



**A Strong Bank for
a Digital World**

**Voluntary Public Exchange Offer
for all UBI Banca Ordinary Shares**

**A European Leader to Enhance
Value Creation through a Stronger
Italian Footprint**

Disclaimer (1/2)

This presentation includes certain forward looking statements, projections, objectives and estimates reflecting the current views of the management of the Company with respect to future events. Forward looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words “may,” “will,” “should,” “plan,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” “project,” “goal” or “target” or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Company’s future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Company participates or is seeking to participate.

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Disclaimer (2/2)

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The public voluntary exchange Offer described in this document will be promoted by Intesa Sanpaolo (“ISP”) over the totality of the ordinary shares of UBI Banca.

This document does not constitute an offer to buy or sell UBI Banca’s shares.

Before the beginning of the Tender Period, as required by the applicable regulations, the Offeror will publish the Offer Document which UBI Banca’s shareholders shall carefully examine.

The Offer will be launched exclusively in Italy and will be made on a non-discriminatory basis and on equal terms to all shareholders of UBI Banca. The Offer will be promoted in Italy as UBI Banca’s shares are listed on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. and, except for what is indicated below, is subject to the obligations and procedural requirements provided for by Italian law.

The Offer is not and will not be made in the United States (or will not be directed at U.S. Persons, as defined by the U.S. Securities Act of 1933, as subsequently amended), Canada, Japan, Australia and any other jurisdictions where making the Offer therein would not be allowed without any approval by any regulatory authority or without any other requirements to be complied with by the Offeror (such jurisdictions, including the United States, Canada, Japan and Australia, are jointly defined the “**Other Countries**”), neither by using national or international instruments of communication or commerce of the Other Countries (including, for example, postal network, fax, telex, e-mail, telephone and internet), nor through any structure of any of the Other Countries’ financial intermediaries or in any other way.

A copy of any document that the Offeror will issue in relation to the Offer, or portions thereof, is not and shall not be sent, nor in any way transmitted, or otherwise distributed, directly or indirectly, in the Other Countries. Anyone receiving such documents shall not distribute, forward or send them (neither by postal service nor by using national or international instruments of communication or commerce) in the Other Countries.

Any tender in the Offer resulting from solicitation carried out in violation of the above restrictions will not be accepted.

This document and any other document issued by the Offeror in relation to the Offer do not constitute and are not part neither of an offer to buy or exchange, nor of a solicitation to offer to sell or exchange financial instruments in the United States or in the Other Countries. Financial instruments cannot be offered or sold in the United States unless they have been registered pursuant to the U.S. Securities Act of 1933, as subsequently amended, or are exempt from registration. Financial instruments offered in the context of the transaction described in this document will not be registered pursuant to the U.S. Securities Act of 1933, as subsequently amended, and ISP does not intend to carry out a public offer of such financial instruments in the United States. No financial instrument can be offered or transferred in the Other Countries without specific approval in compliance with the relevant provisions applicable in such countries or without exemption from such provisions.

This document may only be accessed in or from the United Kingdom (i) by persons having professional experience in matters relating to investments falling within the scope of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as subsequently amended (the “**Order**”), or (ii) by companies having high net assets and by persons to whom the document can be legitimately transmitted because they fall within the scope of Article 49(2) paragraphs from (a) to (d) of the Order (all these persons are jointly defined “**relevant persons**”). Financial Instruments described in this document are made available only to relevant persons (and any solicitation, offer, agreement to subscribe, purchase or otherwise acquire such financial instruments will be directed exclusively at such persons). Any person who is not a relevant person should not act or rely on this document or any of its contents.

Tendering in the Offer by persons residing in jurisdictions other than Italy may be subject to specific obligations or restrictions imposed by applicable legal or regulatory provisions of such jurisdictions. Recipients of the Offer are solely responsible for complying with such laws and, therefore, before tendering in the Offer, they are responsible for determining whether such laws exist and are applicable by relying on their own advisors. The Offeror does not accept any liability for any violation by any person of any of the above restrictions.

Why UBI Banca?

- **UBI Banca is a solid and well-run bank and a perfect fit with ISP**
- **CEO and Management Team have done an excellent job in managing UBI Banca and can achieve even more in a stronger combined group. ISP can be an enabling factor for the execution of their newly announced Business Plan**
- **UBI Banca and ISP have similar business models and share corporate cultures and values**
- **Like ISP, UBI Banca is strongly dedicated to supporting the Italian real economy**
- **UBI Banca shares the same strong commitment to sustainable and inclusive growth**

Shared business models and values will facilitate the integration

A Solid Transaction Rationale

- Enhance sustainable profit generation and provide significant value creation and distribution through ~€730m in pre-tax annual synergies, with no social costs
- Enlarge customer base (~+3 million clients) combining two strong banks with similar business models and shared corporate values, with very low execution risk
- Expand scale and revenues to boost investments for growth (employee training, digital, IT, innovation)
- European leader in revenue generation (from €18bn up to €21bn⁽¹⁾) leveraging a resilient business model focused on Wealth Management and Protection (Customer financial assets from ~€960bn to more than €1.1 trillion⁽¹⁾)
- Consolidate leadership in Italy reinforcing ISP's active role in supporting the Italian economy (#1 in Italy across all main financial products with ~20% market share)
- Strengthen ISP as a top performing Delivery Machine in revenue generation, cost reduction and de-risking
- ~€2bn negative goodwill to cover integration charges and accelerate NPL reduction at no cost to shareholders, also thanks to the disposal of a ~€4bn UBI Banca gross NPL portfolio in 2021 (gross NPL ratio <4% based on EBA definition)
- EPS accretion vs ISP 2019 EPS of ~6%⁽²⁾
- Net income above €6bn starting in 2022

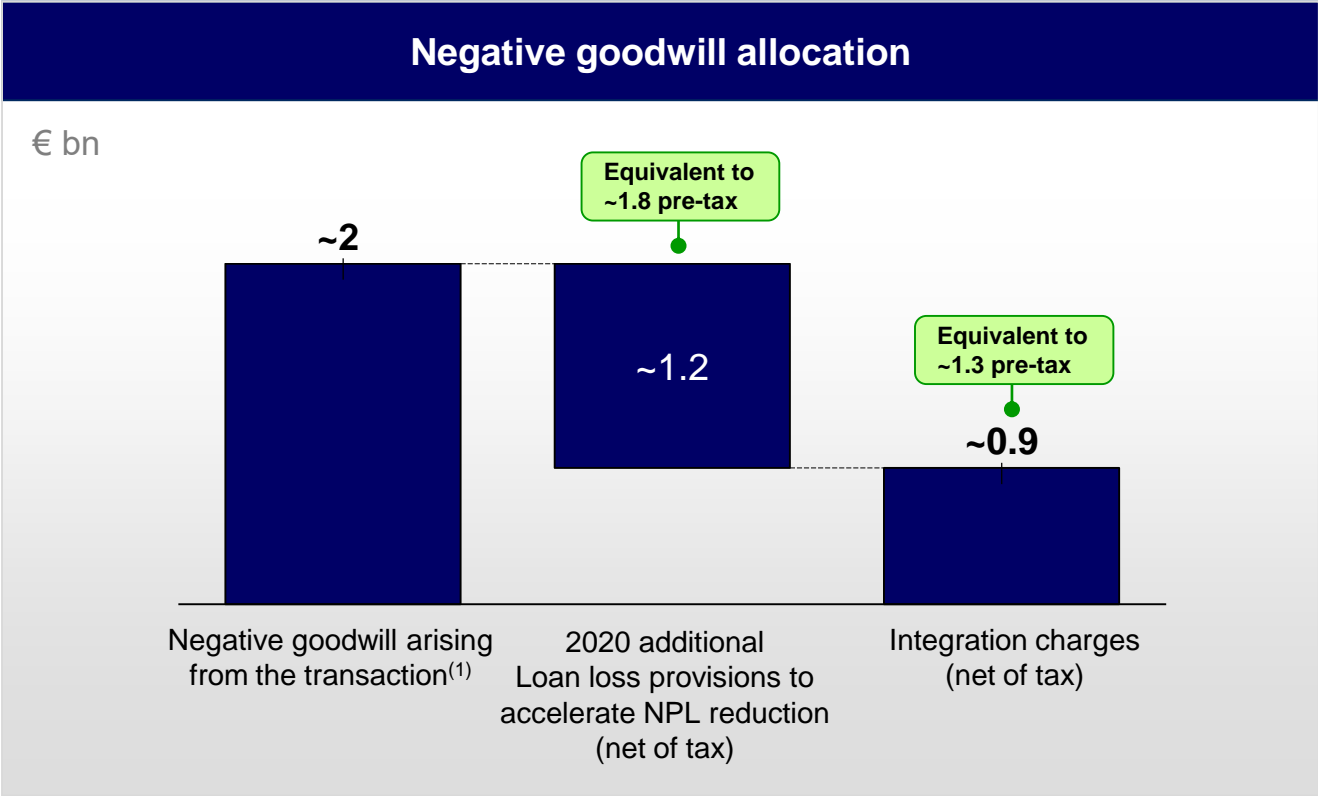
High and sustainable dividends (DPS =€0.2 in 2020 and >€0.2 in 2021), while maintaining a solid capital position (Common Equity⁽³⁾ ratio >13% in line with 2018-2021 Business Plan estimates)

(1) ISP + UBI Banca 2019 data (net of the Agreement with BPER Banca to sell a portion of branches and related assets and liabilities to pre-emptively address Antitrust issues)

(2) Taking into account ISP 2019 Net income + UBI Banca 2019 adjusted Net income + synergies (net of the Agreement with BPER Banca to sell a portion of branches and related assets and liabilities to pre-emptively address Antitrust issues)

(3) Pro-forma fully loaded Basel 3 (considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks and the expected absorption of DTA on losses carried forward)

Negative Goodwill Covers Integration Charges and Additional Loan Loss Provisions To Accelerate NPL Reduction



- **Cost and NPL reduction higher than ISP 2018-2021 Business Plan targets**
- **Common Equity⁽²⁾ ratio >13% in line with ISP 2018-2021 Business Plan estimates**

Note: figures may not add up exactly due to rounding
 (1) Based on ISP share price as at 14.2.20. Net of the impact from the Agreement with BPER Banca to sell a portion of branches and related assets and liabilities to pre-emptively address Antitrust issues
 (2) Pro-forma fully loaded Basel 3 (considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks and the expected absorption of DTA on losses carried forward)

Significant Value Creation with No Social Costs

- **~€730m in estimated pre-tax annual synergies**
 - **~€510m in cost synergies, equivalent to ~5% of 2019 combined cost base⁽¹⁾ (~70% of total synergies)**
 - **~€220m in revenue synergies, equivalent to ~1% of 2019 combined revenue base⁽¹⁾ (~30% of total synergies)**
- **One-off integration charges estimated at ~€1,270m pre-tax (~€880m after tax) fully expensed in 2020 at no cost to shareholders (covered by the negative goodwill arising from the transaction)**
- **Accelerating NPL reduction through a ~€4bn gross NPL disposal at no cost to shareholders, enabled by additional Loan loss provisions in 2020 (covered by the negative goodwill arising from the transaction)**

Very low execution risk due to ISP's proven track record in managing integrations

(1) ISP + UBI Banca (net of the Agreement with BPER Banca to sell a portion of branches and related assets and liabilities to pre-emptively address Antitrust issues)

Attractive Value Proposition for All the Stakeholders

Shareholders

- **High and sustainable cash dividends** while maintaining a **solid capital base** and further **improving asset quality**
- Dividends distributed by ISP have enabled the banking foundations that are among its shareholders to provide more than half of the total funds granted by all Italian banking foundations
- **Create additional value** by **enhancing revenue generation** leveraging on an **enlarged customer base**, **improving asset quality** and **delivering synergies** without adding any complexity

Clients

- **Unique client reach** in all Italian regions
- **Strengthening product and service offering** through the enhancement of technology and digitalisation, product innovation and time-to-market for new products, thanks to greater investment capacity
- **€10bn per year of additional loan granting** in the 2021-2023 period to support Italy's real economy thanks to enhanced proximity to the local economy

Group's People

- **Improved capability to attract new talent and offer professional development opportunities** for the Group's people
- **Strong commitment to supporting core business growth and enabling generational change with no social impact** (~5,000 exits all on a voluntary basis) **while hiring one young person for every two voluntary exits**

Community & Environment

- To become a reference model in terms of **Sustainability**
- Engine of sustainable and inclusive growth (creating a **leading Impact Bank with a new unit based in Brescia and Bergamo**)
- Committed to sustaining the **circular and green economy**
- **Building on local strengths, promoting local economies and respecting local differences**

ISP and UBI Banca share common corporate values that will facilitate the integration and deliver sustainability

History, Tradition and Shared Values for a European Player



- Shared values
- History and tradition
- Supporting the Banking Foundations in their social role
- Strong investments to accelerate Impact Bank
- Engine of Sustainable and Inclusive growth



- €30bn in additional loan granting in 2021-2023 to support Italy's real economy
- €10bn increase in new lending to the green economy (to €60bn from €50bn)
- €1bn increase in the Circular Economy credit Plafond (to €6bn from €5bn)
- Increase of ISP Fund for Impact's lending capacity to €1.5bn (from €1.25bn)
- Hiring 2,500⁽¹⁾ young people to promote generational change and support employment
- Strengthening the 2018-2021 Business Plan initiatives to reduce child poverty and support people in need, delivering each year:
 - Over 4 million meals (~1 million more)
 - ~90,000 dormitory beds (~20% more)
 - ~90,000 medicine prescriptions and articles of clothing (~20% more)

Leading Impact Bank with a new unit in Brescia and Bergamo dedicated to Sustainability

(1) One young person for every two voluntary exits

Transaction Summary

Agreement with BPER Banca

Strategic Rationale and Value Creation

Final Remarks

Transaction Structure

- **Voluntary public exchange offer on all of the ordinary shares of UBI Banca (the “Offer”), aimed at delisting and subsequent merger:**
 - ISP to offer 17 newly issued ordinary shares for every 10 shares tendered, equivalent to an exchange ratio of 1.70x
 - ISP to convene an EGM to mandate the BoD to issue new ordinary shares to be exchanged in the context of the Offer

- **Moreover, ISP has reached a binding Agreement with BPER Banca to sell for cash a portion of the combined branch network to pre-emptively address Antitrust issues:**
 - The Agreement to include the banking network only (branches and related assets and liabilities), in the region of 400 / 500 of the combined group’s branches
 - Consideration equal to 0.55x of the CET1 capital allocated to the identified banking network
 - BPER Banca to call an EGM to approve a €1,000m rights issue, already fully pre-underwritten by Mediobanca

- **Furthermore, ISP has reached a binding agreement with UnipolSai Assicurazioni Group to sell for cash certain insurance activities related to the branches being part of the Agreement with BPER Banca**

Consideration Offered

- **Exchange ratio offered equal to 1.70x**, which implies a price of **€4.254 for each UBI Banca share**, equal to a **total consideration of ~€4.9bn⁽¹⁾** and represents:
 - ❑ a ~28% premium based on the volume-weighted average share price of UBI Banca⁽¹⁾ as at 14 February 2020 (premium of ~23% after dividend payments⁽²⁾)
 - ❑ a ~39% premium based on the latest six-month volume-weighted average share price of UBI Banca⁽¹⁾ (premium of ~33% after dividend payments⁽²⁾)
- **The Offer will be subject to ISP acquiring at least 66.67%** of UBI Banca's share capital (this condition may be waived by ISP at its own discretion, provided that **at least 50% of the capital of UBI Banca + 1 share is acquired**)
- Other conditions would include *inter alia* (i) supervisory authorities' unconditional authorisations, (ii) unconditional antitrust clearance and (iii) UBI Banca not adopting any defensive measures (even if authorised at UBI Banca's shareholders' meeting) or measures inconsistent with the objectives of the Offer

Note: refer to the communication pursuant to article 102 of Legislative Decree 24 February 1998 no. 58 for further information on the Offer

(1) Factset as at 14.2.20

(2) Proposed dividends on 2019 Net income, equal to 19.2 euro cents per share for ISP and 13.0 euro cents per share for UBI Banca

Indicative Timeline of the Transaction

17 February 2020

ISP's Notice pursuant to Art. 102

7 March 2020

Exchange Offer Document filing

27 April 2020

ISP Annual Shareholders' General Meeting conferring mandate to the BoD for Capital Increase

Beginning of June 2020

Supervisory authorities' authorisations

Mid June 2020

Approval of the Exchange Offer Document by CONSOB

End of June 2020

Start of the Exchange Offer period

End of July 2020

Settlement of the Exchange Offer

By 2020 year end

Envisaged disposal of branches and related assets and liabilities to BPER Banca upon the fulfilment of the conditions set forth in the Agreement

Note: refer to the communication pursuant to article 102 of Legislative Decree 24 February 1998 no. 58 for further information on the Offer

Transaction Summary

Agreement with BPER Banca

Strategic Rationale and Value Creation

Final Remarks

Agreement with BPER Banca to Pre-emptively Address Antitrust Issues

- The Agreement with BPER Banca will include the banking network only (branches and related assets and liabilities), in the region of 400 / 500 of the combined group's branches

- Consideration equal to 0.55x the CET1 capital allocated to the identified banking network



Geographical breakdown of the banking network to be disposed (indicative)



Legend:
Market share ■ <2% ■ 2% - 5% ■ 5% - 10%

The Italian real economy will benefit from the strengthening of BPER Banca thanks to the Agreement

Combined Entity Will Have more than €1.1 Trillion in Customer Financial Assets

	 As is	 As is	Combined Entity after BPER Banca Agreement ⁽¹⁾
2019YE - P&L (€ bn)			
Operating income	18.1	3.6	~21
Operating costs	(9.3)	(2.2) ⁽³⁾	~(11)
2019YE - Asset Quality (€ bn)			
Loans to customers	395.2	84.6	~459
Net NPL ⁽²⁾	14.2	4.2	~17
Gross NPL ratio	7.6%	7.8%	7.6%
NPL Coverage	54.6%	39.0%	52.5% ~56% estimate as at 31.12.20
2019YE - Customer Financial Assets (€ bn)			
Customer financial assets ⁽⁴⁾	960.7	196.9	~1,114
- of which Direct deposits from banking business	425.5	95.4	~503
- of which Indirect customer deposits	534.3	101.5	~611
- of which Assets under management	358.0	73.1	~413

Note: ISP and UBI Banca 2019 reports. Figures may not add up exactly due to rounding

(1) Preliminary estimates. Pre synergies and Asset Quality actions

(2) Bad Loans (Sofferenze), Unlikely to pay (Inadempienze probabili) and Past Due (Scaduti e sconfinanti)

(3) Excluding Levies and other charges concerning the banking industry

(4) Net of duplications between Direct Deposits and Indirect Customer Deposits

Transaction Summary

Agreement with BPER Banca

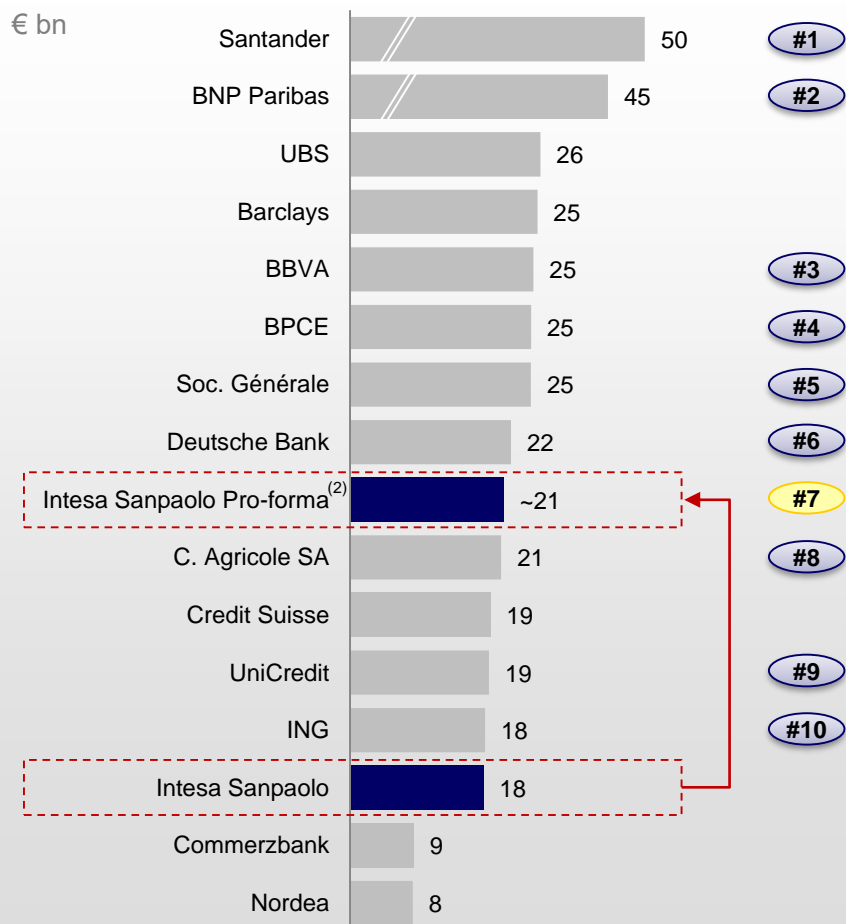
Strategic Rationale and Value Creation

Final Remarks

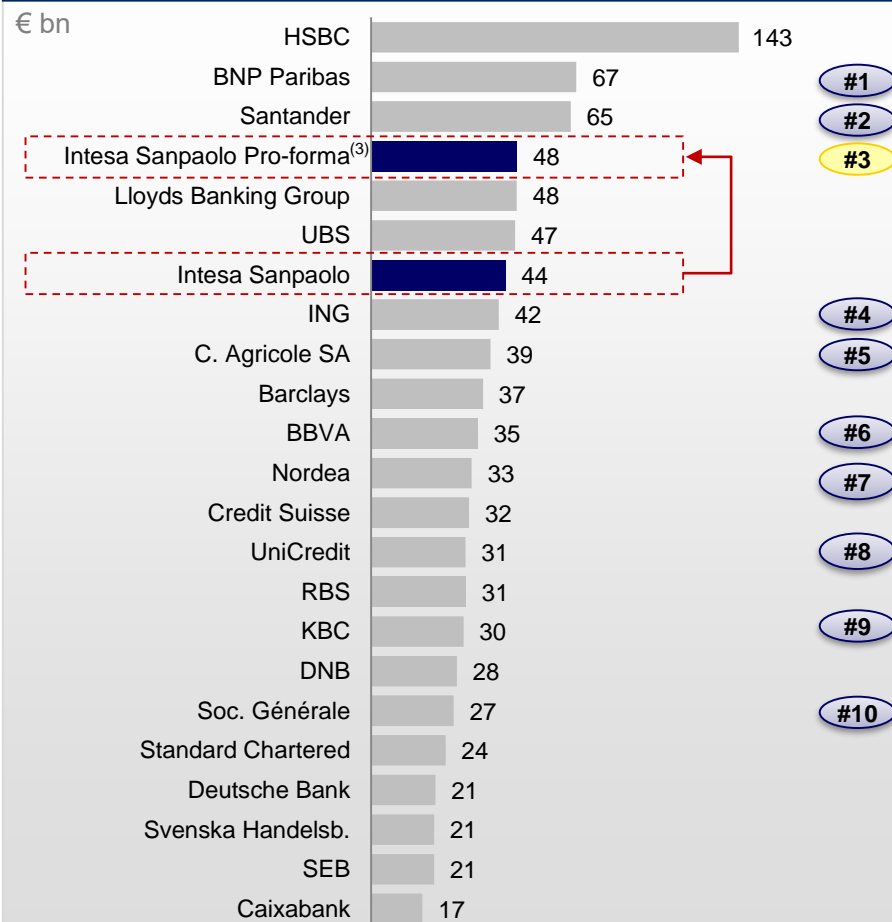
A European Leader...

Eurozone ranking #

Main European Banks – Ranking by Operating Income⁽¹⁾



Main European Banks – Ranking by Market Cap



Source: ISP and UBI Banca reports, Banca d'Italia, Factset as at 14.2.20

(1) Including only top European banks that have communicated FY19 financial results. Source: Investors' presentations, press releases, conference calls and financial statements. Some data reclassified for comparison purposes

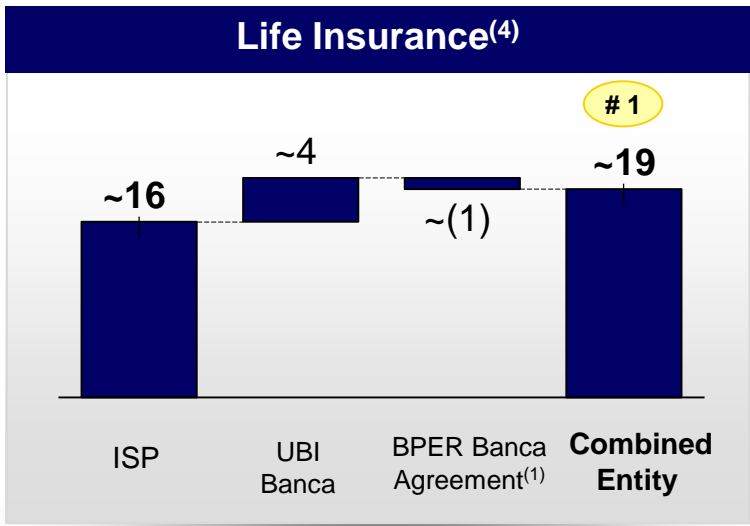
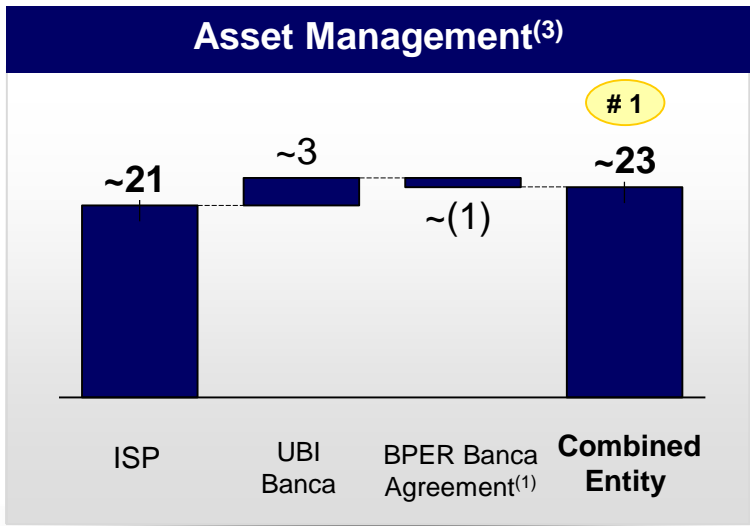
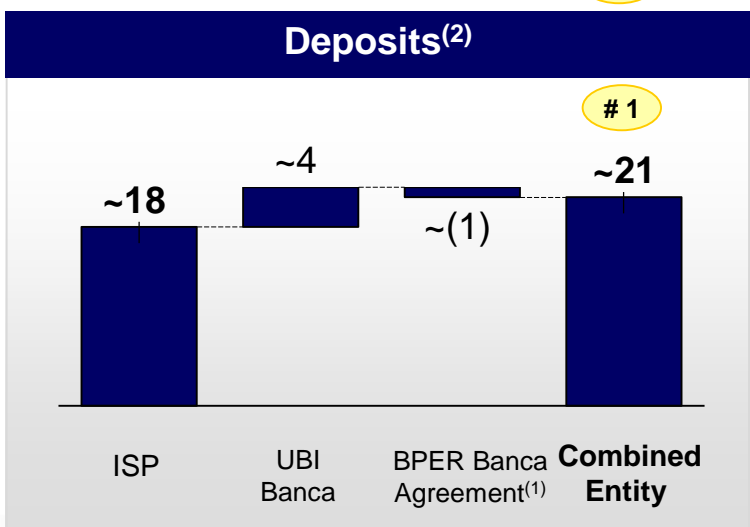
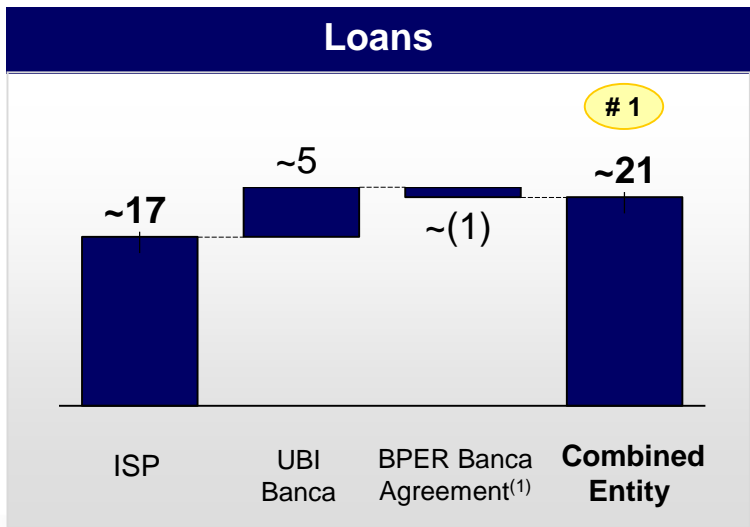
(2) ISP + UBI Banca (net of the Agreement with BPER Banca to sell a portion of branches and related assets and liabilities to pre-emptively address Antitrust issues)

(3) Computed as sum of ISP Market Cap + UBI Banca Market Cap

... with a Strong Italian Footprint

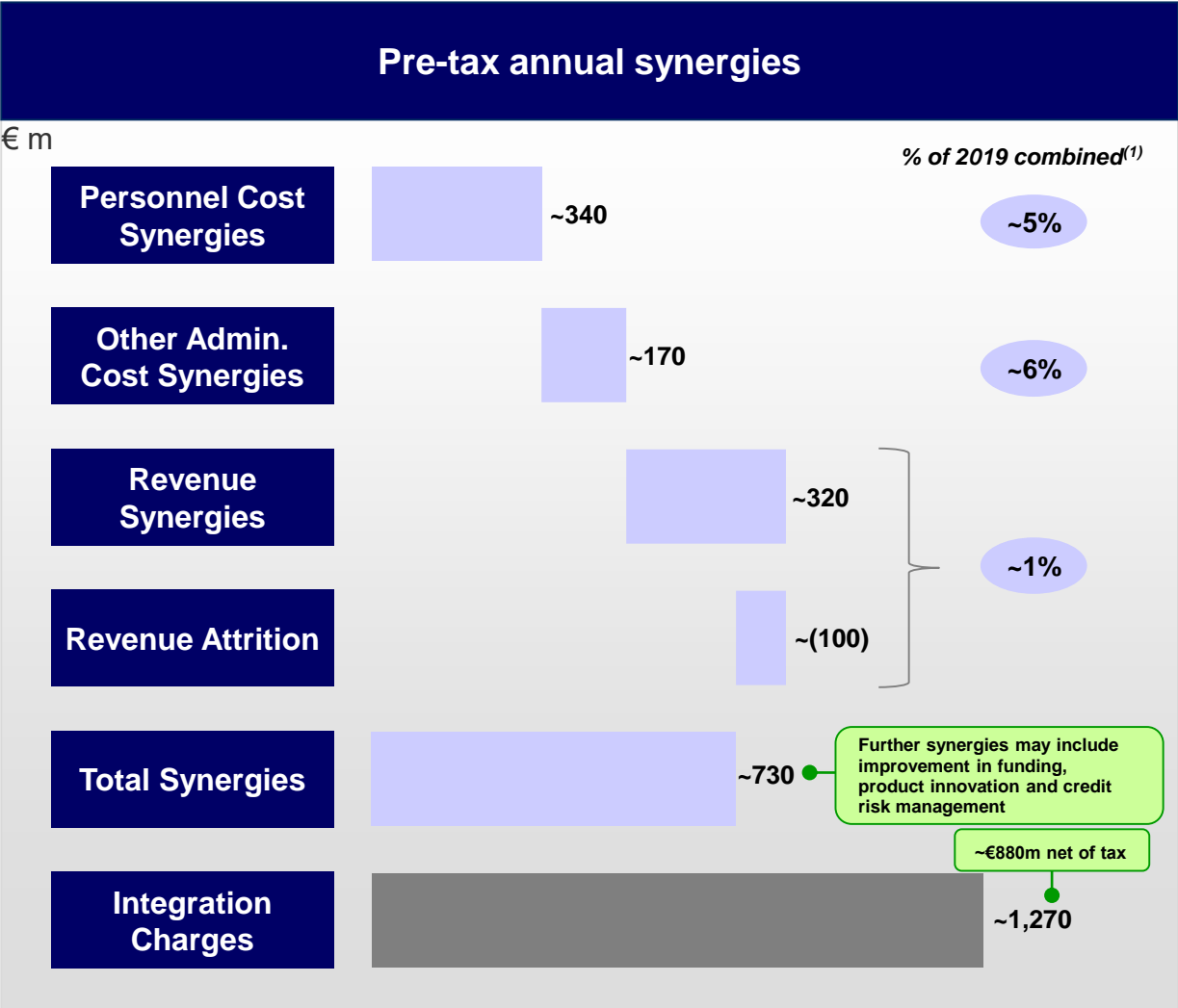
Market share; %

Ranking in Italy



(1) Preliminary estimates
 (2) Including bonds
 (3) Mutual funds
 (4) Based on FY18 premiums as reported by Ania (the Italian national association of insurance companies)

~€680m Expected Synergies by 2023, with Additional ~€50m in 2024

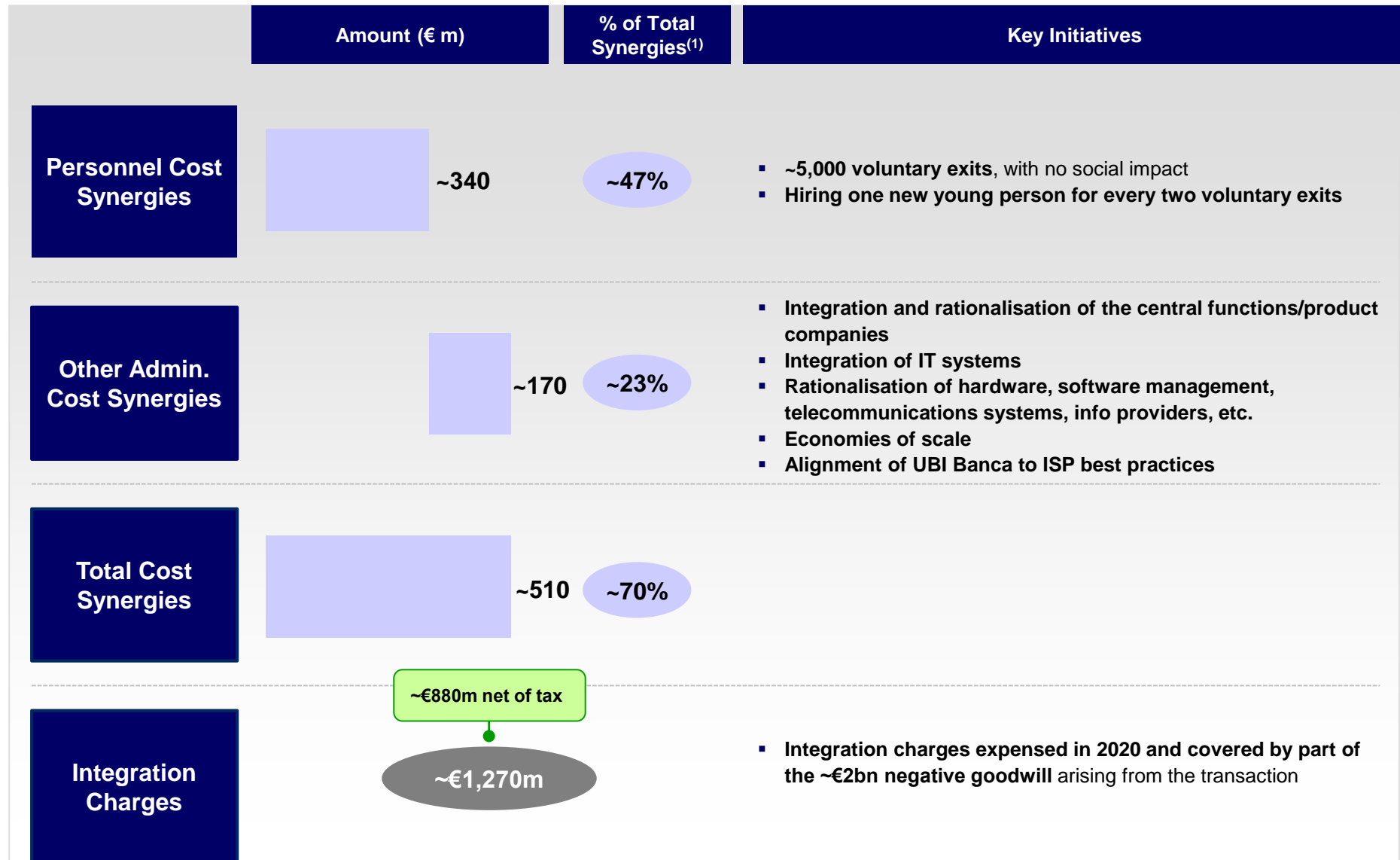


- ### Key Considerations
- **No social impact.** All exits will be on a voluntary basis
 - **~5,000 expected voluntary exits⁽²⁾**
 - **Hire one new young person for every two voluntary exits**
 - **Enhance operational structure** both at headquarters and distribution network levels
 - **Alignment of UBI Banca productivity and commercial proposition to ISP best practices**
 - **Revenue synergies benefitting from UBI Banca product factories integration**
 - **Integration charges expensed in 2020 covered by part of the ~€2bn negative goodwill arising from the transaction**

Low integration risk due to ISP's strong proven track record in managing integrations, comparable operating models and shared values

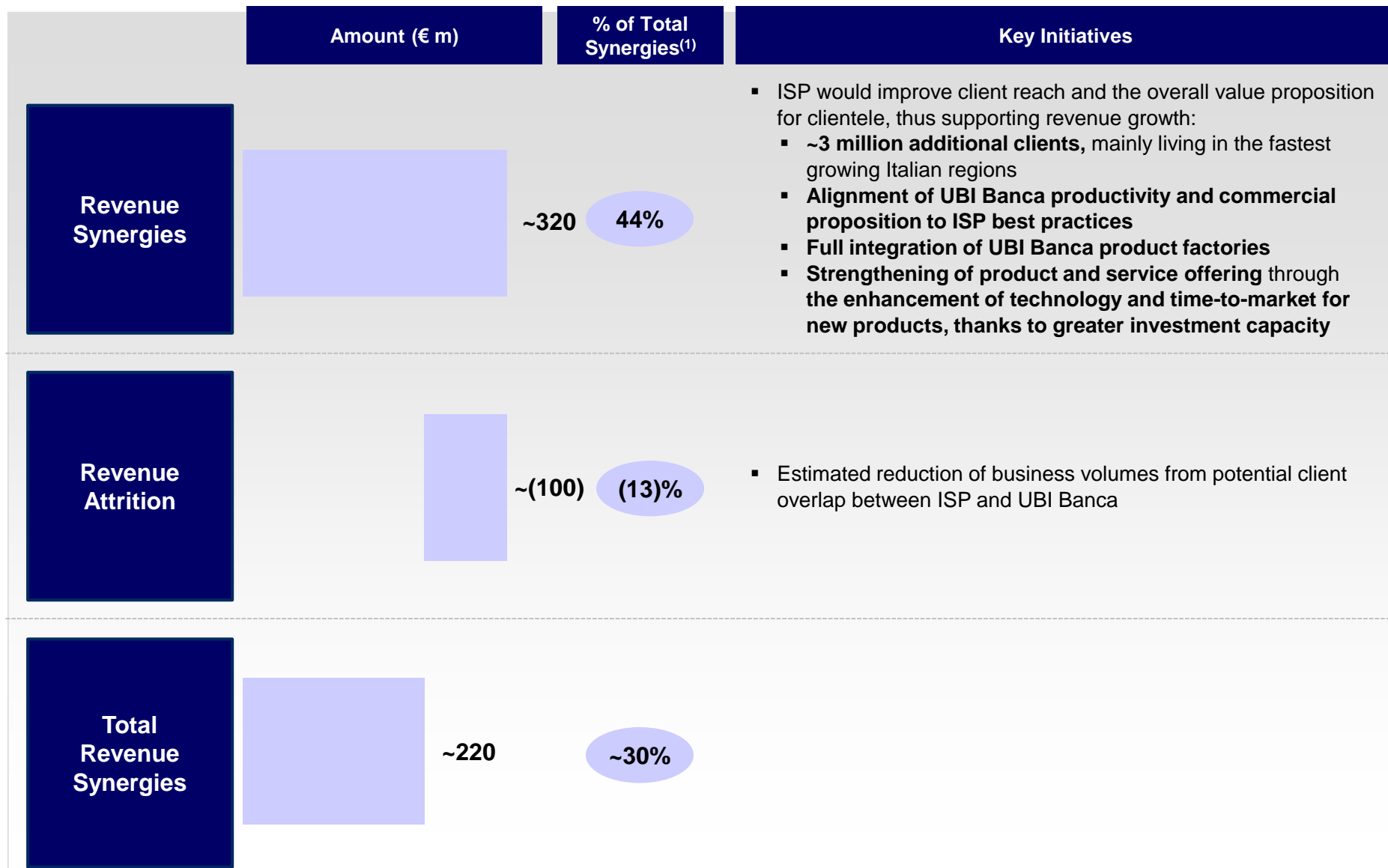
(1) Net of the Agreement with BPER Banca to sell a portion of branches and related assets and liabilities to pre-emptively address Antitrust issues
 (2) Including ~1,000 applications for voluntary exits already received and under valuation by ISP

Significant Cost Synergies with No Social Impact and Integration Charges Fully Covered



(1) Net of revenue attrition

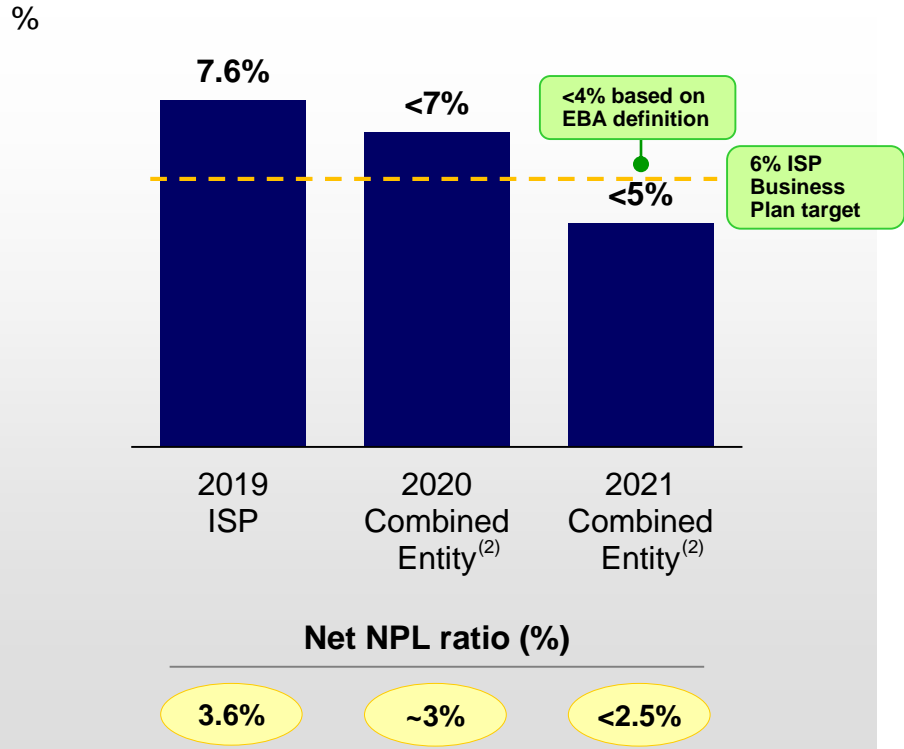
Revenue Synergies Supported by Additional ~3m Clients and by Full Integration of UBI Banca Product Factories



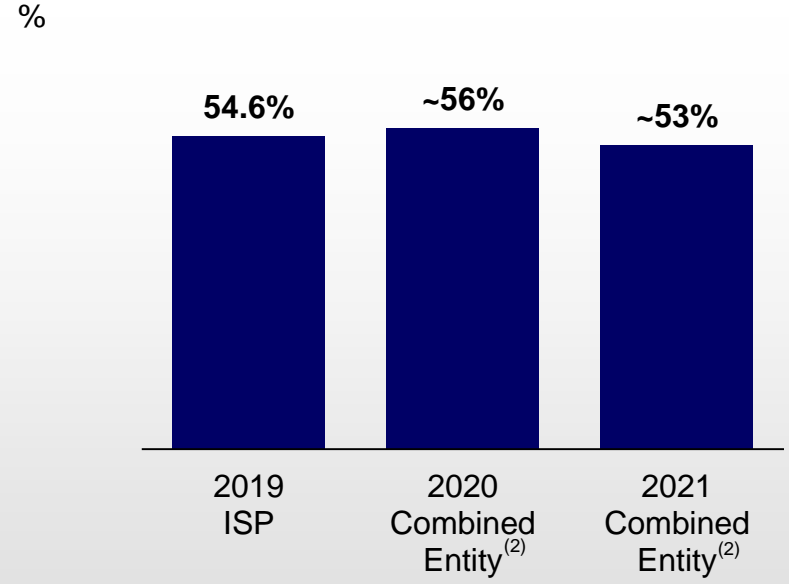
(1) Net of revenue attrition

Accelerating NPL Reduction at No Cost to Shareholders

Gross NPL⁽¹⁾ ratio



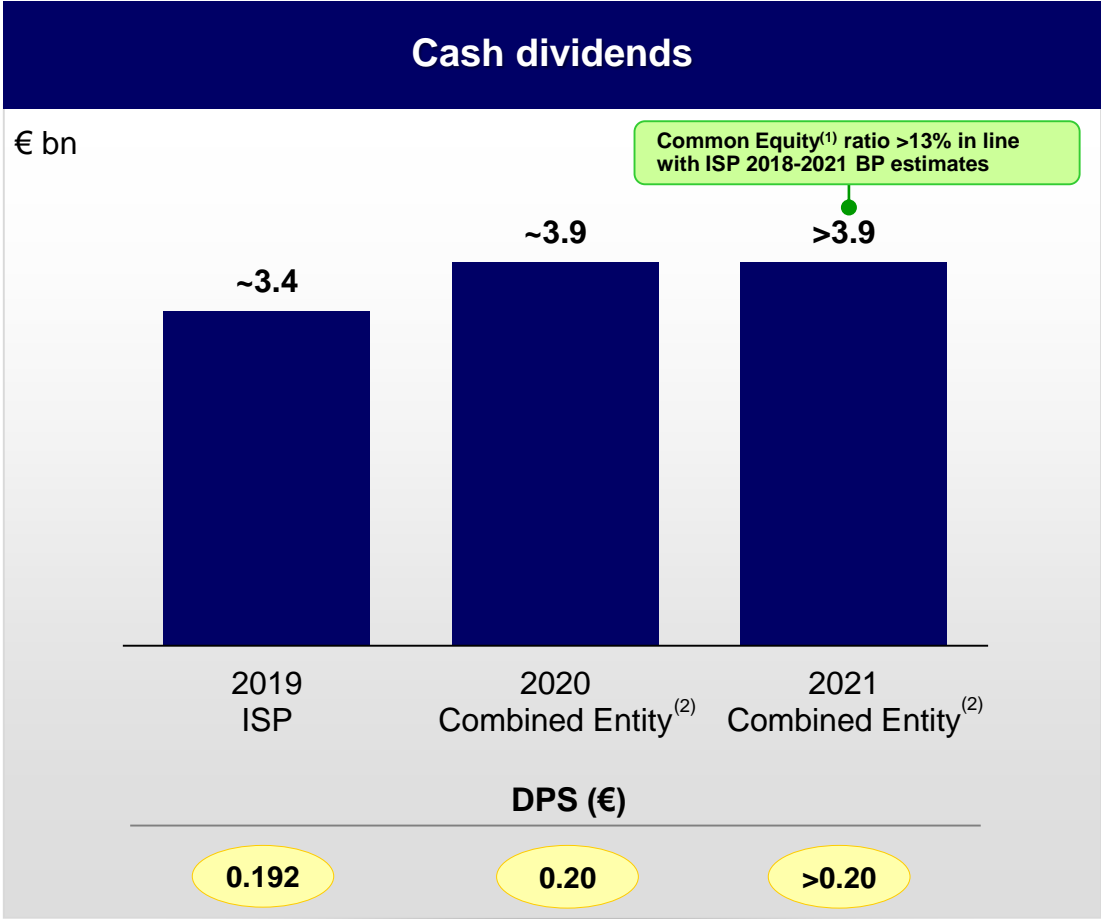
NPL⁽¹⁾ coverage



- In 2020, additional Loan loss provisions (~€1.2bn net of tax) utilising part of the negative goodwill arising from the transaction
- In 2021, a ~€4bn UBI Banca gross NPL disposal on highly provisioned positions

(1) Bad Loans (*Sofferenze*), Unlikely to Pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)
 (2) ISP + UBI Banca (net of the Agreement with BPER Banca to sell a portion of branches and related assets and liabilities to pre-emptively address Antitrust issues)

High and Sustainable Cash Dividends while Maintaining Strong Capital



Rewarding ISP shareholders with high and sustainable cash dividends while maintaining a solid capital position remains a management priority

(1) Pro-forma fully loaded Basel 3 (considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks and the expected absorption of DTA on losses carried forward). CET1 ratio fully phased in >12%

(2) ISP + UBI Banca (net of the Agreement with BPER Banca to sell a portion of branches and related assets and liabilities to pre-emptively address Antitrust issues)

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Final Remarks

Final Remarks

- **European leader with a strong Italian footprint**
- **Significant synergy generation (~€730m annually pre-tax) with no social costs and with integration charges covered by the negative goodwill**
- **Accelerating NPL reduction at no cost to shareholders (gross NPL ratio <4% based on EBA definition in 2021) with additional Loan loss provisions covered by the negative goodwill**
- **Low execution risk due to ISP's proven track record in managing integrations, compatible organisation models and shared corporate values**
- **High and sustainable dividends (DPS =€0.2 in 2020 and >€0.2 in 2021)**
- **Solid capital position (Common Equity⁽¹⁾ ratio >13%)**
- **Net income above €6bn starting in 2022**
- **Beyond 2021 full commitment to rewarding shareholders while maintaining a solid capital position**
- **Strong commitment to Sustainability**

(1) Pro-forma fully loaded Basel 3 (considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks and the expected absorption of DTA on losses carried forward)