Group update for analysts & investors:

Profile, strategy and financial performance

Roadshow for Tier 2 transaction

17/20/21 April 2015

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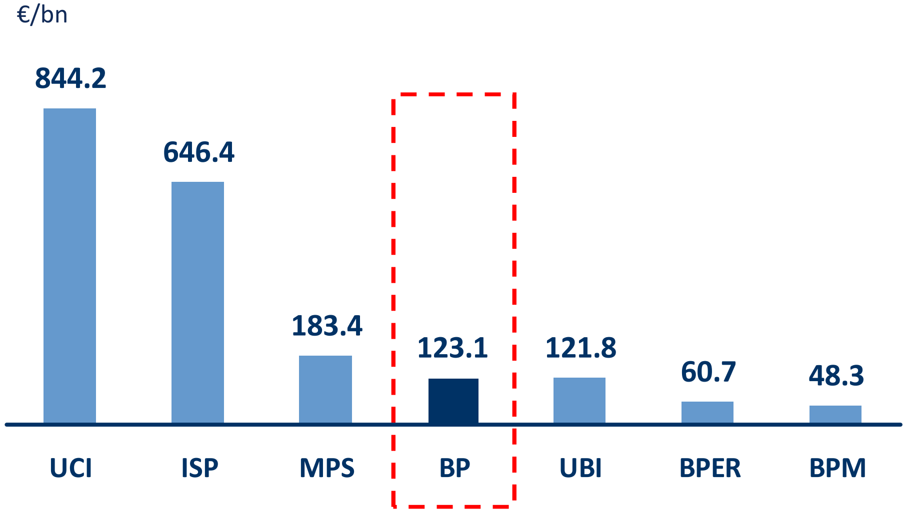
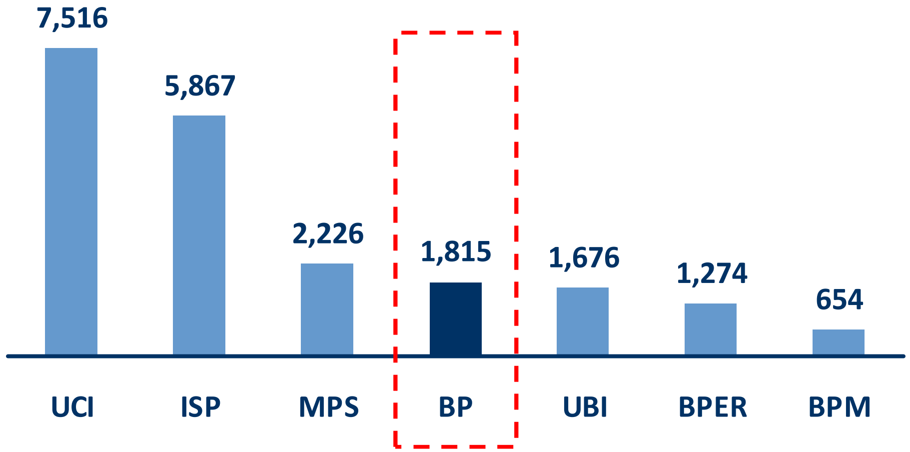
Agenda

Banco Popolare Group vs. Italian peers (as at 31/12/2014)

TOTAL ASSETS



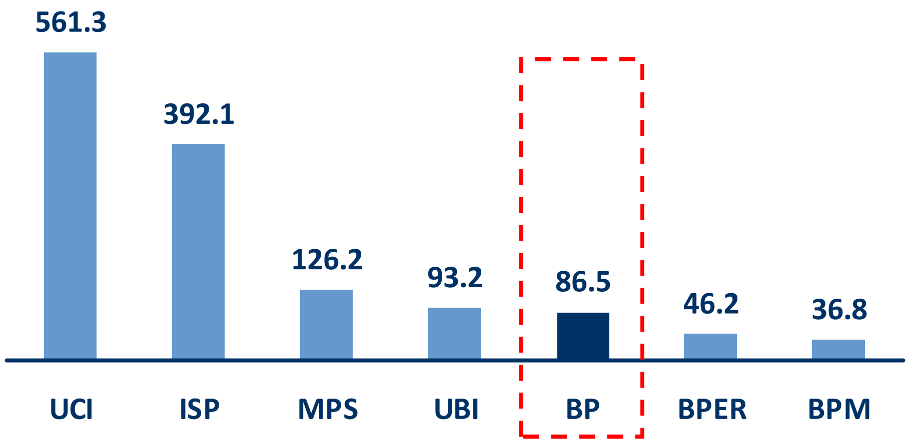
BRANCHES



DIRECT CUSTOMER FUNDS

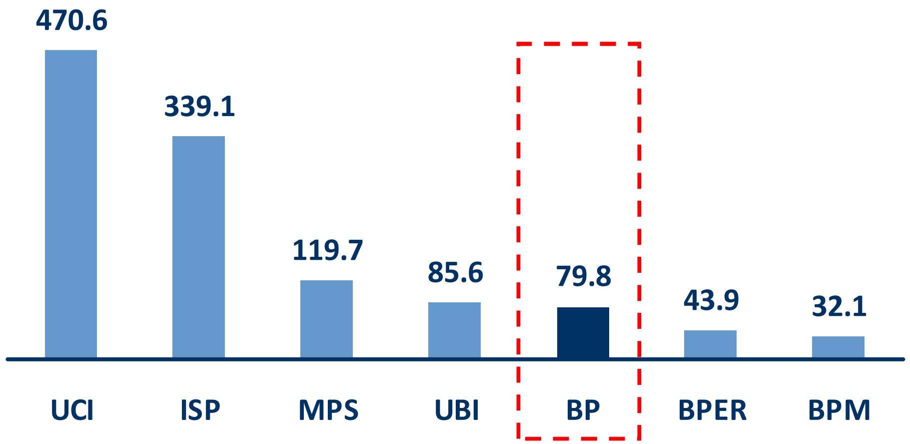
€/bn

(including outstanding bonds)



NET CUSTOMER LOANS

€/bn

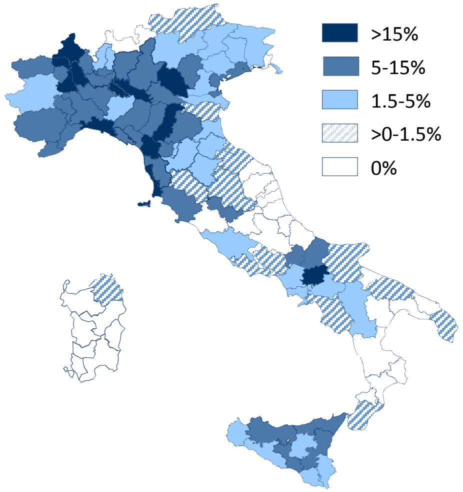


Peer data as at 31/12/2014, latest available data. Sources: FY2014 press releases

Banco Popolare: leading player in the Italian domestic market with a strong base of retail customers…

- **Size:** Banco Popolare is the 1st Italian popolare bank by number of branches (1,815) and the 4th largest Italian bank by total assets (€123bn).
- **Market Share:** Excellent geographical position:
  - 69% of customer loans concentrated in the north of Italy;
  - Franchise quality and well-recognized brands in core market regions, which are the wealthiest regions of the north of Italy, accounting for more than 57% of the Italian GDP.
- **Business:** traditional banking model focused on retail:
  - Households and Other Individuals, Small Businesses and Mid-Corporate customers together represent **86%** of customer loans;
  - more than **90%** of total granted positions are with an average amount <€250k.

Market share by number of branches as of 31/12/2014

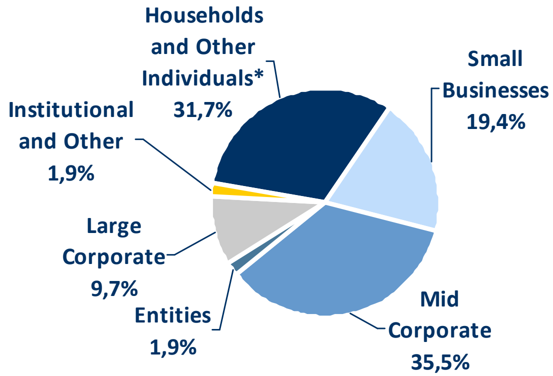


Regions which together contribute some 57% to the Italian GDP
(Source: Prometeia).

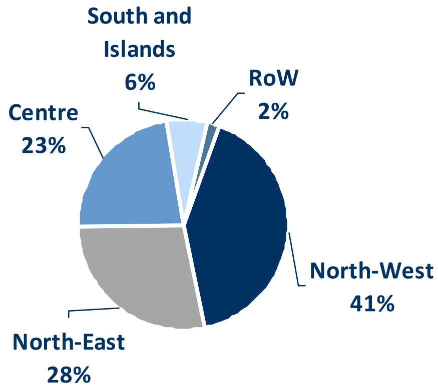
Veneto	8.9%
Lombardy	8.5%
Emilia Romagna	6.5%
Piedmont	8.8%
Liguria	13.2%
Tuscany	9.3%
ITALY	**5.9%**

BP Standalone: breakdown of customer loans (as of 31/12/2014)

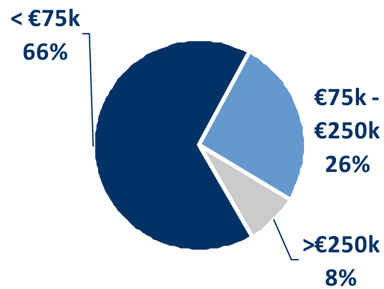
Performing loans by customer segment



Total loans by geographical area



of customers by loan amount granted**

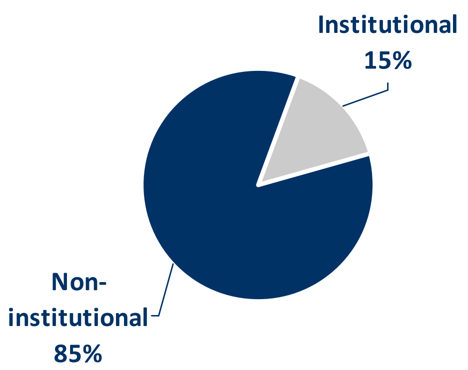


Notes:
(*) The segment "Households & Other Individuals" includes also businesses and professionals with a turnover <€100K.
(**) Data of the domestic commercial network; % on # of customers with loans granted.

…with a low-risk business model

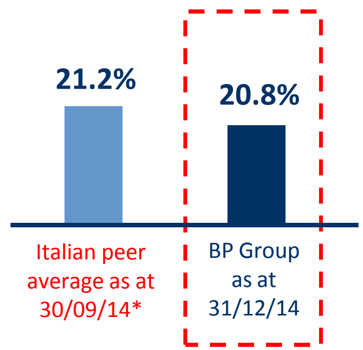
Direct Customer Funding Breakdown as at 31/12/2014

Consolidated accounting data. Includes Debts towards customers, Securities in issue, Financial liabilities valued at fair value.



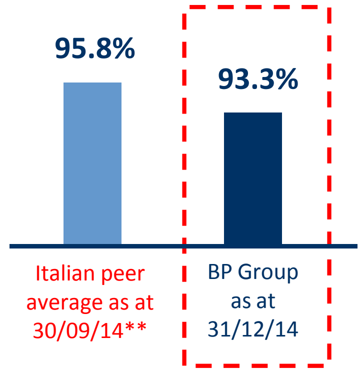
Weight of Financial Activities vs. peers

Financial Activities/ Total Assets



Loan to Deposit ratio (excl. REPOs) vs. peers

Net Customer Loans / Total direct Funds



The Group enjoys a satisfactory Loan/Deposit ratio as well as a low level of financial activities on total assets and no exposure towards so-called "toxic assets".

Note: * Italian Peer list includes: ISP, UCG, UBI, MPS, BPM, BPER and Carige. Arithmetic mean.
** Net Customer Loans and Total direct Funds exclude REPOs (in this ratio, the average excludes UCG being the data on REPOs not available as at 30/09/2014).

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Banco Popolare Group at a Glance

Data as of 31/12/2014

Liquidity and Funding

- **Strong support from the Group's retail networks, which provides 85% of the total customer funding**, thereby limiting any reliance on the wholesale market.
- Loan to Deposit ratio(i) at **93.3%.**
- **Excellent liquidity profile** thanks to the significant amount of unencumbered assets eligible with the ECB, equal to about €14bn as at 31/12/2014.
- **Liquidity ratios already in line with Basel 3 required targets: LCR > 100% and NSFR >100%.**

Note: (i) Net customer loans excluding REPOs / Total direct funds excluding REPOs

Capital position

- **€1.5bn capital increase successfully completed in April 2014.**
- **The Comprehensive Assessment highlighted a solid capital position of the Group, which is also confirmed after the robust provisions registered in Q4 2014:**

	Accounting	Pro-forma*
CET 1 ratio Phase-in:	**11.9%**	**12.0%**
CET 1 ratio Fully Phased:	**11.3%**	**11.5%**

* Including **18bps** from the merger of Italease (completed in March 2015).

Credit Quality

- **Significant increase in the coverage levels**:
  - Coverage of NPLs at 34.2% (44.6% including write-offs), from 27.4% as at September 2014 (38.4% including write-offs).
  - Coverage of performing loans at 0.73%, from 0.42% as at September 2014**.
- **Decrease in net NPLs of 4.6% in Q4 2014**
- **Elimination of the shortfall on expected losses**, as a positive impact resulting from the total incorporation of the AQR results
- **Downsizing of Italease: annual decrease of 8.7% in total gross loans and of 2.9% in gross NPLs.**

Cost Control and Simplification

- **Improvement in operating efficiency**:
  - major simplification of the organizational structure (merger of Banks of the Territory into the Holding company) and corporate governance completed in 2011, with a further streamlining carried out in 2014 through the merger of Credito Bergamasco (merger of Italease implemented in March 2015);
  - closure of 200 branches in the period 2010-2013, and **additional 112 closures finalised in 2014** (vs 70 targeted in the Business Plan)
  - reorganization of the branch franchise and distribution model completed in 2014.
- Workforce reduction of 1,842 FTEs in the period 2010-2013. In 2014, additional net exits of -492 were registered and an **additional -645 FTEs are expected in the period 2015-2016** (of which -578 already expensed and agreed with Unions).

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Note: ** Coverage calculated on Performing exposures, excluding the positions that are totally risk free.

Main structural measures completed by Banco Popolare

2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014

- Capital strengthening
- Strengthening of liquidity position
- Improvement of both credit and risk management
- Derisking of Banca Italease
- Group structure simplification
- Workforce reduction (-1,842 FTE)

2008–2010

- **Completion of BPL turnaround**
- **Sale of non-strategic assets** (Factorit, Caripe)
- **Integration of Italease**

2011

- **€2bn capital increase**
- **Sale of non-strategic assets** (Bormioli, stake in ICBPI, BP Česká)
- **'Tremonti' Bond redemption**
- **Merger of the Banks of the Territory** (with the exception of Credito Bergamasco)
- **From dual-board to single board Governance**

2012

- **Adoption of advanced internal model** for the calculation of both credit and market risks

2013

- **Achievement of strong liquidity buffers**
- **Approval of new distribution model and reorganization of the commercial network** (Hub & Spoke model)
- **Approval of the merger of Credito Bergamasco and Italease**
- **Sale of non-strategic assets** (BP Hungary)

2014

- **1.5bn capital increase**
- **Sale of non-strategic assets** (BP Croatia, completing the exit strategy from non-core countries)
- **Merger of Creberg** into Banco Popolare
- Validation of **internal models for the calculation of operational risks**
- **AQR-related LLPs**

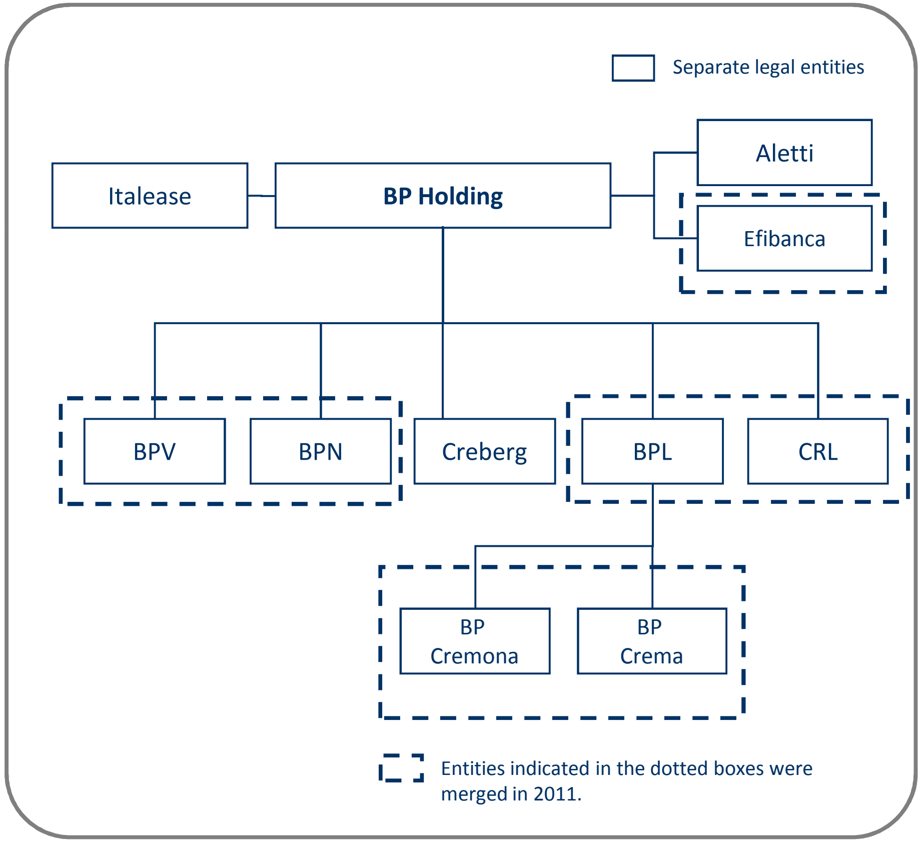
Today, Banco Popolare is well positioned in the domestic market and well equipped to take advantage of a stabilization of the macroeconomic environment.

Group structure: strong simplification through 'Large Banca Popolare Project' and the merger of Creberg and Italease

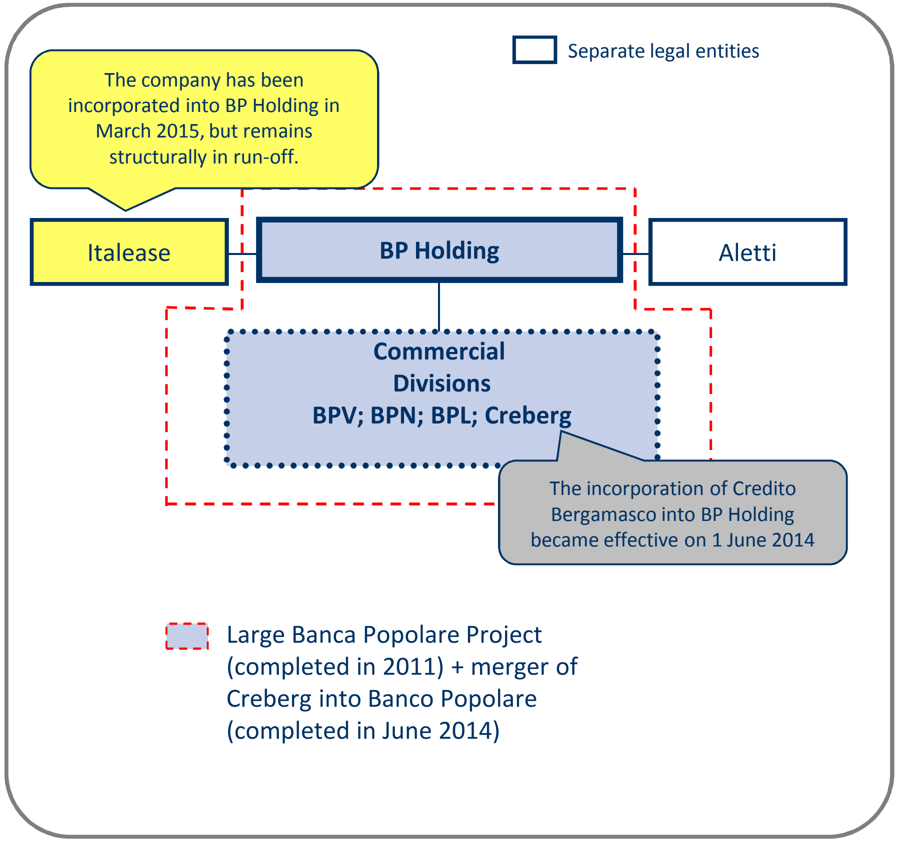
Large Banca Popolare Project completed at the end of 2011, with benefits reaped starting from FY 2012

Large Banca Popolare Project and merger of Creberg and Italease: from 10 banking subsidiaries to 1, following a broad-based internal merger process

Before



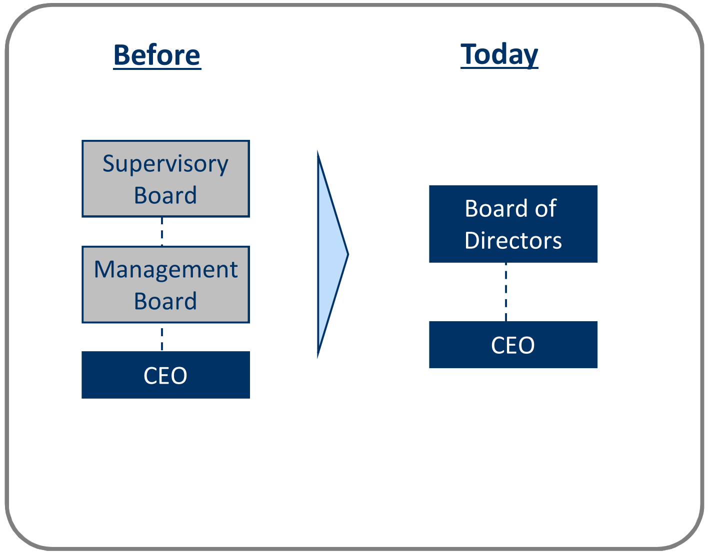
Today



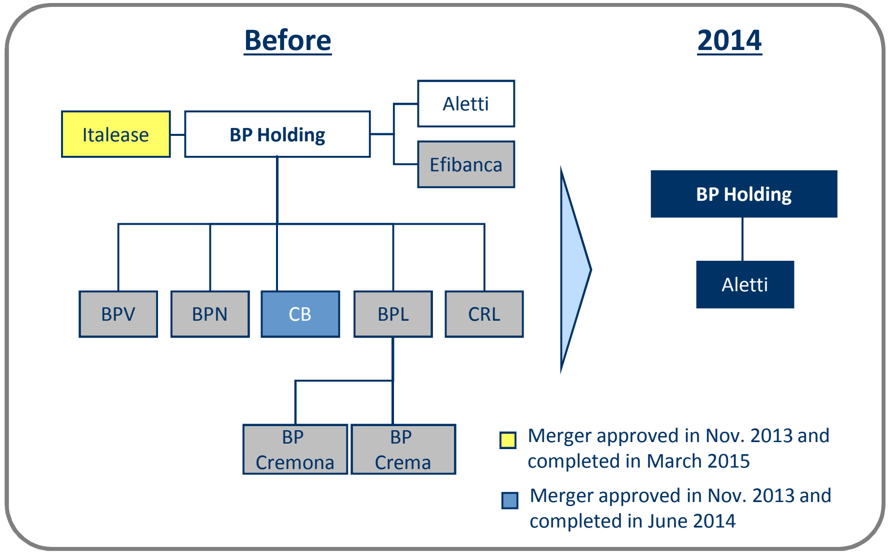
Corporate Governance and organizational structure

Banco Popolare successfully completed a strong simplification and rationalization of both Corporate Governance and the Group's organizational structure, aimed at: (i) speeding up the decision making process; (ii) increasing the operating efficiency; (iii) strengthening the risk management and control.

From Dual Board to single Board Governance



Internal merger of the Banks of the Territory, Efibanca and Banca Italease (from 10 legal entities to 1)



Reorganisation of the branch franchise and distribution model

- **Introduction of the Hub&Spoke model in roughly 70% of the Group's branch network**
- **Transformation of more than 100 branches into "Corporate branches" ("Filiali Imprese") and closure of the almost 80 currently existing Corporate Centres**
- **Closure of ~60 branch outlets and of ~10 Business Areas, subsequently revised to a total net closures of 122 branches in FY 2014, concentrated in Q4.**
- **Simplification and development of the "chain of responsibility":**
  - Elimination of the so-called "co-located" Territorial Departments*
  - Adoption of a business rationale based on "Individuals" and "Businesses" ("Privati" e "Imprese")
  - Concentration of business with Large Corporate customers under the General Management/HQ
- **Identification of actions aimed at boosting revenues**

Reduction of the cost to serve, thanks to increased flexibility and effectiveness

\+

Improvement of the Cost / Income ratio

\+

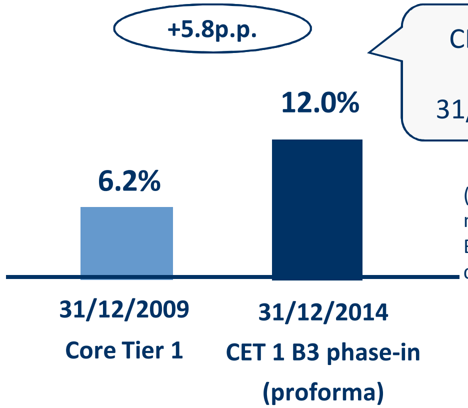
Safeguarding the service quality to customers

Action plan completed in Q1 2014

* Territorial Departments with location in the same city where the main office of the Division is located (i.e. the Territorial Departments BPV, BPL and BPN).

Improvement of the Group's financial and risk profile

Capital ratio

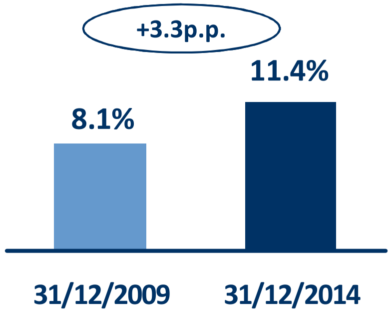


CET 1 ratio Basel 3
Fully phased
31/12/2014: **11.5%***

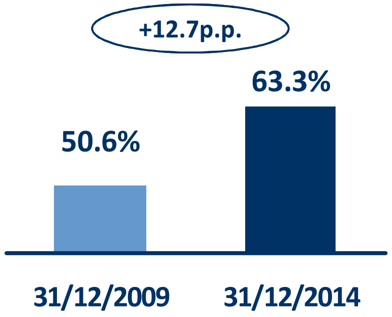
(*) Proforma post the merger of Italease into Banco Popolare completed in March 2015

Strengthening of the capital position through 2 capital increases, disposals of non-core assets, the adoption of advanced internal model for the calculation of credit, market and operational risks and the merger of Creberg and Italease into Banco Popolare

Unencumbered eligible assets as % of total assets

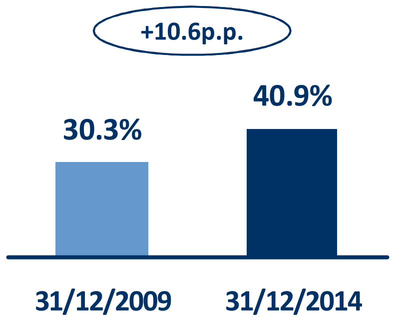


Due to customers as % of total direct funds



Improvement in the liquidity buffer and higher focus on core customer deposits.

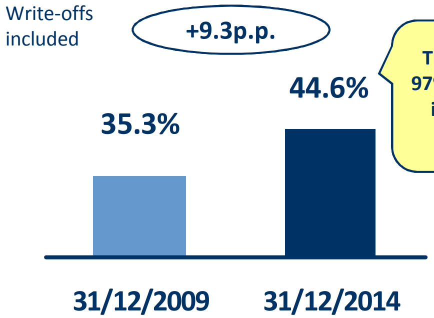
Net commissions as % of total revenues



Increasing importance of non-capital intensive business to sustain profitability.

Coverage of NPLs*

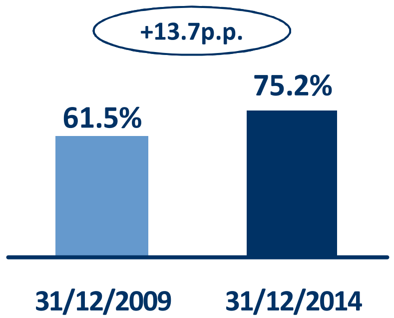
Excludes both real and personal guarantees



The coverage is 97% for Bad loans including real collateral.

Increasing coverage of NPLs in order to better face the deterioration of the economic environment.

Loans assisted by guarantees as % of total net customer loans



Mitigation of the credit risk profile thanks to the strengthened level of collateralisation of the loan portfolio.

Note: * New wide definition of Non-performing loans (crediti Deteriorati), including Bad loans (Sofferenze), Substandard loans (Incagli), Restructured loans (Ristrutturati) and Past Due loans (Scaduti).

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Agenda

Performance highlights

Capital

- The *Comprehensive Assessment* highlighted a solid capital position of the Group, which is also confirmed after the robust provisions registered in Q4 2014: **CET 1 ratio Phase-in: 11.9%** **CET 1 ratio Fully Phased: 11.3%**
- On a pro-forma basis, including the merger of Italease, finalized in March 2015, the capital ratios rise to the following levels: **CET 1 ratio Phase-in: 12.0%** **CET 1 ratio Fully Phased: 11.5%**

Core business profitability

- In 2014, the Group registered a net loss of €1,946m, which is mainly due to a significant level of LLPs (-€3.56bn in FY2014, of which €2.50bn in Q4 2014), driven by the full recognition of AQR results as well as other extraordinary items (among which the goodwill impairment of Banca Aletti and for the Client Relationship).
- The pressure on core banking revenues, driven by the still difficult macroeconomic environment, is gradually easing: lower pace in the NII decrease, positive and growing contribution of income from companies carried at equity, and stable commission income on an annual basis.
- Good performance in operating costs, which, excluding extraordinary items, registered a decrease y/y. Net reduction of almost 500 resources (FTE) in FY2014 and net closure of 112 branches.
- In 2015, the core banking business is set to benefit from a significant decrease in funding costs, while the cost of credit risk is set to show a path of normalization.

Commercial performance

- Positive growth in new lending in comparison with 2013 for all the three core segments: €1.1bn in the Households & Other Individuals segment (+8% y/y), €1.7bn in the Small Business segment (+26% y/y), €2.6bn in the Mid Corporate segment (+89% y/y).
- ~42,000 new current accounts with 'Households and Other Individuals' as at 31/12/2014 (+2.2% y/y delta stock), in spite of the closure of 114 branch outlets. As at 30/01/2015, the number of new current accounts exceeded ~9,000.
- Assets under Management recorded a relevant growth (+13.2%), with particular regard to Mutual Funds/Sicav and Bancassurance. A solid trend is confirmed also at the beginning of 2015.
- POS transactions rise 3.3% y/y, with an increase of 10.6% registered in the number of installed POS devices (1,300 of which in the innovative version YouPOS mobile).
- ~179,000 new generation ATM cards (YouCards) were sold, of which 93% in relation with a current account.
- Exceeded the threshold of 1,000,000 YouWeb contracts (+20% delta stock), with growth of 28% in the number of transactions and of 22% for transaction volumes.

Loans

- Significant increase in the coverage levels:
  - Coverage of NPLs at 34.2% (44.6% including write-offs), from 27.4% as at September 2014 (38.4% including write-offs).
  - Coverage of performing loans at 0.73%, from 0.42% as at September 2014*.
- Decrease in net NPLs of 4.6% in the quarter.
- Elimination of the shortfall on expected losses, as a positive impact resulting from the total incorporation of the AQR results.
- Downsizing of Italease: annual decrease of 8.7% in total gross loans and of 2.9% in gross NPLs.

Note: * Coverage calculated on Performing exposures, excluding the positions that are totally risk free.

Consolidated FY2014 income statement: annual change

	INCLUDING PPA line-by-line			EXCLUDING PPA line-by-line		
Reclassified income statement €/m	**31/12/2014**	**31/12/2013**	**Chg.**	**31/12/2014**	**31/12/2013**	**Chg.**
Net interest income	1,555.6	1,647.0	(5.5%)	1,558.4	1,647.8	(5.4%)
Income (loss) from investments in associates carried at equity	90.1	(27.4)	n.s.	90.1	(27.4)	n.s.
Net interest, dividend and similar income	**1,645.6**	**1,619.6**	**1.6%**	**1,648.4**	**1,620.4**	**1.7%**
Net fee and commission income	1,385.4	1,387.1	(0.1%)	1,385.4	1,387.1	(0.1%)
Other net operating income	138.9	189.2	(26.6%)	168.6	221.5	(23.8%)
Net financial result (excluding FVO)	215.9	388.7	(44.5%)	215.9	388.7	(44.5%)
Total income	**3,385.9**	**3,584.6**	**(5.5%)**	**3,418.4**	**3,617.6**	**(5.5%)**
Personnel expenses	(1,432.3)	(1,446.7)	(1.0%)	(1,432.3)	(1,446.7)	(1.0%)
Other administrative expenses	(645.1)	(667.1)	(3.3%)	(645.1)	(667.1)	(3.3%)
Amortization and depreciation	(191.9)	(140.0)	37.1%	(188.2)	(136.4)	38.0%
Operating costs	**(2,269.3)**	**(2,253.8)**	**0.7%**	**(2,265.6)**	**(2,250.2)**	**0.7%**
Profit (loss) from operations	**1,116.6**	**1,330.7**	**(16.1%)**	**1,152.8**	**1,367.4**	**(15.7%)**
Net adjustments on loans to customers	$\boxed{(3,561.4)}$	(1,691.4)	110.6%	(3,561.4)	(1,691.4)	110.6%
Net adjustments on receivables due from banks and other assets	(39.8)	(161.5)	(75.3%)	(39.8)	(161.5)	(75.3%)
Net provisions for risks and charges	(39.5)	(121.4)	(67.5%)	(39.5)	(121.4)	(67.5%)
Impairment of goodwill and equity investments	(239.0)	95.2	n.s.	(200.0)	95.2	n.s.
Profit (loss) on the disposal of equity and other investments	2.3	4.8	(51.0%)	2.4	5.2	(53.6%)
Income (loss) before tax from continuing operations	**(2,760.8)**	**(543.5)**	**407.9%**	**(2,685.5)**	**(506.5)**	**-**
Tax on income from continuing operations (excluding FVO)	802.2	48.9	1540.1%	777.6	36.8	2012.7%
Income (loss) after tax from discontinued operations	(0.0)	(29.6)	n.s.	(0.0)	(29.6)	n.s.
Income (loss) attributable to minority interests	38.7	13.7	181.6%	38.7	13.7	182.2%
Net income for the period excluding FVO and PPA	**(1,919.9)**	**(510.5)**	**276.1%**	**(1,869.3)**	**(485.6)**	**-**
PPA impact after tax	-	-		(50.6)	(24.9)	103.1%
Net income (loss) for the period excluding FVO	**(1,919.9)**	**(510.5)**	**276.1%**	**(1,919.9)**	**(510.5)**	**-**
Fair Value Option result (FVO)	(38.8)	(143.2)	(72.9%)	(38.8)	(143.2)	(72.9%)
Tax on FVO result	12.8	47.3	(72.9%)	12.8	47.3	(72.9%)
Net income (loss) for the period	**(1,945.9)**	**(606.3)**	**220.9%**	**(1,945.9)**	**(606.3)**	**-**

Includes extraordinary items shown in slide 17

Consolidated FY2014 income statement: quarterly change

Reclassified income statement €/m	INCLUDING PPA line-by-line Q4 14	Q3 14	Q2 14	Q1 14	EXCLUDING PPA line-by-line Q4 13	Q3 13	Q2 13	Q1 13
Net interest income	388.3	396.6	398.2	372.5	389.2	397.6	398.6	373.0
Income (loss) from investments in associates carried at equity	25.0	24.9	20.8	19.4	25.0	24.9	20.8	19.4
Net interest, dividend and similar income	**413.3**	**421.5**	**419.0**	**391.9**	**414.2**	**422.5**	**419.5**	**392.3**
Net fee and commission income	310.5	356.0	347.3	371.7	310.5	356.0	347.3	371.7
Other net operating income	26.3	38.5	33.5	40.6	33.7	45.9	40.9	48.1
Net financial result (excluding FVO)	(1.9)	23.8	105.6	88.4	(1.9)	23.8	105.6	88.4
Total income	**748.2**	**839.8**	**905.4**	**892.6**	**756.6**	**848.2**	**913.2**	**900.5**
Personnel expenses	(376.1)	(382.0)	(330.0)	(344.2)	(376.1)	(382.0)	(330.0)	(344.2)
Other administrative expenses	(135.5)	(170.9)	(177.0)	(161.7)	(135.5)	(170.9)	(177.0)	(161.7)
Amortization and depreciation	(86.8)	(31.0)	(25.3)	(48.8)	(85.9)	(30.1)	(24.3)	(47.8)
Operating costs	**(598.5)**	**(583.9)**	**(532.2)**	**(554.7)**	**(597.5)**	**(583.0)**	**(531.3)**	**(553.8)**
Profit (loss) from operations	**149.7**	**255.9**	**373.1**	**337.9**	**159.0**	**265.2**	**381.9**	**346.6**
Net adjustments on loans to customers	(2,496.1)	(445.3)	(292.0)	(328.0)	(2,496.1)	(445.3)	(292.0)	(328.0)
Net adjustments on receivables due from banks and other assets	(19.3)	(8.4)	(8.6)	(3.5)	(19.3)	(8.4)	(8.6)	(3.5)
Net provisions for risks and charges	(50.6)	2.7	9.9	(1.5)	(50.6)	2.7	9.9	(1.5)
Impairment of goodwill and equity investments	(239.0)	-	-	-	(200.0)	-	-	-
Profit (loss) on the disposal of equity and other investments	0.2	1.0	0.2	1.0	0.2	1.0	0.2	1.0
Income (loss) before tax from continuing operations	**(2,655.1)**	**(194.2)**	**82.6**	**5.9**	**(2,606.8)**	**(184.8)**	**91.4**	**14.6**
Tax on income from continuing operations (excluding FVO)	804.5	59.4	(56.3)	(5.3)	790.4	56.3	(61.0)	(8.2)
Income (loss) after tax from discontinued operations	-	0.1	(0.1)	(0.1)	-	0.1	(0.1)	(0.1)
Income (loss) attributable to minority interests	30.0	4.6	3.4	0.7	30.0	4.6	3.4	0.7
Net income for the period excluding FVO and PPA	**(1,820.6)**	**(130.1)**	**29.6**	**1.2**	**(1,786.4)**	**(123.7)**	**33.7**	**7.1**
PPA impact after tax					(34.2)	(6.4)	(4.1)	(5.9)
Net income (loss) for the period excluding FVO	**(1,820.6)**	**(130.1)**	**29.6**	**1.2**	**(1,820.6)**	**(130.1)**	**29.6**	**1.2**
Fair Value Option result (FVO)	(5.1)	3.4	(7.1)	(30.1)	(5.1)	3.4	(7.1)	(30.1)
Tax on FVO result	1.5	(1.1)	2.5	9.9	1.5	(1.1)	2.5	9.9
Net income (loss) for the period	**(1,824.1)**	**(127.8)**	**25.0**	**(19.0)**	**(1,824.1)**	**(127.8)**	**25.0**	**(19.0)**

Includes extraordinary items shown in slide 17

Banco Popolare Group

Consolidated FY 2014 income statement: breakdown

Reclassified income statement €/m	31/12/2014 Banco Popolare Group (PPA line-by-line)	31/12/2014 Banco Popolare (Standalone)	PPA ex-BPI	Italease	PPA Italease	
Net interest income	1,555.6	1,517.4	0.5	41.0	(3.3)	37.7
Income (loss) from investments in associates carried at equity	90.1	90.0		0.0		
Net interest, dividend and similar income	**1,645.6**	**1,607.4**	**0.5**	**41.0**	**(3.3)**	
Net fee and commission income	1,385.4	1,386.2		(0.7)		
Other net operating income	138.9	146.1	(29.8)	22.6		
Net financial result (excluding FVO)	215.9	217.4		(1.5)		
Total income	**3,385.9**	**3,357.1**	**(29.2)**	**61.3**	**(3.3)**	
Personnel expenses	(1,432.3)	(1,419.6)		(12.7)		
Other administrative expenses	(645.1)	(596.1)		(49.0)		
Amortization and depreciation	(191.9)	(122.2)	(3.7)	(66.0)		
Operating costs	**(2,269.3)**	**(2,137.9)**	**(3.7)**	**(127.7)**	**-**	
Profit (loss) from operations	**1,116.6**	**1,219.2**	**(32.9)**	**(66.4)**	**(3.3)**	
Net adjustments on loans to customers	(3,561.4)	(3,299.6)		(261.8)		
Net adjustments on receivables due from banks and other assets	(39.8)	(40.1)		0.3		
Net provisions for risks and charges	(39.5)	(42.1)		2.6		
Impairment of goodwill and equity investments	(239.0)	(200.0)	(39.0)	-		
Profit (loss) on the disposal of equity and other investments	2.3	3.3	(0.0)	(0.9)		
Income (loss) before tax from continuing operations	**(2,760.8)**	**(2,359.2)**	**(72.0)**	**(326.3)**	**(3.3)**	
Tax on income from continuing operations (excluding FVO)	802.2	669.0	23.6	108.6	1.1	
Income (loss) after tax from discontinued operations	(0.0)	(0.0)		-		
Income (loss) attributable to minority interests	38.7	(0.3)		39.1		
Net income (loss) for the period excluding FVO	**(1,919.9)**	**(1,690.6)**	**(48.4)**	**(178.7)**	**(2.2)**	
		$\underbrace{\qquad}_{\textbf{(1,739.0)}}$		$\underbrace{\qquad}_{\textbf{(180.9)}}$		

Extraordinary P&L items in 2014

ELEMENTS OF THE NORMALISATION

€/m

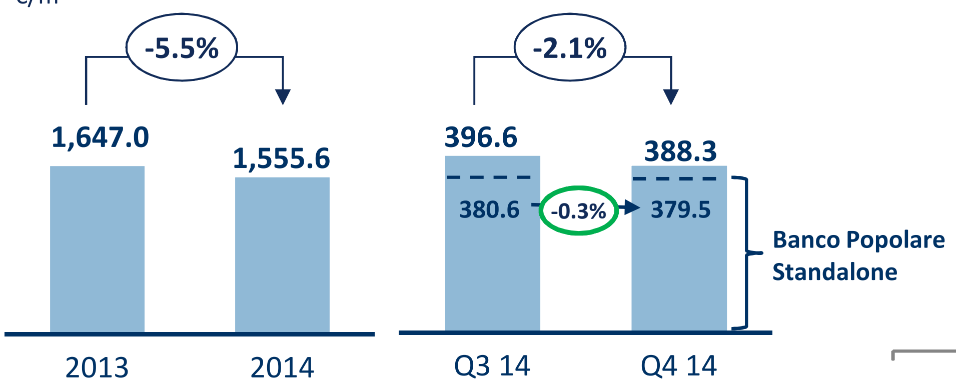
	2014 gross	2014 net	Q4 2014 gross	Q4 2014 net	Q3 2014 gross	Q3 2014 net	Q2 2014 gross	Q2 2014 net	Q1 2014 gross	Q1 2014 net	P&L Items
- SOLIDARITY FUND AND INCENTIVISED EXITS	(138.2)	(100.2)	(70.6)	(51.2)	(67.6)	(49.0)	0.0	0.0	0.0	0.0	Personnel expenses
- WRITE-BACK ON OTHER ADMINISTRATIVE EXPENSES	7.0	4.8	0.0	0.0	0.0	0.0	0.0	0.0	7.0	4.8	Other administrative expenses
- WRITE-DOWN ON PROPERTY AND EQUIPMENT (REAL ESTATE ASSETS)	(68.0)	(41.8)	(50.4)	(30.5)	0.0	0.0	0.0	(0.0)	(17.6)	(11.3)	Amortization and Depreciation
- IMPAIRMENT ON INTANGIBLE ASSETS (Goodwill on Aletti and Client Relationship)	(239.0)	(226.1)	(239.0)	(226.1)	0.0	0.0	0.0	(0.0)	0.0	0.0	Impairment of goodwill and equity investments
- TAX RATE ADJUSTMENT ON REVALUATION OF BANK OF ITALY STAKE	(14.5)	(14.5)	0.0	0.0	0.0	0.0	(14.5)	(14.5)	0.0	0.0	Tax on income from continuing operations
-TAX RATE ADJUSTMENT ON REGIONAL INCOME TAX (IRAP)*	0.0	0.0	15.4	15.4	0.0	0.0	(15.4)	(15.4)	0.0	0.0	Tax on income from continuing operations
- FAIR VALUE OPTION	(38.8)	(26.0)	(5.1)	(3.6)	3.4	2.3	(7.1)	(4.6)	(30.1)	(20.1)	FVO results
TOTAL	**(491.7)**	**(404.0)**	**(349.8)**	**(296.0)**	**(64.1)**	**(46.6)**	**(37.1)**	**(34.6)**	**(40.8)**	**(26.7)**	

The non-recurrent loan loss provisions are not included in the extraordinary items. The exeptionally high level of provisions registered in Q4 2014 is analysed in slide 34.

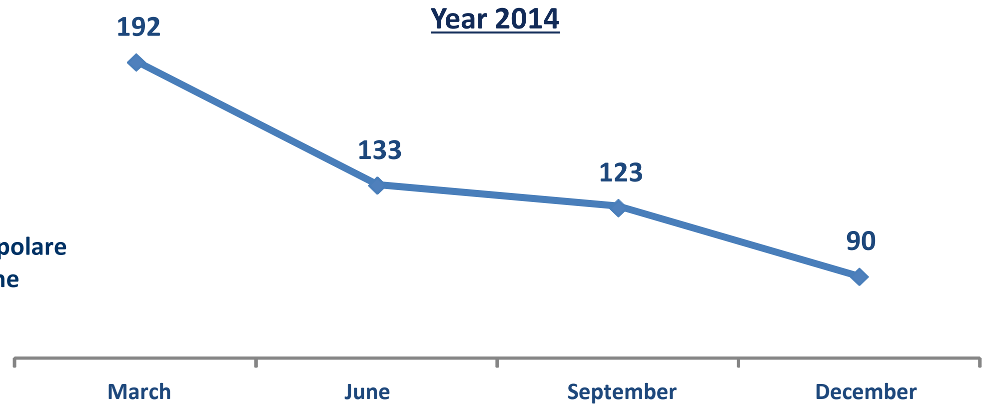
* In Q4 2014, a write-back was registered with regard to the negative impact related to the fiscal adjustment registered in Q2 2014, in relation to the Regional Income Tax rate (IRAP), following the cancellation, approved by the 2015 Stability Law, of the reduction in the previously introduced tax rate.

Net interest income

Evolution of net interest income



Spread* evolution of new retail bonds issued (bps)



* Monthly average

Customer spread evolution
(commercial network)

	Q4 13	Q1 14	Q2 14	Q3 14	Q4 14
Total customer spread	1.81%	1.84%	1.91%	1.84%	1.80%
Asset spread	2.86%	2.92%	2.94%	2.90%	2.79%
Liability spread	-1.05%	-1.08%	-1.03%	-1.06%	-0.99%
Euribor 1M	0.16%	0.23%	0.22%	0.07%	0.01%
Euribor 3M	0.24%	0.30%	0.30%	0.16%	0.08%

- On an annual basis, the 5.5% decrease on net interest income is mainly due to the reduction in the Group's gross customer loans (-4.3% y/y) and in part to the negative trend in the mark-down (expected to recover significantly in 2015) resulting from the significant drop in the Euribor rates.
- On a quarterly basis, excluding Italease (which in Q3 2014 included €7.4m of extraordinary items), the net interest income is substantially flat. The reduction in the mark-up (-11bps), due to the still high level of competition on the lending side, was offset by a clear improvement in the mark-down (+7bps), currently still under way, and by lower interest expenses paid on institutional funding.
- The aggressive repricing policy on customer loans, coupled with the continuous improvement in the cost of funding, point to a positive evolution of net interest income in 2015.

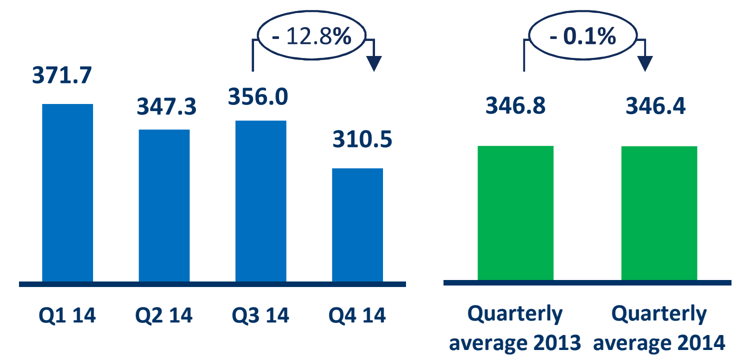
Net commissions

Analysis of Net commissions

€/m

	31/12/2014	31/12/2013	Chg. %
Mgmt. brokerage and advisory services	664.0	639.2	3.9%
Management of c/a and customer relations	516.2	546.3	-5.5%
Payment and collection services	122.7	123.2	-0.4%
Guarantees given	29.6	19.7	49.9%
Other services	52.9	58.6	-9.6%
Total	**1,385.4**	**1,387.1**	**-0.1%**

Quarterly evolution



Composition of 'Management, brokerage and advisory services'

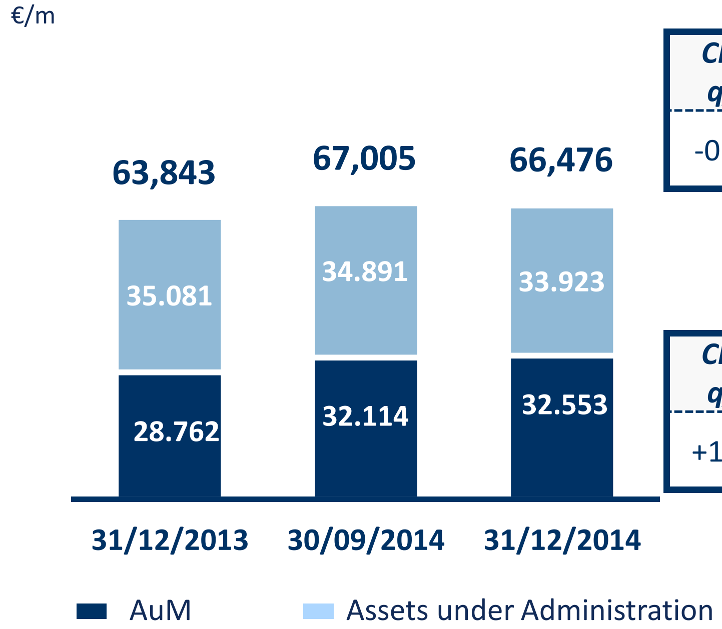
€/m

	31/12/2014	31/12/2013	Chg. %
Placement of savings products:	504.2	484.9	4.0%
- Securities sale and distribution	*3.7*	*25.0*	*-85.0%*
- Asset management	*357.9*	*353.3*	*1.3%*
- Bancassurance	*142.5*	*106.6*	*33.6%*
Consumer credit	31.1	32.8	-5.2%
Credit cards	32.8	34.2	-4.2%
Custodian banking services	15.5	11.2	38.1%
FX & trading activities of branch customers	63.0	57.9	8.9%
Other	17.5	18.2	-3.6%
Total	**664.0**	**639.2**	**3.9%**

- Net commissions are flat on an annual basis. In particular, commissions related to the placement of savings products increase by 4.0% y/y, driven by the good performance in the bancassurance segment (+33.6%).
- The decrease of 12.8% on a quarterly basis is mainly due to the commercial choice to favour core deposits in Q4.

Indirect customer funding

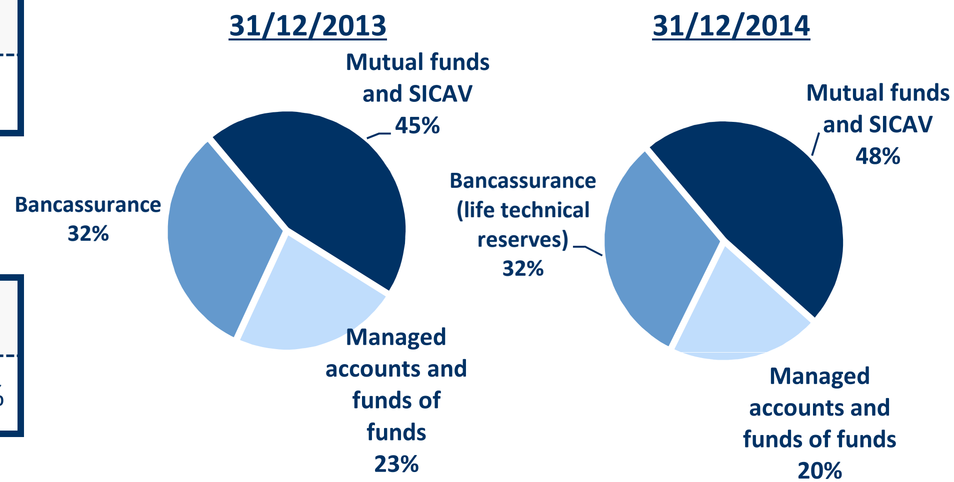
Total indirect funding
(stock)



Chg. q/q	*Chg. y/y*
-0.8%	+4.1%

Chg. q/q	*Chg. y/y*
+1.4%	+13.2%

Breakdown of Assets under Management
(stock)

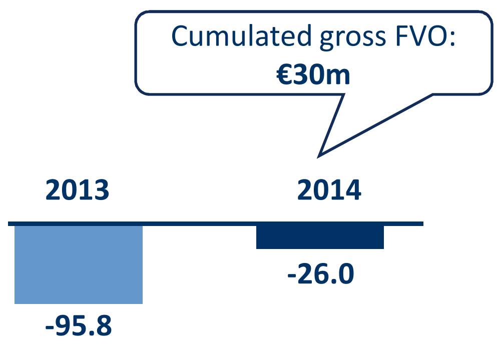


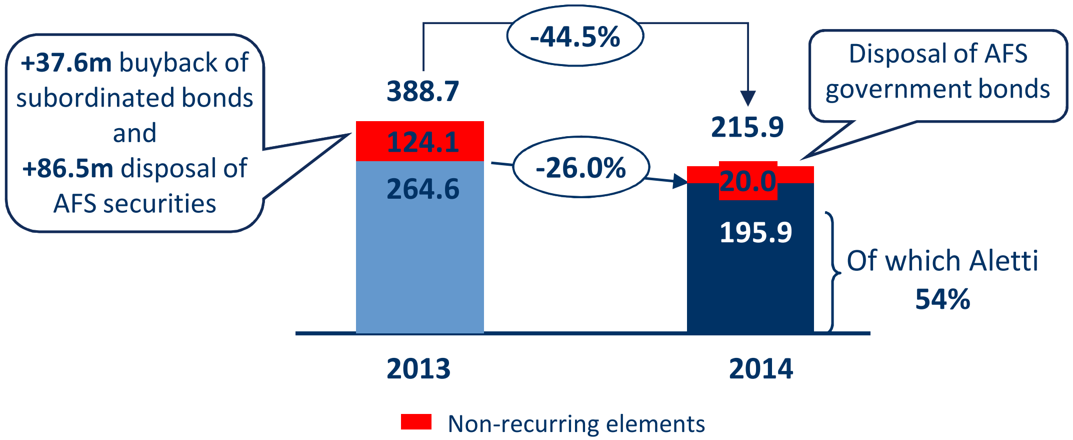
- In line with the Business Plan, Assets under Management rose +13.2% y/y (+1.4% q/q).
- Within Assets under Management, the ‘Bancassurance’ component increased by 10.0% compared to year-end 2013, thanks in particular to the placement of both Life Insurance (“Ramo I”) and “Unit Linked” products.
- The mutual funds and SICAV component has confirmed a positive trend over year-end 2013 (+20.8%).

Net financial result (NFR)

Group net financial result

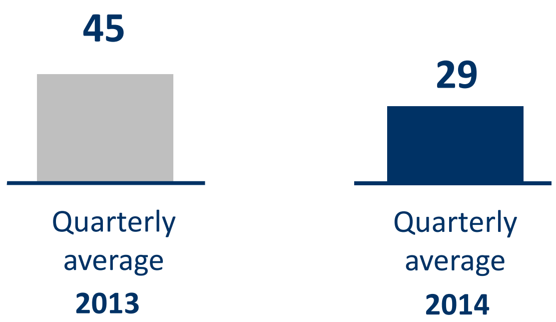
€/m





Contribution of Banca Aletti to NFR

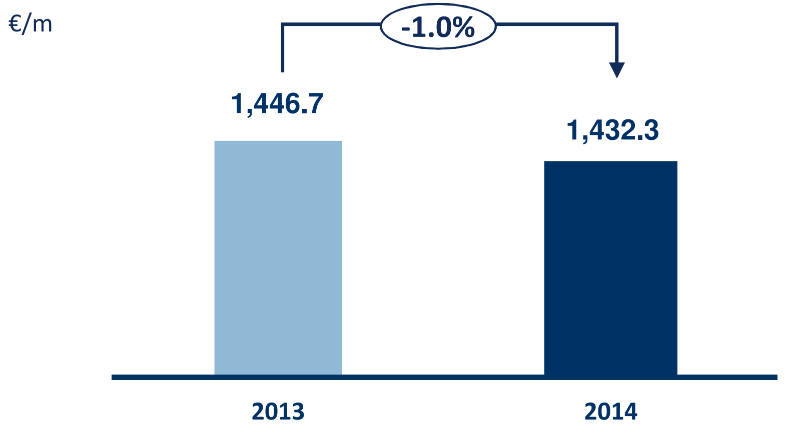
€/m



- Excluding the impact of extraordinary elements from both periods, the NFR decreased by 26% on an annual basis.
- The contribution of Banca Aletti to the NFR is equal to about €120m. The lower quarterly contribution is related to the reduced level in the placement of structured products (following a stronger focus on AuM products), as well as to the placement activity of 'certificates' on the Group's commercial network, which translates into a higher contribution to the NII.

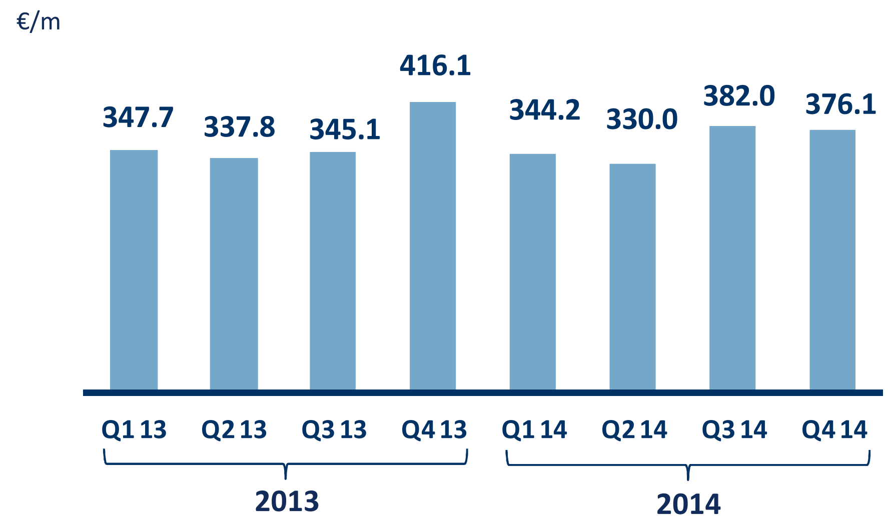
Operating costs: personnel expenses

Personnel expenses



	2013		2014
Headcount FTE (avg.)	18,038	-463	17,575
o/w: Italease FTE (avg.)	169	-22	147

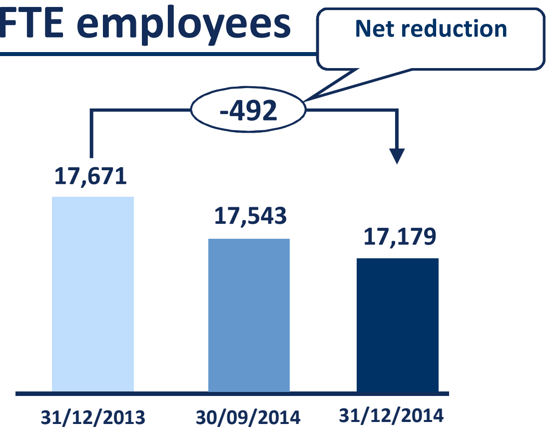
Quarterly average



FTE employees

(period-end data)

Total Group FTEs [1]



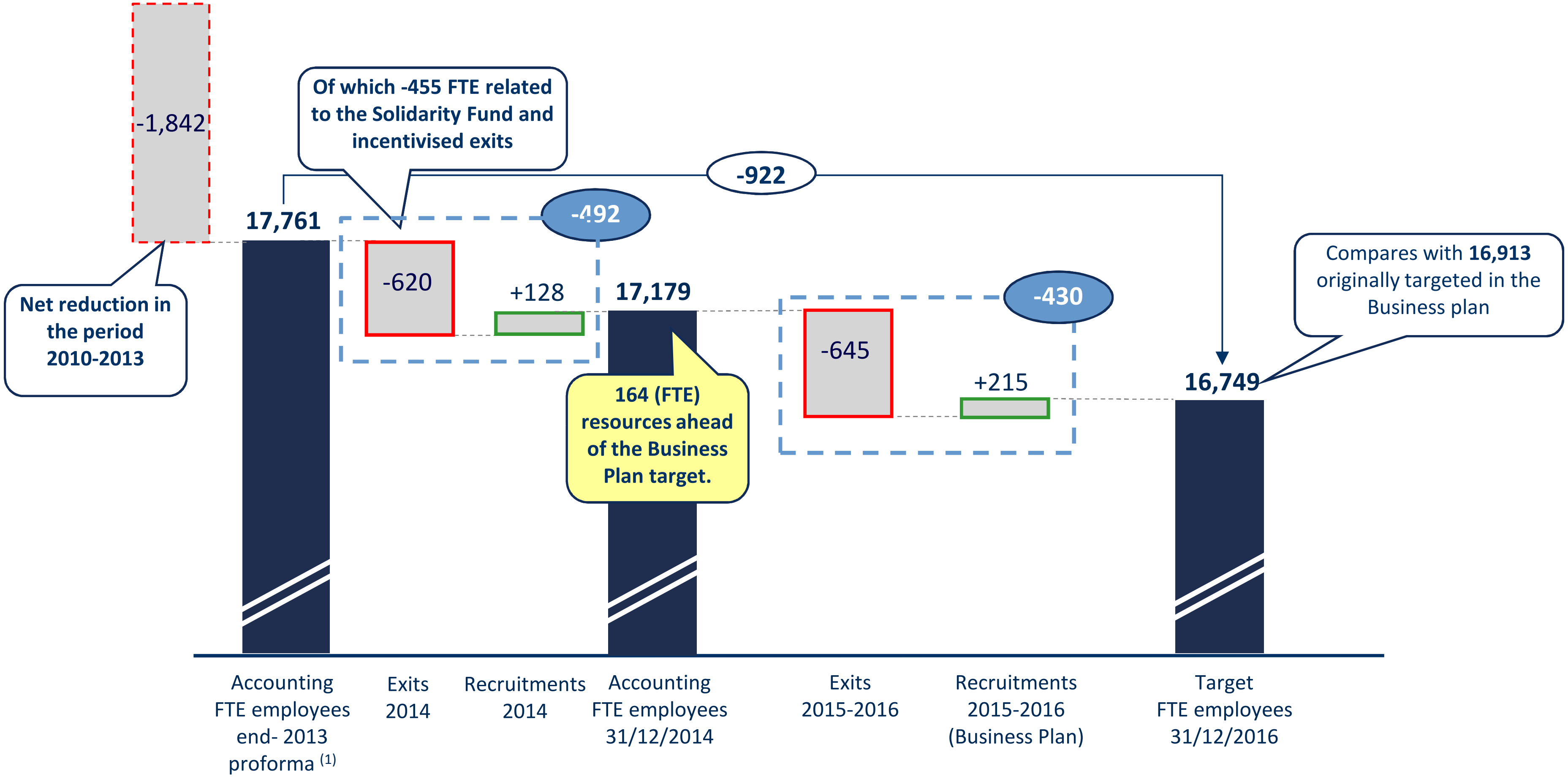
FTE: Full Time Equivalent

(1) Pro-forma data, net of BP Croatia (disposed of).

- The personnel cost is impacted by extraordinary items related to the Solidarity Fund and incentivised exits expected to take place in 2015, for a total amount of €138m (of which €67.6m in Q3 and €70.6m in Q4), compared to about €142m registered in 2013.
- **620 exits (FTE) were registered in 2014,** (of which 455 related to the Solidarity fund and to incentivised exits, the cost of which was already registered in 2013). See next slide for details.
- **The average headcount as at 31/12/2014 decreased by 463 resources (FTE)** on an annual basis.

Headcount evolution

FTEs (including temporary workers)

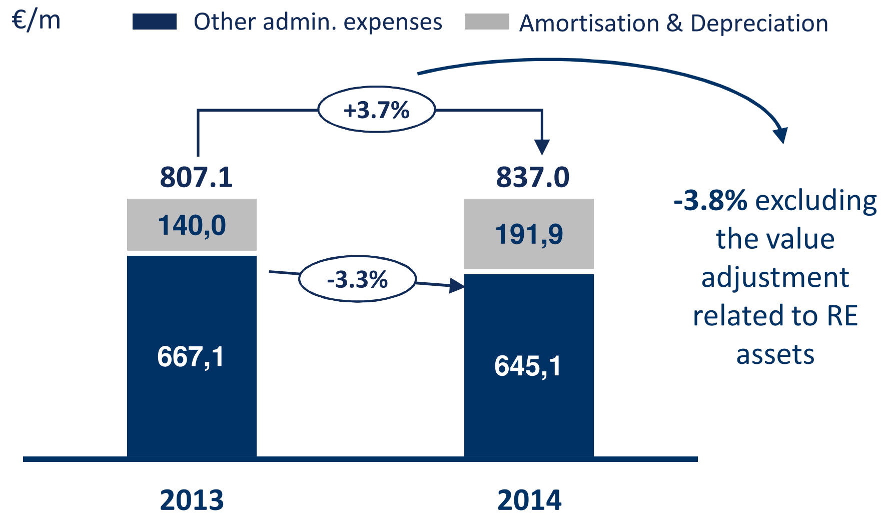


The headcount reduction is ahead of the Business Plan target.

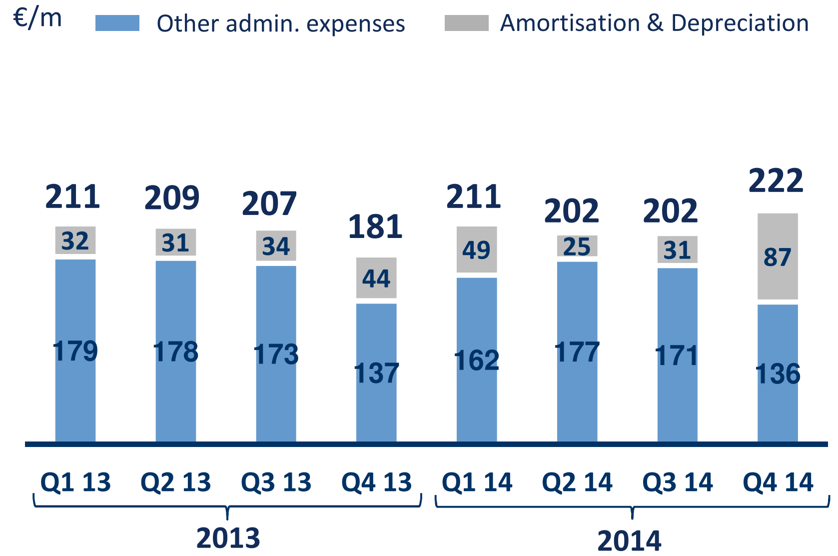
(1) Proforma data, net of BP Croatia (disposed of).

Operating costs: non-personnel expenses

Total non-personnel expenses



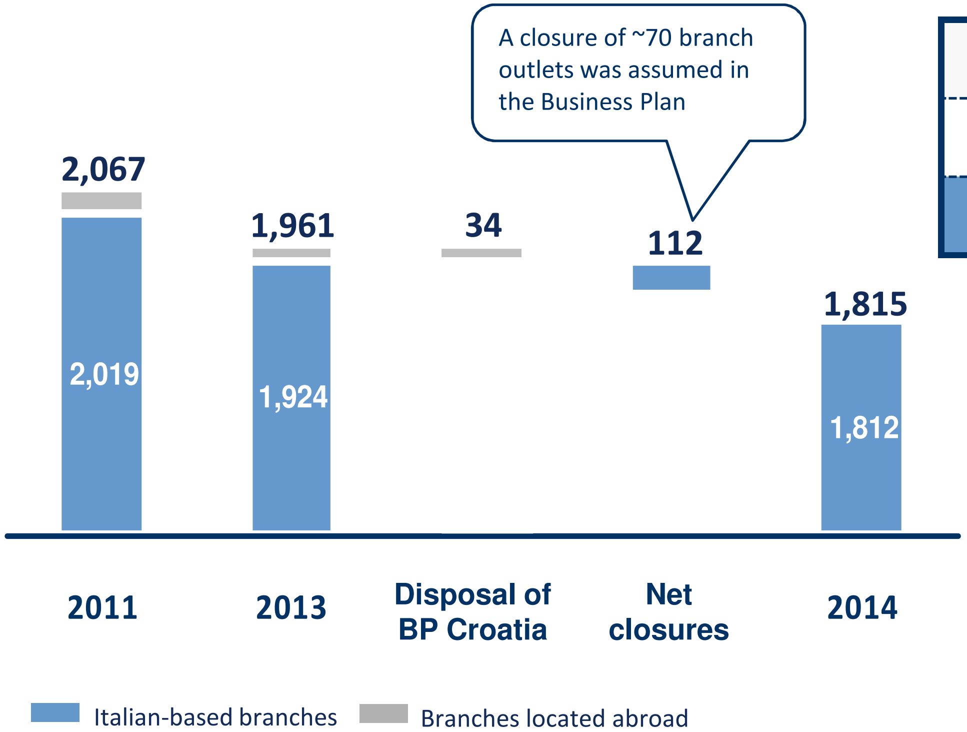
Quarterly trend



- In 2014, the cost containment action of other administrative expenses continued, with a decrease of -3.3% on an annual basis, benefiting also from non-recurring items (€7m related to the positive closure of some disputes with suppliers).
- The increase in Amortization & Depreciation was mainly related to appraisal value adjustments on real estate assets, registered in Q1 2014 (€18m) and in Q4 2014 (€51m).

Rightsizing and efficiency of the branch network

Evolution of the retail franchise



	Chg. 1 year	*Chg. 3 years*
Total	**-7.4%**	**-12.2%**
Italy	-5.8%	-10.3%

Further actions finalized in 2014:

- As of today, two thirds of the Group's branches operate with the new Hub&Spoke distribution model;
- Business areas decrease by 10% (from 85 to 76);
- Better coverage of the corporate customers due to the opening of "Imprese" branches dedicated to the Corporate segment.

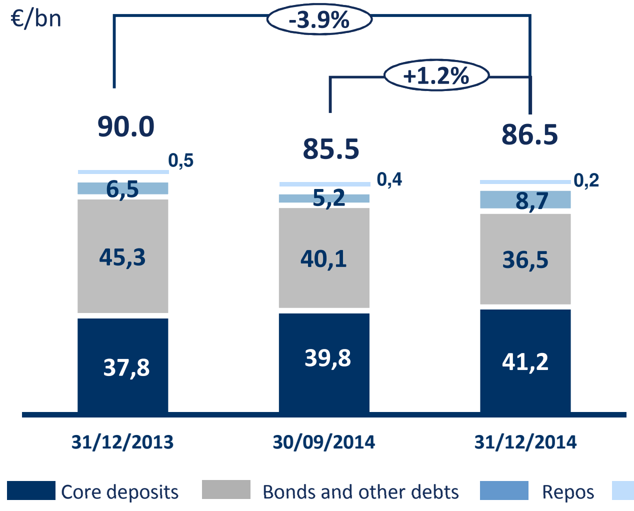
- The strategy pursued by the closure of branches is aimed at eliminating territorial overlapping, reducing the presence in areas of low commercial potential and, consequently, at reducing costs. At the same time, thanks to the "Hub and Spoke" distribution model, the Group strengthens its position in areas of higher commercial interest, while at the same time favouring its strong attention to customer service.
- The net closure of 112 branch outlets was finalized in 2014, which compares with ~70 earmarked in the Business Plan 2014 – 2016.

Note: It does not include subsidiaries engaged just in treasury activities

Agenda

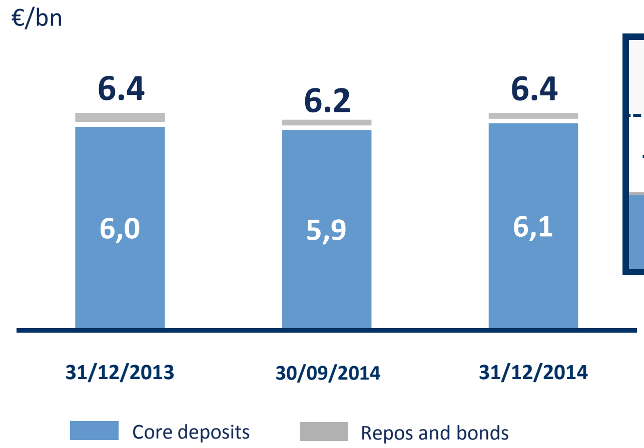
Direct customer funds: trends and breakdown

Total direct customer funds



Chg. q/q	Chg. y/y
-55.0%	-62.5%
+66.9%	+33.6%
-9.0%	-19.4%
+3.4%	+9.1%

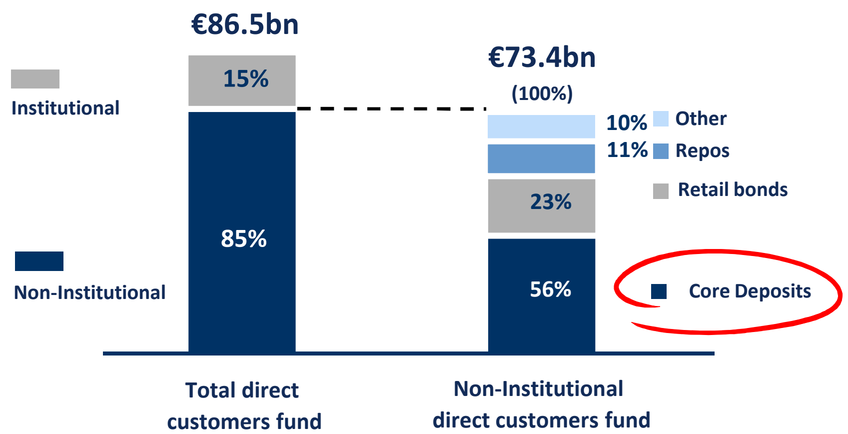
o/w: 'Corporate'



Chg. q/q	Chg. y/y
+3.1%	-0.5%
+3.6%	+2.0%

Note: 'Corporate' here refers to the aggregate of the following sub-segments: 'Mid-Corporate', 'Large corporate' and 'Institutions'.

Direct customer funds: breakdown as at 31/12/2014



- Total direct customer funds decrease by 3.9% y/y. This decline was largely offset by the stable liquidity generated by the stock of Certificates, for a total nominal value of €3.8bn.
- The decrease in bonds is influenced by the partial replacement with other less expensive forms of customer funds and by the call of bonds, both aimed at reducing the total cost of funding.
- Core deposits increase throughout 2014, registering an increase of +9.1% y/y (+3.4% q/q), due to the positive trend in the 'Households and Other Individuals' segment.
- The weight of institutional funding drops to 15% at the end of 2014, compared with 17% at year-end 2013.

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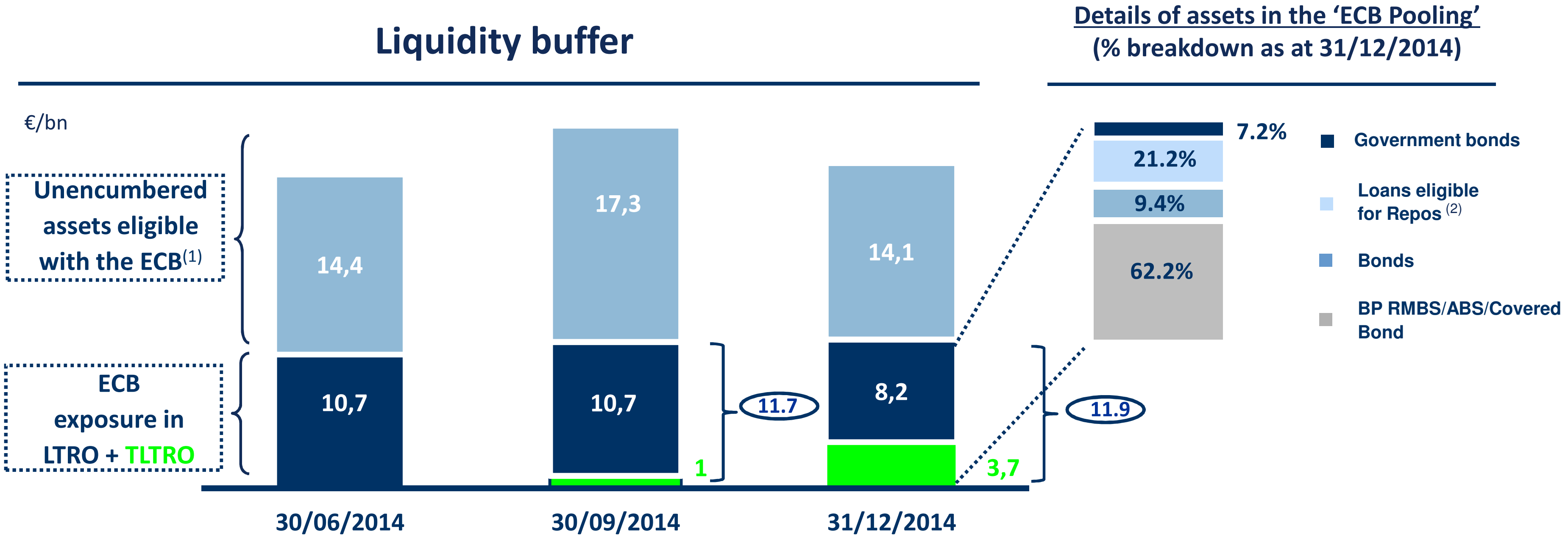
Note: the coresponding Balance Sheet item for *Certificates* is "Financial liabilities held for trading", therefore included in AuM.

Group liquidity: strong position



In line with Basel 3 targets: LCR >100% and NSFR >100%

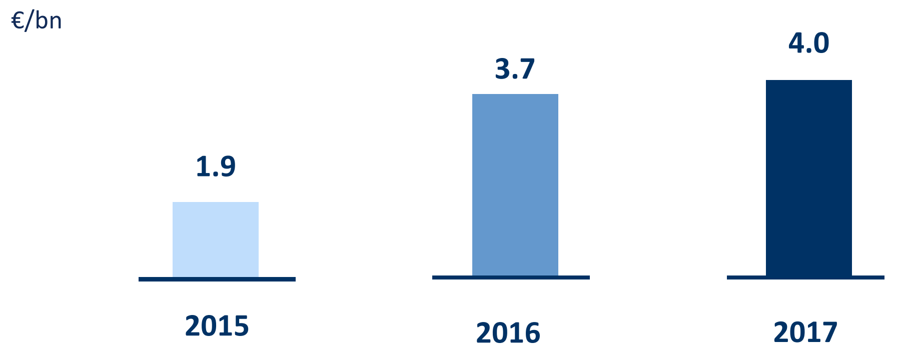
- The ECB exposure is substantially stable compared to September. The second TLTRO drawing, for the amount of €2.7bn in December 2014, has replaced the early repayment of the €2.5bn LTRO tranche in October 2014.
- Further unencumbered assets eligible with the ECB of €14.1bn (net of haircuts), largely consisting of a portfolio of unencumbered Italian Government bonds.
- The change registered in the fourth quarter of 2014 in unencumbered assets eligible with the ECB was affected by the repayment of the final tranche of State-guaranteed bonds (for a total nominal amount of €1.6bn) and institutional bonds for about €1.2bn.
- Following the reimbursement of the first LTRO tranche on the 29th January 2015, the ECB exposure is €7.2bn, with liquidity needs covered through financial market access.

Notes: (1) Excludes the net position in REPOs; (2) Loans to SMEs.

Banco Popolare Group

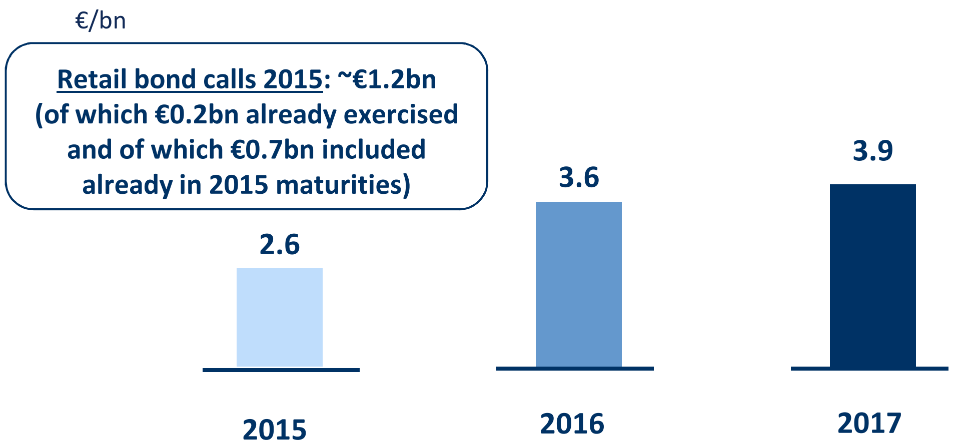
Maturity profile and funding coverage

Wholesale bond maturities



Note: Italease wholesale bond maturities for 2015 and 2016 amount to €0.1bn each year.

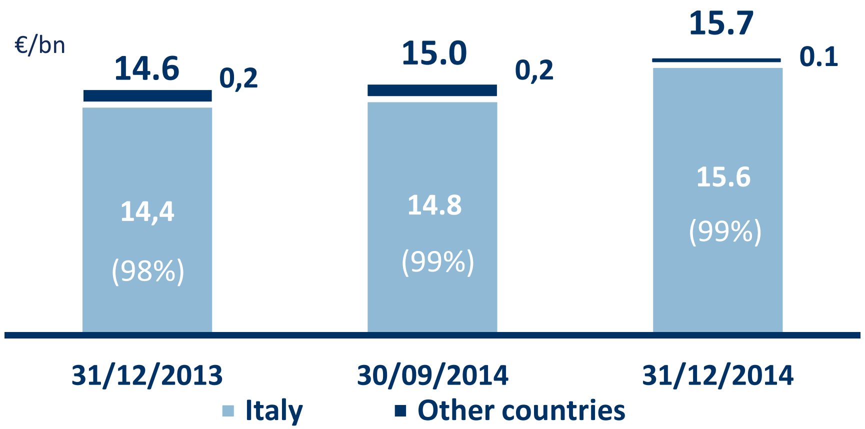
Retail bond maturities



- The Group's maturity profile shows small amounts and can be managed easily with the large liquidity buffer. In view of the higher amount of maturities in 2016, a return to the *wholesale* market is expected, with a *Covered Bond* and/or *Senior* bond issue in the course of the current year.
- The average maturity of bonds placed in 2014 is of 4.4 years.

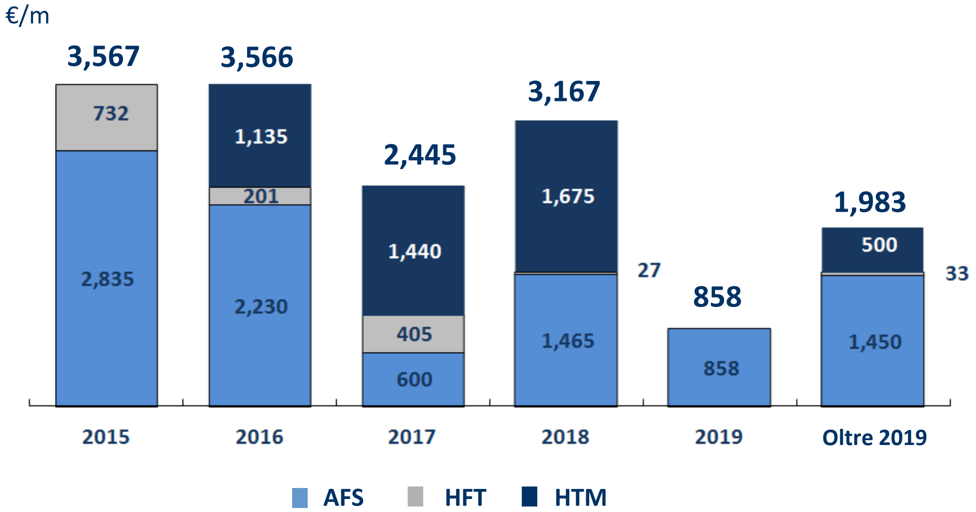
Treasury securities portfolio: evolution

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



- The Government bond portfolio reaches €15.7bn, of which 99% are related to Italian Government bonds.
- As at 31/12/2014, the unrealized gains on Government bonds in HTM and the AFS reserve of Government bonds together amounted to €444m, and increase to well above €600m at the beginning of April 2015.
- The average maturity is 3.2 years for both the total portfolio and the Italian Government bond portfolio.

Focus on Italian government bonds: maturities profile and accounting classification

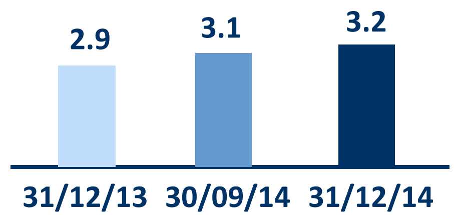


Total Treasury securities portfolio: geographic analysis

€/m — *Accounting classification*

COUNTRY	NOMINAL	% COMP	HFT	AFS	HTM
ITALY	15,586	99.2%	1,398	9,438	4,750
SPAIN	101	0.6%	1	100	-
Other EU countries	3	0.0%	0	-	3
TOTAL EU	**15,690**	**99.8%**	**1,398**	**9,538**	**4,753**
USA	27	0.2%		27	
Other non-EU	1	0.0%	1		
TOTAL	**15,719**	**100.0%**	**1,400**	**9,566**	**4,753**

Average maturity (Italy)



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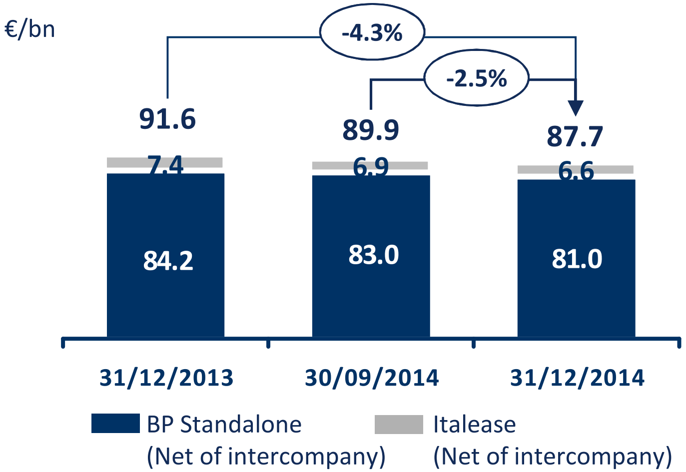
Agenda

Customer loans: evolution and segmentation

Gross customer loans

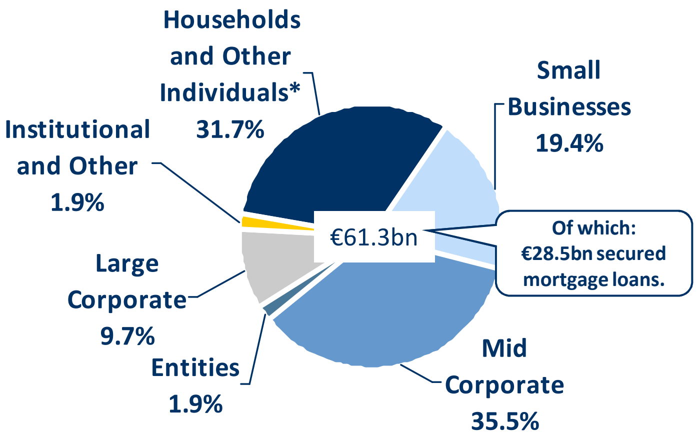


- Gross customer loans decrease by 4.3% y/y and by 2.5% q/q. Excluding the Italease portfolio (in run-off), the decrease falls to -3.8% on an annual basis and to -2.4% in the quarter.
- This trend is substantially due to maturities not yet fully compensated by the new lending activity which, however, is confirmed in good growth vs. 2013 for all the three main core segments:
  - €1.1bn in the Households & Other Individuals segment: +8% y/y;
  - €1.7bn in the Small Business segment: +26% y/y;
  - €2.6bn in the Mid Corporate segment: +89% y/y.
- In Q1 2015, a further acceleration is expected for new lending activities.

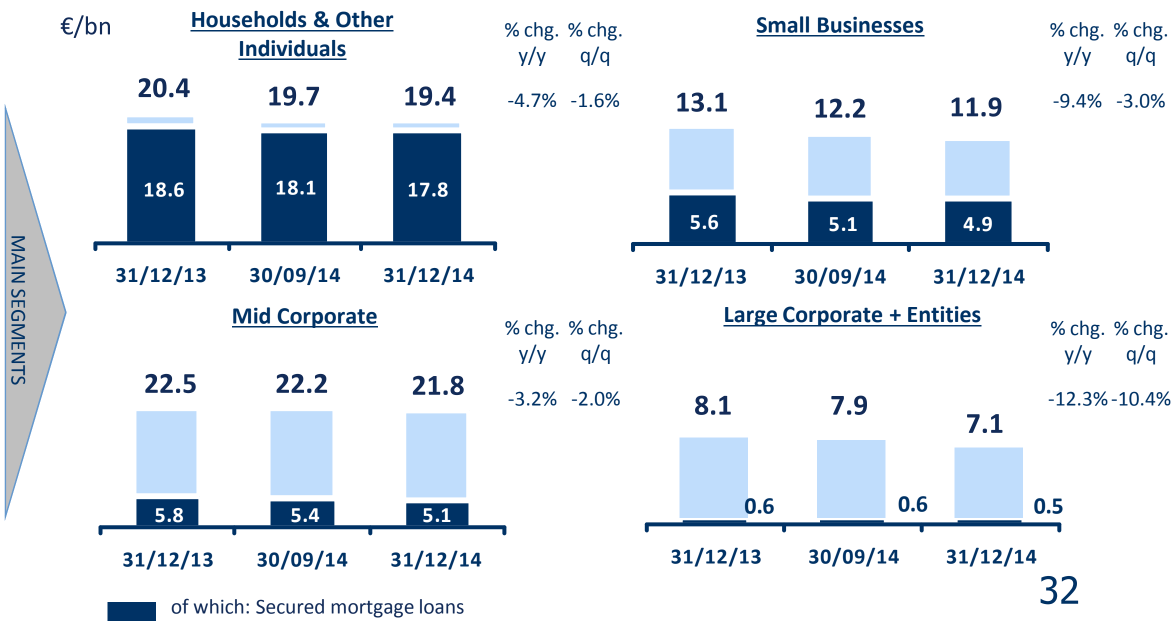
Performing loans of BP Standalone: customer breakdown

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

Breakdown as at 31/12/2014



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

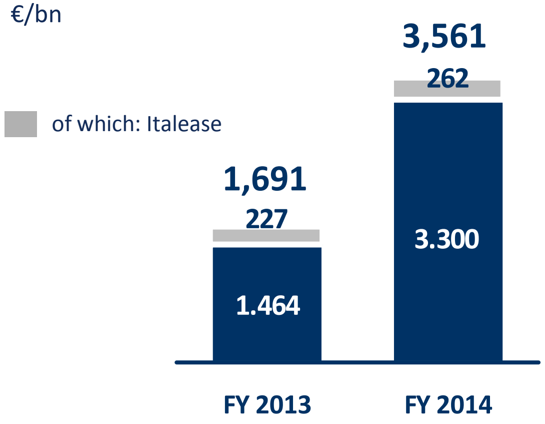


Banco Popolare Group

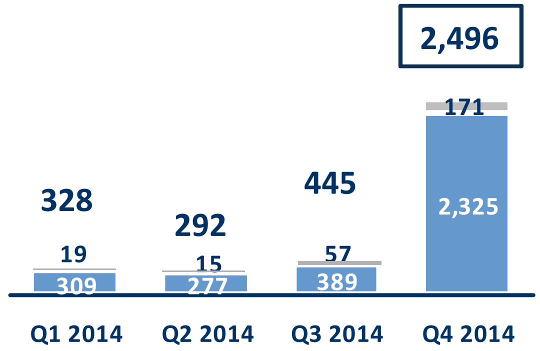
Cost of credit risk

Loan Loss Provisions: yearly and quarterly evolution

€/bn



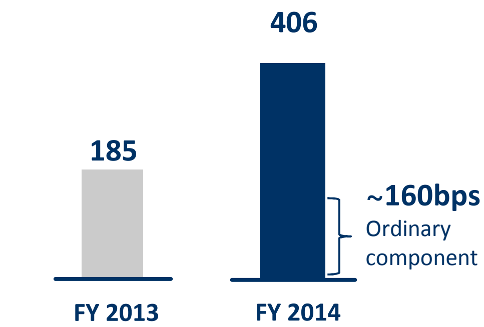
Gross loans (period-end data)	91,583	**87,661**



Cost of Credit Risk

(on gross customer loans, period-end data)

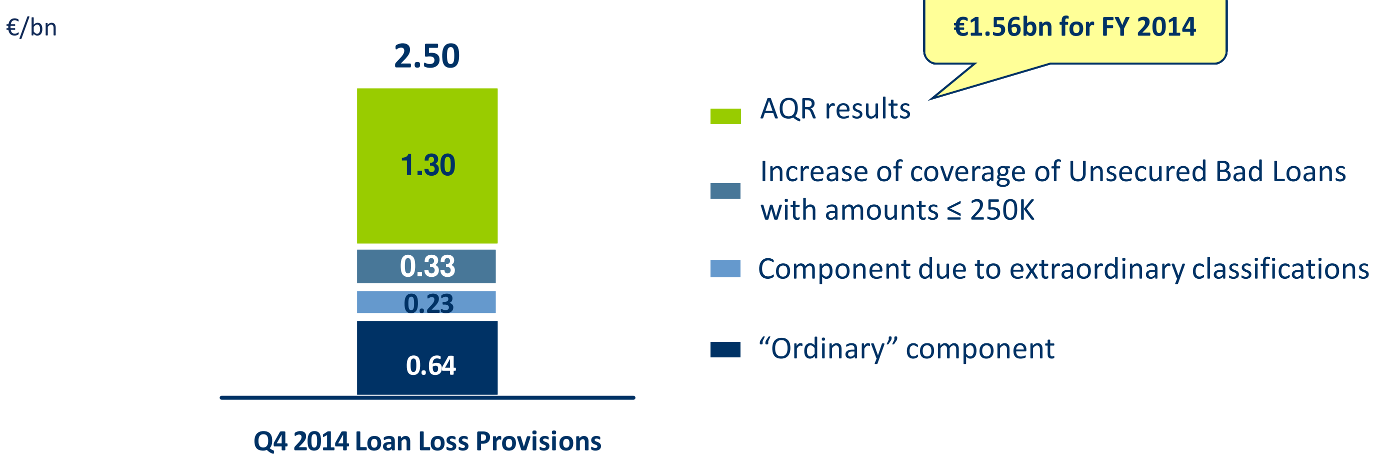
In bps



- In Q4 2014, particularly prudent criteria were applied for the credit evaluation and classification, incorporating, among other, the full impact of the AQR. This has translated into a level of loan loss provisions of €3.6bn for the full year (corresponding to 406bps), but has also determined a strong increase in the coverage of both Non-performing loans and Performing loans.
- These loan loss provisions only had a very modest impact on the CET 1 ratio on a Fully Phased basis, having triggered the full elimination of the shortfall on expected losses. Going forward, the cost of credit risk is expected to normalise.
- Details of the Loan Loss Provisions booked in Q4 2014 are shown on the following slide.

Analysis of Loan Loss Provisions in Q4 2014

Composition of Loan Loss Provisions in Q4 2014

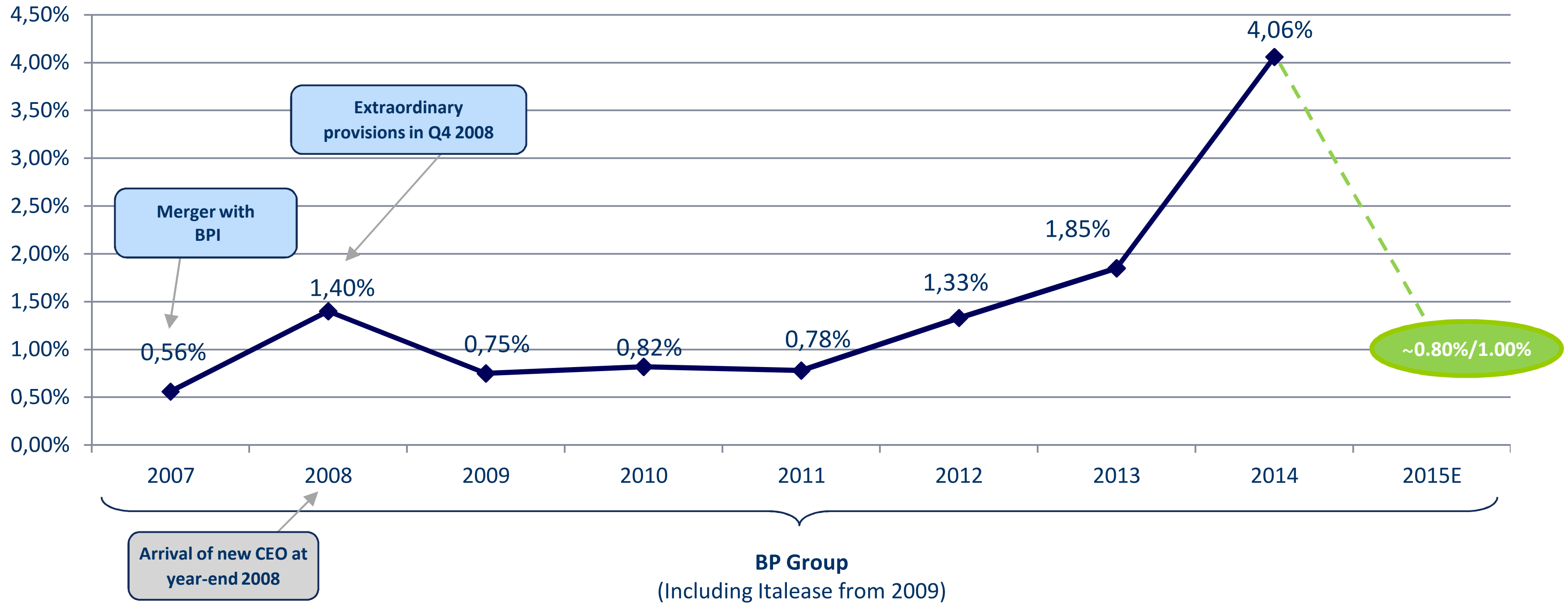


In detail, the Q4 2014 Loan Loss Provisions are composed as follows:

- €1.30bn due to the full incorporation of the AQR results which, together with the amount of €263m already booked as at 30/09/2014, had a total impact of €1.56bn for the full year (of which €0.45bn from the Credit File Review, €0.5bn from the Projection of findings and €0.6bn from the Collective provision analysis). These provisions have been registered through changes in policies, models and parameters adopted for the credit evaluation;
- €0.33bn of provisions made on a portfolio of Unsecured Bad Loans with amounts ≤ 250K, aimed at favouring their disposal in the future;
- €0.23bn of provisions due to the classification as Non-performing loans of some Mid/Large Corporate big ticket exposures (including Riva group), having extraordinary characteristics due to the particularly severe parameters of coverage adopted;
- €0.64bn of “Ordinary” provisions.

The future cost of credit risk is set to benefit from the clean-up registered in the period 2012-2014

Historic trend of the Group's cost of credit risk

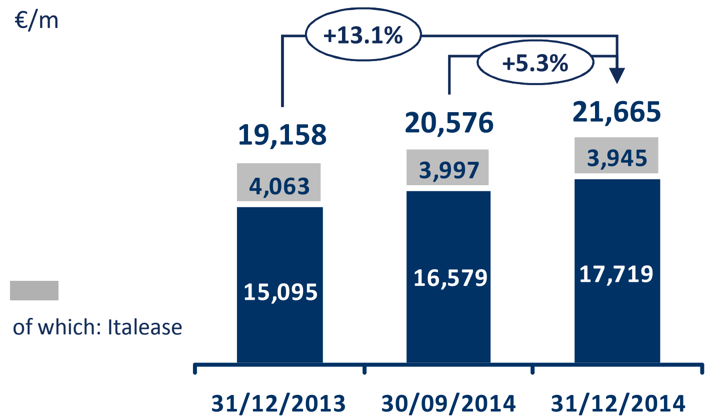


A normalisation of the Group's cost of credit risk is expected starting from 2015, thanks to the material clean-up made in the 2012-2014 period.

Notes: Calculated as Net LLPs/Gross customer loans (period-end data), based on Annual Reports.

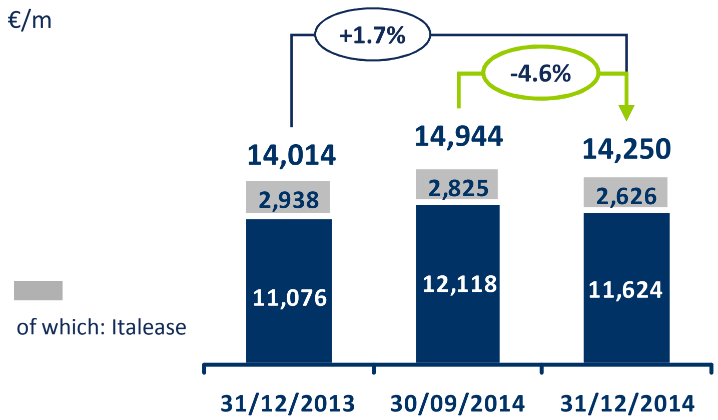
Group total NPLs: reduction of the net exposures

Evolution of gross NPLs



GROSS EXPOSURES	31/12/13	30/09/14	**31/12/14**	*% chg. y/y*	*% chg. q/q*
Bad loans	8,905	9,946	**10,527**	*+18.2%*	*+5.8%*
Substandard	8,105	8,539	**9,008**	*+11.1%*	*+5.5%*
Restructured	1,317	1,367	**1,715**	*+30.2%*	*+25.4%*
Past Due	831	724	**415**	*-50.1%*	*-42.7%*

Evolution of net NPLs



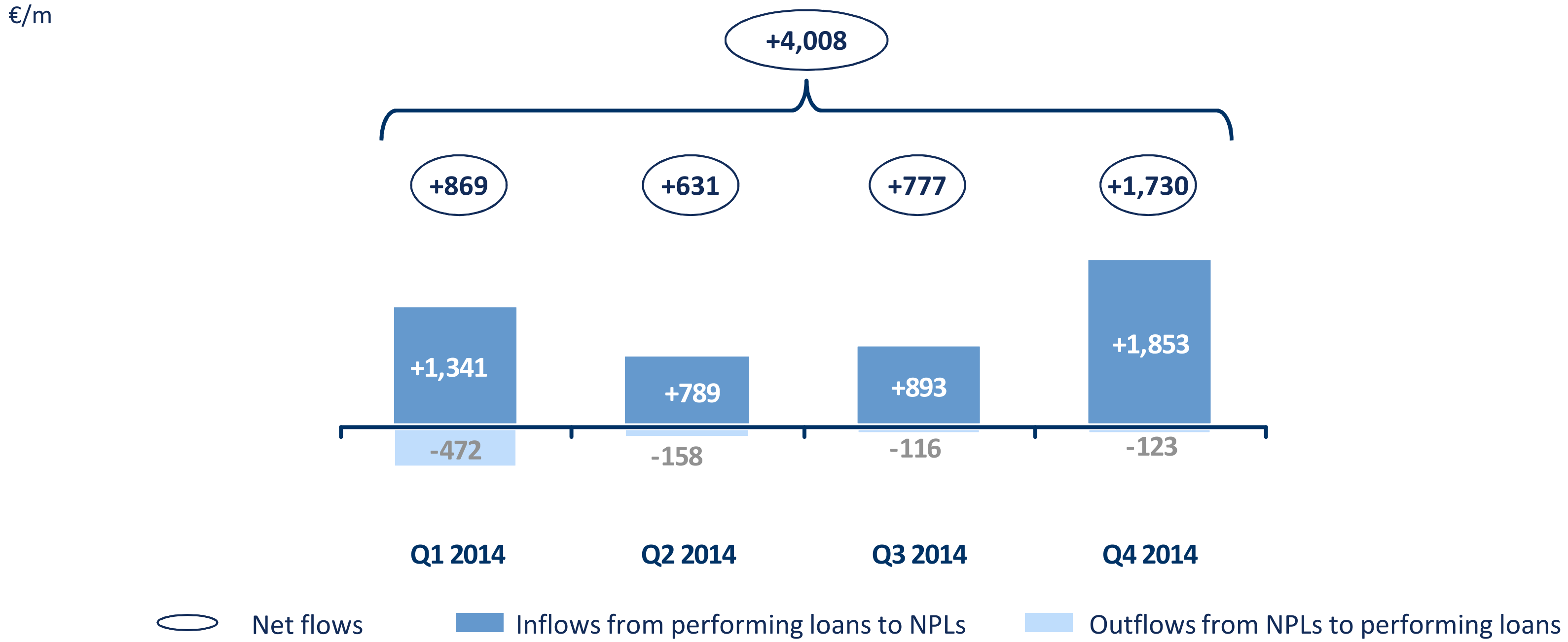
NET EXPOSURES	31/12/13	30/09/14	**31/12/14**	*% chg. y/y*	*% chg. q/q*
Bad loans	5,529	6,220	**6,000**	*+8.5%*	*-3.5%*
Substandard	6,628	6,991	**6,655**	*+0.4%*	*-4.8%*
Restructured	1,084	1,059	**1,251**	*+15.4%*	*+18.1%*
Past Due	774	673	**344**	*-55.5%*	*-48.8%*

- The trend of gross NPLs (+13.1% y/y and +5.3% q/q) was impacted by classifications (mainly into the Substandard and Restructured loan categories) of some Mid/Large Corporate big ticket positions (for a total amount of roughly €800m, of which roughly €260m related to Riva Group, classified as Substandard for recent events known in the public domain), which can be defined as extraordinary.
- The strong growth of coverage levels allowed a reduction of 4.6% of net NPLs in the quarter (-€693m) and an annual progression limited to +1.7% (+€237m), notwithstanding the exceptional events registered in Q4 2014.
- With reference to gross Bad loans, the annual growth of 18.2% is in line with that registered by the banking system in December 2014. Source: Bank of Italy, Supplements to the Statistical Bulletin, February 2015.

Banco Popolare Group

Net flows to Non-Performing Loans

Quarterly evolution of the net flows from Performing loans to NPLs

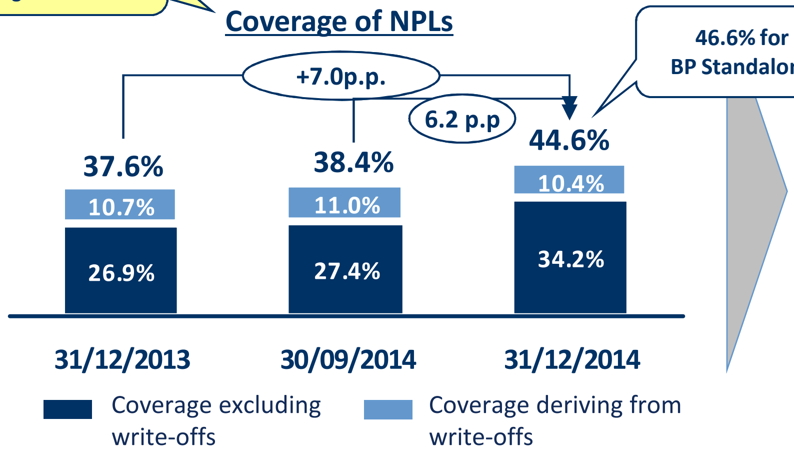


The net flows from Performing loans to NPLs of the last quarter of 2014 are impacted by the already mentioned classification of some Mid/Large Corporate big ticket exposures, for a total amount of roughly €800m.

Coverage of Group NPLs

Excludes both real and personal guarantees

Evolution of the coverage of Group NPLs



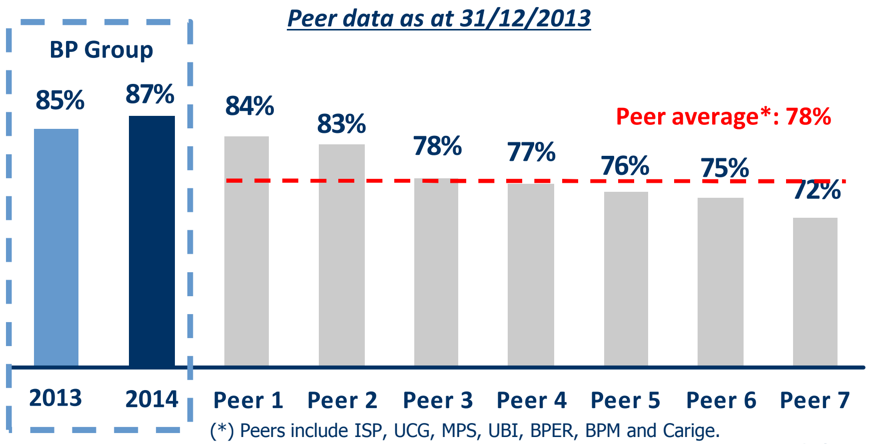
	31/12/2013		30/09/2014		31/12/2014	
	Excl. write-offs	**Incl. write-offs**	Excl. write-offs	**Incl. write-offs**	Excl. write-offs	**Incl. write-offs**
Bad loans	37.9%	**54.7%**	37.5%	**54.3%**	43.0%	**58.8%**
- Incl. real guarantees	*93.3%*	***95.1%***	*93.1%*	***95.0%***	*96.1%*	***97.2%***
Substandard loans	18.2%		18.1%		26.1%	
- Incl. real guarantees	*82.8%*		*82.4%*		*88.8%*	
Restructured	17.7%		22.5%		27.0%	
Past Due	6.9%		7.0%		17.0%	
TOTAL NPLs	26.9%	**37.6%**	27.4%	**38.4%**	34.2%	**44.6%**

>115% at Fair Value

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

- Thanks to the provisions registered in Q4 2014, a material increase was achieved in the coverage level; in more detail:
  - Bad loan coverage: +5.1p.p. y/y (+4,1p.p. incl. write-offs) and +5.5p.p. q/q (+4.5p.p. incl. write-offs);
  - Substandard loan coverage: +7.9p.p. y/y and + 8.0p.p. q/q;
  - Restructured loan coverage: +9.3p.p. y/y and + 4.5p.p. q/q;
  - Past Due coverage: +10.0p.p. y/y and +10.0p.p. q/q.
- The coverage including real guarantees also increases notably, reaching 97.2% for Bad loans and 88.8% for Substandard loans, thanks to the high share of loans assisted by real guarantees (equal to 74.3% for Bad loans and to 75.7% for Substandard loans).
- The coverage levels of our group should also be read in light of the high share of loans assisted by guarantees on total net NPLs, in comparison with the main Italian players (data as at 31/12/2013).

Share of loans assisted by guarantees on total net NPLs

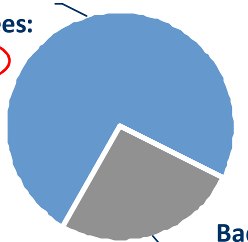


(*) Peers include ISP, UCG, MPS, UBI, BPER, BPM and Carige.
Source: FY 2013 Annual Reports. Arithmetic mean.

BANCO POPOLARE

Focus on coverage and guarantees of Bad and Sustandard loans

Share of Bad loans assisted by real guarantees



Bad loans assisted by real guarantees: 74.3%

Bad loans not assisted by real guarantees: 25.7%

Analysis of Bad loan coverage

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

54.7% at 31/12/13

58.8%

Coverage at 31/12/2014

of which:

Bad loans assisted by real guarantees

45.3% — Coverage excluding real guarantees

104.5% (>140% at fair value) — Coverage including real guarantees

Bad loans not assisted by real guarantees

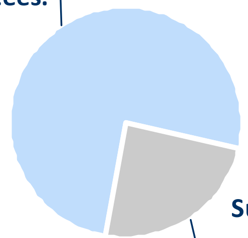
83.6% — Coverage

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

Note: (*) BP "Standalone" perimeter

Highly fragmented risk: Average ticket size of €69K.

Share of Substandard loans assisted by real guarantees



Substandard loans assisted by real guarantees: 75.7%

Substandard loans not assisted by real guarantees: 24.3%

Analysis of Substandard loan coverage

18.2% at 31/12/13

26.1%

Coverage at 31/12/2014

of which:

Substandard loans assisted by real guarantees

21.6% — Coverage excluding real guarantees

104.4% (>140% at fair value) — Coverage including real guarantees

Substandard loans not assisted by real guarantees

40.2% — Coverage

Increases to 71.2% including personal guarantees.

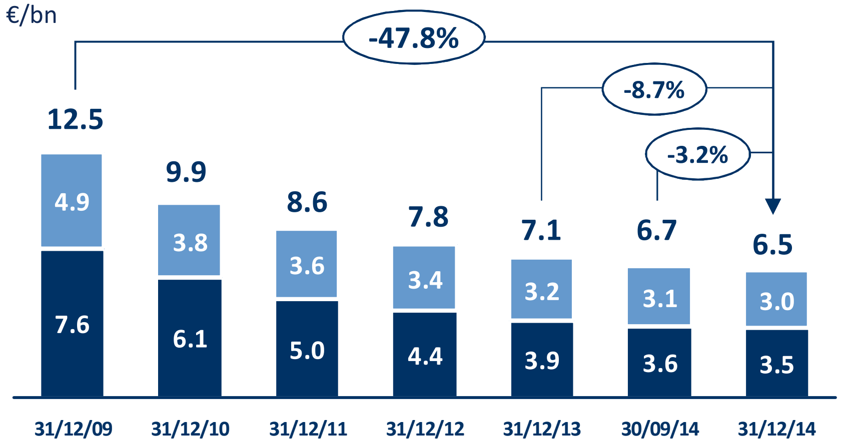
High quality guarantees: 95% of real guarantees are represented by real estate assets, of which ~33% residential and ~70% located in the north of Italy. The remaining 6% is represented by pledges on securities and on cash*.

Note: (*) BP "Standalone" perimeter

Highly fragmented risk: Average ticket size of €63K.

Italease: further progress in the downsizing

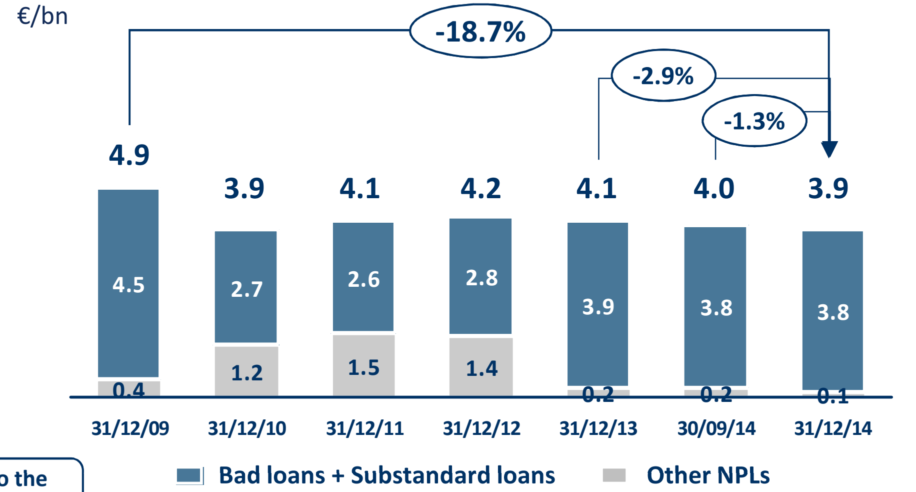
Evolution of total gross customer loans*



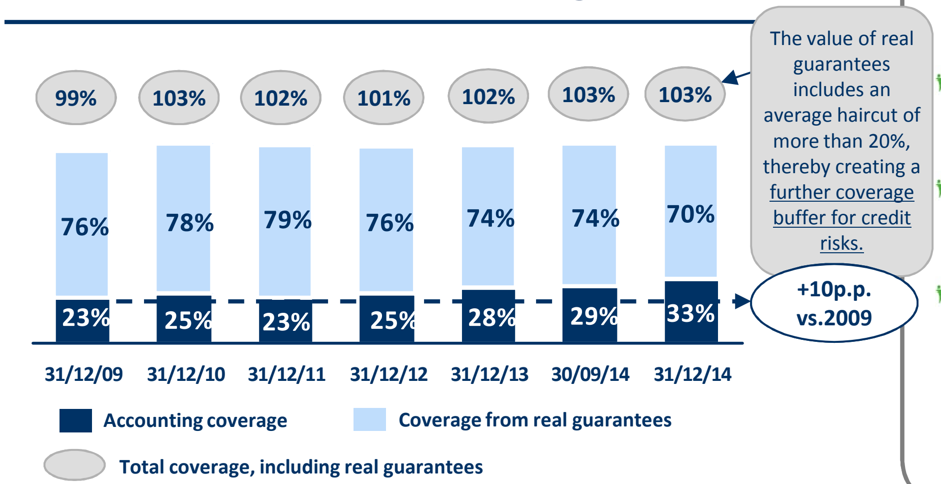
20% of the 'Release' portfolio belongs to the shareholders BPER, BPM and BPS.

Note: (*) Exclude notes in L&R

Evolution of gross NPLs



Evolution of the coverage of NPLs

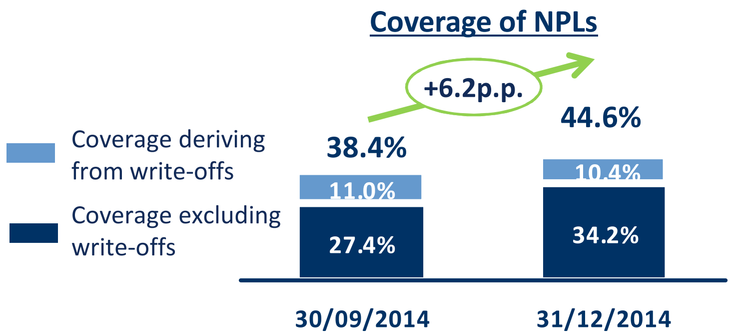


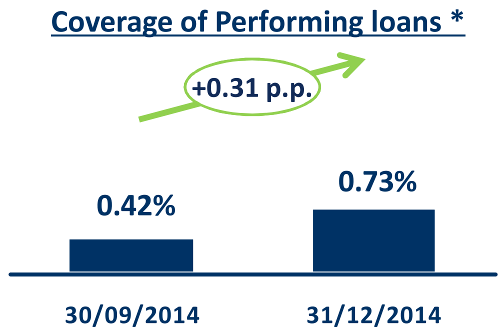
- The downsizing of the portfolio of Italease (Release + Italease Residual) progresses, with a decrease of €622m in 2014 (-8.7%), after a drop of €5.4bn registered in the period 2009-2013.
- Stable asset quality, with gross NPLs in line with the level at year-end 2010, registering a decrease of €118m vs. year-end 2013 (-€52m in Q4 2014).
- Increase in the accounting coverage (excluding real guarantees), which grows from 23% at year-end 2009 to 33% at the end 2014 (29% as at September 2014), with a relevant progression registered in Q4 2014.
- The coverage, including collateral, stands at a level above 100% (103%, +4p.p. vs. 2009), in spite of the update, at year-end 2014, of the appraisal of the main underlying real estate assets, while still maintaining the incorporation of an average haircut of more than 20% on the updated market values of the collaterals, which represent an additional coverage buffer for outstanding risks.

Banco Popolare Group

Summary: positive impacts on asset quality

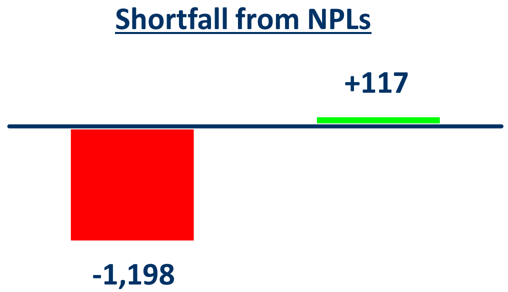
STRONG INCREASE IN COVERAGE LEVELS

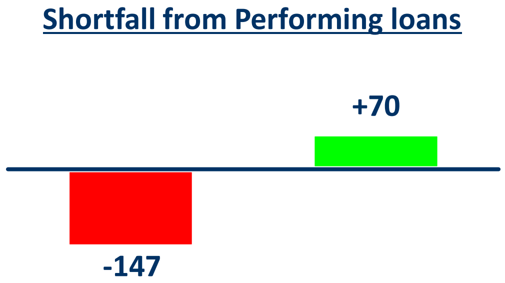




ELIMINATION OF THE SHORTFALL BETWEEN IMPAIRMENTS AND EXPECTED LOSSES

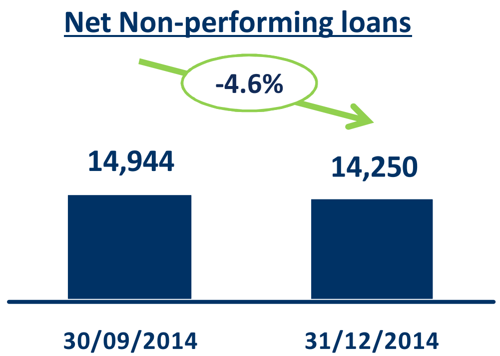
€/bn





DECREASE OF NET NON-PERFORMING LOANS

€/bn



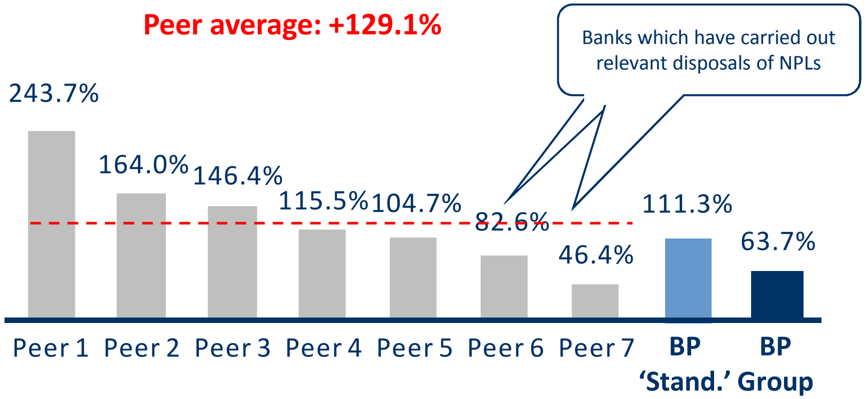
BANCO POPOLARE

Note: * Coverage calculated on Performing exposures, excluding positions that are totally risk free.

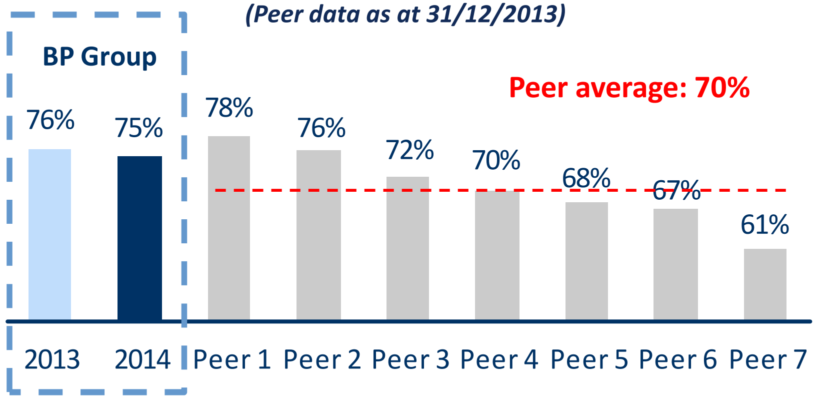
Banco Popolare Group and ‘Standalone’

Benchmark: asset quality and loan coverage

Trend in gross Non-Performing Loans vs. peers 31/12/2014 vs. 31/12/2009

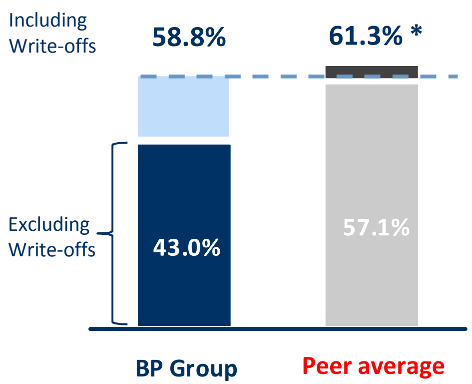


Share of loans assisted by guarantees on total net customer loans



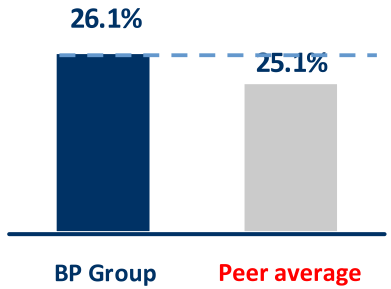
Coverage of Non-Performing Loans vs. peers 31/12/2014

Bad loan coverage
(incl. and excl. Write-offs)

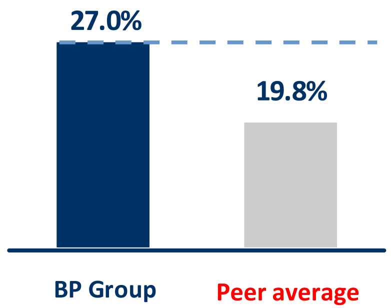


*Average peer coverage including Write-offs excludes MPS as the data is not available.

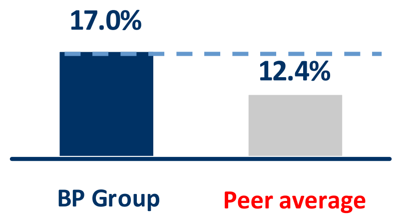
Substandard loan coverage



Restructured loan coverage



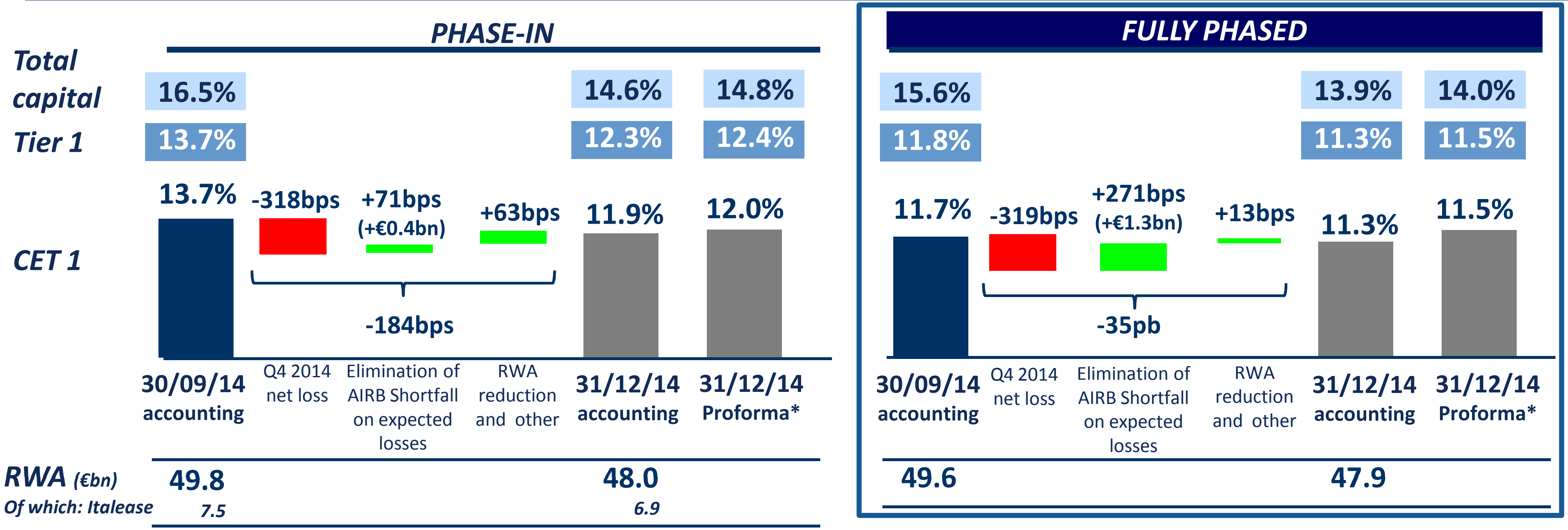
Past Due loan coverage



Peers include ISP, UCG, MPS, UBI, BPER, BPM and Carige. Data based on latest reported figures as at 31/12/2014. N.B. In the trend of gross NPLs, the comparison vs. 2009 for peer banks could be based on perimeters not perfectly homogeneous with the data reported for FY 2014. Arithmetic average.

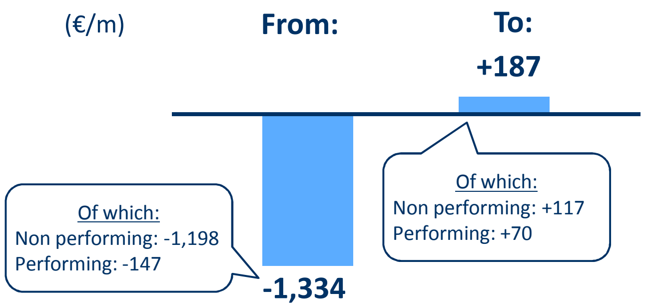
Agenda

Group regulatory capital ratios



* Including estimated impact of the merger of Italease finalised in March 2015.

Evolution of AIRB shortfall on expected losses in Q4 2014



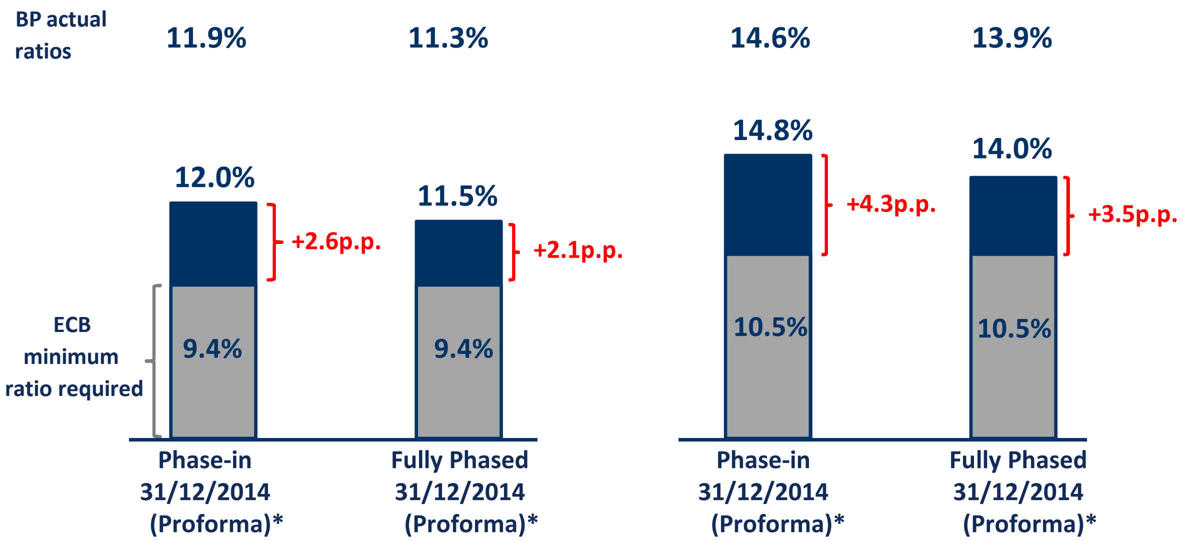
- As at 31/12/2014, the CET1 ratio **phase-in** stood at **11.9%** (-184bps vs 30/09/2014) and the CET1 ratio ***fully phased*** at **11.3%** (-35bps vs 30/09/2014). Including the merger of Italease, the proforma CET 1 ratios as at 31/12/2014 stood at **12.0% phase-in** and at **11.5%** on a **fully phased** basis.
- The higher LLPs registered in Q4 2014 (€2.5bn gross) led to the complete elimination of the AIRB shortfall on expected losses (equal to €1.3bn as at 30/09/2014), with a positive impact of **+71bps** on the **phase-in CET ratio** and of **+271bps** on the **fully phased CET1 ratio**.
- The RWA reduction (mainly due to the decrease of customer loans in Q4), in conjunction with other factors, gave a benefit of **+63bps (phase-in)** and **+13bps (fully phased).**
- The AIRB shortfall became positive as at 31/12/2014, for a total amount of **€187m**, and, therefore, was included in the Tier 2 capital.
- The total capital as at 31/12/2014 does not include a subordinated T2 bond (€800m), the eligibility of which under Basel 3, in view of the rules which came into effect starting from 01/01/2014, is currently under discussion. The non-computation of this element has led to an impact of about -170bps on the total accounting capital ratio.
- **The Leverage ratio based on the phase-in arrangements is 5.0%. On a fully-loaded basis, the estimated ratio comes in at 4.7%.**

ECB's minimum capital requirements

ECB capital decision communicated end-February 2015 to Banco Popolare

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

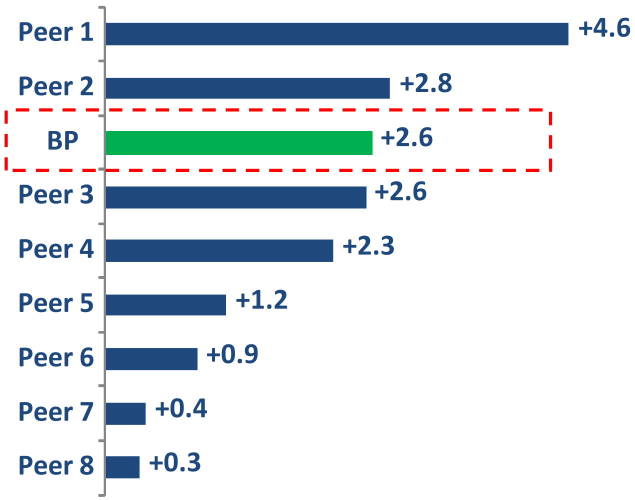
CET 1 ratio | Total Capital ratio



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

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

(percentage points)



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

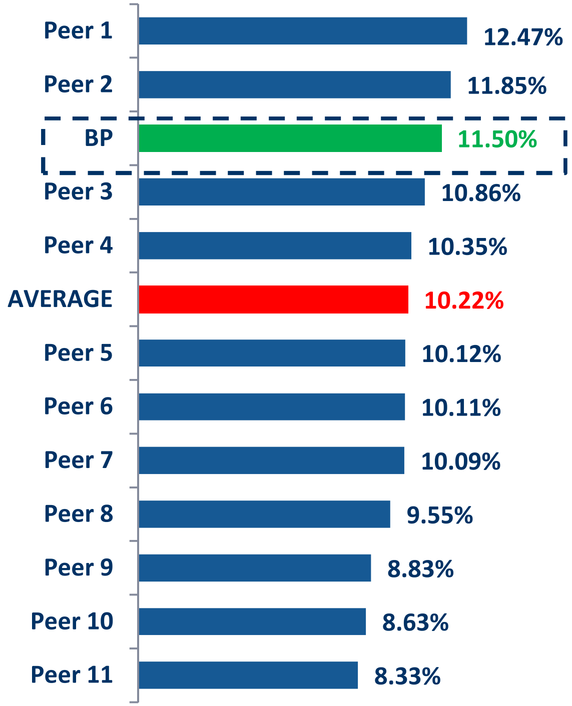
Note:
CET1 Phase-in ratio accounting (and proforma when reported), including dividend payment when declared, as at 31/12/2014.

Source: Press releases and results presentations.

Banco Popolare Group

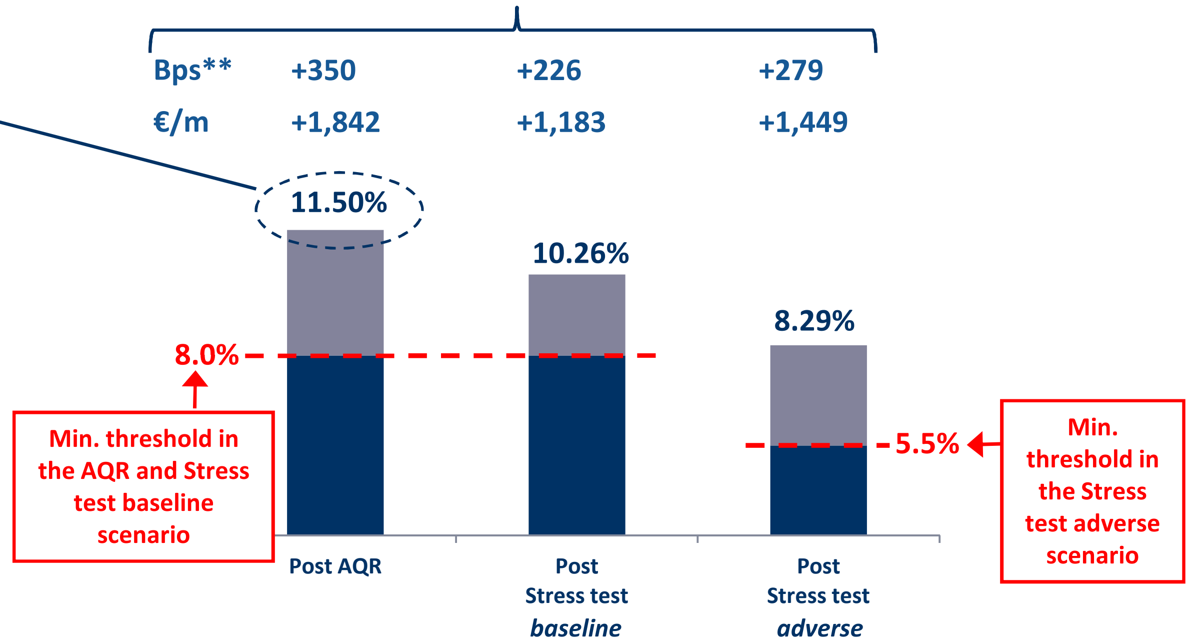
Comprehensive Assessment passed with a wide margin

Italian banks comparison of CET1 ratio 2013 Phase-in* post AQR



CET1 ratio 2013 Phase-in*

Buffer vs. minimum thresholds envisaged in the *Comprehensive Assessment*



- **Banco Popolare passes the Comprehensive Assessment with a wide margin**, thanks also to the capital strengthening measures already carried out in H1 2014.
- It is noted that the loan loss provisions resulting from the AQR did not trigger any reduction in the IRB shortfall on expected losses, which is already incorporated in the regulatory ratios. As a result, within the AQR exercise, the shortfall has, therefore, remained unchanged at the level pre-AQR as of 31/12/2013.

*Source: internal estimates on the basis of '*Remediation Actions*' shown in the press release of ECB and of the '*Other Capital Strengthening Measures*' shown in the press release of Bank of Italy. With regards to Banco Popolare, they are equal to €1,756m and €120m respectively **(excluding the expected benefits from the merger of Italease, equal to 18bps).**
** Calculated on RWA as of 31/12/2013 pre-AQR.

Analysis of the AQR results

Results of the AQR exercise, subdivided by category

€/m

	Credit Exposure Review			*Other*	TOTAL GROSS IMPACT
	1 *Impact on provisions arising from the Credit File Review*	2 *Impact of projection of findings on provisions*	3 *Challenger Model impact on collectively assessed provisions*	4 *Fair Value Exposures Review and CVA*	
Retail/SME	0	0	439.8	42.0	
Corporate	451.2	509.6	160.3		
TOTAL	**451.2**	**509.6**	**600.1**	**42.0**	**1,603.0**

Total gross AQR impacts on Credit Exposures equal to €1.561m
Of which:
- **€1,340m registered in Q4 2014**
- **€263m already registered as at 30/09/2014**

Already registered in full as at 30/09/2014

Conclusions

- The net loss registered in FY 2014 (-€1.9bn) was driven above all by the extraordinarily high level of loan loss provisions: -€3.6bn, of which -€2.5bn in Q4 2014, owing to the full consideration of the AQR results, in addition to the application of particularly prudent criteria.

- In spite of this, the CET 1 ratio comes in at 11.3% on a fully loaded basis (11.7% as at 30/09/2014) and increases to 11.5% pro-forma, i.e. including the impact deriving from the merger with Banca Italease (finalised in March 2015).

- The shortfall on expected losses (equal to -€1.34bn as of 30/09/2014) was eliminated in full at year-end 2014.

- The coverage ratio of non-performing loans increases by 7.4 p.p. over year-end 2013 and strengthens significantly in all key loan categories:
  - Bad loans: from 37.9% to 43.0% (+5.1 p.p.); 58.8% including write-offs
  - Substandard: from 18.2% to 26.1% (+7.9 p.p.)
  - Restructured: from 17.7% to 27.0% (+9.3 p.p.)
  - Past Due: from 6.9% to 17.0% (+10.0 p.p.)

- In 2015, the core banking business is set to benefit from a further reduction in the cost of funding, while a normalisation is expected for the cost of risk.

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Screen announcement on 16 April 2015: Banco Popolare Società Cooperativa rated Ba3 (RuR Down) / BBB (negative) / BBB (negative) by Moody's, Fitch and DBRS has mandated Banca Aletti, BofA Merrill Lynch, BNP Paribas, J.P. Morgan, Nomura and UBS Investment Bank to arrange a series of fixed income investor meetings in Europe starting on Friday 17th April. A Euro-denominated Reg S bearer Subordinated benchmark Tier 2 transaction may follow subject to market conditions.

Banco Popolare Tier 2 Securities: Rationale

Capital Optimization

- Optimise composition of the capital base and build a buffer on the Bank's capital position
- Provide a more flexible/optimal capital structure in the context of the regulatory framework
- Improvement of MREL ratio, excluding senior unsecured debt

Supporting Senior Creditors

- Provide further protection to senior creditors and depositors

Rating Protection

- A new T2 issuance would provide an additional amount of subordination below senior bond (e.g. LGF analysis of Moody's), protect issuer rating against expected removal of government support

Additional Considerations

- Replacement of the subordinated T2 bond (€800m), the eligibility of which under Basel 3, in view of the rules which came into effect starting from 01/01/2014, is currently under discussion
- In a regulatory environment where CRDIV/CRR already applies to all EU banks, and with Loss Absorbing Capacity frameworks currently in discussions among European regulators, there is value in building an efficient capital structure whereby the 2% Tier 2 and the 1.5% AT1 buckets are fulfilled
- Tier 2 securities increase the buffer to MDA restrictions, freeing up CET1 capacity to be used in the Combined Buffer Requirement and additional management buffer

Summary Terms of Banco Popolare Tier 2 Securities

Issuer	❑ Banco Popolare Società Cooperativa
Issuer Ratings	❑ Ba3 (RuR down) /BBB (neg.) /BBB (neg.) (Moody's/Fitch/DBRS)
Expected Ratings	❑ [Caa1/BB- (Moody's/Fitch)]
Security	❑ Dated Subordinated, Tier 2
Size	❑ EUR Benchmark
Format	❑ Reg S Bearer. CRD IV/CRR compliant
Maturity	❑ 10-year bullet or 10nc5 or 12nc7 "One-time call"
Coupon	❑ [xx]%, Fixed, annual ACT/ACT [until call date. Thereafter, one time reset at 5 (10nc5) or 7 (12nc7) year EUR mid-swap plus the Initial Spread]
Coupon Deferral	❑ None
Tax Call	❑ At any time at par plus accrued, due to tax reasons as described in Condition 5.2 (withholding tax) , subject to prior regulatory approval
Point of Non-viability	❑ Within risk factors
Denomination / Listing	❑ EUR 100k + 1k / Luxembourg Stock Exchange
Docs / Governing Law	❑ Issuer's EMTN Programme dated 16 July 2014 and supplements on 23 September 2014, 13 November 2014, 17 February 2015, 19 February 2015 and 11 March 2015. GOVERNING LAW: English law, except for Condition 3B (Status – Subordinated Notes) and any non-contractual obligations arising therefrom or connected therewith which will be governed by Italian law

Agenda

Reclassified consolidated balance sheet

Reclassified consolidated balance sheet

Reclassified assets (in euro thousand)	31/12/2014	31/12/2013 (*)	Changes	
Cash and cash equivalents	619,529	639,632	(20,103)	(3.1%)
Financial assets and hedging derivatives	26,190,599	23,949,013	2,241,586	9.4%
Due from banks	5,058,816	3,753,227	1,305,589	34.8%
Customer loans	79,823,603	86,148,995	(6,325,392)	(7.3%)
Equity investments	1,061,412	1,033,764	27,648	2.7%
Property and equipment	2,139,962	2,052,250	87,712	4.3%
Intangible assets	2,049,912	2,299,243	(249,331)	(10.8%)
Non-current assets held for sale and discontinued operations	94,308	390,860	(296,552)	(75.9%)
Other assets	6,043,545	5,134,543	909,002	17.7%
Total	**123,081,686**	**125,401,527**	**(2,319,841)**	**(1.8%)**

Reclassified liabilities (in euro thousand)	31/12/2014	31/12/2013 (*)	Changes	
Due to banks	17,383,317	17,403,066	(19,749)	(0.1%)
Due to customers, debt securities issued and financial liabilities designated at fair value	86,513,468	90,017,669	(3,504,201)	(3.9%)
Financial liabilities and hedging derivatives	6,650,235	4,516,607	2,133,628	47.2%
Liability provisions	1,281,459	1,287,617	(6,158)	(0.5%)
Liabilities associated with assets held for sale	-	275,511	(275,511)	
Other liabilities	3,176,858	3,378,404	(201,546)	(6.0%)
Minority interests	12,130	349,039	(336,909)	(96.5%)
Shareholders' equity	8,064,219	8,173,614	(109,395)	(1.3%)
- Capital and reserves	10,010,110	8,779,909	1,230,201	14.0%
- Net income (loss) for the period	(1,945,891)	(606,295)	1,339,596	220.9%
Total	**123,081,686**	**125,401,527**	**(2,319,841)**	**(1.8%)**

(*) Data of the previous year have been restated in order to ensure a homogeneous comparison.

Appendix A: Banco Popolare Group

Consolidated income statement: quarterly trend

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

PPA effect: quarterly evolution

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

Appendix A: Banco Popolare Group

Income Statement pre PPA: quarterly evolution

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

Italease: breakdown of FY 2014 results

	Italease Residual		Release	
Reclassified income statement €/m	**2014**	**2013**	**2014**	**2013**
Net interest income	38.9	40.3	2.0	3.7
Income (loss) from investments in associates carried at equity	0.0	(4.6)	-	-
Net interest, dividend and similar income	**39.0**	**35.7**	**2.0**	**3.7**
Net fee and commission income	(0.1)	3.3	(0.6)	(0.7)
Other net operating income	9.0	7.3	13.4	16.2
Net financial result (excluding FVO)	(1.5)	(6.3)	0.0	0.0
Other operating income	**7.3**	**4.3**	**12.8**	**15.5**
Total income	**46.3**	**40.0**	**14.9**	**19.2**
Personnel expenses	(11.0)	(12.9)	(1.7)	(1.8)
Other administrative expenses	(26.6)	(27.9)	(22.2)	(19.1)
Amortization and depreciation	(1.6)	(3.1)	(64.5)	(12.7)
Operating costs	**(39.3)**	**(43.9)**	**(88.3)**	**(33.6)**
Profit (loss) from operations	**7.0**	**(3.9)**	**(73.5)**	**(14.4)**
Net adjustments on loans to customers	(59.9)	(140.3)	(201.9)	(87.0)
Net adjustments on receivables due from banks and other assets	0.3	(0.0)	-	-
Net provisions for risks and charges	3.9	(1.4)	(1.3)	0.3
Impairment of goodwill and equity investments	-	-	-	-
Profit (loss) on the disposal of equity and other investments	(0.5)	(0.8)	(0.5)	(1.3)
Income (loss) before tax from continuing operations	**(49.1)**	**(146.4)**	**(277.2)**	**(102.4)**
Tax on income from continuing operations	26.6	39.7	82.0	27.5
Income (loss) after tax from discontinued operations	-	-	-	-
Income (loss) attributable to minority interests	39.1	15.9	-	-
Net income (loss) for the period	**16.5**	**(90.8)**	**(195.2)**	**(74.9)**

Italease: quarterly trend of the income statement

Contribution of Italease to the Group's P&L, excluding the PPA effects

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

Asset quality

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

	30/09/2014						
	Gross exposure	Impairments	Net exposure	Coverage		Write-offs	Coverage including write-offs
Bad loans	9,946	3,726	6,220	37.5%		3,664	54.3%
Substandard loans	8,539	1,548	6,991	18.1%			
Restructured loans	1,367	308	1,059	22.5%			
Past Due loans	724	51	673	7.0%			
Non-performing loans	**20,576**	**5,633**	**14,944**	**27.4%**		**3,664**	**38.4%**
Performing loans	**69,353**	**254**	**69,099**	**0.4%**	(2)		
Total customer loans	**89,929**	**5,887**	**84,042**	**6.5%**		**3,664**	**10.2%**

	31/12/2013						
	Gross exposure	Impairments	Net exposure	Coverage		Write-offs	Coverage including write-offs
Bad loans	8,905	3,376	5,529	37.9%		3,299	54.7%
Substandard loans	8,105	1,477	6,628	18.2%			
Restructured loans	1,317	233	1,084	17.7%			
Past Due loans	831	58	774	6.9%			
Non-performing loans	**19,158**	**5,144**	**14,014**	**26.9%**		**3,299**	**37.6%**
Performing loans	**72,425**	**290**	**72,135**	**0.4%**	(3)		
Total customer loans	**91,583**	**5,434**	**86,149**	**5.9%**		**3,299**	**9.2%**

Note:
(1) 0.73% excluding the Performing exposures totally risk free.
(2) 0.42% excluding the Performing exposures totally risk free.
(3) 0.46% excluding the Performing exposures totally risk free.
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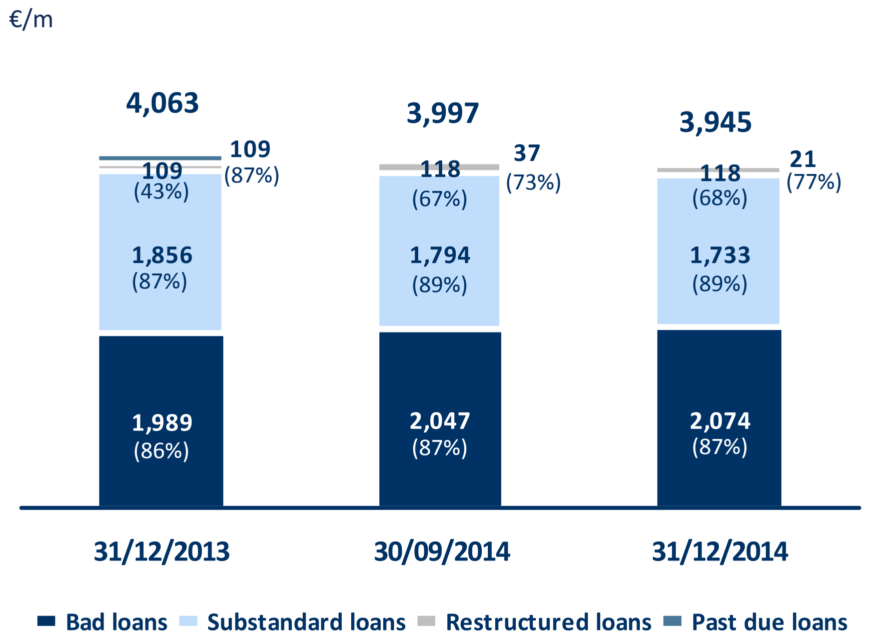
BANCO POPOLARE

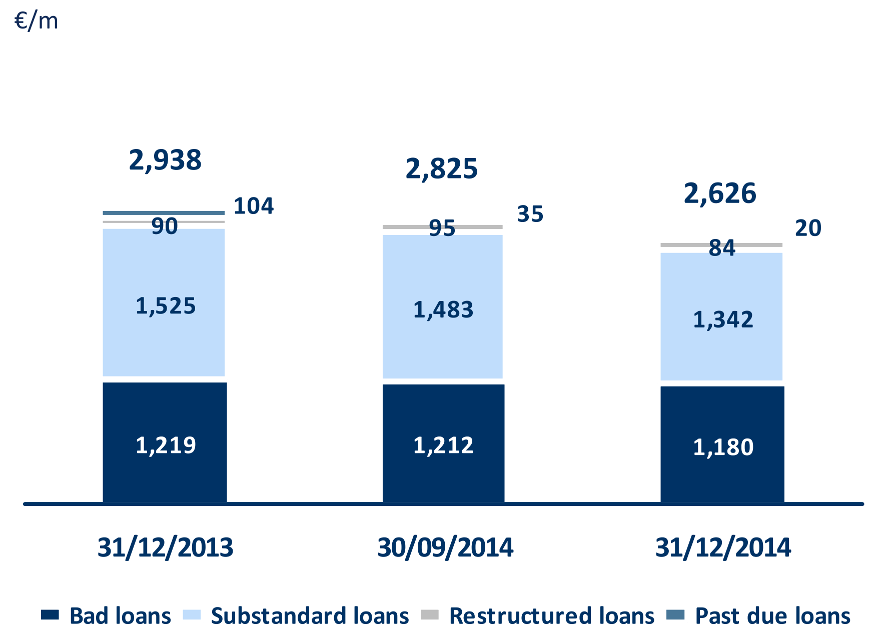
Appendix A: Italease

Asset quality: Italease consolidated NPLs

Gross consolidated NPLs



Net consolidated NPLs



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

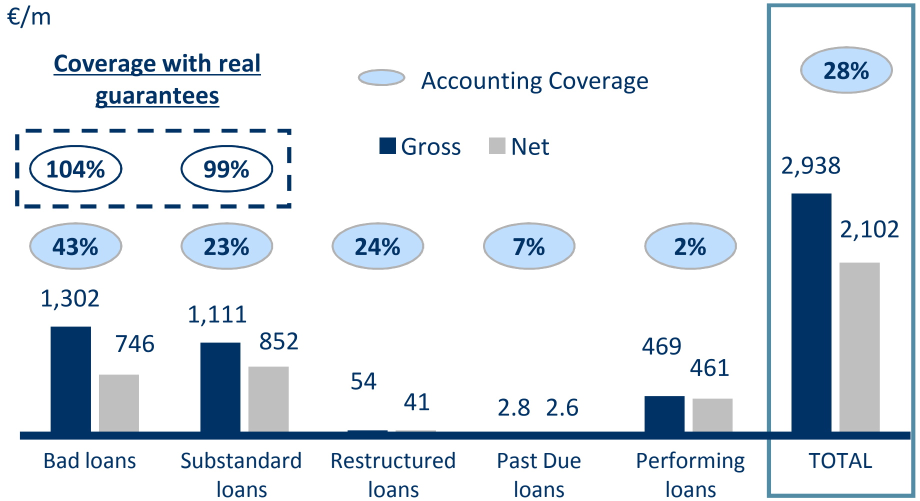
Note: Accounting data. Consolidation perimeter includes Release, the 'Italease Residual' portfolio (which includes Banca Italease and Italease Gestione Beni).

Appendix A: Italease

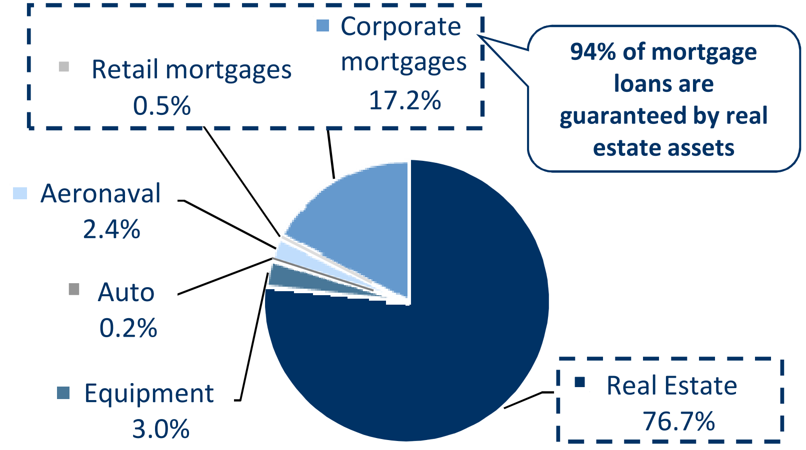
'Release' Portfolio: analysis as at 31/12/2014

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

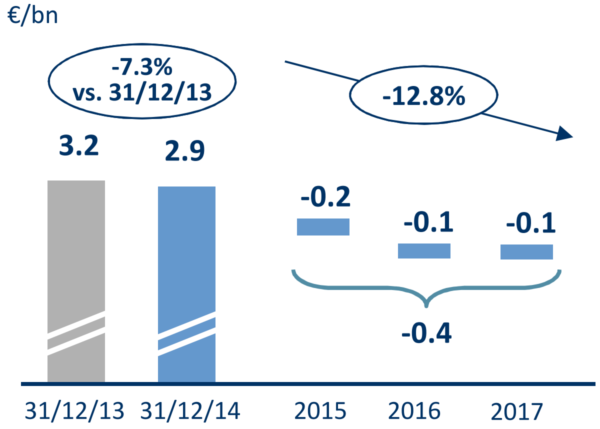
Gross customer loans: classification



Loan portfolio by product category



Repayment plan until 2017*



% chg. expected as at year-end 2017	
Real Estate	-6.6%
Mortgages	-38.5%
Equipment	-30.8%
Other	-0.7%
TOTAL	**-12.8%**

- The 'Release' portfolio falls by 39.4% vs. year-end 2009; in the same period, the aggregate of Bad loans and Substandard loans decreases by 33.9%.
- The coverage, including real guarantees, is 104% for Bad loans and 99% for Substandard loans.
- Repayment plan of performing loans: -12.8% expected by year-end 2017 (-€0.4bn).

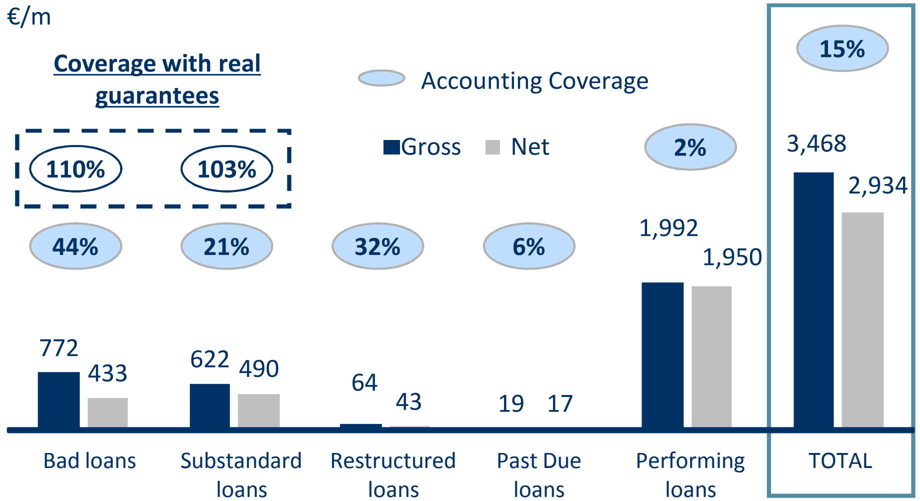
* Forecasts on the portfolio maturities, based on the financial plan for performing loans.
Source: Management accounting data

BANCO POPOLARE

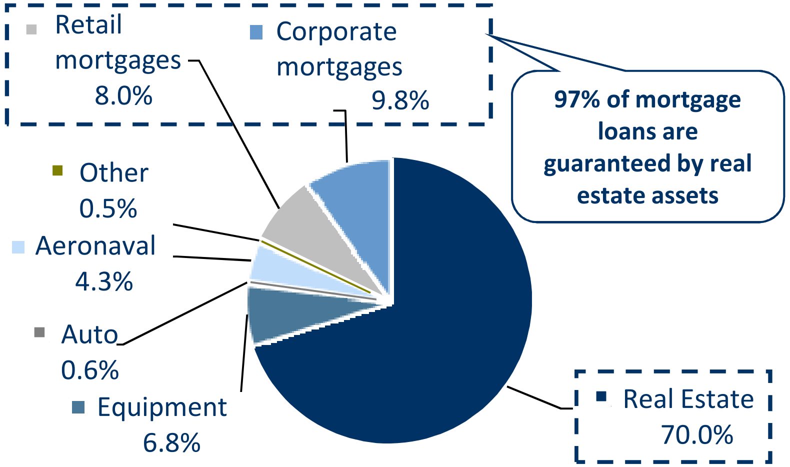
Appendix A: Italease

‘Italease Residual’ Portfolio: analysis as at 31/12/2014

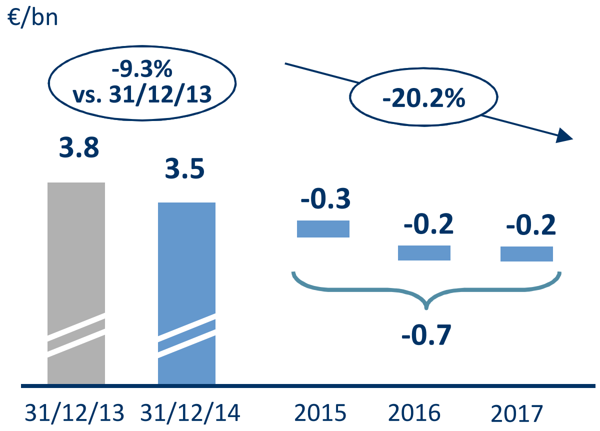
Gross customer loans: classification



Loan portfolio by product category



Repayment plan until 2017*



% chg. expected as at year-end 2017	
Real Estate	-19.8%
Mortgages	-18.6%
Equipment	-24.4%
Other	-25.4%
TOTAL	**-20.2%**

- The ‘Italease Residual’ portfolio drops by 52.6% vs. year-end 2009 and by 9.3% in 2014.
- The coverage, including real guarantees, is 110% for Bad loans and 103% for Substandard loans.
- Repayment plan of performing loans: -20.2% expected by year-end 2017 (-€0.7bn).

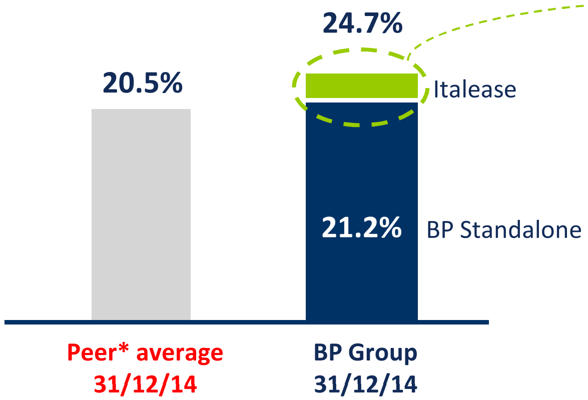
* Forecasts on the portfolio maturities, based on the financial plan for performing loans.

Source: Management accounting data

BANCO POPOLARE

Cost of credit risk: impact from Italease

Gross NPLs on total gross loans

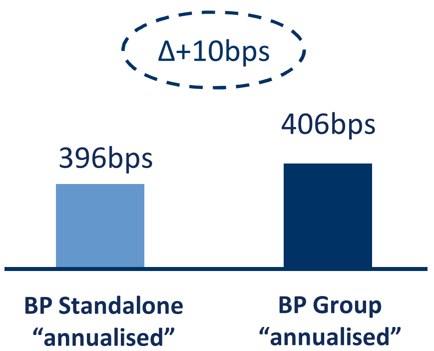


Note: * Peers include ISP, UCG, MPS, UBI, BPER, BPM and Carige

	Composition of NPLs as at 31/12/2014 (€/bn)		Loan Loss Provisions FY 2014 (€/m)		NPLs Coverage including Real Guarantees
Italease	3.9	**18%**	-262	**7%**	**107%** (Fair value*)
BP standalone	17.7	82%	-3,299	93%	95%
BP Group	**21.7**		**-3,561**		**97%** (>115% at Fair Value*)

* The data of real guarantees at Fair Value consider the absolute fair value of the total underlying real guarantees.

Cost of Credit Risk in FY 2014



- The higher share of doubtful loans of BP Group compared to the peer average, is due to the loan book of Italease.
- In FY 2014, while representing 18% of total Group doubtful loans, Italease accounted for only 7% of total LLPs.

Regulatory capital: from CET 1 phased-in to fully phased

Reconciliation between CET 1 phased-in and CET 1 fully phased as at 31/12/2014

€/m

	Phase-in	Fully Phased	Difference	in bps
CET 1 ratio	**11.9%**	**11.3%**		
CET 1 capital	**5,694**	**5,426**	**-268**	**-0.6%**
of which:				
Deductions of Equity stakes net of thresholds	*-128*	*-648*	*-520*	*-1.1%*
Deductions of DTA net of thresholds	*0*	*-14*	*-14*	*0.0%*
Not computable third party equity	*-2*	*-9*	*-8*	*-0.02%*
Elimination of filter on AFS reserves	*0*	*273*	*273*	*0.6%*

Agenda

BANCO POPOLARE

Merger of Credito Bergamasco and Banca Italease

Merger of Credito Bergamasco

- **Timing**: - from 1 June 2014: legal effectiveness
  - from 1 January 2014: accounting and fiscal effectiveness
- **Swap ratio**: **1.412** Banco Popolare common shares for every one swapped Credito Bergamasco common share.
- To serve the exchange, Banco Popolare increased its share capital by a nominal amount of Euro 300,582,215 by issuing 19,332,744 new common shares with no par value, with the same price as the other Banco Popolare common shares already outstanding.

Merger of Banca Italease

- **Timing**: Approved in November 2013 and finalized in March 2015.

Benefits of the merger deals:

- Strengthening of the Group's regulatory capital ratios.
- Cost synergies: about **+€11m**.
- In addition, the above-cited operations complete the project to rationalize the Group's corporate structure launched in 2011, which has entailed the incorporation of the Group's "Network Banks", enabling the achievement of efficiency targets, while at the same time safeguarding the trademarks and the commercial vocation of the individual banks serving the local area.

€1.5bn capital increase: successful completion

Main features

- **In April 2014, Banco Popolare successfully completed the €1.5bn capital increase, with an impact of about +290bps on the CET 1 ratio.**
- Subscription of **166,473,775** new shares, based on a swap ratio of 17 new shares for every 18 Banco Popolare shares held, at 9 euro each.
- Post capital increase, the new number of shares outstanding was equal to **342,846,862** which, with effectiveness from 1 June 2014, has increased to **362,179,606** following the merger of Creberg into the Parent company.

Rationale

- **To reach a level of Regulatory Capital ratios under Basel 3 fully phased above 10%, anticipating the regulatory framework envisaged for 2019, in line with the best-in-class in the Italian banking system and at European level.**
- **To create a wide capital buffer**, which will enable the Group to deal with more confidence with the Comprehensive Assessment and Stress Test exercise.
- **To allow the Group to reach its growth targets** in terms of profitability and volumes envisaged in the new Business Plan 2014-2016/18.
- **To position the Group favourably** in the market in order to capture growth opportunities in a context of macro economic recovery**.**

Shareholder structure of Banco Popolare

- Retail / Non-institutional investors hold between 40% and 60% of Banco Popolare's share capital.
- Most of the retail investors are simultaneously customers of Banco Popolare Group.
- Institutional investors' stakes in Banco Popolare's share capital float in the range between 30%-50% and are highly fragmented.
- As of the latest available update (13/03/2015), according to the website of Consob there is one holding in the share capital declaring a threshold above 2%:
  - Fondazione Cassa di Risparmio di Lucca 2.891%

- **It is noted that in the so-called 'Decree for Development' approved on 13th December 2012, the limit of shares that may be held was increased from 0.5% to 1.0% for both retail and institutional investors* and from 0.5% to 3.0% for banking foundations.**

* It is noted that this threshold does not apply to asset management companies (so-called 'Collective Investment Undertakings' or 'OICR' in Italian) and pension funds.

Number of shares outstanding

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

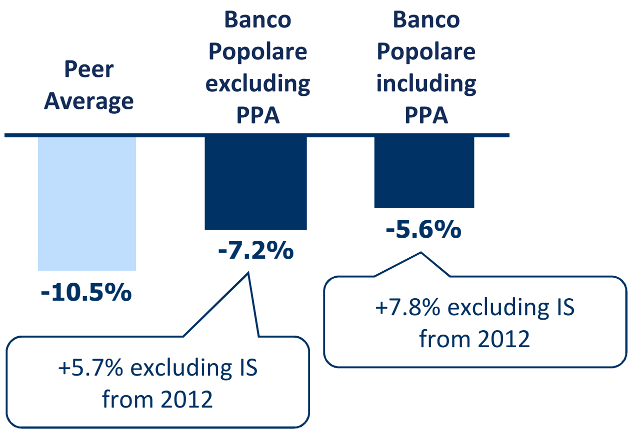
Memo:

The merger of Banca Italease (finalised in March 2015) did not entail any impact on the number of shares outstanding.

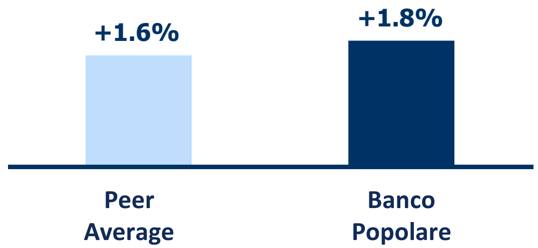
Appendix B: Banco Popolare Group

Benchmark of FY 2013 operating performance

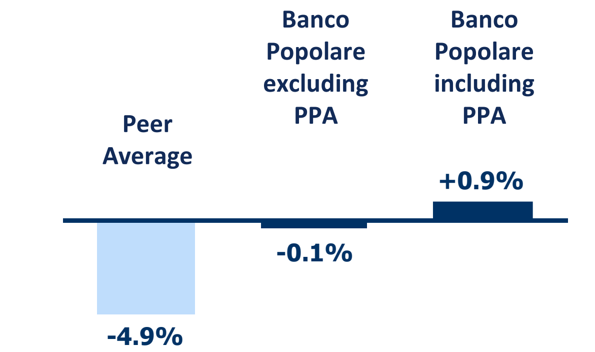
Net interest income (% chg. y/y)



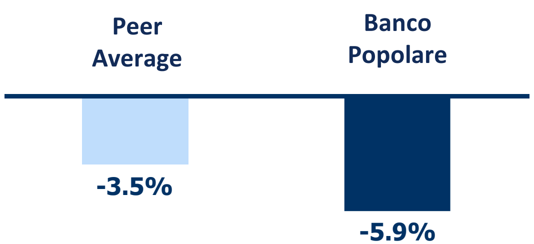
Net commissions (% chg. y/y)



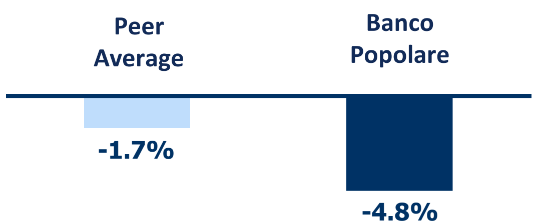
NII + Net commissions + Other net operating income (% chg. y/y)



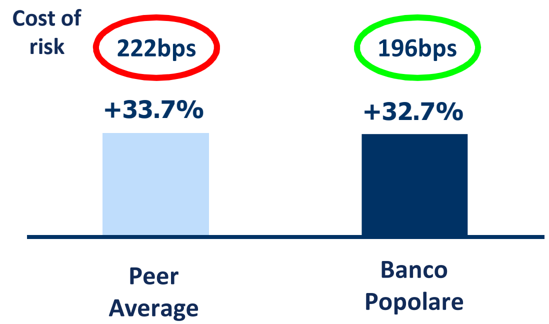
Personnel expenses – excluding solidarity funds and incentivized exits (% chg. y/y)



Other administrative expenses (% chg. y/y)



Loan Loss Provisions (% chg. y/y)

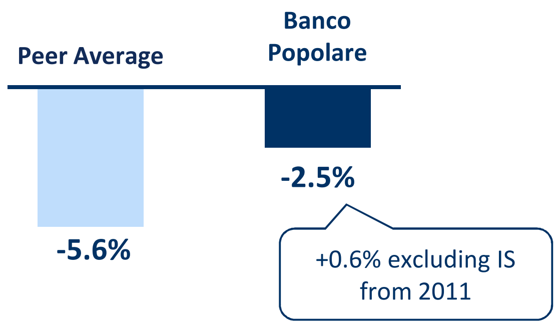


Note: The peer average is based on the arithmetic mean and includes the following banks: Unicredit, Intesa Sanpaolo, MPS, UBI, BPER, BPM and Carige. Analysis based on reclassified P&L schemes of the peer banks and on internal elaborations.
All peer banks exclude PPA; for this reason, Banco Popolare data are indicated both with and without PPA, when material.

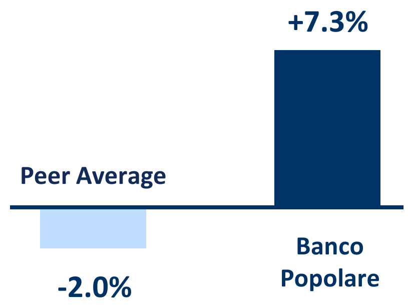
BANCO POPOLARE

Memo: benchmark of FY 2012 operating performance

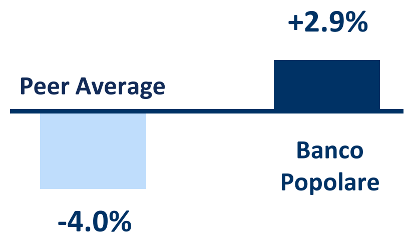
Net interest income (% chg. y/y)



Net commissions (% chg. y/y)

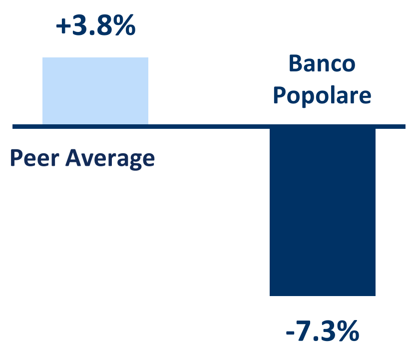


NII + Net commissions + Other net operating income (% chg. y/y)

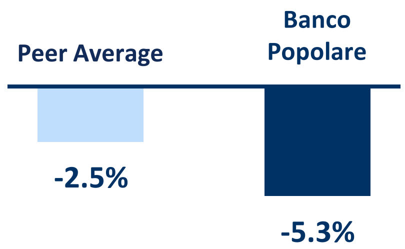


Including solidarity funds and incentivized exits

Personnel expenses (% chg. y/y)

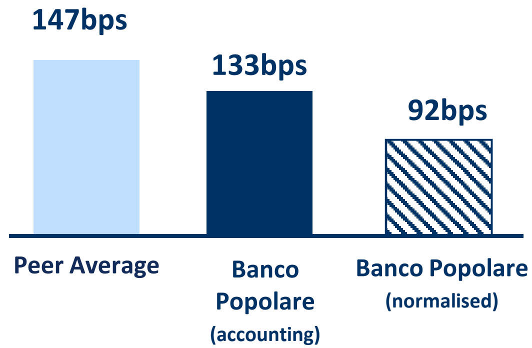


Other administrative expenses (% chg. y/y)



Cost of credit risk

(calculated on gross customer loans)



Note: The peer average is arithmetic and includes the following banks: Unicredit, Intesa Sanpaolo, MPS, UBI, BPER, BPM and Carige.
All peer banks exclude PPA, while Banco Popolare includes the PPA impact (Banco Popolare NII is -7.3% excluding PPA). UCG and ISP do not classify the incentivized exits into the personnel expenses but into a separate item.

Non-performing loan (crediti deteriorati) terminology

- It is noted that starting from the FY 2013 results presentation, Banco Popolare has changed the English translation of "crediti deteriorati", "sofferenze" and "incagli", in order to better comply with the terminology which is being defined at European level.

Previous terminology

ITALIAN TERMINOLOGY	ENGLISH TRANSLATION
• Sofferenze	• Non-performing loans
• Incagli	• Watchlist loans
• Ristrutturati	• Restructured loans
• Scaduti	• Past Due loans
DETERIORATI	IMPAIRED LOANS

New terminology

ITALIAN TERMINOLOGY	ENGLISH TRANSLATION
• Sofferenze	• Bad loans
• Incagli	• Substandard loans
• Ristrutturati	• Restructured loans
• Scaduti	• Past Due loans
DETERIORATI	NON-PERFORMING LOANS

Note:

yellow indicates the terminology that has been subject to changes

Non-performing (crediti deteriorati) loan definitions (1/4)

Non-performing loans (credito "deteriorato") refer to customer loans which, in compliance with the specific provisions of the Bank of Italy's Supervisory instructions (Circular 272 "Matrice dei Conti", Chap. II, "Credit Quality"), qualify as eligible to be classified within the following categories: **Sofferenze** (Bad loans), **Incagli** (Substandard loans), **Crediti ristrutturati** (Restructured exposures) and **Esposizioni scadute e/o sconfinanti** (Past due/overdrawn exposures).

- **Bad loans (Sofferenze):** On- and off-balance sheet exposures to borrowers in a state of insolvency (even when not recognised in a court of law) or in an essentially similar situation, regardless of any loss forecasts made by the bank; irrespective, therefore, of whether any (secured or personal) guarantees have been established to cover the exposures. Also included are: a) exposures to local authorities (municipal and provincial) in a state of financial distress for the amount subject to the associated liquidation procedure; b) Bad loans bought from third parties, irrespective of the accounting portfolio to which they are assigned.

- **Substandard loans (Incagli):** Incagli are on- and off-balance sheet exposures to borrowers in a temporary situation of objective difficulty, which may be expected to be remedied within a reasonable period of time (subjective substandard exposures). This irrespective of whether any (secured or personal) guarantees have been established to cover the exposures. Substandard loans should include exposures to issuers who have not regularly honoured their repayment obligations (in terms of capital or interest) relating to quoted debt securities, unless they meet the conditions for classification as doubtful loans. To this end the "grace period" established by the contract is recognised or, in its absence, the period recognised by the market listing the security.

Substandard captions include, in any event ("objective substandard exposures") exposures other than: a) exposures classified as doubtful; b) exposures included in the "Central Governments and Central Banks", "Local authorities" and "Public-sector entities" portfolios for the purpose of calculating capital requirements for credit and counterparty risk) which include the following:

a) loans to natural persons fully backed by related mortgages for the purpose of purchasing residential properties where such persons reside, where they will reside or which will be leased by the borrower, when the debtor has been notified of encumbrance; such loans must satisfy the requirements for the application of the 35% risk weight (standardised approach), or the inclusion in the retail asset class (IRB approach) exposures for the counterparty credit risk as laid down in the supervisory regulation (Circular No. 263 of December 27, 2006 "New regulations for the prudential supervision of banks");

Non-performing (crediti deteriorati) loan definitions (2/4)

- **Substandard loans (Incagli):** (continues)
  - b) exposures other than those in the previous point, that meet both of the following conditions
    - i. they are past due and/or overdrawn on an ongoing basis:
      1. by over 150 days, in the case of exposures related to consumer credit with an original duration of less than 36 months;
      2. by over 180 days, in the case of exposures related to consumer credit with an original duration equal to or more than 36 months;
      3. by over 270 days, for exposures other than those mentioned in the previous points 1) and 2);
    - ii. the total amount of exposures pursuant to the previous line i. and the other portions due by less than 150, 180 or 270 days (excluding any overdue interest requested from the customer), if the type of exposure due, from the same borrower, is equal to at least 10 per cent of the entire exposure to said borrower (excluding overdue interest). In order to calculate the denominator, the book value is considered for securities, and the cash exposure for other credit positions; moreover, mortgage loans are not considered in calculating either the numerator or the denominator.

Moreover, the Group has adopted an additional substandard classification process based on mandatory classification pursuant to internal rules. This process is aimed at automatically capturing the exposures showing persistent irregularities
over time, the Bank's internal processes require that the following loans be prudentially classified as "Substandard":

- loans remaining in the "Past due/overdrawn" bucket for 180 more days, in accordance with the time limit set for exposures qualifying as "Objective Substandard loan" ("Incaglio oggettivo");
- loans that were showing signs of potential irregularity and have been put on watch for a given period of time through a "performing" loan monitoring and management process, but could not get rid of the irregularities.

All the above described criteria (subjective classification and objective and automatic classification pursuant to the Bank of Italy instructions as well as the mandatory classification pursuant to internal rules) do not distinguish between customer segments.
For household installment-based loans, if the loan recovery has been handed over to home collection agencies, the loan is automatically reclassified as "non-performing" ("deteriorato"), irrespective of the amount of the past-due exposure, after a certain number of missed payments and an ongoing past-due period, in line with the time limit defined for exposures qualifying as "Objective Substandard loans" ("Incaglio oggettivo"):

- 6 unpaid monthly installments and older installment is 150 days past-due for unsecured loans;
- 10 unpaid monthly installments and older installment is 270 days past-due for secured loans.

Non-performing (crediti deteriorati) loan definitions (3/4)

❑ **Restructured exposures (Crediti ristrutturati):** On- and off-balance sheet exposures for which a bank (or a pool of banks), as a result of the deterioration of the borrower's financial situation, agrees to amendments to the original terms and conditions (for example, rescheduling of deadlines, reduction of the debt and/or the interest) that give rise to a loss. These do not include exposures to corporates where the termination of the business is expected (for example in cases of voluntary liquidation or similar situations).
The requirements relating to the "deterioration in the borrower's financial situation" and the presence of a "loss" are assumed to be met when the restructuring involves exposures already classified under the classes of substandard positions or past due/overdrawn exposures.
If the restructuring relates to exposures to borrowers classified as "performing" or to unimpaired Past due/overdrawn exposures, the requirement relating to the "deterioration in the borrower's financial situation" is assumed to be met when the restructuring involves a pool of banks. This irrespective of whether any (secured or personal) guarantees have been established to cover the exposures.

❑ **Past Due/overdrawn exposures (Esposizioni scadute e/o sconfinanti):** On-and off-balance sheet exposures, other than those classified as bad, substandard or restructured exposures that, as at the reporting date, are more than 90 days past due and meet the requirements set out by supervisory regulations (Circular No. 263 of December 27, 2006 "New regulations for the prudential supervision of banks") for their classification under the "past due exposures" category (TSA banks) or under the "defaulted exposures" category (IRB banks).
The rules regulating the calculation of Past-due/overdrawn exposures are applied in compliance with the supervisory regulations of the Bank of Italy (see Circular 272 "Matrice dei conti", Chap. II, "Credit Quality"), and do not allow for any subjective/discretionary opinion.
In particular:

- if a customer has more than one Past due/overdrawn exposures, the exposure with the greater number of past-due days is taken into consideration;
- Past due/overdrawn exposures on certain credit lines can be offset with margins available on other credit lines granted to the same borrower;
- the overall exposure towards a borrower is identified as Past due/overdrawn if the greater of the following two values is equal or greater than the 5% threshold: a) average of the past-due and/or overdrawn amounts of the entire exposure reported on a daily basis in the prior quarter; b) past-due and/or overdrawn amount on the entire exposure on the reporting date.

Non-performing (crediti deteriorati) loan definitions (4/4)

❑ **Past Due/overdrawn exposures (Esposizioni scadute e/o sconfinanti):** (continues)
For customers with exposures with multiple banks of the Group, the past due is calculated at Banking Group level, both with respect to the measurement of the uninterrupted length of the overdraft/past-due period, and to the offsetting with available credit line margins. If the 5% threshold is exceeded, all exposures are declared Past due/overdrawn (also those that have been overdrawn or past-due for less than 91 days).
Loans classified as "esposizioni scadute e/o sconfinanti (Past due/overdrawn exposures)" represent fully operational counterparties, fulfilling the going-concern requirement.

Empowerment of the Group's credit risk management since 2009

CONTROL

- **Accounting cost of credit risk included within the budget scorecards at branch/portfolio level** (for evaluation and incentive scheme).
- **Strengthening of the controls of first level**, both automatic and hierarchical, referred to all credit processes.
- **Weekly update of control and communication to the commercial network** (Heads of Credit Services of the Divisions and Heads of Commercial Departments) on the problematic and impaired loan evolution, in order to better steer the actions of management and normalisation of the positions.
- **Creation of a new function in the Risk Management Department, called "Credit monitoring and control"**, reporting directly to the head of Risk Management and independent with respect to the Credit Department. This function, being external to the credit process, **guarantees a strict and independent control of second level** both on the risk profile of the lending portfolio and on the identification of all the anomalous positions.

PROCESSES

- **Strengthening of all credit processes**, also for monitoring and managing in a structural way all the positions **since the very first signs of potential deterioration**.
- **Reformulation ad the internal regulation body,** organically defined by processes
- **Higher granularity in the use of ratings within ordinary lending powers** for Performing Loans and **setting of operational limits defined for the classification and the size of each specific position** for Impaired Loans.

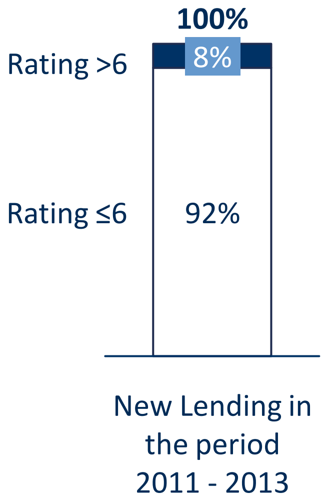
RESOURCES

- **Empowerment and rationalisation of the IT platform** (empowerment of the tools dedicated to lending process and development of tools for managing and monitoring both problematic and impaired loans).
- **Further strengthening (training and increase in the number) of the human resources dedicated to the activity of monitoring and management of the problematic and impaired loans (today ~600 specialised resources are devoted to these activities)**, including a stronger involvement of the Heads of Branch and of the Account Managers in the territory.

High quality of new lending

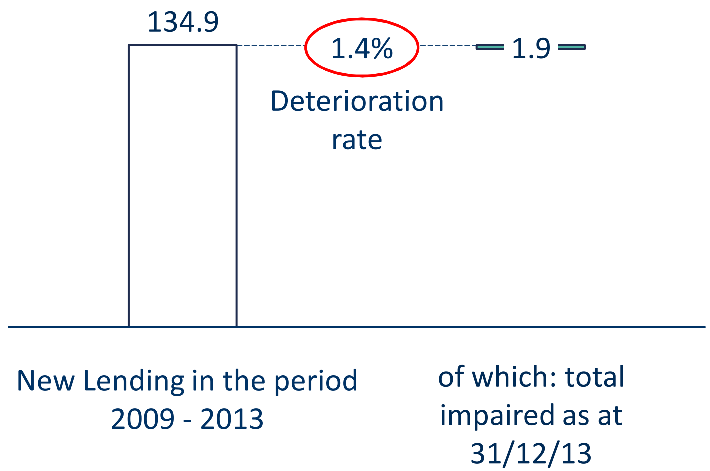
New lending 2011-2013 by rating class
(New loans granted or increase of loans already granted)

BP Standalone, % of total



Deterioration rate of the new lending in the period 2009-2013
(New loans granted or increase of loans already granted)

BP Standalone, €/bn



High attention to customers' credit quality and new loan approval:

- **Deterioration rate of the new customer lending limited to 1.4%**
- **Starting from 2011 (year of application of internal rating model), only 8% of new loans were granted to clients with a rating >6**

Focus on loan loss practice

The expected losses written off ("Write-offs"):

- When a debtor is subject to a bankruptcy procedure, Banco Popolare cancel the portion of loan considered unrecoverable and, contemporaneously, a loan loss is debited through Profit & Loss (the so-called expected losses written off or "Write-offs").
- The expected losses written off practice in Banco Popolare is driven by the different tax treatments of write-offs and provisions.

Accounting procedure, comparison with "impairments" practice:

- The amount of net loans recognized in the Financial Statements and the loan write-downs through Profit and Loss are identical with both practices.
- The amount of gross loans and the loan loss provisions change and, as a result, the ratio between them (i.e. the loan coverage), as the latter shall be "diluted" in the case of the expected losses written off practice. **This is the reason why, when assessing the coverage of Banco Popolare's non-performing loan portfolio as compared with that of banks implementing the "impairments" practice, it is always necessary to take into account the coverage including expected losses written off and their provisions.**

Regulatory framework before the 2013 Stability Law

- Before the approval on 27 December 2013 of the "Stability Law", Italian tax regulations provided for a distinct treatment for **"expected losses written off"** as compared with loan "impairments".
  - Expected losses written off, i.e. losses that are recognized when the loan is sold or written off, could be deducted immediately if based on definite and precise elements, and in any case if the debtor was subject to bankruptcy procedures.
  - Loan "impairments" (write-downs of loans recognized in the financial statements) could be deducted immediately in the financial year in which they have been debited through profit and loss, but only to the extent of 0.30% of the loan amounts reported in the financial statements, plus the amount of impairments carried out during the year (that could then be deducted on a straight-line-basis over the following 18 financial years with respect to the amount exceeding the above-mentioned threshold of 0.30%).

Recent legislative measures impacting credit risk taxation

- Following the approval, on 27 December 2013, of the “Stability Law”, net adjustments on loans to customers have become deductible also under IRAP (in addition to the deductibility that was previously limited to IRES).
- Group IRAP average tax rate: 5.57%.
- As a consequence of this new rule, net income will benefit from this deductibility starting from FY 2013.
- Net adjustments on loans to customers amounted to 689 million euro as of September 30, 2013. It follows that the application of the new rule is set to reduce, ceteris paribus, the taxes on income from continuing operations.

***

- In addition, however, it is noted that following the approval, on 30 November 2013, of the D.L. n. 133, the IRES tax rate for banks and insurance companies is set to be modified on a temporary basis. On this basis, for the sole FY 2013, the IRES tax rate is expected to be increased by 8.5 percentage points, from 27.0% to 35.5%.

Overview of the main companies

As at 31/12/2014

BANCO POPOLARE GROUP

Core Banking Italy
(~84% of total assets)

- Banco Popolare (Parent company)
- Banca Aletti
- Aletti Gestielle

Product & service companies, JV and others
(~9% of total assets)

- Società Gestione Servizi (SGS)
- BP Property Management
- Bipielle Real Estate
- Other subsidiaries

- Agos Ducato (Joint Venture)
- Popolare Vita (Joint Venture)
- Avipop (Joint Venture)

Leasing (In run-off)
(~6% of total assets)

- ~~Banca Italease~~
  - Release

Foreign operations
(~1% of total assets)

- BP Luxembourg
- Aletti Suisse

The merger of Banca Italease into Banco Popolare was completed in March 2015, with accounting and fiscal effectiveness starting retroactively from 01 January 2015.

Banco Popolare "Standalone": the perimeter denominated "Standalone" in this presentation excludes Banca Italease and Release, referred to as "Italease" perimeter, as they are companies in run-off.

Group structure as at 31/12/2014

Holding Company and integrated Territorial Divisions

BANCO POPOLARE

(Number of branches in brackets *)

BPV Division (North East)
- BANCA POPOLARE DI VERONA (334)
- BANCO S.GEMINIANO E S.PROSPERO (181)

Creberg Division (North)
- CREDITO BERGAMASCO (220)

BPL Division (North and Centre)
- BANCA POPOLARE DI LODI (286)
- CASSA DI RISPARMIO DI LUCCA PISA LIVORNO (227)

BPN Division (North West, Centre and South)
- Banca Popolare di Novara (312+216)

Red box: Territorial Divisions resulting from the Large Banca Popolare Project and the subsequent merger of Credito Bergamasco.

Domestic Banking Subsidiaries

- **Banca ALETTI** (34) – Private & Investment Banking
- **BANCA ITALEASE** – Leasing company (in run-off)

Incorporated into BP Holding company in March 2015.

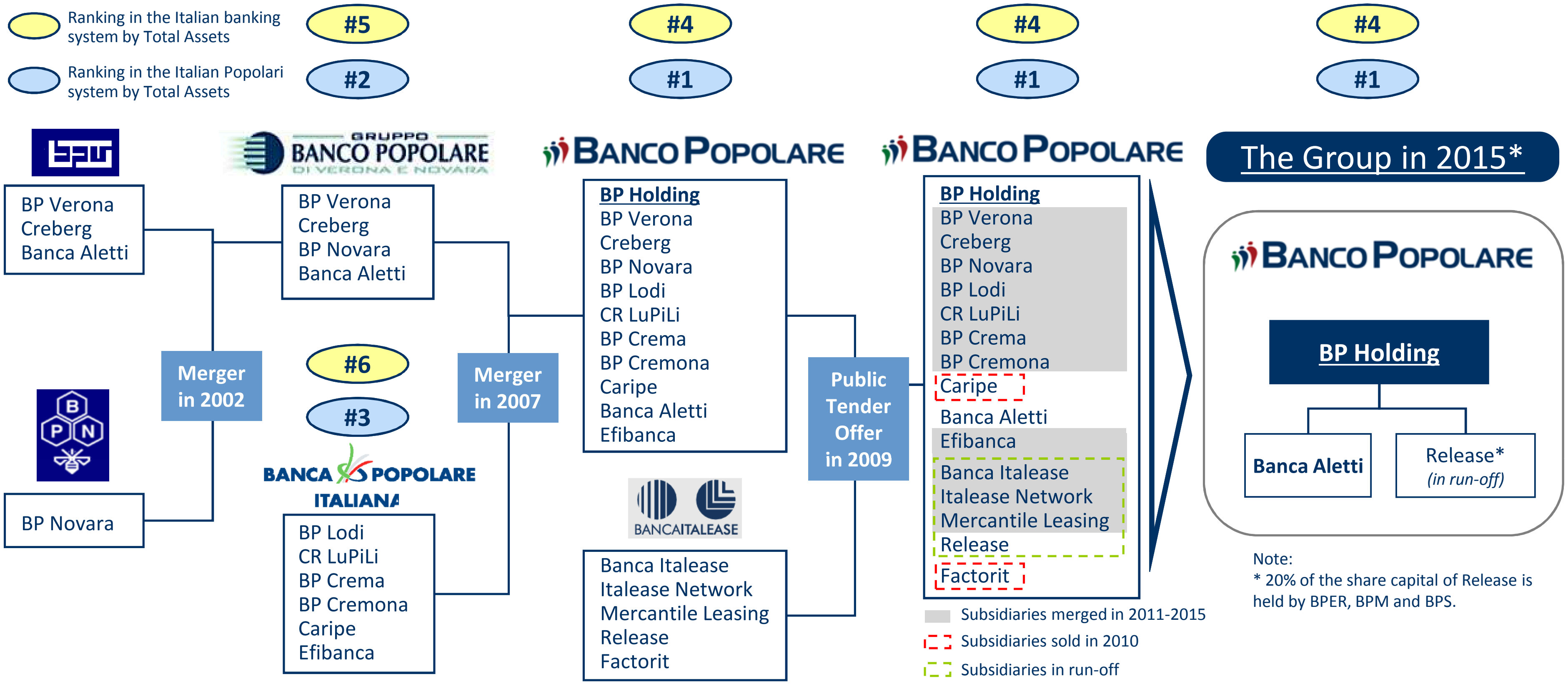
Main Product Companies and Joint Ventures

- **ALETTI GESTIELLE SGR** – Asset Management
- **AGOS DUCATO** – Consumer Credit JV with Crédit Agricole (61% CA, 39% BP)
- **AVIPOP Assicurazioni** – Non-Life Bancassurance JV with AVIVA (49% BP, 51% AVIVA)
- **POPOLARE VITA** – Life Bancassurance JV with FONDIARIA-SAI (49% BP, 51% FONSAI)
- **ALBA LEASING** – Leasing company (32% BP)

* Number of branches indicated in brackets as at 31/12/2014. Does not include Treasury branches (43 outlets), 2 branches of Banco Popolare, 3 foreign branches (London, Lugano and 1 branch of BP Luxembourg).

Appendix B: Banco Popolare Group

The evolution of the Group



- After the incorporation of the Banca Mutua Popolare di Verona in 1867, our Group grew also thanks to the acquisition of many "popolari" and cooperative banks strongly rooted in the territory, especially in the northern part of the country and, in more recent years, through the merger with BP Novara (in 2002) and with BP Italiana Group (in 2007), **becoming the 4th Italian bank by total assets and the 1st Italian Popolare bank.**
- Today the Group has **confirmed its position within the Italian banking system, carrying out in the meantime an impressive simplification of the Group structure** through a broad-based internal merger process (the Large Banca Popolare Project in 2011, the merger of Creberg in 2014 and Italease in Q1 2015) and some disposals, but **preserving its strong local roots** thanks to the maintenance of its historical and well recognized brands.

In the graph are shown the main domestic banking and financial subsidiaries of the Group. It is also noted that in the period 2011 – 9M 2014, Banco Popolare, in line with the strategic decision to focus on the domestic banking core business, sold its foreign banking subsidiaries (BP Ceská Republika, BP Hungary and BP Croatia).

Appendix B:

Italian popolari banks (1/2)

- In the past, the main popolari banks took part in the consolidation processes typical of the industry, giving rise to a smaller number of larger banking groups, into which several popolari banks or other locally-driven institutions have merged.

- The market share gained by popolari banks represents roughly one fourth of the domestic banking market.

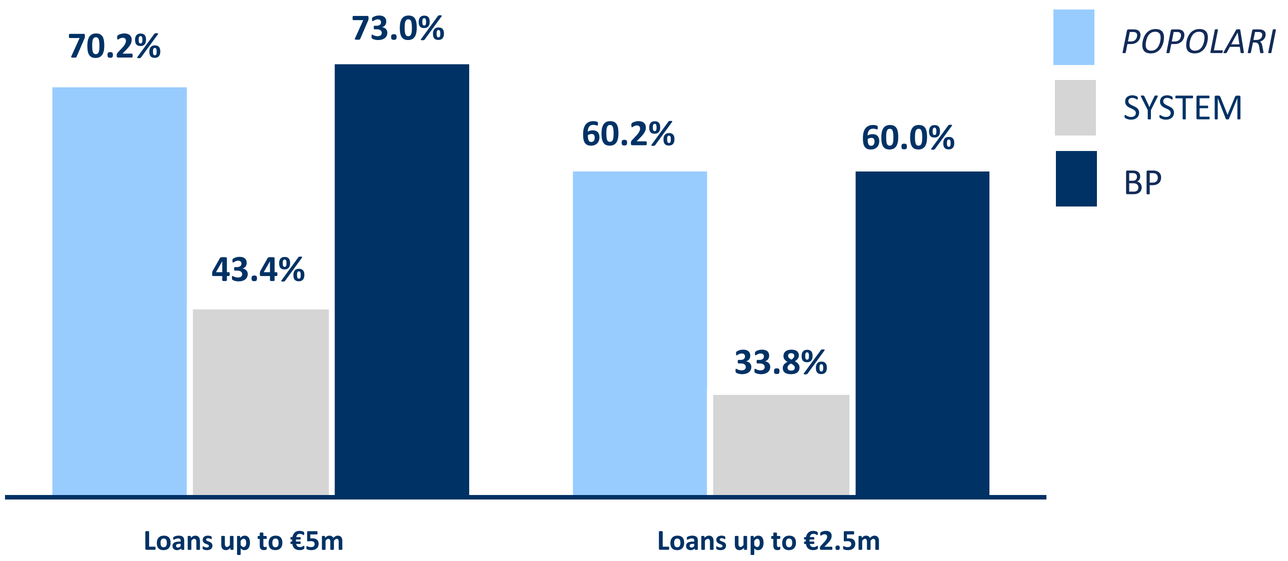
- Structurally, the loan portfolios of the largest popolari banks reveal a breakdown in favour of households and small and medium-sized enterprises, similar to the smaller popolari banks.

Appendix B:

Italian popolari banks (2/2)

Popolari **banks continue to be characterised by their support to local economies, with deep roots in the territory.**

Strong focus on SMEs



% share on total loans

Structure of the distribution networks

Popolari System: only 14% of the network is located in the big cities.

Banking System: more than 50% of the network is located in the big cities.

Banco Popolare ratings

	BANCO POPOLARE			ITALY	
Agency	**Short-term**	**Long-term (outlook)**	***Other ratings***	**Short-term**	**Long-term (outlook)**
Fitch Ratings*	**F3**	**BBB** (negative)	*Viability: bb* *Support: 2*	**F2**	**BBB+** (stable)
Moody's Investors Service**	**NP**	**Ba3** (Review for Downgrade)	*BCA: b3 (Review for Upgrade)*	**P-2**	**Baa2** (stable)
DBRS***	**R-2 High**	BBB (negative)	*IA: BBB Low* *Support: SA-2*	**R-1 Low**	**A Low** (stable)

(*) On 7 April 2015, Fitch Ratings affirmed the long- and short-term ratings of Banco Popolare at "BBB", with Outlook negative, and "F3", respectively. At the same time, the Viability Rating was lowered from "bb+" to "bb".

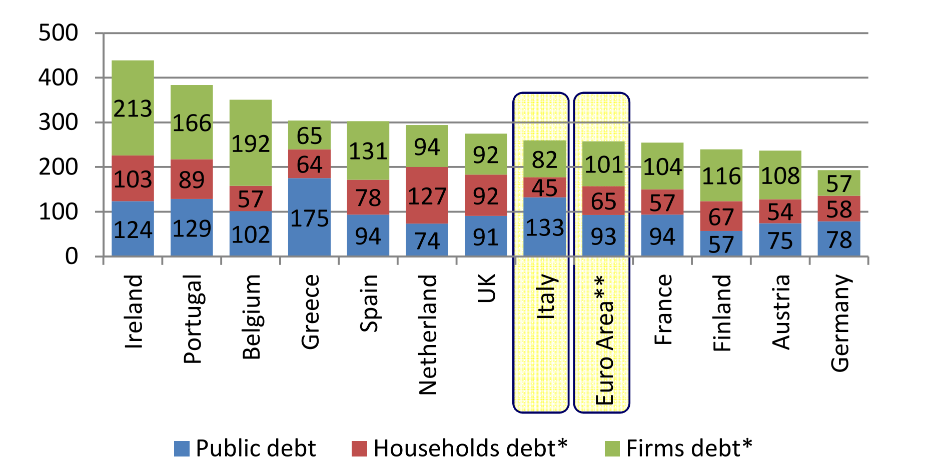
(**) On 17 March 2015, Moody's, within a review of the ratings of numerous banks worldwide following the publication of its new bank rating methodology, put under Review for Upgrade the "Standalone" Baseline Credit Assessment (BCA) 'b3' of Banco Popolare and under Review for Downgrade the Long-Term unsecured Senior Debt and Deposit rating 'Ba3'. Moody's has also indicated that preliminary Review results of the Long-Term rating of Banco Popolare point at a confirmation of the current Ba3 level.

(***) The rating agency DBRS assigned ratings to Banco Popolare for the first time on 15 December 2014.

N.B. Indicated long-term ratings refer to the senior debt of the Group's companies. Updated as of 7 April 2015.

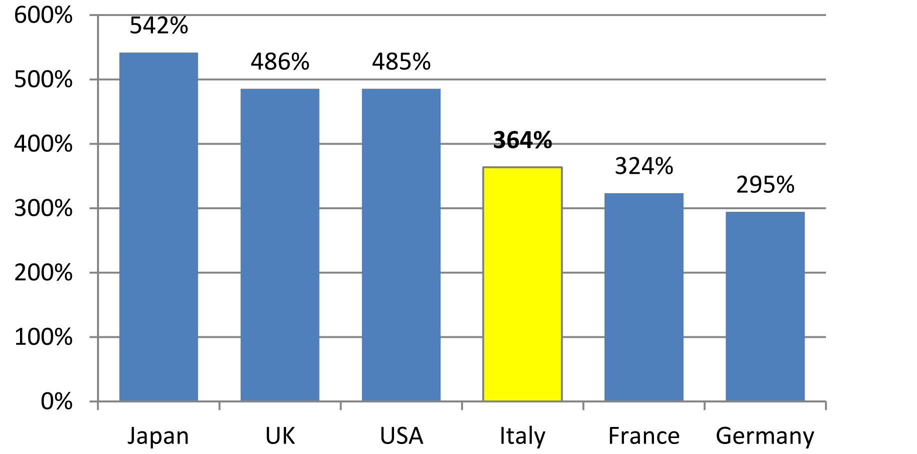
Appendix B:
Financial sustainability indicators: international comparison

Aggregate debt in the main European countries,
(as a % of GDP; 2013)



Source: Italian Banking Association ** Private sector financial debt at end Q3 2013*

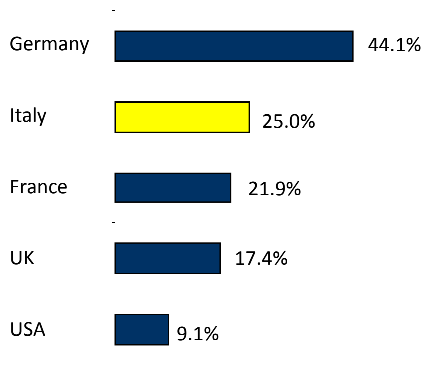
Household financial assets of the main European countries (as a % of disposable income; 2012)



Source: Italian Banking Association

Export market share

Export of goods as a % of GDP; 2013



	1° exporting Country	2° exporting Country
Clothing and fashion industry	Italy	China
Leather goods & footwear	Italy	China
Textile	Italy	Germany
Non-electronic mechanical	Germany	Italy
Basic manufactures	Germany	Italy
Electrical appliances	Germany	Italy

Source: Italian Banking Association

Comment

Although the low economic growth, Italy has what it takes to be a strong and committed member of the EU and to be part of a global solution.

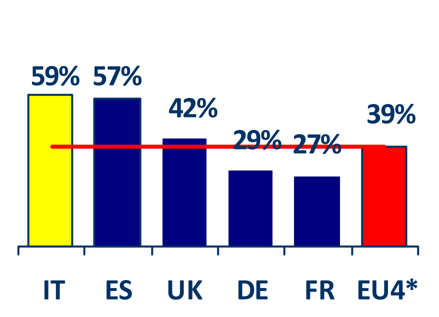
- **Italian private debt on GDP ratio is among the lowest in Europe**: non-financial firms debt is 82% vs 101% EU average; household debt is 45% vs 65% EU average.
- **A country characterized by a very high level of financial wealth**: High household financial assets as a % of disposable income (364% vs 295% of Germany)
- **Strong defense of export market share**: Italy is Europe's second-largest manufacturing and industrial country, after Germany, and one of the biggest export-oriented economies in the eurozone.

BANCO POPOLARE

Appendix B:
Key positive factors for Italian banks

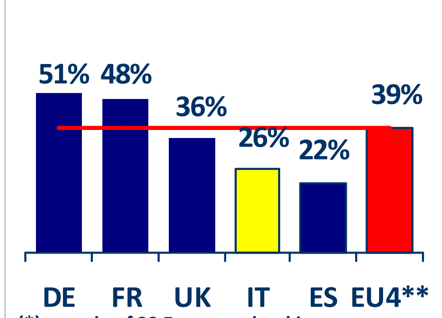
Business mix: loans to private customers

Loans/assets
(aggregated data; June 2014)



(*) simple average

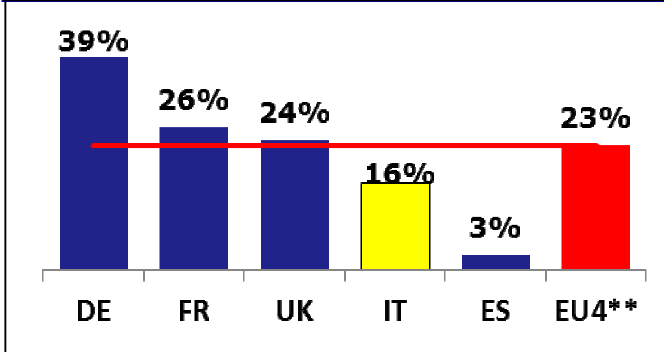
Financial assets/assets
(aggregated data; Dec 2013)



(*) sample of 22 European banking groups;
(**) simple average

Low level of financial/illiquid assets

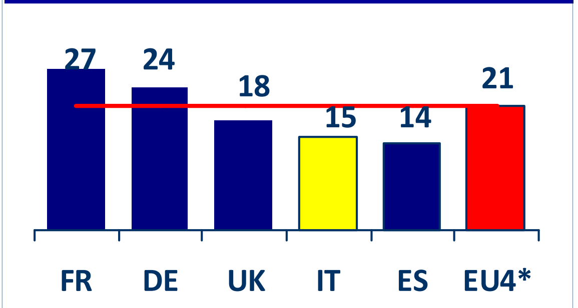
Level 3 Financial Instruments/TIER 1 Capital
(Aggregated data*; Dec 2013)



(*) sample of 22 European banking groups; (**) simple average

Low level of financial leverage

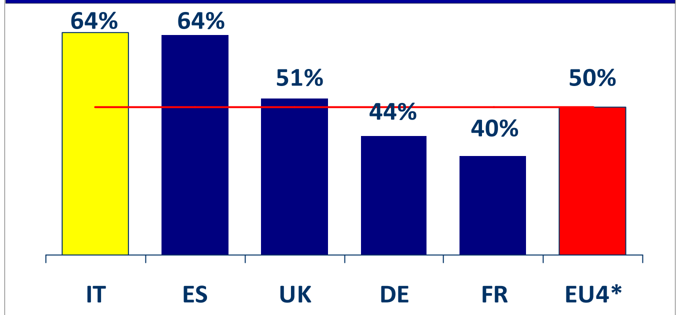
Assets/Equity
(aggregated data; June 2014)



(*) simple average

High percentage of retail funding

Direct funding/Total liabilities
(aggregated data; June 2014)



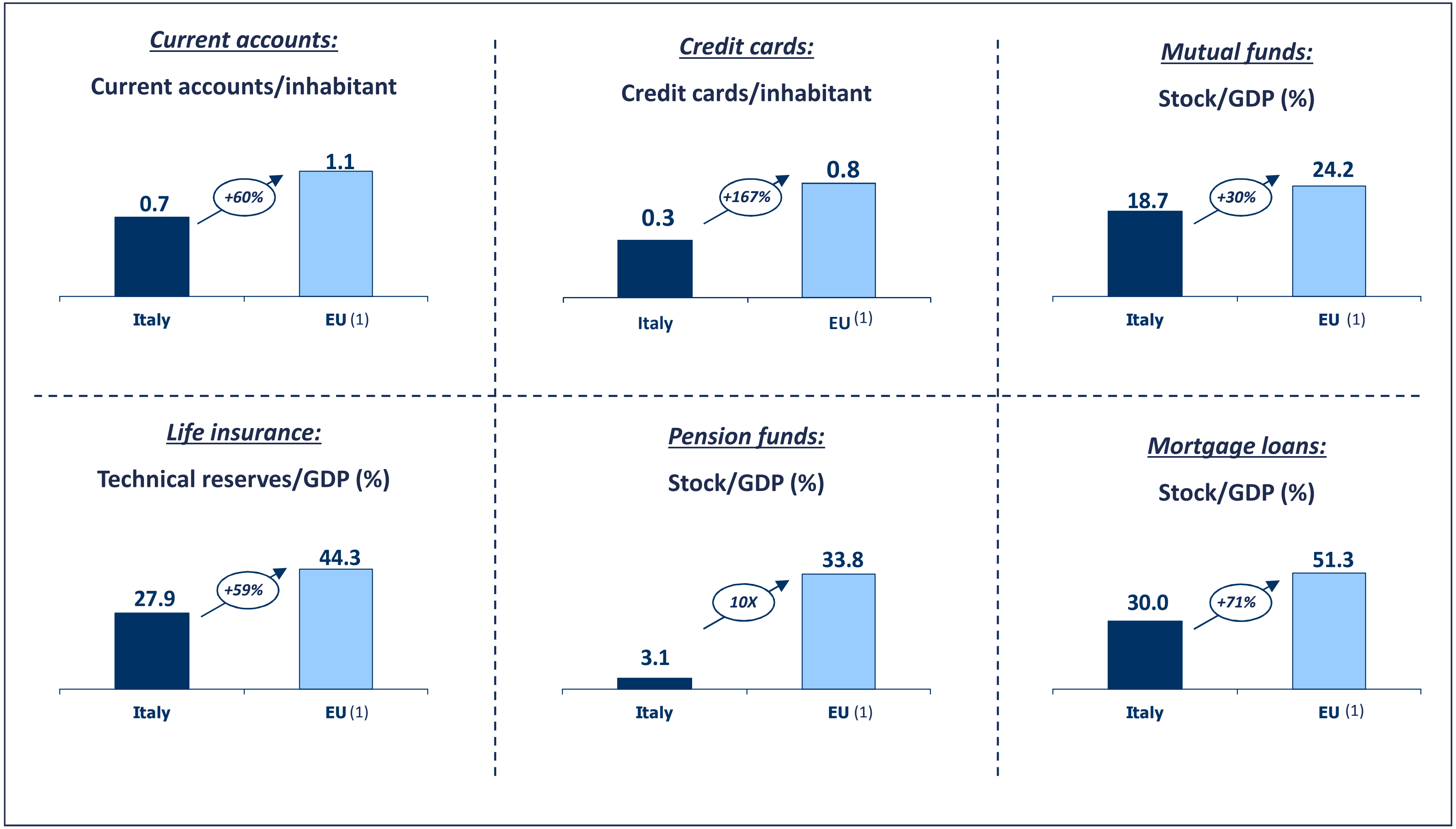
(*) simple average

Source: Italian Banking Association

Appendix B:

Business development opportunities in the Italian banking sector

Italy enjoys ample room for growth in key financial products and services



Source: Italian Banking Association, June 2014.

Notes: 2012 Figures; (1) France, Germany, Spain and UK;

IR events in 2015

Work in progress

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

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

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Notes

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