9	4,3	*0,0*	4,3	-79,8%
Net income (loss) for the period excluding Badwill	***-41,5***	***-39,5***	***-2,0***	***-21,0***	***-93,9***	***72,9***	***-102,7%***

* With Aletti Gestielle line-by-line

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PREVIOUS PERIMETER*: Q3 2017 RECLASSIFIED P&L NON RECURRING ITEMS

Reclassified income statement (in euro million)	Q3 2017 Stated	Q3 2017 Adjusted	*One-off*	Non-recurring items and extraordinary systemic charges
Net interest income	525.1	525.1	*0.0*	
Income (loss) from investments in associates carried at equity	38.9	38.9	*0.0*	
Net interest, dividend and similar income	**564.0**	**564.0**	**0.0**	
Net fee and commission income	486.3	486.3	*0.0*	
Other net operating income	30.0	30.0	*0.0*	
Net financial result	13.3	13.3	*0.0*	
Other operating income	**529.5**	**529.5**	**0.0**	
Total income	**1,093.6**	**1,093.6**	**0.0**	
Personnel expenses	-452.3	-452.3	*0.0*	
Other administrative expenses	-276.3	-258.7	*-17.7*	*Integration Costs*
Amortization and depreciation	-62.3	-56.8	*-5.5*	*Software writedowns*
Operating costs	**-790.9**	**-767.7**	**-23.2**	
Profit (loss) from operations	**302.7**	**325.9**	**-23.2**	
Net adjustments on loans to customers	-340.8	-340.8	*0.0*	
Net adjustments on other assets	-48.3	-2.8	*-45.5*	*Impairment of FITD*
Net provisions for risks and charges	4.6	4.6	*0.0*	
Impairment of goodwill	0.0	0.0	*0.0*	
Profit (loss) on the disposal of equity and other investments	0.3	0.0	*0.3*	
Income (loss) before tax from continuing operations	**-81.5**	**-13.2**	**-68.3**	
Tax on income from continuing operations	38.8	10.6	*28.2*	*Fiscal effects on non-recurring items*
Income (loss) after tax from discontinued operations	-0.2	-0.2	*0.0*	
Income (loss) attributable to minority interests	1.4	0.9	*0.5*	
Net income (loss) for the period excluding Badwill	**-41.5**	**-2.0**	**-39.5**	

* With Aletti Gestielle line-by-line

NEW PERIMETER: 9M 2017 RECLASSIFIED P&L Y/Y COMPARISON

Reclassified income statement (in euro million)	9M 2017 Stated	o/w PPA	9M 2017 without PPA	9M 2016 Aggregated	o/w PPA	9M 2016 Aggregated without PPA	Chg. Y/Y with PPA	Chg. Y/Y without PPA
Net interest income	1,584.7	30.1	1,554.6	1,610.8	0.0	1,610.8	-1.6%	-3.5%
Income (loss) from investments in associates carried at equity	120.9	0.0	120.9	111.2	0.0	111.2	8.7%	8.7%
Net interest, dividend and similar income	**1,705.5**	**30.1**	**1,675.5**	**1,722.0**	**0.0**	**1,722.0**	**-1.0%**	**-2.7%**
Net fee and commission income	1,478.3	0.0	1,478.3	1,346.7	0.0	1,346.7	9.8%	9.8%
Other net operating income	74.1	-34.7	108.8	97.2	-16.4	113.6	-23.8%	-4.3%
Net financial result	113.1	0.0	113.1	319.5	0.0	319.5	-64.6%	-64.6%
Other operating income	**1,665.5**	**-34.7**	**1,700.2**	**1,763.5**	**-16.4**	**1,779.9**	**-5.6%**	**-4.5%**
Total income	**3,371.1**	**-4.7**	**3,375.7**	**3,485.5**	**-16.4**	**3,501.9**	**-3.3%**	**-3.6%**
Personnel expenses	-1,364.1	0.0	-1,364.1	-1,578.0	0.0	-1,578.0	-13.6%	-13.6%
Other administrative expenses	-766.9	0.0	-766.9	-810.5	0.0	-810.5	-5.4%	-5.4%
Amortization and depreciation	-171.4	-9.5	-162.0	-168.0	-2.7	-165.3	2.1%	-2.0%
Operating costs	**-2,302.4**	**-9.5**	**-2,293.0**	**-2,556.5**	**-2.7**	**-2,553.8**	**-9.9%**	**-10.2%**
Profit (loss) from operations	**1,068.6**	**-14.1**	**1,082.8**	**929.0**	**-19.1**	**948.0**	**15.0%**	**14.2%**
Net adjustments on loans to customers	-987.8	134.5	-1,122.4	-1,928.6	0.0	-1,928.6	-48.8%	-41.8%
Net adjustments on other assets	-127.5	0.0	-127.5	-23.8	0.0	-23.8	434.8%	434.8%
Net provisions for risks and charges	-4.5	0.0	-4.5	-13.6	0.0	-13.6	n.s.	n.s.
Impairment of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	n.s.	n.s.
Profit (loss) on the disposal of equity and other investments	13.6	-0.9	14.5	35.1	0.0	35.1	-61.2%	-58.8%
Income (loss) before tax from continuing operations	**-37.6**	**119.6**	**-157.1**	**-1,002.0**	**-19.1**	**-982.9**	**n.s.**	**n.s.**
Tax on income from continuing operations	19.2	-39.8	59.0	330.3	6.2	324.1	n.s.	n.s.
Income (loss) after tax from discontinued operations	62.3	0.0	62.3	21.9	0.0	21.9	n.s.	n.s.
Income (loss) attributable to minority interests	8.8	0.0	8.8	17.0	0.0	17.0	-48.4%	-48.4%
Net income (loss) for the period excluding Badwill	**52.7**	**79.8**	**-27.0**	**-632.7**	**-12.9**	**-619.7**	**n.s.**	**n.s.**
Badwill	3,076.1	0.0	3,076.1	0.0		0.0	n.s.	n.s.
Net income (loss) for the period	**3,128.9**	**79.8**	**3,049.1**	**-632.7**	**-12.9**	**-619.7**	**n.s.**	**n.s.**

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NEW PERIMETER: ADJUSTED 9M 2017 RECLASSIFIED P&L Y/Y COMPARISON

Reclassified income statement (in euro million)	9M 2017 Stated	o/w One-off	9M 2017 Adjusted	9M 2016 Aggregated	o/w One-off	9M 2016 Aggregated Adjusted	Chg. Y/Y Adjusted
Net interest income	1,584.7	*27.6*	1,557.1	1610.8	*0.0*	1,610.8	-3.3%
Income (loss) from investments in associates carried at equity	120.9	*-10.5*	131.3	111.2	*0.0*	111.2	18.1%
Net interest, dividend and similar income	**1,705.5**	**17.1**	**1,688.4**	**1722.0**	***0.0***	**1,722.0**	**-1.9%**
Net fee and commission income	1,478.3	*0.0*	1,478.3	1346.7	*0.0*	1,346.7	9.8%
Other net operating income	74.1	*0.0*	74.1	97.2	*0.0*	97.2	-23.8%
Net financial result	113.1	*0.0*	113.1	319.5	*33.0*	286.6	-60.5%
Other operating income	**1665.5**	**0.0**	**1,665.5**	**1763.5**	**33.0**	**1,730.5**	**-3.8%**
Total income	**3,371.1**	**17.1**	**3,354.0**	**3,485.5**	**33.0**	**3,452.5**	**-2.9%**
Personnel expenses	-1,364.1	*-1.3*	-1,362.7	-1578.0	*-165.7*	-1,412.3	-3.5%
Other administrative expenses	-766.9	*-15.5*	-751.4	-810.5	*-38.6*	-772.0	-2.7%
Amortization and depreciation	-171.4	*-9.0*	-162.4	-168.0	*-17.9*	-150.1	8.2%
Operating costs	**-2302.4**	**-25.8**	**-2,276.6**	**-2556.5**	**-222.2**	**-2,334.3**	**-2.5%**
Profit (loss) from operations	**1068.6**	**-8.7**	**1,077.4**	**929.0**	***-189.2***	**1,118.2**	**-3.7%**
Net adjustments on loans to customers	-987.8	*0.0*	-987.8	-1928.6	*0.0*	-1,928.6	-48.8%
Net adjustments on other assets	-127.5	*-121.7*	-5.8	-23.8	*0.0*	-23.8	-75.8%
Net provisions for risks and charges	-4.5	*0.0*	-4.5	-13.6	*0.0*	-13.6	n.s.
Impairment of goodwill	0.0	*0.0*	0.0	0.0	*0.0*	0.0	n.s.
Profit (loss) on the disposal of equity and other investments	13.6	*13.6*	0.0	35.1	*15.4*	19.8	n.s.
Income (loss) before tax from continuing operations	**-37.6**	**-116.8**	**79.2**	**-1002.0**	***-173.9***	**-828.1**	**n.s.**
Tax on income from continuing operations	19.2	*25.6*	-6.3	330.3	*67.7*	262.6	n.s.
Income (loss) after tax from discontinued operations	62.3	*0.0*	62.3	21.9	*0.0*	21.9	n.s.
Income (loss) attributable to minority interests	8.8	*0.5*	8.3	17.0	*1.9*	15.1	-45.4%
Net income (loss) for the period excluding Badwill	**52.7**	**-90.7**	**143.5**	**-632.7**	***-104.2***	**-528.4**	**n.s.**

BANCO BPM

NEW PERIMETER: 9M 2017 RECLASSIFIED P&L NON RECURRING ITEMS

Reclassified income statement (in euro million)	9M 2017 Stated	9M 17 Adjusted	One- off	Non-recurring items and extraordinary systemic charges
Net interest income	1,584.7	1557.1	27.6	*TLTRO2 interests accrued in 2H16 and tax litigation*
Income (loss) from investments in associates carried at equity	120.9	131.3	-10.5	*SelmaBipiemme Leasing impact*
Net interest, dividend and similar income	**1,705.5**	**1688.4**	**17.1**	
Net fee and commission income	1,478.3	1478.3	0.0	
Other net operating income	74.1	74.1	0.0	
Net financial result	113.1	113.1	0.0	
Other operating income	**1665.5**	**1665.5**	**0.0**	
Total income	**3,371.1**	**3,354.0**	**17.1**	
Personnel expenses	-1,364.1	-1362.7	-1.3	*Early Retirement Plan*
Other administrative expenses	-766.9	-751.4	-15.5	*Refund of the 2015 DTA fee (+€27.2m) and integration costs (-€42.7m)*
Amortization and depreciation	-171.4	-162.4	-9.0	*Software writedowns*
Operating costs	**-2302.4**	**-2276.6**	**-25.8**	
Profit (loss) from operations	**1068.6**	**1077.4**	**-8.7**	
Net adjustments on loans to customers	-987.8	-987.8	0.0	
Net adjustments on other assets	-127.5	-5.8	-121.7	*Impairment of Atlante,Vicenza bond and FITD*
Net provisions for risks and charges	-4.5	-4.5	0.0	
Impairment of goodwill	0.0	0.0	0.0	
Profit (loss) on the disposal of equity and other investments	13.6	0.0	13.6	*Real Estate investments and other investments*
Income (loss) before tax from continuing operations	**-37.6**	**79.2**	**-116.8**	
Tax on income from continuing operations	19.2	-6.3	25.6	*Impact linked to tax litigation and other fiscal effects on non-recurring items*
Income (loss) after tax from discontinued operations	62.3	62.3	0.0	
Income (loss) attributable to minority interests	8.8	8.3	0.5	
Net income (loss) for the period excluding Badwill	**52.7**	**143.5**	**-90.7**	

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NEW PERIMETER: Q3 2017 RECLASSIFIED P&L Q/Q COMPARISON

Reclassified income statement (in euro million)	Q3 2017 Stated	o/w PPA	Q3 2017 without PPA	Q2 2017 Stated	o/w PPA	Q2 2017 without PPA	Chg. Q/Q with PPA	Chg. Q/Q without PPA
Net interest income	524.9	10.0	514.9	511.1	5.9	505.2	2.7%	1.9%
Income (loss) from investments in associates carried at equity	38.9	0.0	38.9	40.4	0	40.4	-3.5%	-3.5%
Net interest, dividend and similar income	**563.9**	**10.0**	**553.8**	**551.5**	**5.9**	**545.6**	**2.2%**	**1.5%**
Net fee and commission income	458.9	0.0	458.9	503.6	0.0	503.6	-8.9%	-8.9%
Other net operating income	29.4	-11.6	41.0	14.4	-11.2	25.6	104.7%	60.4%
Net financial result	13.0	0.0	13.0	63.3	0.0	63.3	-79.5%	-79.5%
Other operating income	**501.3**	**-11.6**	**512.9**	**581.3**	**-11.2**	**592.5**	**-13.8%**	**-13.4%**
Total income	**1,065.1**	**-1.6**	**1,066.8**	**1,132.8**	**-5.3**	**1,138.1**	**-6.0%**	**-6.3%**
Personnel expenses	-450.6	0.0	-450.6	-456.7	0.0	-456.7	-1.3%	-1.3%
Other administrative expenses	-273.2	0.0	-273.2	-233.1	0.0	-233.1	17.2%	17.2%
Amortization and depreciation	-62.2	-3.2	-59.0	-56.4	-3.1	-53.3	10.2%	10.6%
Operating costs	**-786.0**	**-3.2**	**-782.8**	**-746.2**	**-3.1**	**-743.1**	**5.3%**	**5.3%**
Profit (loss) from operations	**279.2**	**-4.8**	**284.0**	**386.6**	**-8.3**	**395.0**	**-27.8%**	**-28.1%**
Net adjustments on loans to customers	-340.8	41.2	-382.0	-354.5	49.3	-403.8	-3.9%	-5.4%
Net adjustments on other assets	-48.3	0.0	-48.3	-70.8	0.0	-70.8	-31.8%	-31.8%
Net provisions for risks and charges	4.6	0.0	4.6	-9.6	0.0	-9.6	n.s.	n.s.
Impairment of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Profit (loss) on the disposal of equity and other investments	0.3	0.1	0.2	-3.8	-1.0	-2.8	-108.8%	-107.4%
Income (loss) before tax from continuing operations	**-105.0**	**36.5**	**-141.5**	**-52.1**	**40.0**	**-92.1**	**n.s.**	**n.s.**
Tax on income from continuing operations	45.6	-12.2	57.8	1.1	-13.3	14.4	n.s.	n.s.
Income (loss) after tax from discontinued operations	16.5	0.0	16.5	25.8	0.0	25.8	n.s.	n.s.
Income (loss) attributable to minority interests	1.4	0.0	1.4	4.3	0.0	4.3	-67.2%	-67.2%
Net income (loss) for the period excluding Badwill	**-41.5**	**24.3**	**-65.8**	**-21.0**	**26.7**	**-47.7**	**n.s.**	**n.s.**

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NEW PERIMETER: ADJUSTED Q3 2017 RECLASSIFIED P&L Q/Q COMPARISON

Reclassified income statement (in euro million)	Q3 2017 Stated	o/w one-off	Q3 2017 Adjusted	Q2 2017 Stated	o/w one-off	Q2 2017 Adjusted	Chg. Q/Q Adjusted
Net interest income	524.9	0.0	524.9	511.1	-4.1	515.3	1.9%
Income (loss) from investments in associates carried at equity	38.9	0.0	38.9	40.4	-10.5	50.8	-23.4%
Net interest, dividend and similar income	**563.9**	**0.0**	**563.9**	**551.5**	**-14.6**	**566.1**	**-0.4%**
Net fee and commission income	458.9	0.0	458.9	503.6	0.0	503.6	-8.9%
Other net operating income	29.4	0.0	29.4	14.4	0.0	14.4	104.7%
Net financial result	13.0	0.0	13.0	63.3	0.0	63.3	-79.5%
Other operating income	**501.3**	**0.0**	**501.3**	**581.3**	**0.0**	**581.3**	**-13.8%**
Total income	**1,065.1**	**0.0**	**1,065.1**	**1,132.8**	**-14.6**	**1,147.4**	**-7.2%**
Personnel expenses	-450.6	0.0	-450.6	-456.7	-1.3	-455.4	-1.0%
Other administrative expenses	-273.2	-17.7	-255.5	-233.1	-13.0	-220.1	16.1%
Amortization and depreciation	-62.2	-5.5	-56.7	-56.4	-3.5	-52.9	7.1%
Operating costs	**-786.0**	**-23.2**	**-762.8**	**-746.2**	**-17.8**	**-728.3**	**4.7%**
Profit (loss) from operations	**279.2**	**-23.2**	**302.3**	**386.6**	**-32.4**	**419.0**	**-27.8%**
Net adjustments on loans to customers	-340.8	0.0	-340.8	-354.5	0.0	-354.5	-3.9%
Net adjustments on other assets	-48.3	-45.5	-2.8	-70.8	-67.5	-3.3	n.s.
Net provisions for risks and charges	4.6	0.0	4.6	-9.6	0.0	-9.6	n.s.
Impairment of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	n.s.
Profit (loss) on the disposal of equity and other investments	0.3	0.3	0.0	-3.8	-3.8	0.0	n.s.
Income (loss) before tax from continuing operations	**-105.0**	**-68.3**	**-36.7**	**-52.1**	**-103.7**	**51.5**	**-171.2%**
Tax on income from continuing operations	45.6	28.2	17.4	1.1	9.8	-8.7	-300.4%
Income (loss) after tax from discontinued operations	16.5	0.0	16.5	25.8	0.0	25.8	n.s.
Income (loss) attributable to minority interests	1.4	0.5	0.9	4.3	0.0	4.3	-79.8%
Net income (loss) for the period excluding Badwill	**-41.5**	**-39.5**	**-2.0**	**-21.0**	**-93.9**	**72.9**	**-102.7%**

ANNEXES

NEW PERIMETER: Q3 2017 RECLASSIFIED P&L NON RECURRING ITEMS

Reclassified income statement (in euro million)	Q3 2017 Stated	Q3 2017 Adjusted	*One-off*	Non-recurring items and extraordinary systemic charges
Net interest income	524.9	524.9	*0.0*	
Income (loss) from investments in associates carried at equity	38.9	38.9	*0.0*	
Net interest, dividend and similar income	**563.9**	**563.9**	**0.0**	
Net fee and commission income	458.9	458.9	*0.0*	
Other net operating income	29.4	29.4	*0.0*	
Net financial result	13.0	13.0	*0.0*	
Other operating income	**501.3**	**501.3**	**0.0**	
Total income	**1,065.1**	**1,065.1**	**0.0**	
Personnel expenses	-450.6	-450.6	*0.0*	
Other administrative expenses	-273.2	-255.5	*-17.7*	*Integration Costs*
Amortization and depreciation	-62.2	-56.7	*-5.5*	*Software writedowns*
Operating costs	**-786.0**	**-762.8**	**-23.2**	
Profit (loss) from operations	**279.2**	**302.3**	**-23.2**	
Net adjustments on loans to customers	-340.8	-340.8	*0.0*	
Net adjustments on other assets	-48.3	-2.8	*-45.5*	*Impairment of FITD*
Net provisions for risks and charges	4.6	4.6	*0.0*	
Impairment of goodwill	0.0	0.0	*0.0*	
Profit (loss) on the disposal of equity and other investments	0.3	0.0	*0.3*	
Income (loss) before tax from continuing operations	**-105.0**	**-36.7**	**-68.3**	
Tax on income from continuing operations	45.6	17.4	*28.2*	*Fiscal effects on non-recurring items*
Income (loss) after tax from discontinued operations	16.5	16.5	*0.0*	
Income (loss) attributable to minority interests	1.4	0.9	*0.5*	
Net income (loss) for the period excluding Badwill	**-41.5**	**-2.0**	**-39.5**	

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ANNEXES

RECLASSIFIED BALANCE SHEET OF BANCO BPM GROUP AS AT 30/09/2017

Reclassified assets (€ m)	A 30/09/17 *	B 30/06/17	C 31/12/16	D 30/09/16	Chg. A/B Value	Chg. A/B %	Chg. A/C Value	Chg. A/C %	Chg. A/D Value	Chg. A/D %
Cash and cash equivalents	812	790	898	812	22	2.7%	-86	-9.6%	0	0.0%
Financial assets and hedging derivatives	38,135	38,146	36,580	39,643	-11	0.0%	1,554	4.2%	-1,509	-3.8%
Due from banks	4,622	4,898	6,678	5,674	-276	-5.6%	-2,057	-30.8%	-1,052	-18.5%
Customer loans	107,900	109,441	110,551	112,440	-1,541	-1.4%	-2,651	-2.4%	-4,540	-4.0%
Equity investments	1,384	1,344	1,595	1,675	39	2.9%	-211	-13.2%	-291	-17.4%
Property and equipment	2,894	2,986	2,696	2,724	-92	-3.1%	198	7.3%	170	6.2%
Intangible assets	2,383	2,395	1,834	2,191	-12	-0.5%	549	30.0%	192	8.8%
Non-current assets held for sale and discontinued operations	257	7	77	84	250	3719.2%	179	231.8%	172	204.2%
Other assets	7,495	7,714	7,346	7,001	-220	-2.8%	148	2.0%	494	7.1%
Total	**165,880**	**167,720**	**168,255**	**172,243**	**-1,840**	**-1.1%**	**-2,375**	**-1.4%**	**-6,363**	**-3.7%**

Reclassified liabilities (€ m)	A 30/09/17 *	B 30/06/17	C 31/12/16	D 30/09/16	Chg. A/B Value	Chg. A/B %	Chg. A/C Value	Chg. A/C %	Chg. A/D Value	Chg. A/D %
Due to banks	27,571	26,286	23,276	22,139	1,284	4.9%	4,294	18.4%	5,431	24.5%
Due to customers, debt securities issued and financial liabilities designated at fair value	109,901	110,240	116,773	117,795	-340	-0.3%	-6,872	-5.9%	-7,895	-6.7%
Financial liabilities and hedging	9,811	10,009	10,683	11,995	-198	-2.0%	-872	-8.2%	-2,184	-18.2%
Liability provisions	1,531	1,601	1,706	1,554	-71	-4.4%	-175	-10.3%	-23	-1.5%
Liabilities associated with assets held for sale	21	0	1	0	21	20682.2%	20	2086.5%	21	ns
Other liabilities	4,577	7,140	3,816	5,768	-2,563	-35.9%	761	19.9%	-1,191	-20.6%
Minority interests	52	53	58	67	-1	-2.6%	-7	-11.2%	-16	-23.3%
Shareholders' equity	12,417	12,390	11,941	12,923	27	0.2%	476	4.0%	-506	-3.9%
Total	**165,880**	**167,720**	**168,255**	**172,243**	**-1,840**	**-1.1%**	**-2,375**	**-1.4%**	**-6,363**	**-3.7%**

Note: (*) As at 30/09/2017 Aletti Gestielle is classified within the Non-current assets held for sale as well as within the associated liabilities, having signed an agreement with Anima for the sale of this subsidiary.

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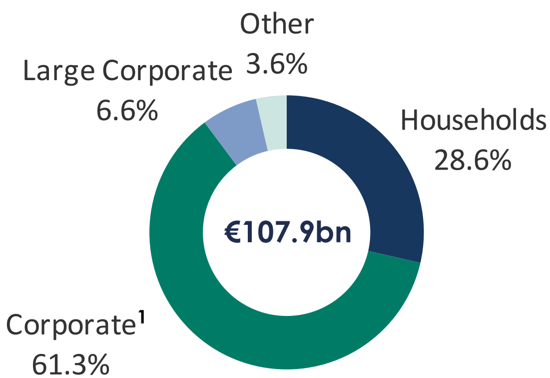
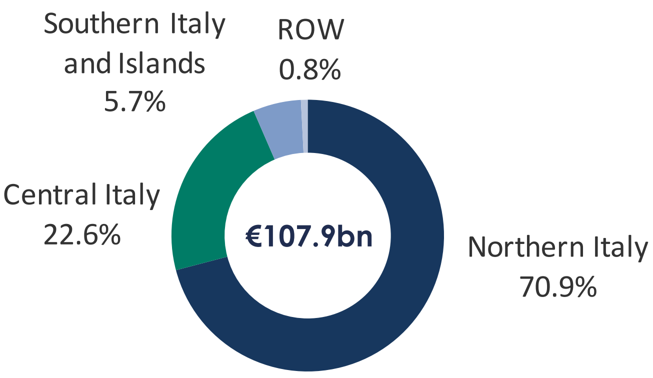
CUSTOMER LOAN ANALYSIS

Retail and SME-oriented banking group, with franchise concentrated in Northern Italy

Breakdown of net loans by customer segment at 30/09/2017



Breakdown of net loans by geographical area at 30/09/2017



- Roughly 29% of customer loans in relation to the Household segment.
- Corporates[1], excluding Large Corporates, account for roughly 61% of the loan book and the average loan ticket is small, coming in at about €250K.
- More than 70% of the portfolio is concentrated in the wealthiest areas of the Country.

Note:
1. Non-financial companies (mid-corporate and small business) and financial companies. Includes €6.0bn of Repos, mainly with Cassa di Compensazione e Garanzia.

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ANNEXES

DETAILED CREDIT QUALITY

€ m	30/09/2017			
	Gross exposure	Adjustments	Coverage	Net exposure
Bad Loans	17,230	10,339	60.0%	6,891
Unlikely to pay	10,069	3,120	31.0%	6,949
Past Due	192	43	22.1%	150
Non-performing Loans	**27,491**	**13,501**	**49.1%**	**13,990**
Performing Loans	**94,301**	**391**	**0.4%**	**93,910**
Total Customer Loans	**121,792**	**13,892**	**11.4%**	**107,900**

	30/06/2017			
	Gross exposure	Adjustments	Coverage	Net exposure
Bad Loans	17,264	10,334	59.9%	6,930
Unlikely to pay	10,511	3,308	31.5%	7,203
Past Due	128	25	19.6%	103
Non-performing Loans	**27,903**	**13,667**	**49.0%**	**14,237**
Performing Loans	**95,596**	**392**	**0.4%**	**95,204**
Total Customer Loans	**123,500**	**14,059**	**11.4%**	**109,441**

	31/12/2016							
	Nominal exposure	Off-balance sheet Write-offs	Gross exposure	Adjustments	Adjustments with write-offs	Coverage with write-offs	Coverage without write-offs	Net exposure
Bad Loans	19,578	5,166	14,413	6,590	11,756	60.0%	45.7%	7,822
Unlikely to Pay	11,349		11,349	3,092	3,092	27.2%	27.2%	8,257
Past Due	153		153	28	28	18.2%	18.2%	125
Non-performing Loans	**31,080**	**5,166**	**25,914**	**9,710**	**14,876**	**47.9%**	**37.5%**	**16,204**
Performing Loans	**94,754**		**94,754**	**408**	**408**	**0.4%**	**0.4%**	**94,346**
Total Customer Loans	**125,834**	**5,166**	**120,669**	**10,118**	**15,284**	**12.1%**	**8.4%**	**110,551**

	30/09/2016							
	Nominal exposure	Off-balance sheet Write-offs	Gross exposure	Adjustments	Adjustments with write-offs	Coverage with write-offs	Coverage without write-offs	Net exposure
Bad Loans	19,882	5,222	14,660	6,614	11,835	59.5%	45.1%	8,047
Unlikely to Pay	11,638		11,638	2,963	2,963	25.5%	25.5%	8,675
Past Due	286		286	46	46	16.2%	16.2%	239
Non-performing Loans	**31,806**	**5,222**	**26,584**	**9,623**	**14,845**	**46.7%**	**36.2%**	**16,961**
Performing Loans	**95,918**		**95,918**	**440**	**440**	**0.5%**	**0.5%**	**95,479**
Total Customer Loans	**127,724**	**5,222**	**122,503**	**10,063**	**15,284**	**12.0%**	**8.2%**	**112,440**

Restatement of write-offs as of Q1 2017:

Starting from 31/03/2017, most write-offs, which had been included in the Nominal values in the past, have been brought back on-balance sheet. At the end of March 2017, write-offs of about €1bn were still recorded off-balance sheet (down to €0.9bn in September 2017).

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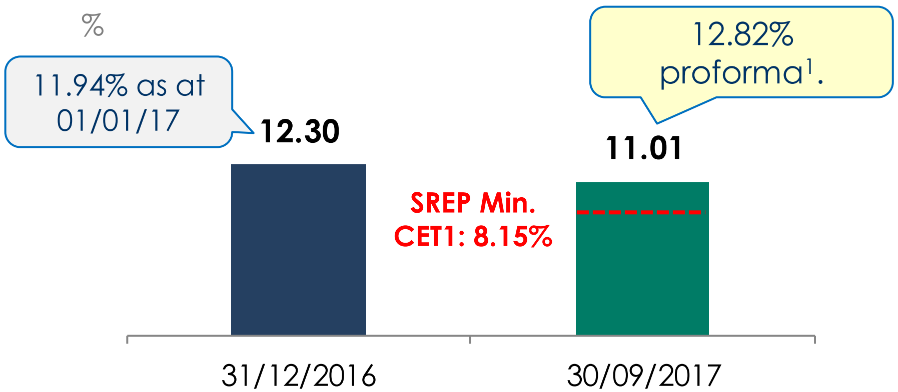
PHASE-IN CAPITAL RATIOS

Phase-in CET 1 ratio



PHASE-IN CAPITAL POSITION (€/m and %)	30/09/2017	31/12/2016
CET 1 Capital	8,463	9,185
T1 Capital	8,637	9,346
Total Capital	10,649	11,156
RWA	*76,850*	*74,679*
CET 1 Ratio	**11.01%**	**12.30%**
T1 Ratio	***11.24%***	***12.52%***
Total Capital Ratio	***13.86%***	***14.94%***

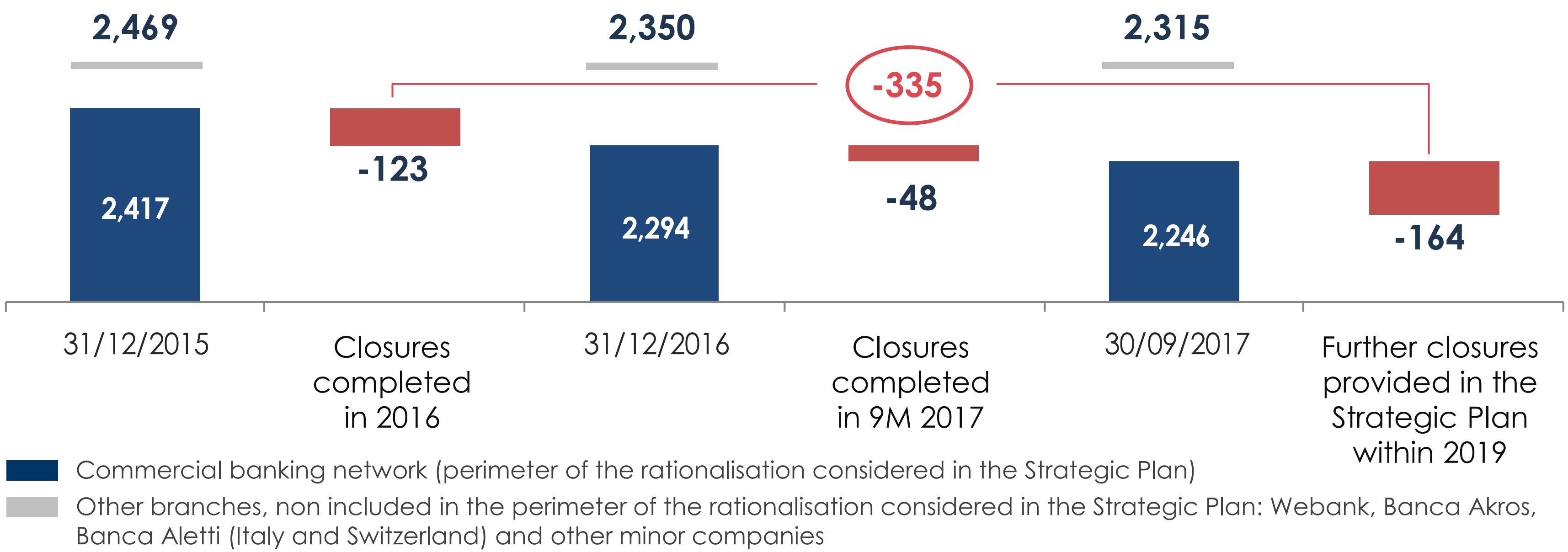
SREP Min. Total Capital: 11.65%

- The Group's capital position as at 30/09/2017 includes two negative headwinds:
  - RWAs on defaulted assets and Retail EAD (-54bps registered in Q1 at CET 1 phase-in level)[2]
  - Aviva's put option (-26bps at CET 1 phase-in level) and Unipol's put option (-37bps at CET 1 phase-in level[3])
- At pro-forma level, the phase-in ratios (12.82% CET1 and 15.84% Total capital), even without factoring in yet the expected positive impact from the AIRB model roll-out, feature a wide positive buffer over SREP requirements (8.15% for CET1 and 11.65% for Total capital)

Notes:
1. Includes the disposal of Aletti Gestielle together with the possible capital increase of Anima, and the expected impact from the reorganisation of the Bancassurance business.
2. As communicated to the market in the Q1 2017 Results presentation.
3. Preliminary impact estimated from the exercise of Unipol's put option, in line with the value indicated in the H1 2017 results presentation, pending the result from the closure of the arbitration under way.

BRANCH EVOLUTION

Branch evolution: backward and forward view



- A review of the distribution strategy is well under way:
  - leading to the optimization of our footprint guaranteed by the branch network…
  - … with expected benefits at operational efficiency level…
  - … flanked by the strengthening of the competitive position thanks to alternative channels (Digital Banking/Financial Advisors/Corporate Product Specialists/ Development Task Force etc.).
- Of the total 335 branch closures targeted in the Strategic Plan, 171 outlets have already been closed
- The second wave of branch closures is scheduled in H1 2018

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