



9M 2020 Group Results Presentation

5 November 2020

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

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

METHODOLOGICAL NOTES

- Before 30/09/2020, the impact from the change in own credit risk on certificates classified as financial liabilities measured at fair value through profit or loss was accounted under the item "Net Financial Results" of the Reclassified P&L scheme. Starting from 30/09/2020, this impact net of tax has been reclassified in one new single P&L item: "FV on Own Liabilities net of Tax"; the previous quarters of 2019 and 2020 have been reclassified accordingly.
- Before 31/03/2020, the impact of the PPA (Purchase Price Allocation) of the business combinations of the former Banca Popolare di Milano Group and of the former Banca Popolare Italiana and Banca Italease Groups, was split and registered under the following items: "Net interest income", "Other net operating income" and "Tax on income from continuing operations". Starting from Q1 2020, the aggregated impact net of tax of this PPA has been regrouped and reclassified in one new single P&L item: "PPA after tax"; the previous quarters of 2019 have been reclassified accordingly.
- Due to the change of the valuation criteria applied to the Group's properties and artworks, starting from 31/12/2019, a new item called «Profit & Loss on Fair Value measurement of tangible assets» has been introduced in the reclassified P&L scheme as at 31/12/2019. In this item, also the depreciations of properties previously accounted in the item "Amortisation & Depreciation" within the "Operating Costs" have been reclassified, restating accordingly all the previous quarters of 2019 for coherence. Furthermore, considering that the new accounting principle does not foresee for the amortisation of investment properties, the amortisation on such assets in the first three quarters of 2019 has been cancelled; as a consequence, the Item "Amortization and Depreciation" as well as the net result of the first three quarters of 2019 have been re-determined.
- It is reminded that, in Q2 2019, the assets and liabilities (mainly composed by customer loans for an amount of €1,352m) referred to the non-captive business of the subsidiary Profamily were classified as discontinued operations according to IFRS5 standard, but then, in Q4 2019, they have been re-classified line-by-line under the relevant Balance Sheet items. While the official Balance Sheet Scheme as at 30/09/2019 still maintains Profamily non-captive volumes classified as discontinued operations, in this presentation, in order to allow a proper comparison, the data of Customer Loans as at 30/09/2019 have been restated re-including Profamily non-captive volumes.
- It is also reminded that, on 16 April 2019, Banco BPM accepted the binding offer submitted by Illimity Bank S.p.A. and regarding the sale of a portfolio of Leasing Bad Loans. More in detail, the disposal concerns a portfolio for a nominal value of about €650 million at the cut-off date of 30th June 2018, mainly composed of receivables deriving from the active and passive legal relationships related to leasing contracts classified as bad loans, together with the related agreements, legal relationships, immovable or movable assets and the underlying contracts. The closure of the operation is subject to precedent conditions that are customary for transactions of this kind, including the notarial certification for the transferability of the assets, and shall be executed in various phases. Starting from Q2 2019, the loans subject to this transaction (€607m GBV and €156m NBV as at 30/06/2019) have been reclassified as non-current asset held for sale according to the IFRS5 standard. As at 30/09/2020, the residual amount of these loans stood at €114 m GBV and at €38 m NBV.
- In the area of companies consolidated with the equity method, the second quarter of 2020 has seen the entry of Anima Holding S.p.A., in which Banco BPM holds a stake of 19.385%. In the light of the changes brought about in the governance of the company, this stake, which is considered of strategic nature and which is destined to be held on a stable basis, is deemed to represent a situation of significant influence on the side of Banco BPM.
- Please note that, on 4 April 2020, the Annual Shareholders' Meeting of Banco BPM didn't discuss and vote on item 2 of the agenda (Resolutions on the allocation and distribution of profits); this is in order to acknowledge the guidelines provided by the ECB on 27 March 2020, with which, in order to strengthen the capital resources of relevant banks subject to its monitoring, and in order to be able to make use of the more extensive resources in support of households and businesses in the current situation brought about by the ongoing Covid-19 health emergency, it requested the banks, inter alia, not to proceed with the payment of dividends (still not approved) and not to assume any irrevocable commitment for their payment for the years 2019 and 2020 at least until 1 October 2020. It is also noted that on 27 July 2020, the ECB announced the extension of the afore-mentioned dividend ban from 01/10/2020 to 31/12/2020. The capital ratios included in this presentation are calculated coherently with this decision, i.e. including the entire net income as at 31/12/2019. Furthermore, the ratios as at 31/03/2020, 30/06/2020 and 30/09/2020 are here reported including also the net income of the quarters.

Agenda

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9M 2020 PERFORMANCE: RESILIENCE AND RECOVERY

**SIGNIFICANT
ACHIEVEMENTS
IN A DIFFICULT
ENVIRONMENT
STILL IMPACTED
BY COVID-19**

STRONG OPERATING RESULTS

Rebound in «core» revenues (+9.5% q/q)
Further reduction in costs (-5.2% q/q)
Healthy build-up in Pre-Provision Income (€1.27bn in 9M; +6.4% y/y and +44.9% q/q)



ADOPTION OF NEW DERISKING STRATEGY

New impulse to NPE reduction via disposals (up to €1.2bn by YE 2020),
for a total derisking of ~€21.4bn vs. YE 2016¹
Cost of Risk confirmed at ~100bps for FY 2020E

ACTION FOCUS: STRENGTHEN QUALITY OF PERFORMING LOAN PORTFOLIO

Strengthening of internal credit management
Focus on quality of Moratoria and State-guaranteed lending

SOLID CAPITAL POSITION

Further improvement in capital ratios and buffers (CET 1 FL Adj. 13.6%)²

COVID-19: EXPERIENCE OF RECENT MONTHS ENABLING TO FACE THE NEW EMERGENCY

In order to ensure continuity of core banking activities during the first phase of the lockdown, BBPM has implemented Technical and Operational solutions to face the new emergency minimising its impact and preserving commercial effectiveness

EMPLOYEES

Improve smart working: substitute desktop with laptop, deploy collaboration software, increase internet bandwidth, deliver mobile phone, introduce BYOD usage

Regulate branch services: services by appointment, increase Contact Center to manage higher volume, review of process to manage online requests

Personal safety devices: distribution of masks, plexiglass, gloves and sanitizing gel

CUSTOMERS

New processes for emergency management and development of customer relationships on a digital basis, empowering the **omnichannel approach**



BANCO BPM

CYBER

Enforce controls: collect from intelligence feeds indicator on security threats, create controls to monitor emerging risks, execute assessment to evaluate exposure

Improve security: introduce multi factor authentication, block access to company cloud services from outside Italy, increase the VPN usage both for site-2-site for suppliers and client-2-site for employees, improve training and awareness for employees and customers



STRONG REBOUND OF COMMERCIAL ACTIVITIES

Well prepared to face the second wave

DIGITAL BANKING¹

MOBILE TRANSACTIONS²

9M 2020

#11m

Y/Y

+61.8%

APP USERS

#736k

+35.3%

ONLINE TRANSACTIONS

#24m

+23.6%

DIGITAL SALES

#40k

+21.5%

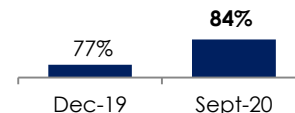
EXECUTED ORDERS (WEB)

#2.3m

+22.0%

**BOOST IN DIGITAL BANKING TO
SUPPORT COMMERCIAL ACTIVITY
IN CHALLENGING ENVIRONMENT**

Share of digital transactions - Households



COMMERCIAL VOLUMES

INV. PRODUCT PLACEMENTS³

Q1 2020

€3.7bn

Q2 2020

€2.4bn

Q3 2020

€3.2bn

NEW LENDING⁴

€5.5bn

€6.9bn

€7.9bn

*o/w: Covid-19 Measures
guaranteed by the State*

€0bn

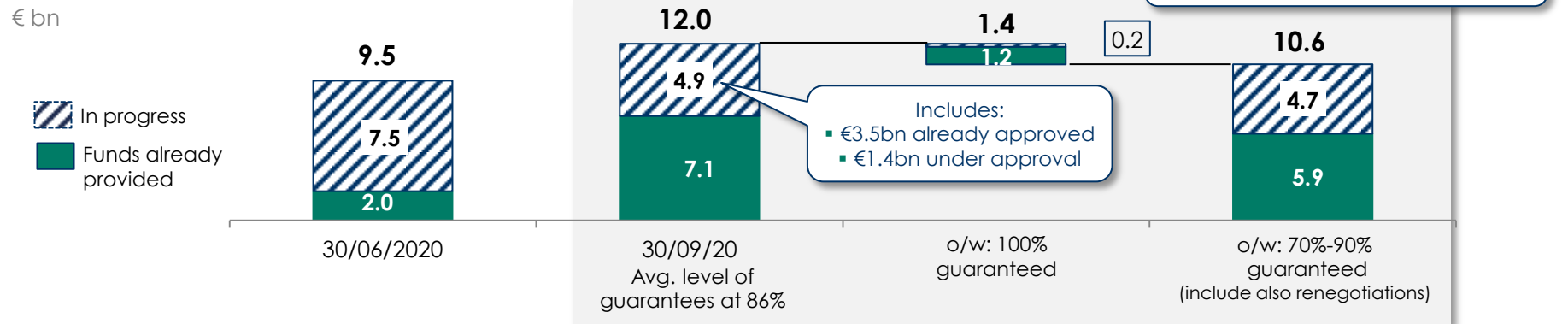
€1.9bn

€5.2bn

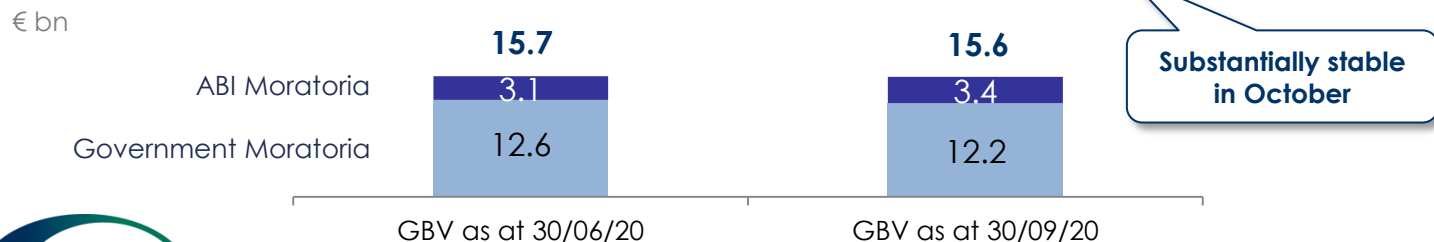
**STRONG REBOUND
ACHIEVED IN COMMERCIAL
CAPACITY**

COVID-19: KEY MEASURES AT A GLANCE

Lending measures assisted by public guarantees at €12.0bn as at 30/09/20



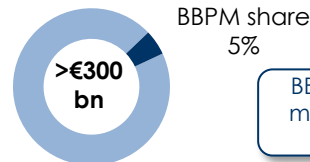
Moratoria measures: Total underlying loan exposure at €15.6bn as at 30/09/20



COVID-19: MEASURES FOSTERING PORTFOLIO QUALITY & SAFETY

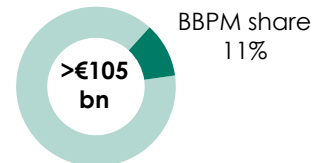
- Lower share of moratoria and higher customer propensity for new State-guaranteed lending

Moratoria Measures: System data¹



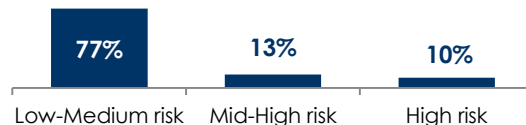
BBPM branch market share: 7%

Lending measures assisted by public guarantees: System data¹



- Sound risk profile by rating classes of customers subject to moratoria measures

Distribution on loans under Moratoria by rating classes as at 30/09/2020



o/w: Exposure to selected sectors² with "High-potential impact" from Covid-19

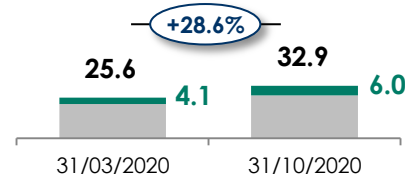
€0.4bn

€0.3bn

- Further improvement of the liquidity position of Non-Financial Corporate customers

Deposits of Non-Financial Corporates

o/w: From Customers under Moratoria



COVID-19: PROACTIVE CREDIT MANAGEMENT

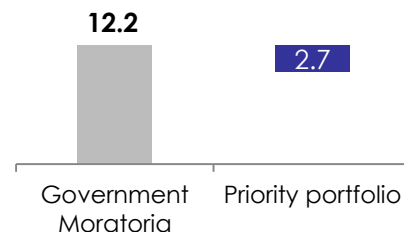
NEW AND TAILOR-MADE CREDIT MONITORING & MANAGEMENT PROCESS

STRATEGY FOR LOANS UNDER MORATORIA:

Specific additional monitoring programs, fed by clusters based on economic sectors and Key Risk Indicators

Tailor made campaigns: first results

(exposure in € bn)



**Positive feedback¹
received as of today:
70%**

- Targeted action plan identified for each cluster
- Tailor-made contact campaigns with first focus on customers belonging to the sectors most impacted and/or to the highest risk classes, with a view to analyze the customer's condition and to activate a proactive response

STRATEGY FOR PERFORMING PORTFOLIO:

**Workflow-driven Monitoring
Platform
Early Warning System**

- More effective and tailor-made credit management developed
- Timeliness and accuracy of credit monitoring improved
- Wide selection of triggers for **early warning detection of positions in watchlist** (includes all counterparties with potential future events of default)

Share of positions in watchlist
WITHOUT overdues

70%

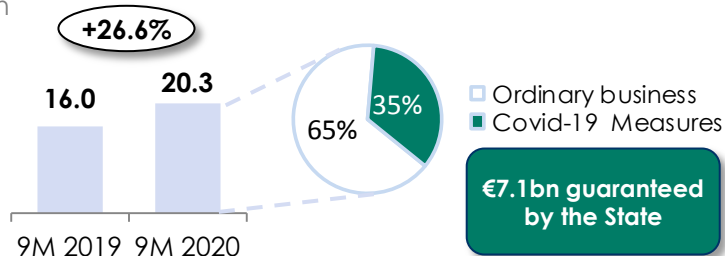
Normalisation rate of positions
exiting from watchlist

94%

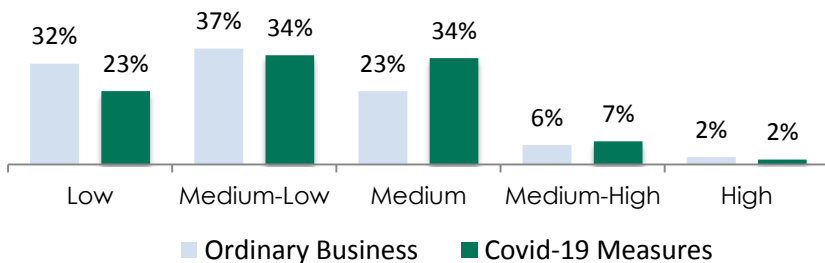
SOUND NEW LENDING PERFORMANCE

€20.3bn new Loans in 9M 2020¹, o/w €7.1bn Covid-19 measures guaranteed by the State

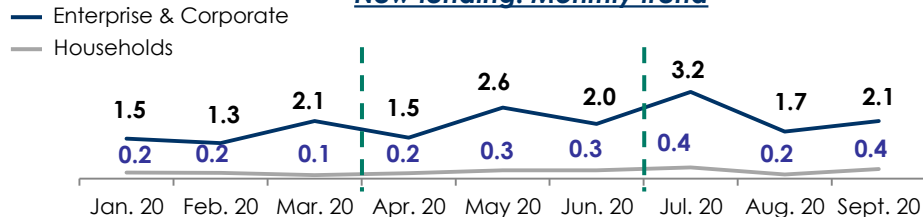
€ bn



9M 2020 new lending by risk categories²



New lending: Monthly trend



- New lending to Enterprises and Corporates +36.5% y/y and +13.3% in Q3
- New lending to Households -20.0% y/y, with recovery in Q3 (+21.3%)
- State-guaranteed new lending (with an average spread at ~1.6%) implies:
 - Increase of the share of lending assisted by guarantees (**~74% of new lending to Enterprises and Corporates in Q3**)
 - **Ordinary new lending more concentrated on the best risk categories**

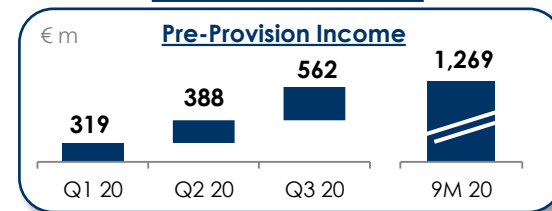
P&L AT A GLANCE

Resilient performance in a challenging environment

	Q1 2020	Q2 2020	Q3 2020	q/q	9M 2020
NET INTEREST INCOME	€474m	€480m	€520m	+8.4%	€1,474m
FEES & COMMISSION	€441m	€376m	€418m	+11.0%	€1,235m
NFR ¹	€1m	€83m	€157m		€241m
OTHER REVENUES	€39m	€63m	€48m		€150m
TOT. REVENUES	€954m	€1,001m	€1,143m	+14.2%	€3,099m
OPERATING COSTS	-€635m	-€614m	-€582m	-5.2%	-€1,830m
<u>PRE-PROVISION INCOME</u>	€319m	€388m	€562m	+44.9%	€1,269m
LOAN LOSS PROVISIONS	-€213m	-€263m	-€324m		-€801m
<u>NET INCOME⁴</u>	€152m	€-46m	€157m		€263m

- SOUND QUARTERLY GROWTH OF NII
- SOLID RECOVERY IN FEES AND COMMISSIONS VS. Q2
- STRONG NFR IN Q3, MAINLY THANKS TO THE REVALUATION OF THE SIA STAKE²
- FURTHER REDUCTION IN COSTS, THANKS ALSO TO LOWER VARIABLE PART OF REMUNERATION AND ONE-OFF COVID - RELATED SAVINGS³

SOLID PRE-PROVISION INCOME GENERATION ALLOWING TO FUND FURTHER DERISKING



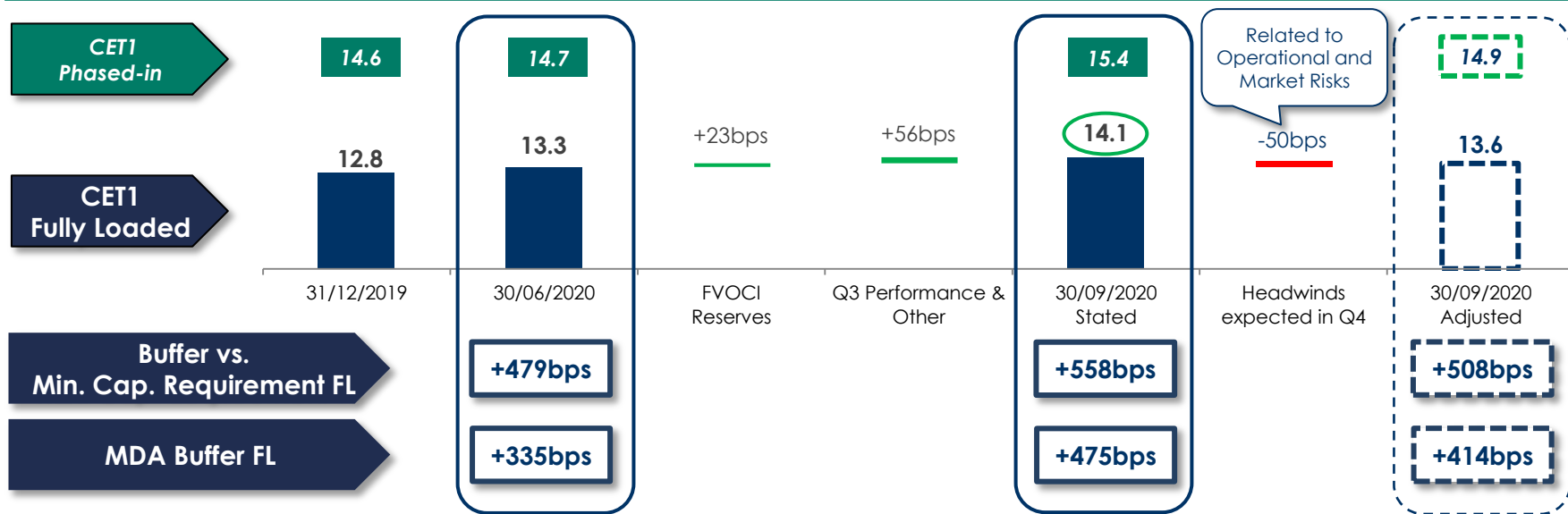
Notes: 1. Excluding FV on own liabilities. 2. Positive valuation effect on the SIA stake (+€147m). 3. See slide 20 for details. 4. Include the result from FV on own liabilities (after tax): €29.4m in 9M 2020, o/w: €137.9m in Q1; -€110.7m in Q2; €2.2m in Q3.

CAPITAL POSITION: STRONG CET1 RATIOS

Ratios and buffers further strengthened: well positioned to face the tough scenario¹

%

CET 1 Ratios: evolution



- Solid CET 1 ratios, with an improvement even on an Adjusted basis (i.e. including regulatory headwinds expected in Q4 2020)
- Adjusted MDA buffer stands at +414bps on a fully loaded basis, confirming the Group's solid capital position

NEW ACCELERATED DERISKING STRATEGY

Portfolio disposals up to €1.2bn under way reaffirming Banco BPM's solid derisking

- Two portfolio disposals already at an advanced stage:

- Project 'Django': UTP portfolio sale
- Project 'Titan': Bad Loan securitisation (leasing portfolio)

- IFRS 9 impact at CoR level already booked in Q3 due to change in management strategy (Disposal vs. Workout)

UTP 'Project 'Django': GBV ~€1bn

- #149 positions
- 56% Real Estate/44% Other industrial sectors
- Average vintage: 4.8 years

Status

On 5 November:

- Offers and structure of the transaction formally approved

Next steps

- Closing expected by YE 2020

BAD LOANS 'Project 'Titan': GBV ~€0.2bn

- Leasing Portfolio contributed to a multi-originator GACS

Status

- DD completed

Next steps

- Tranching finalisation
- Closing expected by YE 2020

- Potential additional single name disposals are also under review and may come forth in Q4
- New disposal strategy maintaining the expected Cost of Risk guidance of about 100 bps for FY 2020, including also potential additional single name disposals

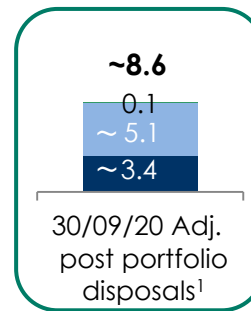
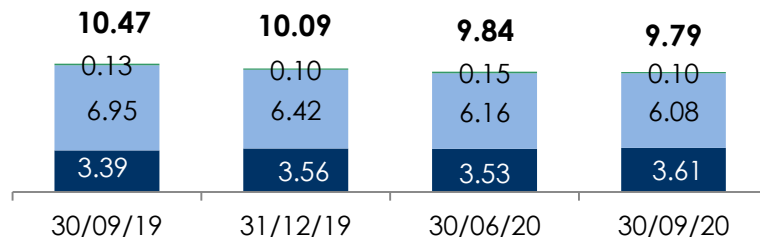
STRONG REDUCTION IN NPE: WELL AHEAD OF INTERNAL TARGETS

Improvement in asset quality to continue through further derisking

NPE Stock (GBV)

€ bn

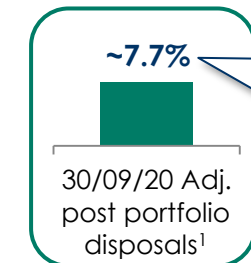
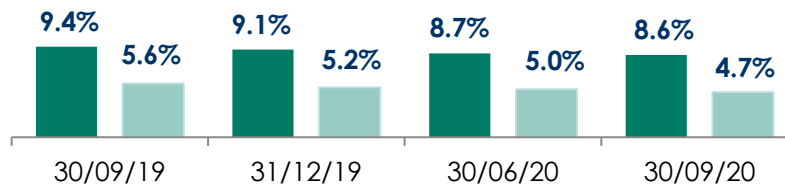
■ PD
■ UTP
■ Bad Loans



-18% Y/Y
-12% in Q3

NPE RATIOS

■ Gross
■ Net



**~6.7% including
loans to banks**
(as per EBA
definition)

TEXAS RATIO²

58.1%

52.3%

49.3%

45.5%

Note: 1. Include Project 'Django' and Project 'Titan'. 2. Net NPEs over Tangible Net Equity (Shareholders' Net Equity - Intangible assets). Data as at 30/09/19 are adjusted for the reclassification of the Profamily non-Captive loan portfolio (see Methodological Notes).

SAFE TREND ACROSS ASSET QUALITY METRICS & PROVISIONS

MIGRATION RATES

	31/12/19	30/06/20 (annualised)	30/09/20 (annualised)
DEFAULT RATE (from Performing Loans to NPEs)	1.2%	1.1%	1.0%
NPE DANGER RATE (from UTP to Bad Loans)	11.1%	8.1%	7.7%
CURE RATE (from UTP to Performing Loans)	5.1%	3.7%	3.5%

COVERAGE

	31/12/19	30/06/20	30/09/20
BAD LOANS	56.2%	56.1%	57.6%
UTP	39.1%	39.3%	42.7%
PAST DUE	25.9%	25.6%	21.8%
TOTAL NPE	45.0%	45.1%	48.0%
% of Secured NPE on Total NPE (GBV)	61%	60%	61%

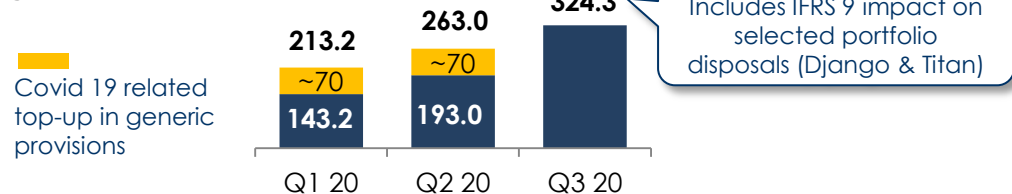
64.1%
incl.
write-offs

Post Django and Titan disposals, coverage levels are expected to return broadly in line with previous quarters

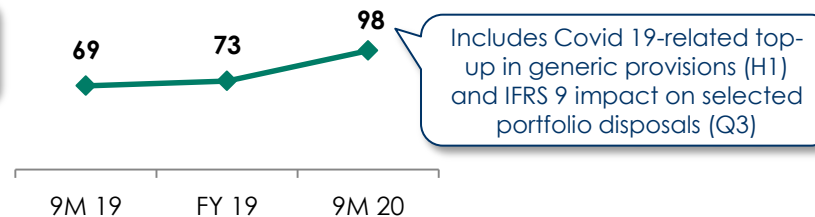
51.2%
incl.
write-offs

LLPs: quarterly evolution

€ m



Annualised Cost of Risk (in bps)



SOLID BALANCE SHEET POSITION CONFIRMED

CUSTOMER VOLUMES

	30/09/20	DELTA Y/Y	DELTA Q/Q
<u>CORE NET PERF. LOANS</u>	€96.5bn	+4.9%	+1.6%
<u>C.A. & DEPOSITS</u>	€96.5bn	+10.8%	+3.7%
<u>AUM</u>	€58.0bn	+0.7%	+0.3%

Volume growth confirmed also in Oct. vs. Sept.¹:

- Loans +0.6%
- Core Funding +3%

LIQUIDITY & FUNDING²

<u>LCR</u>	<u>NSFR</u>	<u>UNENCUMBERED ELIGIBLE SECURITIES</u>
198%	>100%	€25.8bn

Successful issuance activity in 2020:
AT1 in Jan. (€400m), Senior NP in Feb. (€750m) and T2 in Sept. (€500m)

DEBT SECURITY PORTFOLIO PERFORMANCE

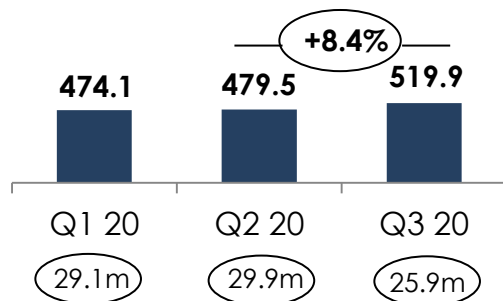
	30/06/20	30/09/20	DELTA Q/Q
<u>RESERVES OF DEBT SECURITIES AT FVOCI</u>	€32m	€166m	+€134m
<u>UNREALISED GAINS ON DEBT SECURITIES AT AC³</u>	€545m	€756m	+€211m

Corresponding to **+23bps on CET 1 ratio** in Q3 2020

NET INTEREST INCOME: HIGHLIGHTS

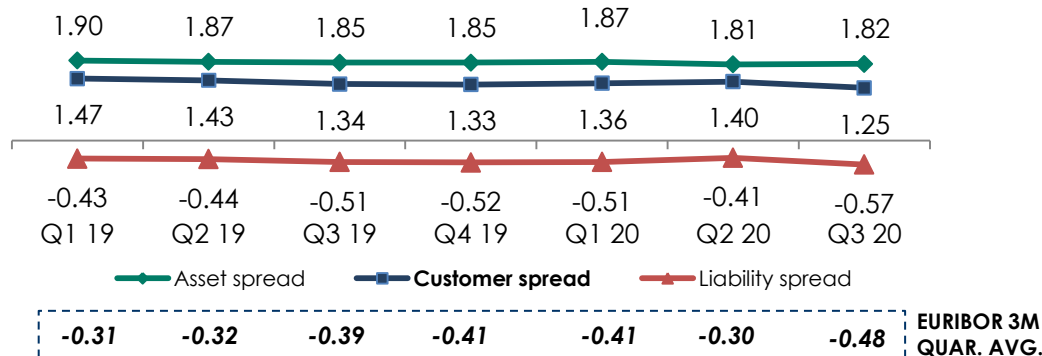
Net Interest Income

€ m



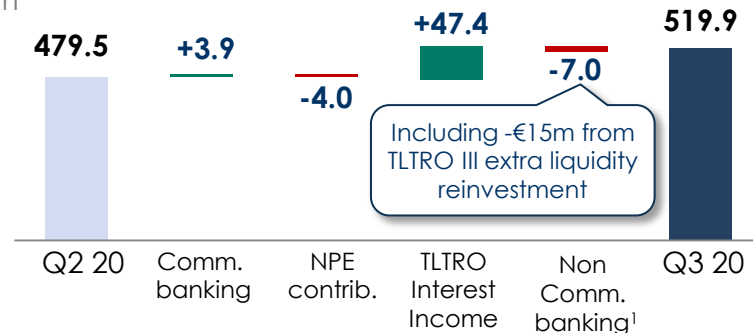
NPE contribution:

Commercial spreads



NII: Evolution Breakdown

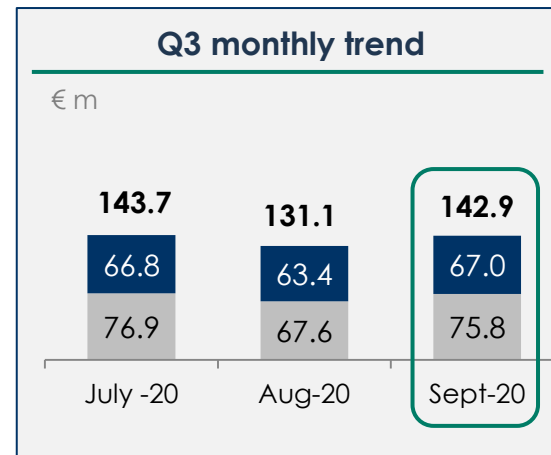
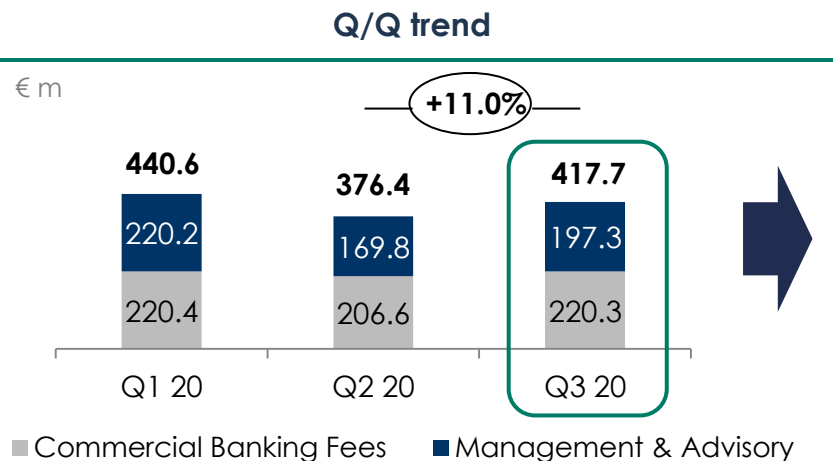
€ m



Key asset spread drivers:

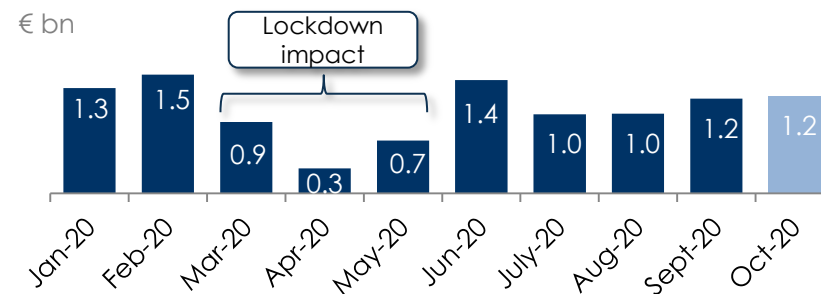
- Segment mix: volume growth mostly concentrated in Corporate Segment, in particular in MLT lending
- Rating mix: stronger lending with lower-risk borrowers and with State guarantees to preserve the overall quality of the loan portfolio

NET FEES: ROBUST QUARTERLY REBOUND



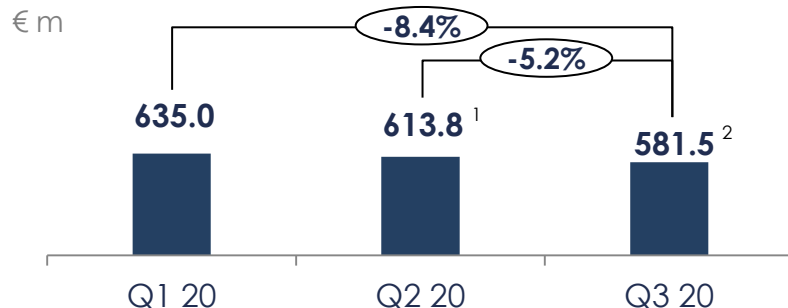
- Net fees and commissions come in at €417.7m in Q3 (+11.0% q/q), with healthy progress both in Commercial fees (+6.6% q/q) and Management & Advisory fees (+16.2% q/q)
- Monthly trend of Investment product placements in Q3 shows a sound recovery in September, confirmed also in October

Investment product placements: monthly trend¹

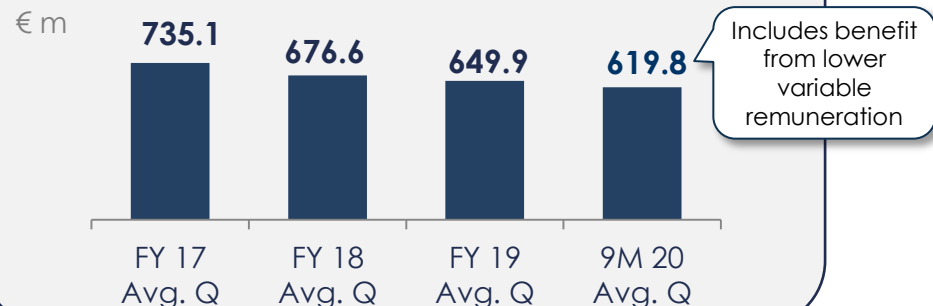


OPERATING COSTS: QUARTERLY COMPARISON

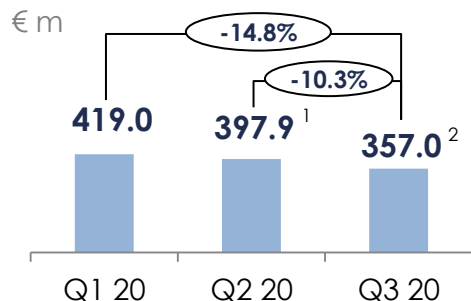
Total Operating Costs



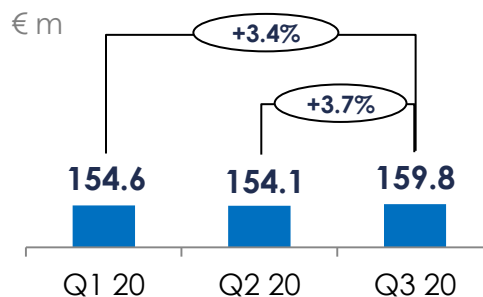
Quarterly average recurring costs in 2017-2020³



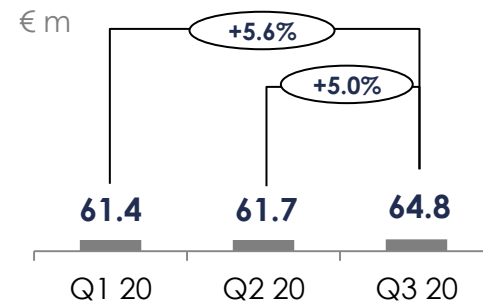
o/w: Staff costs



o/w: Other admin. costs



o/w: D&A



Note: **1.** Mainly due to lower variable remuneration (ca. €20m). **2.** Includes contribution from lower variable remuneration and one-off Covid 19-related savings, for a total of ca. €60m. **3.** Net of non-recurring items and, for 2017 and 2018, net also of PPA to ensure a homogeneous comparison. See slide 25 for 9M 2020 non-recurring items.

FINAL REMARKS & 2020 OUTLOOK

9M 2020 Performance: Net income at €263m

- Strong Pre-Provision Income: at €1.27bn, with solid quarterly progression
- New derisking strategy aimed at ensuring a further improvement in asset quality: Gross NPE ratio Adj. down at 7.7%
- Solid capital position & wide capital buffers, even after factoring in headwinds expected in Q4: Adjusted CET 1 FL at 13.6%
- Quality of loan portfolio supported by significant acquisition of State guarantees

FY 2020 Outlook

Uncertain environment: new Government measures introduced to protect health while minimizing impact on economic activities
Building on the recent experience, Banco BPM is equipped to confirm an overall positive performance for FY 2020

Core Revenues:

- NII to be supported by a healthy trend in lending as well as by the positive TLTRO III effect
- Fees expected to confirm their recovery, subject to the evolution of the Covid-19 situation

Operating Costs:

- Strict cost control to continue, in response to the external environment

Asset Quality:

- Execution of announced derisking transactions and exploration of additional opportunities
- Cost of risk expectation confirmed at around 100bps

Capital:

- Solid MDA buffer confirmed, well above the minimum strategic target of +250 bps

Agenda

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- Balance Sheet	28
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- Customer Loans and Focus on Credit Quality	37
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9M 2020 QUARTERLY P&L RESULTS

€ m	P&L STATED			
	Q1 2020	Q2 2020	Q3 2020	Chg. q/q
NII	474.1	479.5	519.9	8.4%
FEES & COMMISSIONS	440.6	376.4	417.7	11.0%
NET FINANCIAL RESULT	0.8	82.7	157.3	90.2%
TOTAL INCOME	954.4	1,001.5	1,143.3	14.2%
STAFF COSTS	-419.0	-398.0	-357.0	-10.3%
OTHER ADMIN .COSTS	-154.6	-154.1	-159.8	3.7%
D&A	-61.4	-61.7	-64.8	5.0%
OPERATING COSTS	-635.0	-613.8	-581.5	-5.2%
PROFIT FROM OPERATIONS	319.5	387.7	561.8	44.9%
LLPs	-213.2	-263.0	-324.3	23.3%
OTHER ²	-2.7	-18.5	2.0	n.m.
PRE-TAX PROFIT	103.5	106.2	239.5	n.m.
TAX	-25.7	-13.3	-22.5	69.0%
SYSTEMIC CHARGES (net of taxes)	-57.5	-18.2	-53.0	n.m.
NET INCOME BEFORE PPA	20.3	76.3	166.5	118.3%
PPA AFTER TAX	-6.6	-12.0	-11.4	-4.5%
FV ON OWN LIABILITIES AFTER TAX	137.9	-110.7	2.2	n.m.
NET INCOME	151.6	-46.4	157.3	n.m.

€ m	P&L ADJUSTED ¹			
	Q1 2020	Q2 2020	Q3 2020	Chg. q/q
NII	474.1	479.5	519.9	8.4%
FEES & COMMISSIONS	440.6	376.4	417.7	11.0%
NET FINANCIAL RESULT	0.8	82.7	157.3	90.2%
TOTAL INCOME	954.4	1,001.5	1,143.3	14.2%
STAFF COSTS	-419.0	-398.0	-388.5	-2.4%
OTHER ADMIN .COSTS	-154.6	-154.0	-159.8	3.8%
D&A	-59.8	-61.1	-64.5	5.5%
OPERATING COSTS	-633.4	-613.2	-612.8	-0.1%
PROFIT FROM OPERATIONS	321.0	388.3	530.5	36.6%
LLPs	-213.2	-263.0	-324.3	23.3%
OTHER ²	-2.5	-13.5	1.0	n.m.
PRE-TAX PROFIT	105.3	111.8	207.2	85.4%
TAX	-26.3	-14.8	-12.0	-18.7%
SYSTEMIC CHARGES (net of taxes)	-57.5	-	-53.0	n.m.
NET INCOME BEFORE PPA	21.5	98.3	144.7	47.2%
PPA AFTER TAX	-6.6	-12.0	-11.4	-
FV ON OWN LIABILITIES AFTER TAX	137.9	-110.7	2.2	n.m.
NET INCOME	152.8	-24.4	135.5	n.m.

Notes: **1.** Adjusted for non-recurring items shown in slide 25. **2.** Other includes: Profit (loss) on FV measurement of tang. assets, Net adj. on other financial assets, Net provisions for risks & charges, Profit (loss) on the disposal of equity and other investments.

P&L: ANNUAL AND QUARTERLY COMPARISON

Reclassified income statement (in euro million)	9M 2019	9M 2020	Chg. Y/Y	Chg. Y/Y %	Q1 2020	Q2 2020	Q3 2020	Chg. Q/Q	Chg. Q/Q %
Net interest income	1,507.1	1,473.5	-33.6	-2.2%	474.1	479.5	519.9	40.4	8.4%
Income (loss) from investments in associates carried at equity	97.3	107.1	9.7	10.0%	22.3	48.0	36.8	-11.3	-23.5%
Net interest, dividend and similar income	1,604.4	1,580.6	-23.8	-1.5%	496.4	527.5	556.7	29.1	5.5%
Net fee and commission income	1,332.3	1,234.6	-97.7	-7.3%	440.6	376.4	417.7	41.3	11.0%
Other net operating income	59.9	43.3	-16.6	-27.8%	16.7	14.9	11.7	-3.2	-21.4%
Net financial result	143.8	240.8	97.0	67.4%	0.8	82.7	157.3	74.6	90.2%
Other operating income	1,536.0	1,518.7	-17.3	-1.1%	458.1	473.9	586.7	112.7	23.8%
Total income	3,140.4	3,099.3	-41.1	-1.3%	954.4	1,001.5	1,143.3	141.9	14.2%
Personnel expenses	-1,259.5	-1,173.9	85.6	-6.8%	-419.0	-398.0	-357.0	41.0	-10.3%
Other administrative expenses	-488.8	-468.5	20.3	-4.2%	-154.6	-154.1	-159.8	-5.7	3.7%
Amortization and depreciation	-199.7	-187.9	11.8	-5.9%	-61.4	-61.7	-64.8	-3.1	5.0%
Operating costs	-1,947.9	-1,830.3	117.6	-6.0%	-635.0	-613.8	-581.5	32.2	-5.2%
Profit (loss) from operations	1,192.5	1,269.0	76.5	6.4%	319.5	387.7	561.8	174.1	44.9%
Net adjustments on loans to customers	-558.0	-800.6	-242.6	43.5%	-213.2	-263.0	-324.3	-61.3	23.3%
Profit (loss) on FV measurement of tangible assets	-27.5	-5.7	21.8	-79.2%	-0.3	-5.0	-0.3	4.7	-93.8%
Net adjustments on other financial assets	4.2	-8.3	-12.4	n.m.	-4.7	-3.7	0.1	3.8	n.m.
Net provisions for risks and charges from (loss) on the disposal of equity and other investments	-8.4	-6.7	1.7	-20.1%	2.2	-9.8	0.9	10.7	n.m.
	336.8	1.5	-335.2	-99.5%	0.1	0.1	1.3	1.2	n.m.
Income (loss) before tax from continuing operations	939.5	449.2	-490.3	-52.2%	103.5	106.3	239.5	133.2	n.m.
Tax on income from continuing operations	-132.4	-61.5	70.9	-53.6%	-25.7	-13.3	-22.5	-9.2	69.0%
Systemic charges after tax	-88.4	-128.7	-40.3	45.6%	-57.5	-18.2	-53.0	-34.8	191.7%
Income (loss) attributable to minority interests	6.3	4.0	-2.3	-36.2%	0.0	1.5	2.5	1.0	64.0%
Net income (loss) gross of PPA and net of valuation effect on own liabilities	725.0	263.1	-461.9	-63.7%	20.3	76.3	166.5	90.2	n.m.
Purchase Price Allocation after tax	-11.0	-29.9	-18.9	n.m.	-6.6	-12.0	-11.4	0.5	-4.5%
Fair value on own liabilities after Taxes	-12.8	29.4	42.2	n.m.	137.9	-110.7	2.2	112.9	n.m.
Net income (loss) for the period	701.2	262.5	-438.7	-62.6%	151.6	-46.4	157.3	203.7	n.m.

ADJUSTED P&L: DETAILS ON NON-RECURRING ITEMS

Reclassified income statement (in euro million)	9M 2020	9M 2020 adjusted	One-off	Non-recurring items and extraordinary systemic charges
Net interest income	1,473.5	1,473.5	0.0	
Income (loss) from investments in associates carried at equity	107.1	107.1	0.0	
Net interest, dividend and similar income	1,580.6	1,580.6	0.0	
Net fee and commission income	1,234.6	1,234.6	0.0	
Other net operating income	43.3	43.3	0.0	
Net financial result	240.8	240.8	0.0	
Other operating income	1,518.7	1,518.7	0.0	
Total income	3,099.3	3,099.3	0.0	
Personnel expenses	-1,173.9	-1,205.5	31.6	Covid- related savings
Other administrative expenses	-468.5	-468.5	0.0	
Amortization and depreciation	-187.9	-185.5	-2.4	Adjustments on intangible assets
Operating costs	-1,830.3	-1,859.4	29.2	
Profit (loss) from operations	1,269.0	1,239.8	29.2	
Net adjustments on loans to customers	-800.6	-800.6	0.0	
Profit (loss) on FV measurement of tangible assets	-5.7	0.0	-5.7	Application of the new valuation model on properties and artworks
Net adjustments on other financial assets	-8.3	-8.3	0.0	
Net provisions for risks and charges	-6.7	-6.7	0.0	
Profit (loss) on the disposal of equity and other investments	1.5	0.0	1.5	Real Estate gains
Income (loss) before tax from continuing operations	449.2	424.3	25.0	
Tax on income from continuing operations	-61.5	-53.1	-8.4	Extraordinary fiscal items
Systemic charges after tax	-128.7	-110.5	-18.2	Additional contribution to Italian resolution fund
Income (loss) attributable to minority interests	4.0	3.8	0.3	Other
Net income (loss) gross of PPA and net of valuation effect on own liabilities	263.1	264.4	-1.3	
Purchase Price Allocation after tax	-29.9	-29.9	0.0	
Fair value on own liabilities after Taxes	29.4	29.4	0.0	
Net income (loss) for the period	262.5	263.9	-1.3	

ADJUSTED P&L: ANNUAL COMPARISON

Reclassified income statement (in euro million)	9M 2019 adjusted	9M 2020 adjusted	Chg. Y/Y	Chg. Y/Y %
Net interest income	1,507.1	1,473.5	-33.6	-2.2%
Income (loss) from investments in associates carried at equity	97.3	107.1	9.7	10.0%
Net interest, dividend and similar income	1,604.4	1,580.6	-23.8	-1.5%
Net fee and commission income	1,332.3	1,234.6	-97.7	-7.3%
Other net operating income	59.9	43.3	-16.6	-27.8%
Net financial result	143.8	240.8	97.0	67.4%
Other operating income	1,536.0	1,518.7	-17.3	-1.1%
Total income	3,140.4	3,099.3	-41.1	-1.3%
Personnel expenses	-1,259.5	-1,205.5	54.0	-4.3%
Other administrative expenses	-488.8	-468.5	20.3	-4.2%
Amortization and depreciation	-197.0	-185.5	11.5	-5.9%
Operating costs	-1,945.3	-1,859.4	85.8	-4.4%
Profit (loss) from operations	1,195.1	1,239.8	44.7	3.7%
Net adjustments on loans to customers	-558.0	-800.6	-242.6	43.5%
Net adjustments on other financial assets	4.2	-8.3	-12.4	n.m.
Net provisions for risks and charges	-2.2	-6.7	-4.5	n.m.
Income (loss) before tax from continuing operations	639.1	424.3	-214.8	-33.6%
Tax on income from continuing operations	-153.3	-53.1	100.2	-65.4%
Systemic charges after tax	-73.1	-110.5	-37.4	51.1%
Income (loss) attributable to minority interests	5.8	3.8	-2.0	-34.7%
Net income (loss) gross of PPA and net of valuation effect on own liabilities	418.4	264.4	-154.0	-36.8%
Purchase Price Allocation after tax	-11.0	-29.9	-18.9	n.m.
Fair value on own liabilities after Taxes	-12.8	29.4	42.2	n.m.
Net income (loss) for the period	394.6	263.9	-130.7	-33.1%

COMPREHENSIVE PROFITABILITY

€ m

		Q1 2019	Q2 2019	Q3 2019	Q1 2020	Q2 2020	Q3 2020	9M 2019	9M 2020
A.	P&L NET INCOME	155.4	447.6	98.2	151.6	-46.4	157.3	701.2	262.5
B.	OTHER NET INCOME DIRECTLY ACCOUNTED TO EQUITY	110.5	13.5	159.2	-289.7	151.1	76.7	283.2	-61.9
	o/w Reserves of Debt Securities at FVOCI (net of tax)	91.5	64.3	126.0	-180.1	154.3	89.5	281.8	63.8
	o/w Reserves of Equity Securities at FVOCI (net of tax)	19.5	-31.9	26.3	-114.9	-5.4	-17.2	14.0	-137.5
A.+B.	COMPREHENSIVE NET INCOME OF THE GROUP	265.9	461.1	257.4	-138.1	104.7	234.0	984.5	200.6

RECLASSIFIED BALANCE SHEET AS AT 30/09/2020

Reclassified assets (€ m)	30/09/2019	31/12/19	30/06/20	30/09/20
Cash and cash equivalents	808	913	838	806
Loans and advances measured at AC	114,967	115,890	121,213	125,680
- Loans and advances to banks	9,305	10,044	12,825	16,962
- Loans and advances to customers (*)	105,662	105,845	108,389	108,718
Other financial assets	39,548	37,069	43,885	46,954
- Assets measured at FV through PL	8,428	7,285	9,075	10,548
- Assets measured at FV through OCI	13,112	12,527	13,112	13,853
- Assets measured at AC	18,008	17,257	21,698	22,553
Equity investments	1,354	1,386	1,577	1,638
Property and equipment	3,450	3,624	3,522	3,497
Intangible assets	1,262	1,269	1,261	1,248
Tax assets	4,827	4,620	4,628	4,618
Non-current assets held for sale and discont. operations	1,562	131	105	111
Other assets	2,616	2,136	2,385	2,101
Total	170,395	167,038	179,415	186,654
Reclassified liabilities (€ m)	30/09/2019	31/12/19	30/06/20	30/09/20
Due to banks	29,613	28,516	32,930	31,888
Direct Funding	111,312	109,506	115,234	115,417
- Due from customers	96,880	93,375	98,769	99,424
- Debt securities and financial liabilities desig. at FV	14,432	16,131	16,464	15,993
Debts for Leasing	753	733	682	672
Other financial liabilities designated at FV	8,087	10,919	11,499	19,588
Liability provisions	1,475	1,487	1,278	1,187
Tax liabilities	543	619	612	638
Liabilities associated with assets held for sale	50	5	4	3
Other liabilities	6,997	3,366	4,942	4,804
Minority interests	37	26	25	22
Shareholders' equity	11,528	11,861	12,211	12,436
Total	170,395	167,038	179,415	186,654

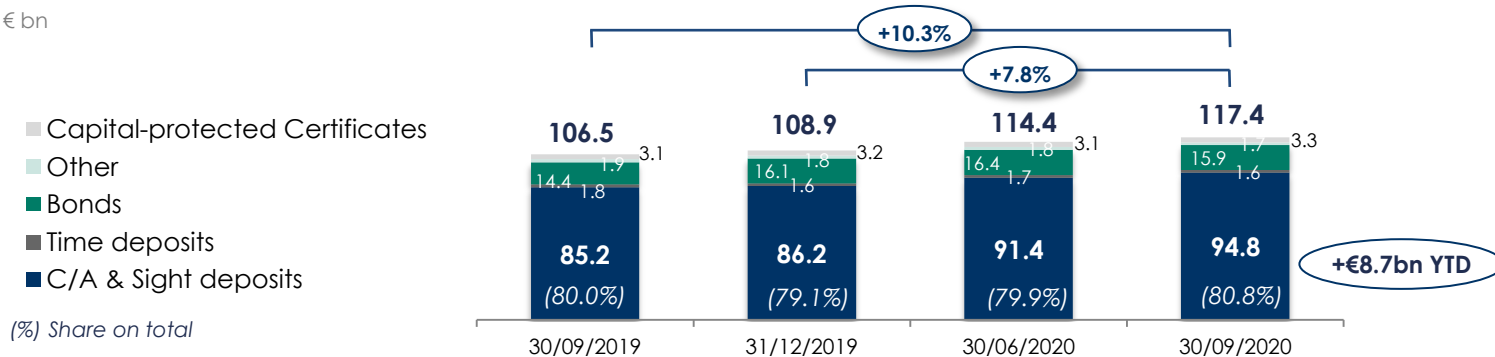
Chg. y/y		Chg. YTD		Chg. in Q3	
Value	%	Value	%	Value	%
-2	-0.2%	-107	-11.7%	-32	-3.8%
10,712	9.3%	9,790	8.4%	4,466	3.7%
7,657	82.3%	6,917	68.9%	4,137	32.3%
3,055	2.9%	2,872	2.7%	329	0.3%
7,406	18.7%	9,885	26.7%	3,069	7.0%
2,120	25.2%	3,263	44.8%	1,473	16.2%
741	5.7%	1,326	10.6%	741	5.6%
4,545	25.2%	5,296	30.7%	855	3.9%
284	21.0%	252	18.2%	61	3.9%
47	1.4%	-127	-3.5%	-25	-0.7%
-14	-1.1%	-21	-1.7%	-12	-1.0%
-209	-4.3%	-1	0.0%	-10	-0.2%
-1,451	-92.9%	-20	-15.4%	6	5.3%
-515	-19.7%	-35	-1.6%	-284	-11.9%
16,259	9.5%	19,616	11.7%	7,239	4.0%
Value	%	Value	%	Value	%
2,275	7.7%	3,372	11.8%	-1,042	-3.2%
4,105	3.7%	5,910	5.4%	183	0.2%
2,544	2.6%	6,049	6.5%	654	0.7%
1,561	10.8%	-138	-0.9%	-471	-2.9%
-81	-10.7%	-60	-8.2%	-10	-1.4%
11,501	142.2%	8,669	79.4%	8,089	70.3%
-288	-19.5%	-300	-20.2%	-91	-7.1%
94	17.3%	18	2.9%	26	4.2%
-47	-94.9%	-3	-50.4%	-2	-40.0%
-2,193	-31.3%	1,438	42.7%	-138	-2.8%
-15	-39.9%	-4	-15.5%	-3	-10.3%
908	7.9%	575	4.8%	225	1.8%
16,259	9.5%	19,616	11.7%	7,239	4.0%

DIRECT FUNDING

Solid position confirmed in Core funding, with a strong further increase in core deposits

Direct customer funding¹ (without Repos)

€ bn



CHANGE	30/09/19	31/12/19	30/06/20	30/09/20	In % Y/Y	In % YTD	In % Q3
C/A & Sight deposits	85.2	86.2	91.4	94.8	11.3%	10.1%	3.8%
Time deposits	1.8	1.6	1.7	1.6	-10.8%	0.0%	-2.1%
Bonds	14.4	16.1	16.4	15.9	11.1%	-0.7%	-2.8%
Other	1.9	1.8	1.8	1.7	-11.8%	-5.7%	-7.8%
Capital-protected Certificates	3.1	3.2	3.1	3.3	5.5%	2.3%	5.9%
Direct Funding (excl. Repos)	106.5	108.9	114.4	117.4	10.3%	7.8%	2.6%

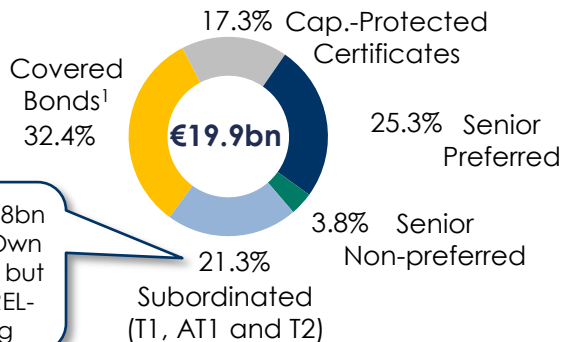
Note:

1. Direct funding restated according to a management logic: it includes capital-protected certificates, recognized essentially under 'Held-for-trading liabilities', while it does not include Repos (€1.31bn at September 2020 vs. €7.98bn at September 2019), mainly transactions with Cassa di Compensazione e Garanzia.

BONDS OUTSTANDING: WELL DIVERSIFIED PORTFOLIO

Bonds Outstanding as at 30/09/2020

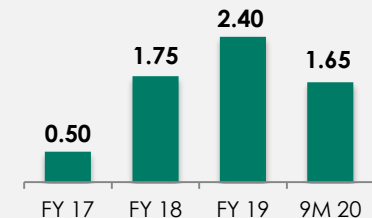
Nominal amounts



- **Total bonds outstanding at €19.9bn**
- **Successful issuance activity in 2020, 68% of FY 2020 Wholesale bond maturities:** AT1 in Jan. (€400m), Senior Non-Preferred in Feb. (€750m) and T2 in Sep. (€500m)
- Very manageable amount of wholesale bond maturities in Q4 2020 (€1.4bn) and FY 2021 (€2.4bn), considering the strong liquidity position (with unencumbered eligible assets at €22.1bn, highly exceeding total bonds outstanding)

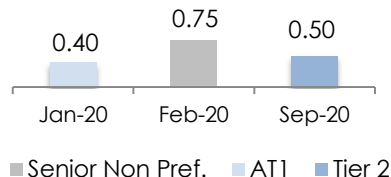
Wholesale bond issues since 2017

€ bn



Focus on Wholesale bonds issued in 9M 2020:

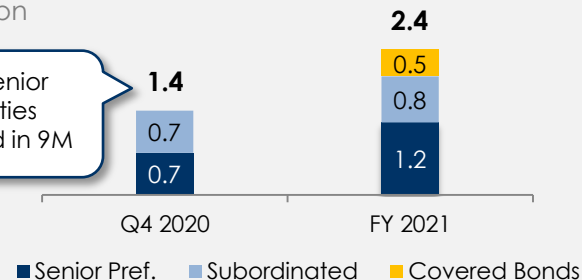
68% of FY 2020 maturities



Wholesale bond maturities

€ bn

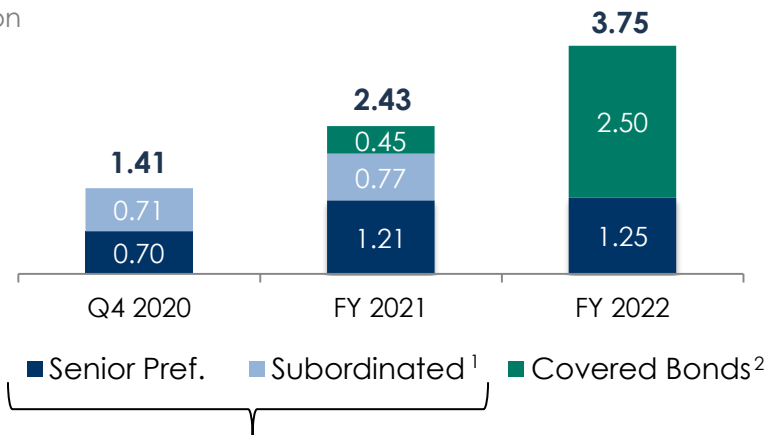
€1bn Senior maturities registered in 9M



BOND MATURITIES: LIMITED AND MANAGEABLE AMOUNTS

Institutional bond maturities

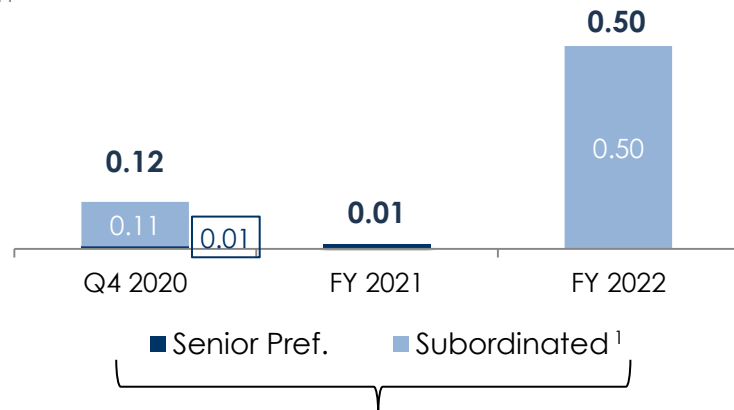
€ bn



Aggregate senior & subordinated in the period 2020-2022: €4.6bn

Retail bond maturities

€ bn



Aggregate senior & subordinated in the period 2020-2022: €0.6bn

Managerial data based on nominal amounts, including calls.

Note: 1. With negligible impact on T2 Capital. See slide 43 for details. 2. Include also the maturities of Repos with underlying retained Covered Bonds: €0.45bn in 2021 and €0.50bn in 2022.

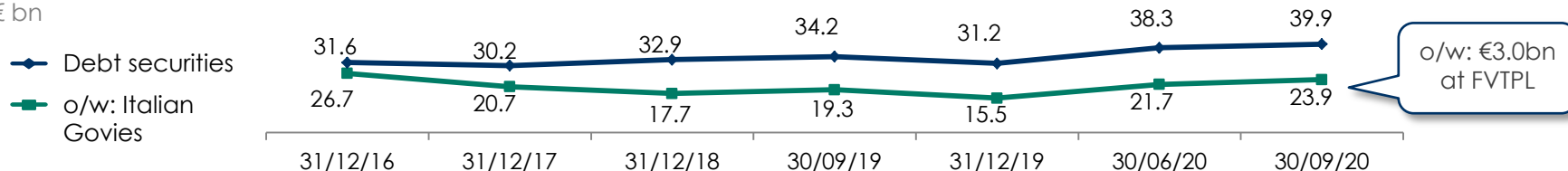
SECURITIES: INCREASED WEIGHT OF THE AC PORTFOLIO

€ bn

	30/09/19	31/12/19	30/06/20	30/09/20	Chg. y/y	Chg. YTD	Chg. in Q3
Debt securities	34.2	31.2	38.3	39.9	16.5%	27.7%	4.2%
Equity securities, Open-end funds & Private equity	2.2	2.5	1.6	1.9	-14.5%	-26.2%	19.5%
TOTAL SECURITIES	36.4	33.8	39.9	41.8	14.6%	23.6%	4.8%

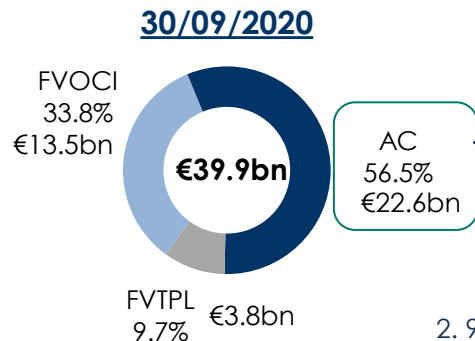
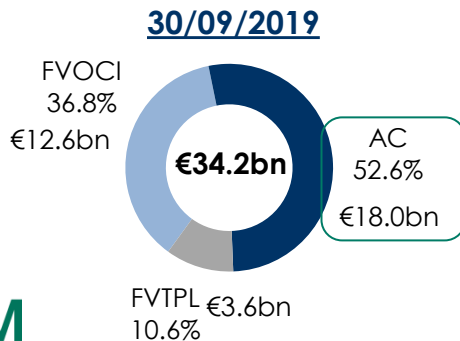
Focus on Debt Securities: Evolution & Composition

€ bn



Classification of Debt Securities

BANCO BPM



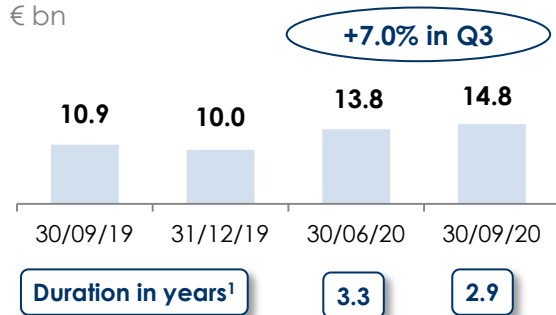
Italian Govies mainly concentrated in the AC portfolio (see next slide)

FOCUS ON GOVIES PORTFOLIO

48% maturing by next year

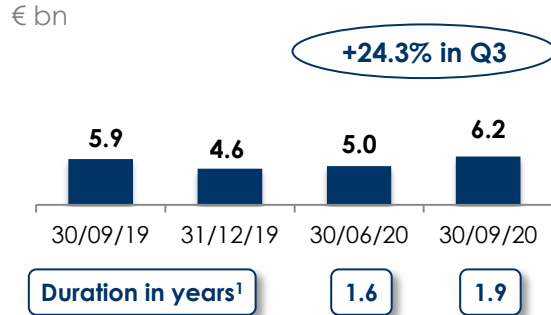
Italian Govies at AC

€ bn



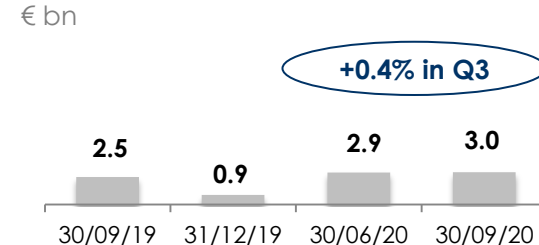
Italian Govies at FVOCI

€ bn



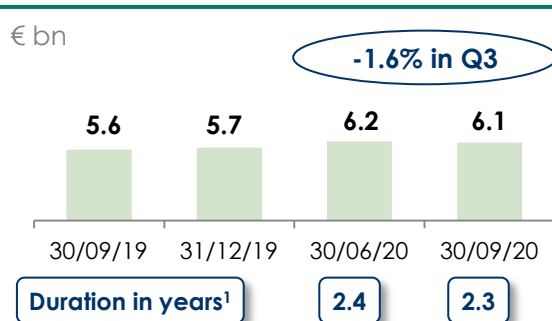
Italian Govies at FVTPL

€ bn



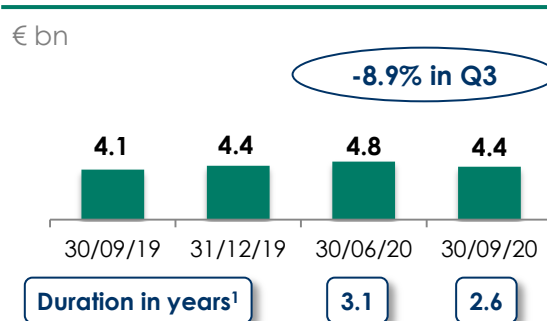
Non-IT Govies at AC

€ bn



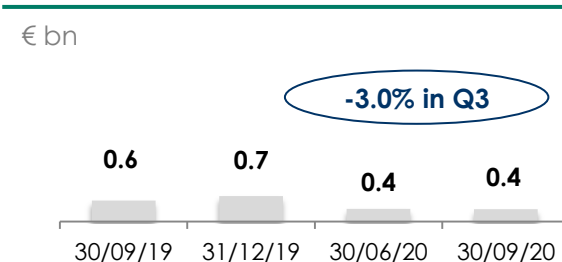
Non-IT Govies at FVOCI

€ bn



Non-IT Govies at FVTPL

€ bn

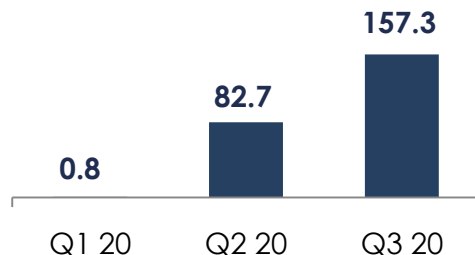


FINANCIAL PORTFOLIO: NET FINANCIAL RESULT AND RESERVES/UNREALISED GAINS

Net Financial Result

(excl. FV on Own Liabilities¹)

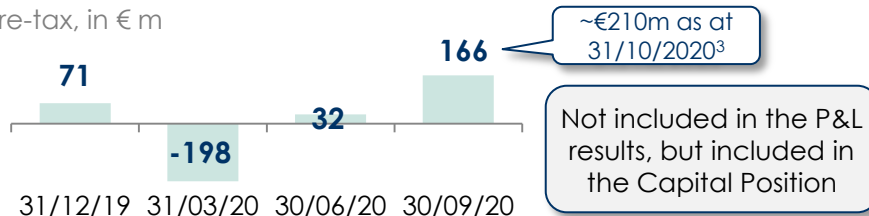
€ m



- **NFR at €157.3m in Q3** (against €82.7m in Q2 and €0.8m in Q1), strongly impacted by the positive valuation effect on the SIA stake (+€147m)

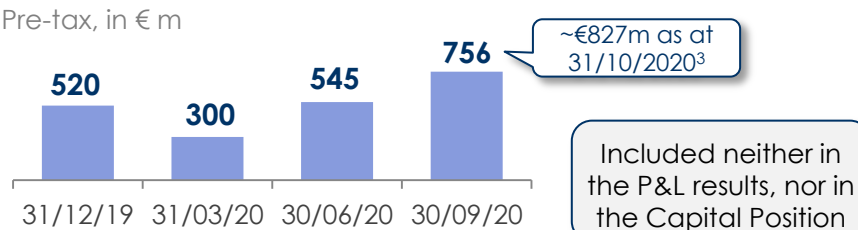
Reserves of Debt Securities at FVOCI

Pre-tax, in € m



Unrealised gains on Debt Securities at AC²

Pre-tax, in € m



Notes: 1. Impact from the change in FV on Own Liabilities (before tax) at +€206.0m in Q1 2020, -€165.4m in Q2 2020 and +€3.3m in Q3 2020. These amounts have been reclassified into a separate item after tax. 2. Debt Securities accounted at Amortised Costs are subject to a specific policy which sets dedicated limits to the amount of disposals allowed throughout the year. 3. Internal management data.

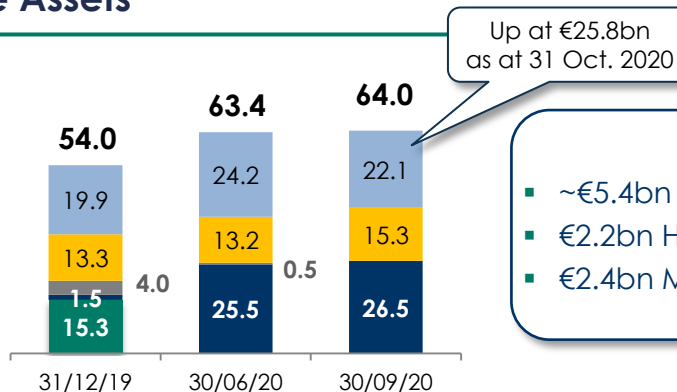
SOLID LIQUIDITY POSITION: LCR AT 198% & NSFR >100%¹

Eligible Assets²

€ bn

- Unencumbered
- Encumbered with Repos & other
- Other encumbered with ECB
- TLTRO III
- TLTRO II

TLTRO II completely reimbursed between March and June 2020



OTHER UNENCUMBERED LIQUID ASSETS

- ~€5.4bn average Excess ECB deposits in 9M 20
- €2.2bn HQLA lent³
- €2.4bn Marketable securities (unencumb. non-eligible)

- **TLTRO III drawings:**
 - €1.5bn in Dec. 2019
 - €2.0bn in March 2020
 - €22.0bn in June 2020
 - €1.0bn in September 2020

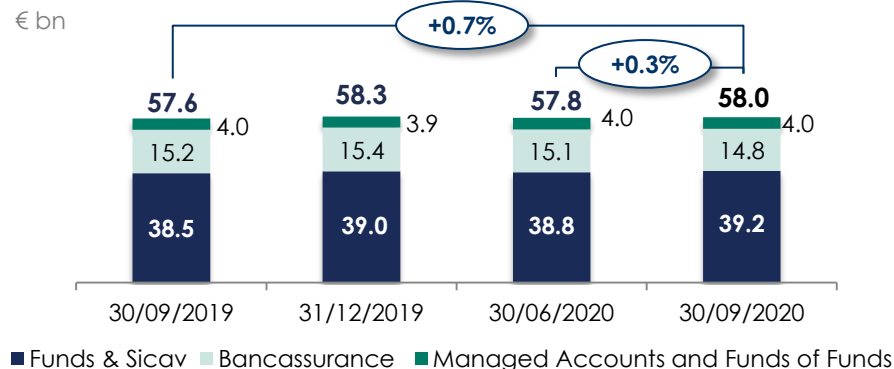
- Sizeable funding contribution also from long-term bilateral refinancing operations at **€3.4bn** euro (net of haircuts), with an average maturity of 1.5 years
- **Still large potential room for TLTRO III, with maximum take-up of €35.7bn (+€9.2bn vs. current exposure)**

Internal management data, net of haircuts.

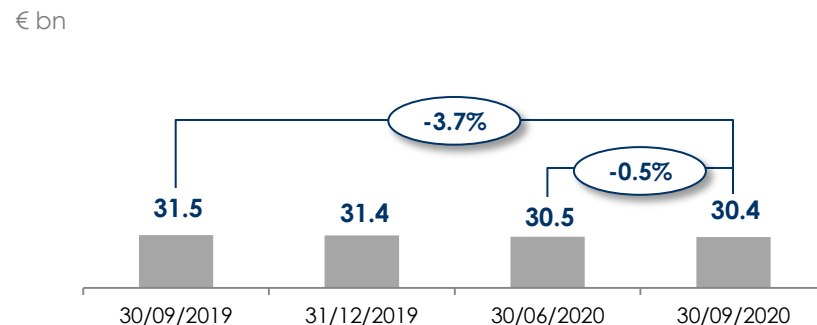
Notes: 1. Monthly LCR (September 2020) and Quarterly NSFR (Q3 2020). 2. Includes assets received as collateral. 3. Refers to securities lending (uncollateralized high quality liquid assets).

INDIRECT CUSTOMER FUNDING AT €88.4BN

Assets under Management



Assets under Custody¹



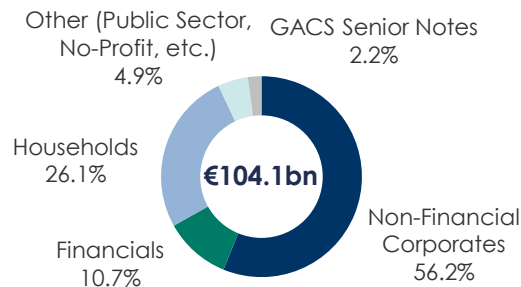
- Total Indirect Customer Funding at €88.4bn, basically unchanged vs. 30/06/2020.
- Marginal increase in AUM (+0.3% q/q), mainly thanks to Funds e Sicav, which has compensated the slight decrease in Bancassurance.
- AUC almost stable in Q3; resilience in volume effect on a yearly-basis, being penalized by the price effect (-€1.8bn)

Management data of the commercial network. AUC historic data restated for managerial adjustments.

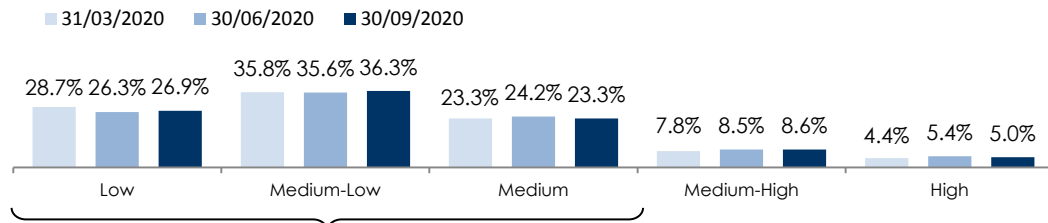
Note: 1. AuC data are net of capital-protected certificates, as they have been regrouped under Direct Funding (see slide 29).

ANALYSIS OF PERFORMING LOAN PORTFOLIO

Customer loan (GBV) breakdown as at 30/09/2020¹



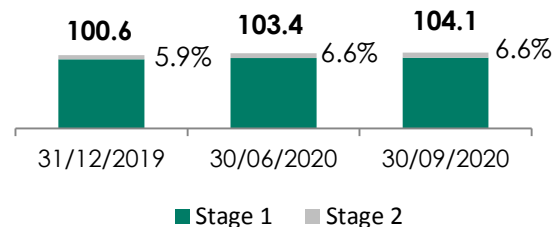
Performing portfolio: EAD by risk categories²



September: 86.5%
 June: 86.1%
 March: 87.8%

Staging evolution: Performing Loans in 9M 2020

GBV in € bn

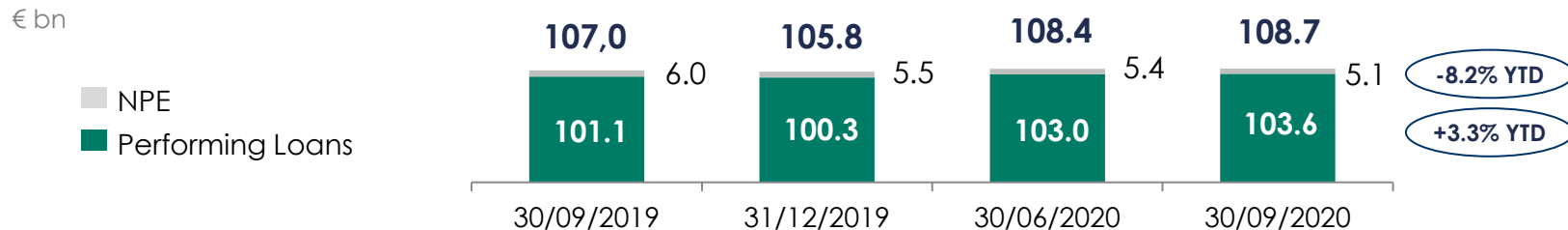


Moderate impact of the Covid - related crisis on the Performing Loan portfolio in 9M 2020, thanks to a range of external support measures and bank-specific actions

NET CUSTOMER LOANS

Satisfactory increase in Performing Loans, with new loans granted at €20.3bn in 9M 2020¹

Net Customer Loans²



NET PERFORMING LOANS	30/09/19	31/12/19	30/06/20	30/09/20	CHANGE		
					In % y/y	In % YTD	In % q/q
Core customer loans	92.0	91.1	95.0	96.5	4.9%	6.0%	1.6%
- Medium/Long-Term loans	62.0	62.5	67.1	71.3	15.1%	14.1%	6.3%
- Current Accounts	11.2	10.5	9.4	8.5	-23.5%	-18.7%	-9.7%
- Other loans	17.0	16.1	16.6	14.8	-12.6%	-8.1%	-10.9%
- Cards & Personal Loans	1.9	2.0	1.8	1.9	-3.7%	-6.6%	1.2%
Leasing	1.0	1.0	0.9	0.9	-9.9%	-6.5%	-1.5%
Repos	5.5	5.7	4.7	3.9	-28.4%	-31.7%	-17.3%
GACS Senior Notes	2.6	2.5	2.3	2.3	-12.3%	-9.0%	-2.7%
Total Net Performing Loans	101.1	100.3	103.0	103.6	2.5%	3.3%	0.6%

Net Performing loans in Stage 2 at €6.6bn as at 30/09/20, stable vs. 30/06/20 (€5.7bn as at 31/12/19), with a coverage stable at 3.8% (3.5% as at 31/12/19)

Notes: **1.** Management data. See slide 11 for details. **2.** Loans and advances to customers at Amortized Cost, including also the GACS senior notes (Exodus since June 2018 and, moreover, ACE since March 2019).

Data as at 30/09/19 are adjusted for the reclassification of the Profamily non-Captive loan portfolio (see Methodological Notes).

ASSET QUALITY DETAILS

GROSS EXPOSURES €/m and %	30/09/2019	31/12/2019	30/06/2020	30/09/2020	Chg. y/y		Chg. YTD		Chg. in Q3	
	Incl. Profamily				Value	%	Value	%	Value	%
Bad Loans	3,395	3,565	3,530	3,615	220	6.5%	50	1.4%	84	2.4%
UTP	6,949	6,424	6,159	6,076	-872	-12.6%	-347	-5.4%	-82	-1.3%
Past Due	131	98	150	100	-31	-23.4%	2	1.8%	-50	-33.1%
NPE	10,474	10,087	9,839	9,791	-683	-6.5%	-296	-2.9%	-48	-0.5%
Performing Loans	101,438	100,631	103,431	104,064	2,626	2.6%	3,433	3.4%	633	0.6%
TOTAL CUSTOMER LOANS	111,912	110,718	113,269	113,855	1,942	1.7%	3,137	2.8%	585	0.5%

NET EXPOSURES €/m and %	30/09/2019	31/12/2019	30/06/2020	30/09/2020	Chg. y/y		Chg. YTD		Chg. in Q3	
	Incl. Profamily				Value	%	Value	%	Value	%
Bad Loans	1,488	1,560	1,549	1,532	44	3.0%	-28	-1.8%	-17	-1.1%
UTP	4,373	3,912	3,739	3,480	-893	-20.4%	-432	-11.0%	-258	-6.9%
Past Due	107	73	111	78	-29	-26.7%	5	7.4%	-33	-29.6%
NPE	5,968	5,544	5,399	5,091	-877	-14.7%	-454	-8.2%	-309	-5.7%
Performing Loans	101,072	100,301	102,989	103,627	2,555	2.5%	3,326	3.3%	638	0.6%
TOTAL CUSTOMER LOANS	107,040	105,845	108,389	108,718	1,678	1.6%	2,872	2.7%	329	0.3%

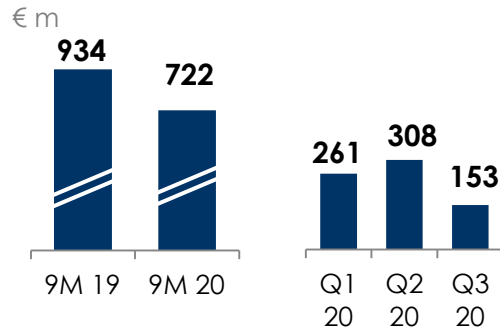
COVERAGE %	30/09/2019	31/12/2019	30/06/2020	30/09/2020
	Incl. Profamily			
Bad Loans	56.2%	56.2%	56.1%	57.6%
UTP	37.1%	39.1%	39.3%	42.7%
Past Due	18.2%	25.9%	25.6%	21.8%
NPE	43.0%	45.0%	45.1%	48.0%
Performing Loans	0.36%	0.33%	0.43%	0.42%
TOTAL CUSTOMER LOANS	4.4%	4.4%	4.3%	4.5%

Data refer to Loans and advances to customers measured at Amortized Cost, including also the GACS Senior Notes.

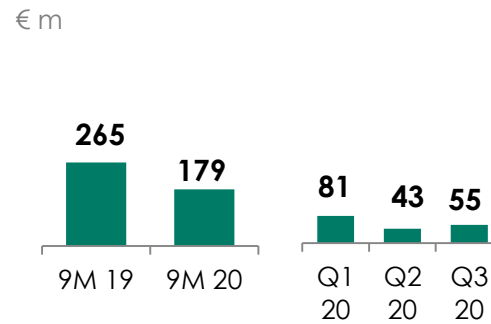
Data as at 30/09/19 are adjusted for the reclassification of the Profamily non-Captive loan portfolio (see Methodological Notes).

NPE FLOWS

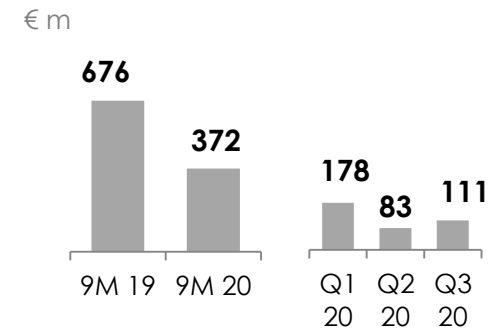
Inflows to NPEs
'Default'



Outflows to Perf. Loans
'Cure'



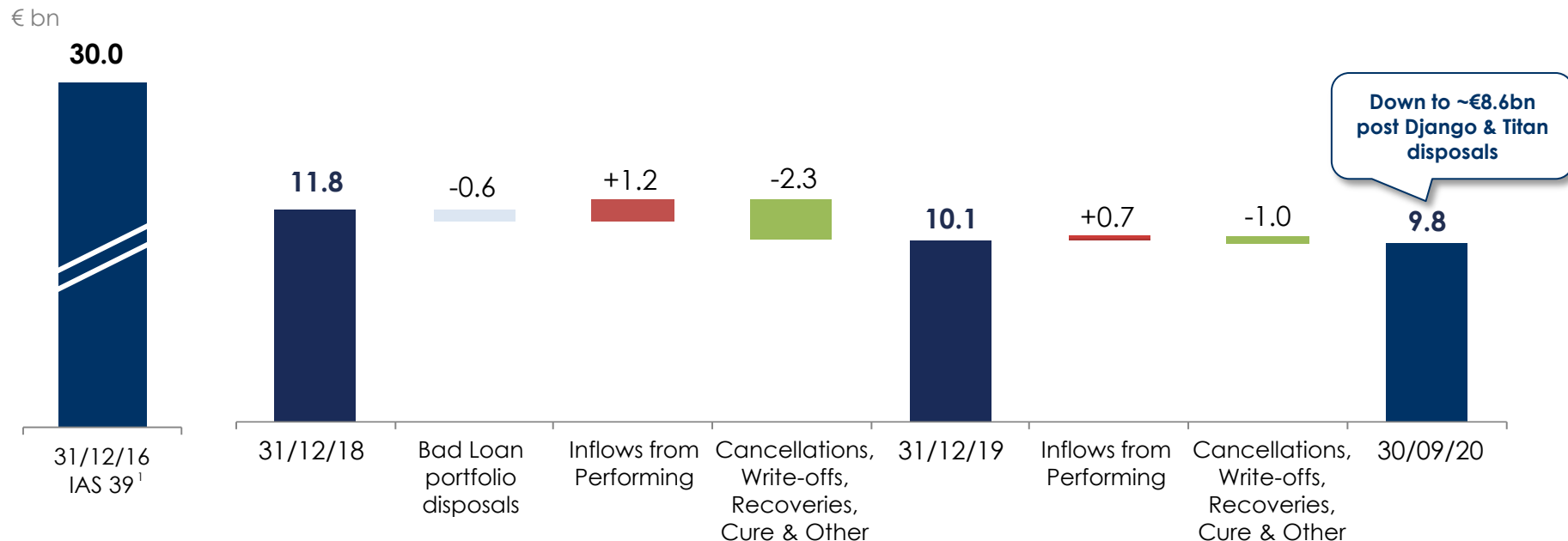
Flows from UTP to Bad Loans
'Danger'



- 9M 2020 shows an improvement in inflows to NPEs as well as in flows from UTP to Bad Loans vs. 9M 2019
- The challenging macroeconomic scenario has impacted mainly the outflows to performing loans

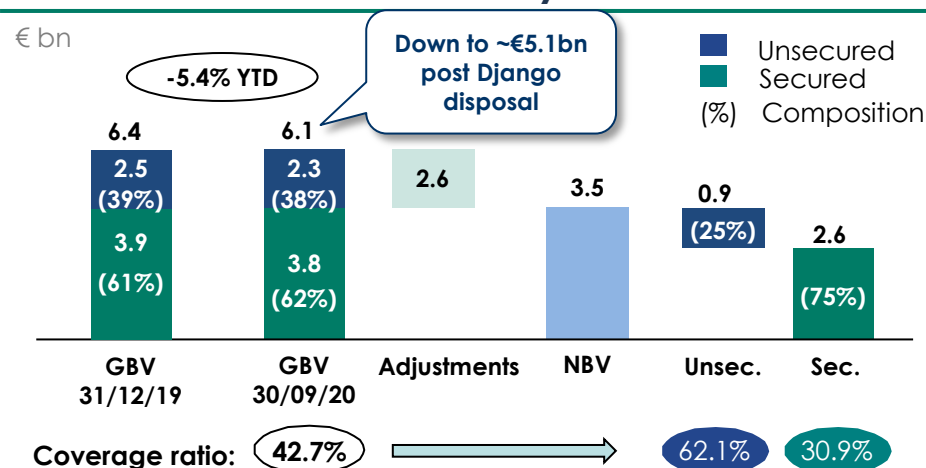
IMPROVING TREND IN ASSET QUALITY

Gross NPEs: -€20.2bn vs. YE 2016, o/w: -€1.7bn in 2019 and an additional -€0.3bn in 9M 2020

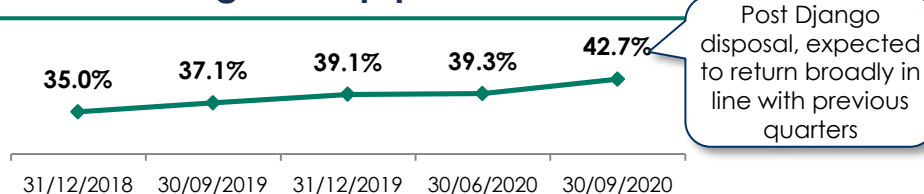


UTP LOANS: HIGH SHARE OF RESTRUCTURED & SECURED POSITIONS

UTP analysis



UTP Coverage: +7.7p.p. since YE 2018



Breakdown of Net UTPs

€ bn

	31/12/19	30/09/20	% Chg.
Restructured	1.7	1.6	-5.8%
- Secured	0.9	1.0	8.9%
- Unsecured	0.8	0.6	-22.2%
Other UTP	2.2	1.9	-14.4%
- Secured	1.9	1.6	-14.1%
- Unsecured	0.3	0.3	-16.4%
Total	3.9	3.5	-11.0%

o/w:

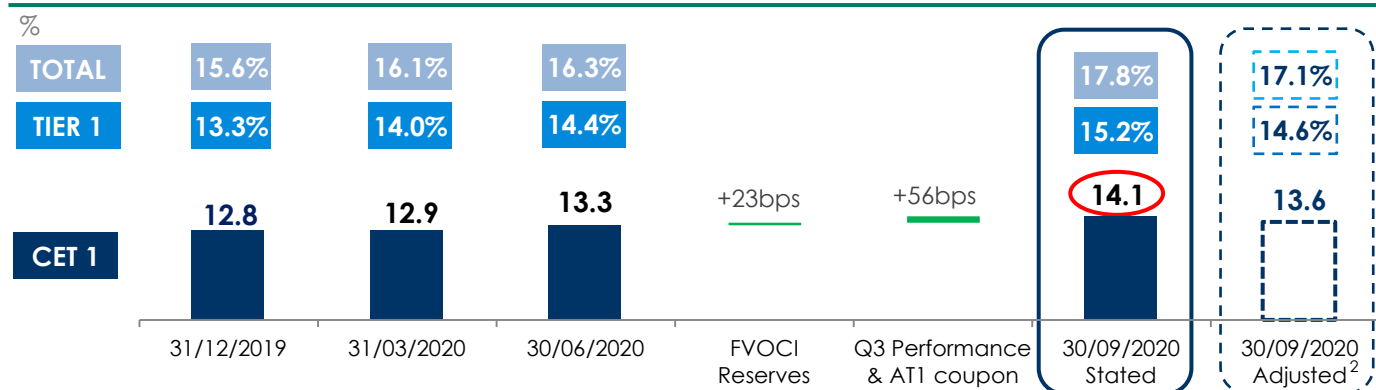
	31/12/19	30/09/20
- North	72.6%	72.5%
- Centre	20.9%	20.5%
- South, Islands & not resident	6.5%	7.0%

- Solid level of coverage for unsecured UTP: 62.1%
- Net unsecured UTP other than Restructured loans are limited to €0.3bn
- 93% of Net UTPs are located in the northern & central parts of Italy

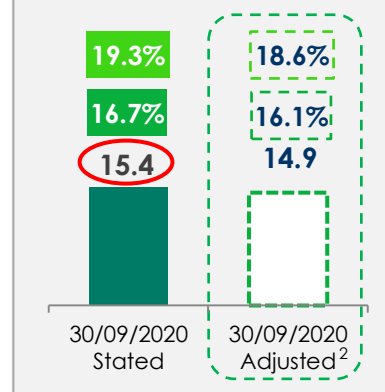
CAPITAL POSITION: STRONG RATIOS & BUFFERS

Further strengthening in ratios and buffers: well positioned to face the tough scenario

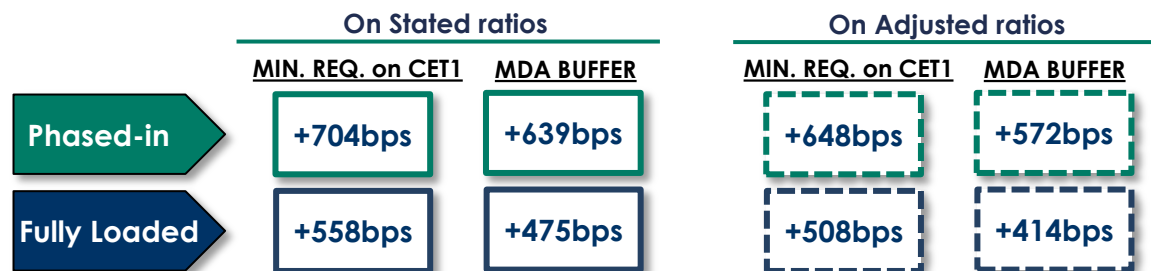
Fully Loaded Capital Ratios: evolution



Phase-In Ratios



Capital Buffers as at 30/09/2020¹



- Solid CET 1 ratios, with an improvement even on an Adjusted basis (i.e. including regulatory headwinds expected in Q4 2020): at 13.6% FL and 14.9% Phased-in
- Adjusted MDA buffers stand at +414 bps FL and +572 bps Phase-in, confirming the Group's solid capital position
- Leverage ratio as at 30/09/2020 at 5.4% on a phase-in and at 5.0% on a fully loaded basis

CAPITAL POSITION IN DETAIL

PHASED IN CAPITAL POSITION (€/m and %)	31/12/19	31/03/20	30/06/20	30/09/20
CET 1 Capital	9,586	9,449	9,585	9,785
T1 Capital	10,017	10,253	10,388	10,589
Total Capital	11,542	11,636	11,676	12,253
RWA	65,841	65,435	65,090	63,381
CET 1 Ratio	14.56%	14.44%	14.73%	15.44%
AT1	0.66%	1.23%	1.23%	1.27%
T1 Ratio	15.21%	15.67%	15.96%	16.71%
Tier 2	2.32%	2.11%	1.98%	2.63%
Total Capital Ratio	17.53%	17.78%	17.94%	19.33%

FULLY PHASED CAPITAL POSITION (€/m and %)	31/12/19	31/03/20	30/06/20	30/09/20
CET 1 Capital	8,453	8,423	8,692	9,006
T1 Capital	8,754	9,122	9,390	9,704
Total Capital	10,280	10,506	10,679	11,369
RWA	65,856	65,353	65,317	63,869
CET 1 Ratio	12.84%	12.89%	13.31%	14.10%
AT1	0.46%	1.07%	1.07%	1.09%
T1 Ratio	13.29%	13.96%	14.38%	15.19%
Tier 2	2.32%	2.12%	1.97%	2.61%
Total Capital Ratio	15.61%	16.08%	16.35%	17.80%

RWA COMPOSITION (€/bn)	31/12/19	31/03/20	30/06/20	30/09/20
CREDIT & COUNTERPARTY RISK	57.7	56.9	56.9	55.0
of which: Standard	29.3	29.1	29.1	29.0
MARKET RISK	1.9	2.3	2.0	2.2
OPERATIONAL RISK	6.0	6.0	6.0	6.0
CVA	0.2	0.2	0.2	0.2
TOTAL	65.8	65.4	65.1	63.4

RWA COMPOSITION (€/bn)	31/12/19	31/03/20	30/06/20	30/09/20
CREDIT & COUNTERPARTY RISK	57.7	56.9	57.1	55.5
of which: Standard	29.3	29.1	29.3	29.5
MARKET RISK	1.9	2.3	2.0	2.2
OPERATIONAL RISK	6.0	6.0	6.0	6.0
CVA	0.2	0.2	0.2	0.2
TOTAL	65.8	65.4	65.3	63.9

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