The UBI Banca Group
Consolidated Results as at 31st March 2020

8 May 2020

UBI Banca

Disclaimer

This document has been prepared by Unione di Banche Italiane Spa ("UBI") for informational purposes only and for use in the presentation of May 2020.
It is not permitted to publish, transmit or otherwise reproduce this document, in whole or in part, in any format, to any third party without the express written consent of UBI and it is not permitted to alter, manipulate, obscure or take out of context any information set out in the document.

The information, opinions, estimates and forecasts contained herein have not been independently verified and are subject to change without notice. They have been obtained from, or are based upon, sources we believe to be reliable but UBI makes no representation (either expressed or implied) or warranty on their completeness, timeliness or accuracy. Nothing contained in this document or expressed during the presentation constitutes financial, legal, tax or other advice, nor should any investment or any other decision be solely based on this document.
This document does not constitute a solicitation, offer, invitation or recommendation to purchase, subscribe or sell for any investment instruments, to effect any transaction, or to conclude any legal act of any kind whatsoever.
This document contains statements that are forward-looking: such statements are based upon the current beliefs and expectations of UBI and are subject to significant risks and uncertainties. These risks and uncertainties, many of which are outside the control of UBI, could cause the results of UBI to differ materially from those set forth in such forward looking statements.
Under no circumstances will UBI or its affiliates, representatives, directors, officers and employees have any liability whatsoever (in negligence or otherwise) for any loss or damage howsoever arising from any use of this document or its contents or otherwise arising in connection with the document or the above mentioned presentation.

For further information about the UBI Group, please refer to publicly available information, including Annual, Quarterly and Interim Reports.

By receiving this document you agree to be bound by the foregoing limitations.
Please be informed that some of the managers of UBI involved in the drawing up and in the presentation of data contained in this document possess stock of the bank. The disclosure relating to shareholdings of top management is available in the annual reports.

References
The "notes on the reclassified financial statements" contained in the periodic financial reports of the Group may be consulted for a fuller comprehension of the rules followed in preparing the reclassified financial statements.
Figures in this presentation slides may not add up exactly to correspond to the total amount indicated, due to rounding differences.

A solid start to 2020 allowing strong intervention in the Covid19 emergency

Strong CAPITAL

- FL CET1 ratio to 12.86%
- MDA buffer vs CET1 9.25% SREP to 361 bps (459 in the hypothesis of full application of art104a of CRD5)
- Both CET1 ratio and MDA buffer are higher than Business Plan projections (CET1 >12.5 and MDA buffer > 330 bps) even net of 2019 dividend (accounting for 26 bps)
- Total capital ratio to 17.05% also following successful issuance of AT1 in Jan 2020

Strong LIQUIDITY

- MREL requirements largely exceeded
- FL Leverage ratio to 5.87%
- LCR and NSFR > 100
  Thanks to strong issuance plan carried out in 2019, no worries if markets were to close in 2020
- Liquid assets to €36.8 billion, of which €23.8 unencumbered

High quality LOAN BOOK

- High quality performing loan book (only 2.7% is high risk) generating low default rate (1% annualised in 1Q2020)
- Low level of NPEs following work out and sales carried out in 2019, still constantly decreasing: in 1Q2020 gross NPE ratio to 7.5% of total loans (6.7% taking account of SME bad loan sale currently being prepared)
- High recovery rate to 12.5% (cash in + back to performing) of total NPEs.
- Bad loan recovery rate (cash in) to 7.1%

Liquidity to the economy in the Covid19 emergency and Initiatives to support customers well above the Group's Market share

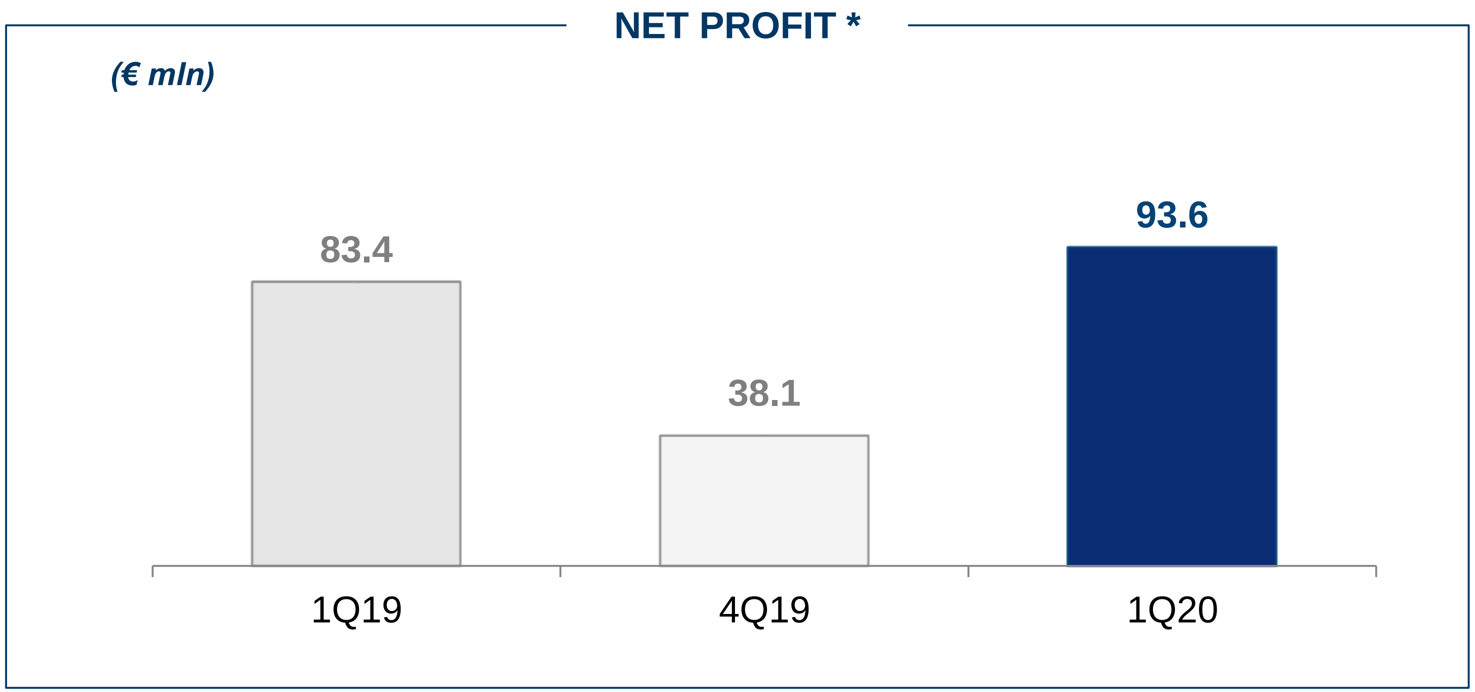
Covid-related additional measures

- €10 billion available to the Territories to support families, businesses and third sector launched on 1st April 2020

- Immediate application and fast procedures to allow customers access to opportunities offered by Government Decrees, even in remote
  - Financing up to €25,000 with 100% state guarantee: as at the 7th of May, loans which have obtained the guarantee and are ready for disbursement amount to 40% of the total at system level*
  - Medium/large lending tickets with MCC guarantee (over €25K): over 2 bln/€ of applications (average guarantee 80%)
  - 130.000 "moratorie" out of a total of over 1.600.000** at system level (8% share)

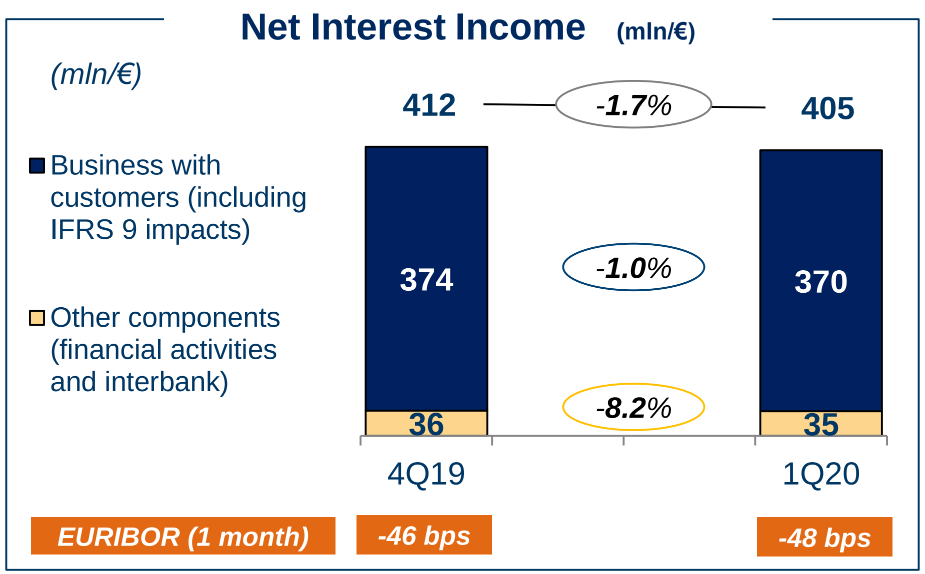
* 37,250 applications out of a total at system level of 93,301
** latest avaialable system data

A good set of results in 1Q20, with a significant increase in net profit in a complex environment



*Restated for 2019 to reflect change of measurement criteria for real estate: Net profit for 1Q19 previously published €82.2 million; Net profit for 4Q2019 previously published €60.1 million.

Resilience of Net Interest Income expected to continue in 2020



mln/€	1Q19	4Q19	1Q20
Business with customers (including IFRS9)	**409**	**374**	**370**
o/w business with customers	*383*	*364*	*359*
o/w IFRS9	*26*	*10*	*11*
Financial activities	**44**	**51**	**37**
Interbank business	**-8**	**-13**	**-2**
Net Interest Income	**446**	**412**	**405**
EURIBOR (1 month)	***- 37 bps***	***- 46 bps***	***- 48 bps***

1Q20 vs 4Q19:

- Stable NII from business with customers vs 4Q19 considering calendar effect (-4 mln/€)

1Q20 vs 1Q19

- Impact on funding component of the decrease of -11 bps in 1M Euribor and of the intense issuing of institutional funding in 2019 which enabled the required MREL levels to be reached in advance and UBI to be resilient in case of potential market closures in 2020
- lower IFRS9 contribution, mainly following the massive bad loan reduction and disposals completed in 2019, (gross NPE volumes down by -29.4% in 12 months) enabling the Bank to face the Covid emergency with higher quality assets

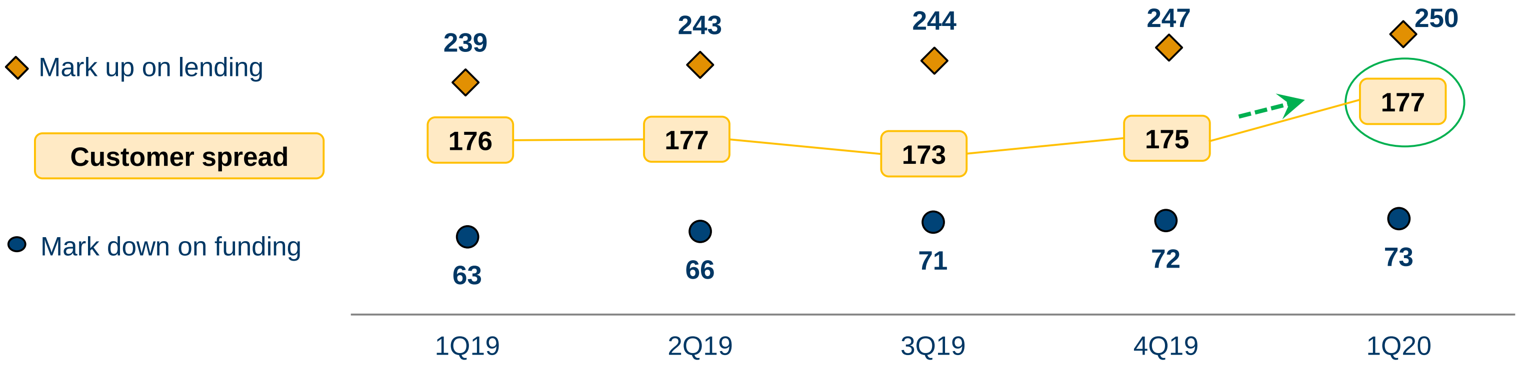
Overall Customer Spread improving in 1Q20 to 177 bps
New M/L term originations at 3.9 bln/€ in 1Q20

STOCK

GROUP CUSTOMER SPREAD*

(M/L and SHORT TERM, BANKING GROUP + PRODUCT COMPANIES

In bps against 1M Euribor, including hedging derivatives and excluding TLTRO2



Spread 10Y BTP-BUND *(period average)*	257	262	183	148	166

TREND

FOCUS ON MEDIUM/LONG TERM VOLUMES & COMMERCIAL SPREADS

BANKING PERIMETER

	1Q19	4Q19	1Q20
NEW ORIGINATIONS			
Flows	+2.8bln/€	+2.7bln/€	+3.9bln/€
Commercial Spread	243bps	239bps*	195bps*
REIMBURSEMENTS			
Flows	-3.3bln/€	-3.7bln/€	-3.2bln/€
Commercial Spreads	195bps	206bps	193bps

- Higher incidence of TLTRO lending products in 1Q20
- Net of TLTRO lending (approx. 1.4bln/€ in 1Q20), spread up 5bps vs 4Q19 (to 256bps)

* Exluding TLTRO lending, commercial spread at 251bps in 4Q19 and 256bps in 1Q20

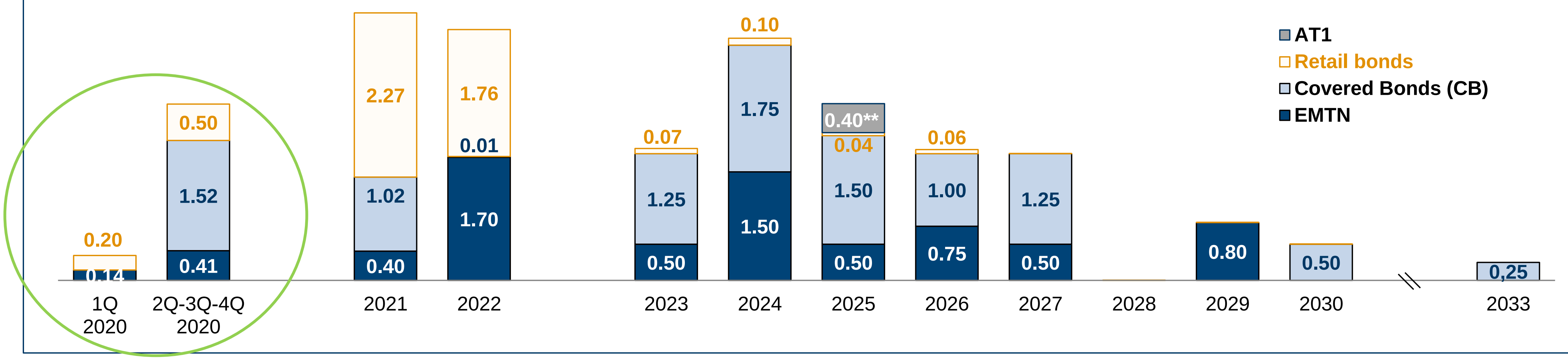
2019 intense issuing activity (5bln/€ institutional and 2.2bln/€ retail*) guarantees a comfortable liquidity position

In order to optimise the Group's capital structure, inaugural 400 mln/€ AT1 issuance placed in January 2020

FUNDING MATURITY PROFILE

Situation as at 31st March 2020

(nominal amounts in bln/€)



2020 INSTITUTIONAL ISSUANCES

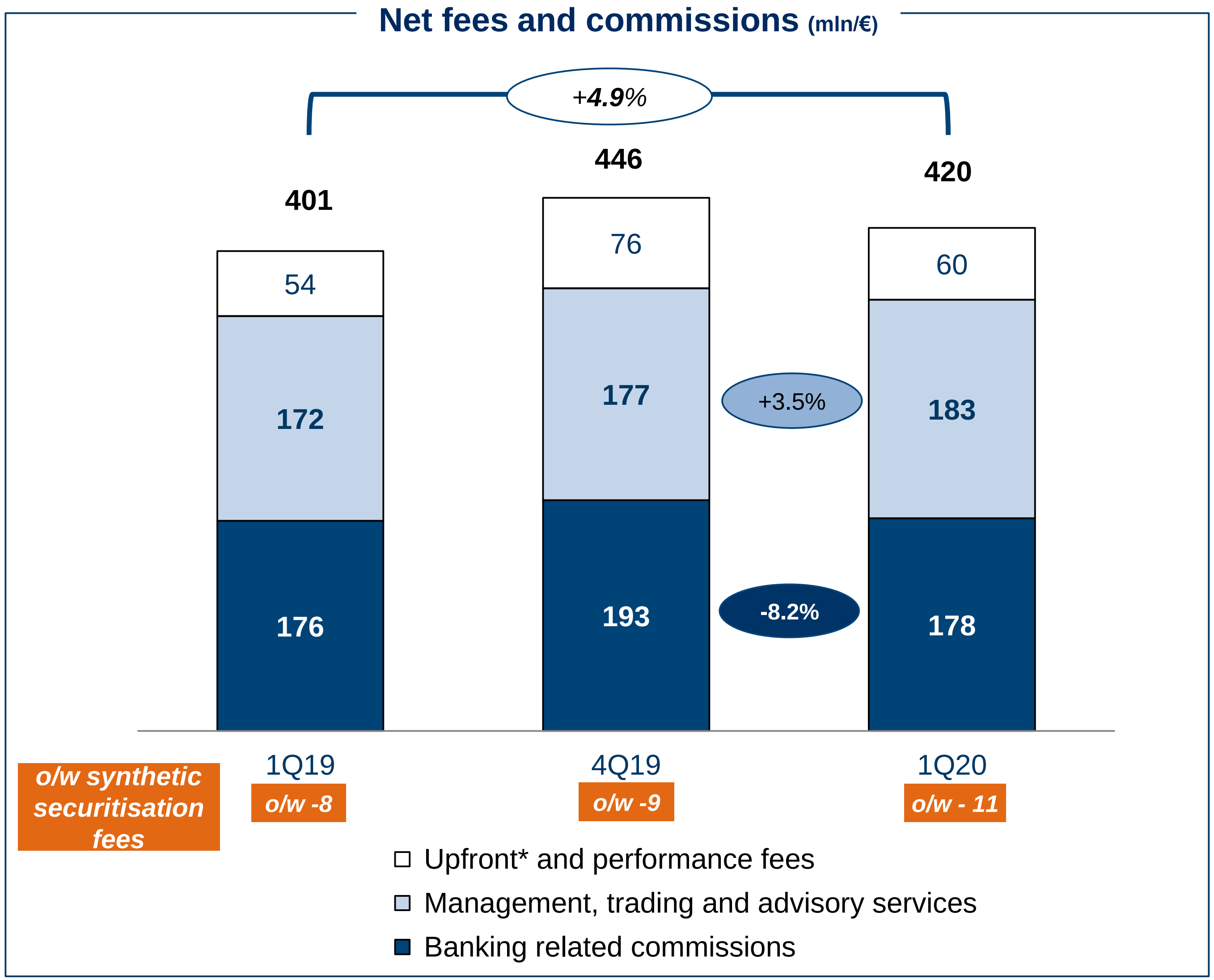
Settl. Date	Size	Type	Avg Coupon
Jan 2020	0.40 bln/€	Non-Cumulative Temporary Write-Down Deeply Subordinated Fixed Rate Resettable Notes**	5.875%
Jan 2020	0.10 bln/€	Private placements	*undisclosed*

* Against total expiries of 5.8 bln/€

* * AT1 perpetual securities callable by the issuer, from 20/01/2025 until 20/06/2025 and subsequently on each coupon payment date

UBI Banca

Net fees and commission income shows strong growth vs 1Q19: +4.9%

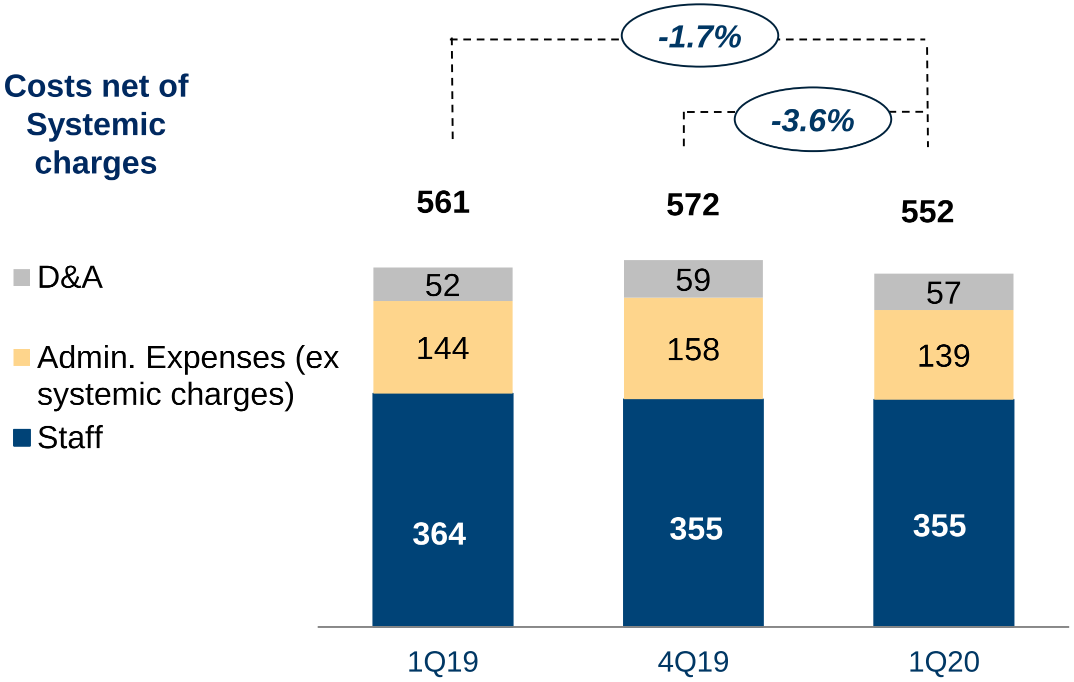


- **Net fees & commission income from management, trading and advisory services excluding upfront and performance fees <u>at the highest level ever, despite Covid19 strong impact in March</u>**
- AUM placed in 1Q20 stable vs 1Q19 (about 3 bln/€, vs 2.3 bln/€ in 4Q19)
- Traditional Banking related commission: +1.2% vs 1Q19. 4Q19 includes items typically booked at year end (especially related to payments, e.g. year end rappels)

* Upfront fees include both placement of SICAV & funds and insurance products

Net of systemic charges, operating costs are down 1.7% vs 1Q19 and 3.6% vs 4Q19 thanks to strict control

Total Operating Costs (mln/€)

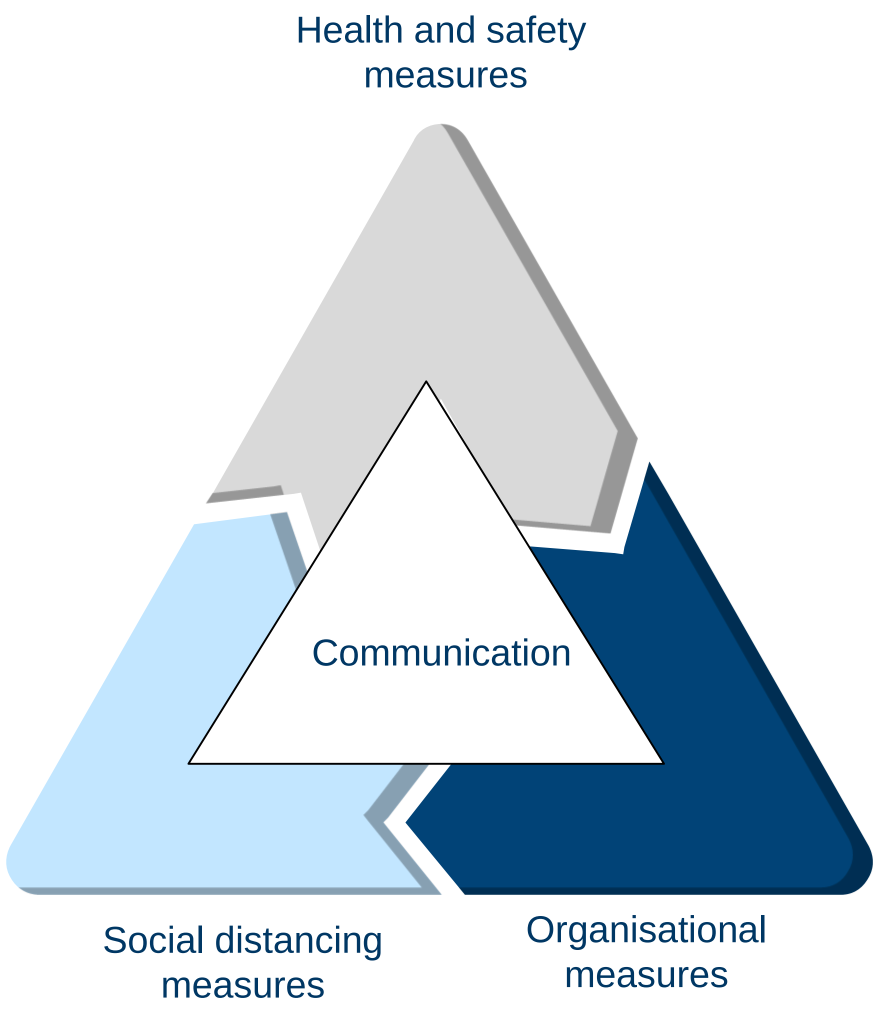


	1Q19	4Q19	1Q20
Systemic charges	RF: 42	DGS: 4	RF: 42
Total Operating Costs	603	577	594

- **Staff costs (-2.6% vs 1Q 19)** benefit from headcount reduction (-757 resources vs March 2019) notwithstanding application of new National Labour Contract
- **Administrative expenses** down both vs 4Q19 (-11.9%) and vs 1Q19 (-3.2%)

UBI Banca

A new way of working drives a different cost allocation



- **More smart working**

During the crisis all employees of the Group were enabled to smart work and 20,000 remote work stations were organized
5,600 employees on average were connected in remote conference calls/videos every day

  - Lower commuting costs
  - Lower costs in terms of paper/toner, energy, etc

- **Social distancing and organizational measures:**

During the crisis, all small business corporate, premium and private relationship managers were enabled to remote selling (4,700 resources) and access to the branches was allowed upon appointment

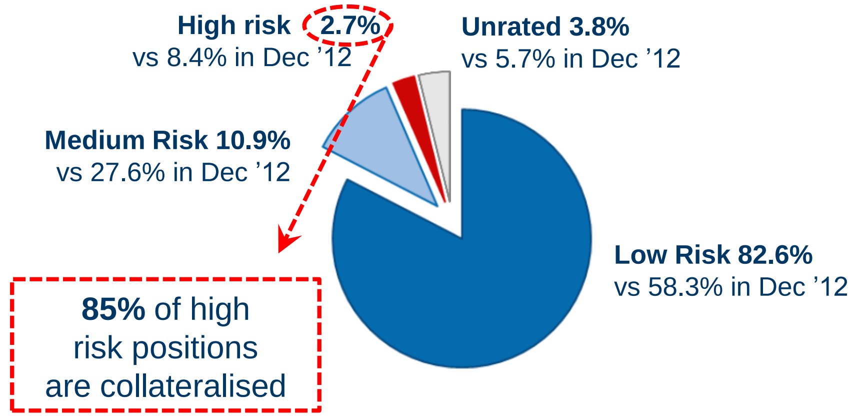
  - Change in the role of branches, which has been anyway decreasing over time but at a slow pace - Strengthening of contact centers
  - Higher costs to ensure clean and safe environment to customers and employees
  - Re-organisation of real estate
  - Remote learning

- **Communication**
  - How to communicate after Covid19 both within and outside the Bank?
  - More digital marketing
  - The role of mail and mailing costs
  - Videoconferences with customers eg advisory services…….

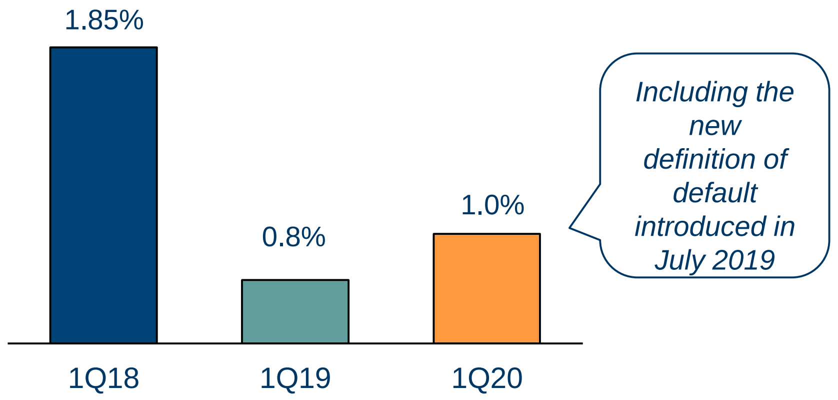
Asset quality: performing high risk positions down again to 2.7% of the portfolio. Low new inflows to NPEs from performing loans (-82% vs 2009 peak). Annualised default rate at 1%

GROSS PERFORMING PORTFOLIO UNDER AIRB

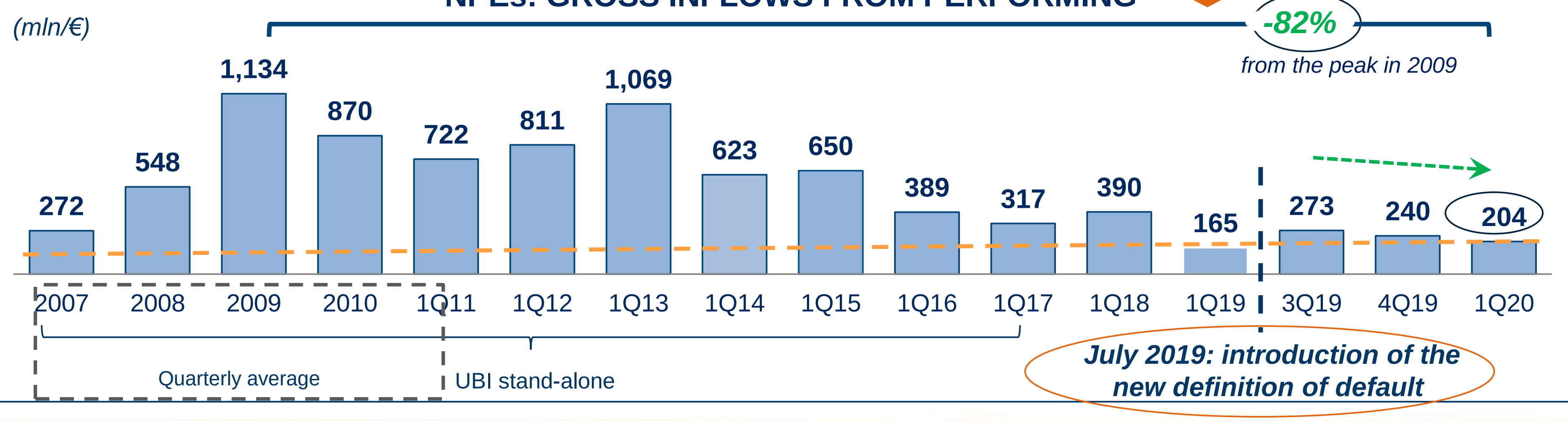
Loans at amortised cost and at fair value through P&L as at 31.03.2020



DEFAULT RATE*



NPEs: GROSS INFLOWS FROM PERFORMING



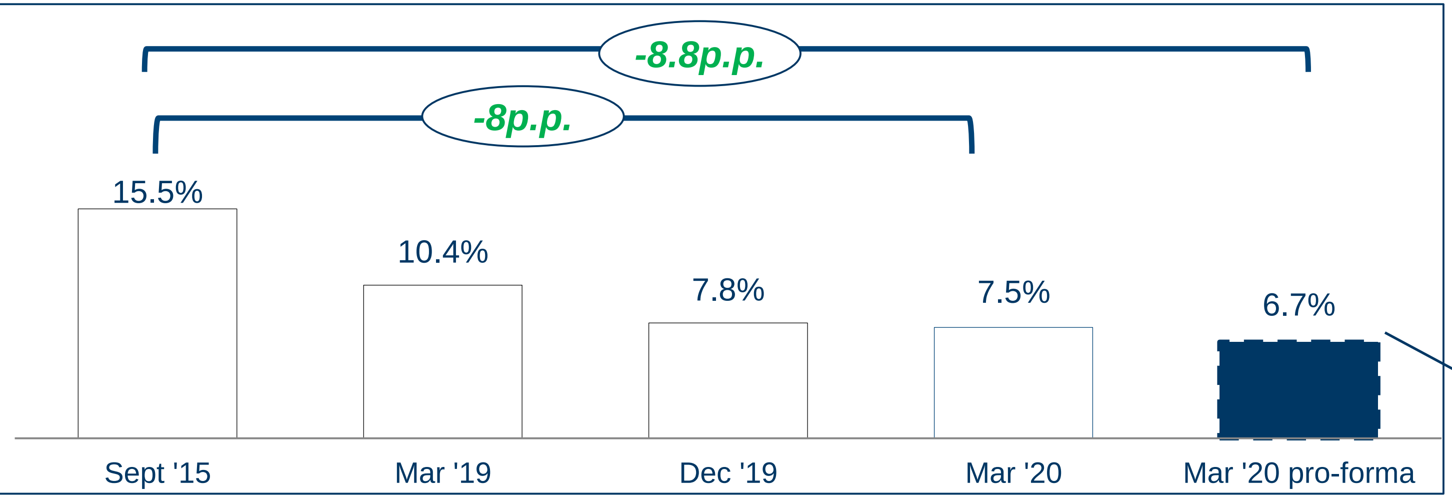
2007 and 2008 gross inflows figures are stated according to table A.1.7. Since 2009 gross inflows figures are stated according to Table "Loans to customers: change in non-performing exposure"

* Default rate = gross inflows to NPEs / Gross performing loans at the beginning of the period

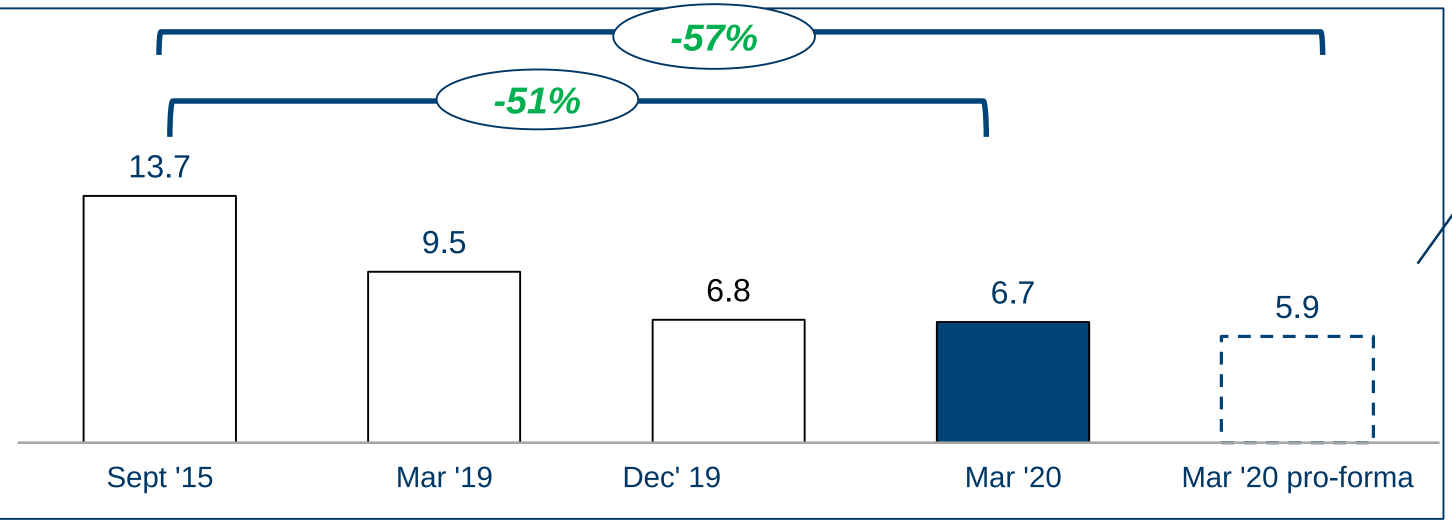
** Gross Inflows from performing – Outflows to performing.

Gross NPE more than halved since peak in Sept 2015

GROSS NPEs/TOTAL GROSS LOANS %



GROSS NPEs (bln/€)



Considering new disposal of about 800mln/€ SMEs bad loans to be completed in 2020

UBI Banca

Confirmed strength of internal work-out units resulting in higher recovery rates

CASH-IN AND BACK TO PERFORMING	2016	2017	2018	2019	1Q19	1Q20
(A) RECOVERY RATE NPE (cash-in)*	8.1%	8.3%	8.9%	7.8%	8.7%	9.1%
(B) BACK TO PERFORMING**	2.7%	2.4%	3.0%	3.9%	3.3%	3.4%
(A+B) RECOVERY RATE NPE (cash-in) +BACK TO PERFORMING	**10.7%**	**10.7%**	**11.8%**	**11.7%**	**11.9%**	**12.5%**

FOCUS BAD LOANS	2016	2017	2018	2019	1Q19	1Q20
RECOVERY RATE BAD LOANS	4.5%	4.6%	5.2%	6.5%	6.1%	7.1%

Total cash-in and back to performing at 12.5% in 1Q20

Recovery rate on bad loans improving further to 7.1%

* Recovery rate = payments received / (initial NPE gross exposure + total increases), annualised
** Back to performing = NPE back to performing loans / (initial NPE gross exposure + total increase), annualised

Cost of Risk in 1Q20 at 73bps including higher provisioning on UTP loans in sectors more impacted by the Covid19 emergency
Coverage consistent with a highly secured portfolio

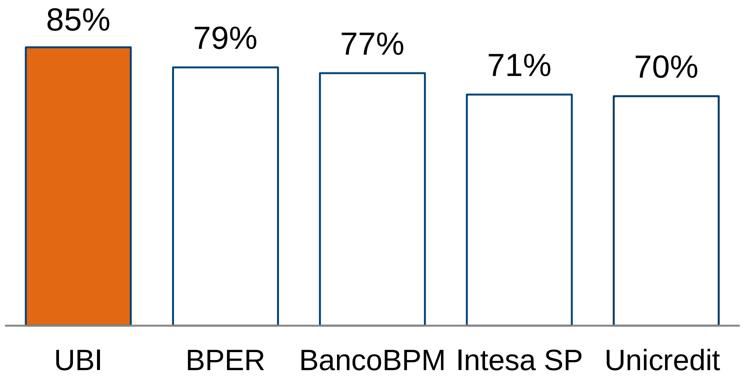
COST OF RISK

1Q 20
- 73 bps inlcluding significant additional provisions on UTPs in sectors impacted by the Covid19 (bringing coverage on those sectors' UTPs to approx. 35%)

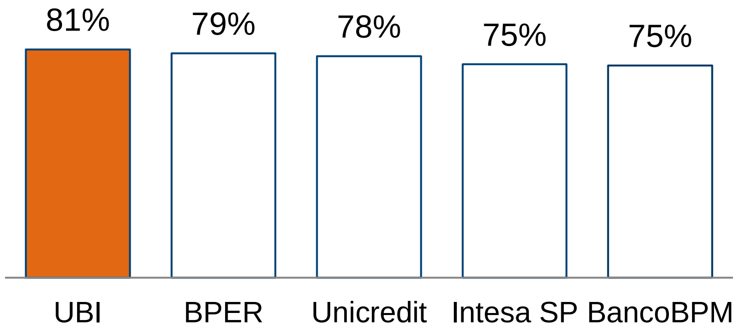
FY19
- 87 bps of which 20 bps related to massive disposals

1Q 19
- 59 bps (does not include the new definition of default introduced in July 2019)

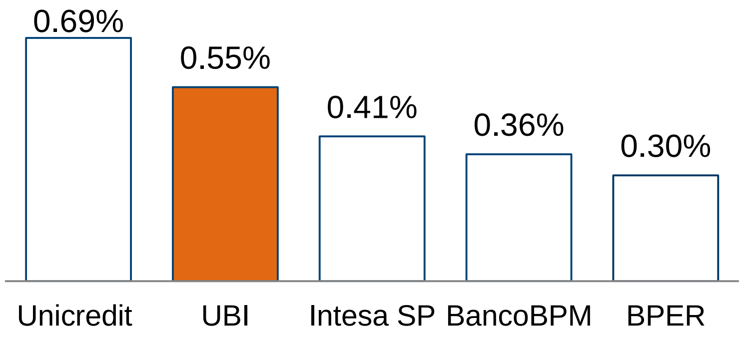
% OF GROSS NPEs SECURED*



(REAL ESTATE COLLATERAL + CASH COVERAGE) / TOTAL GROSS NPEs*



COVERAGE PERFORMING LOANS**



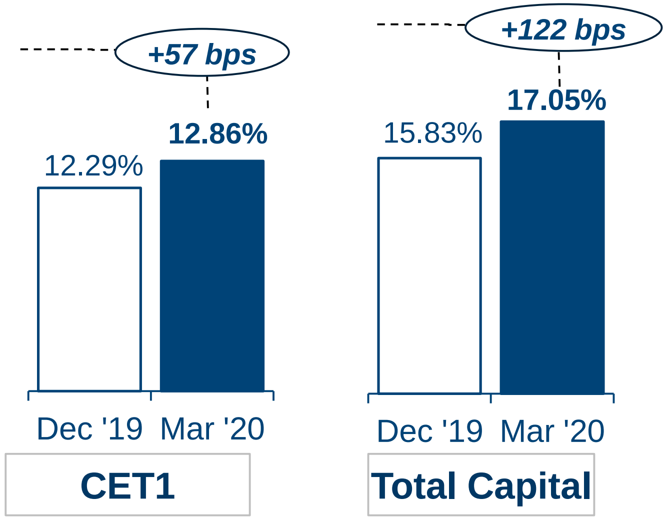
*Data as at 31 December 2019, Table A.3.2 financial reports and Company presentations
** Data as at 31 March 2020

CET1 ratio at 12.9%

No future DTAs or optimisation actions included

Capital Ratios Fully Loaded

No future DTAs nor optimisation manoeuvres included



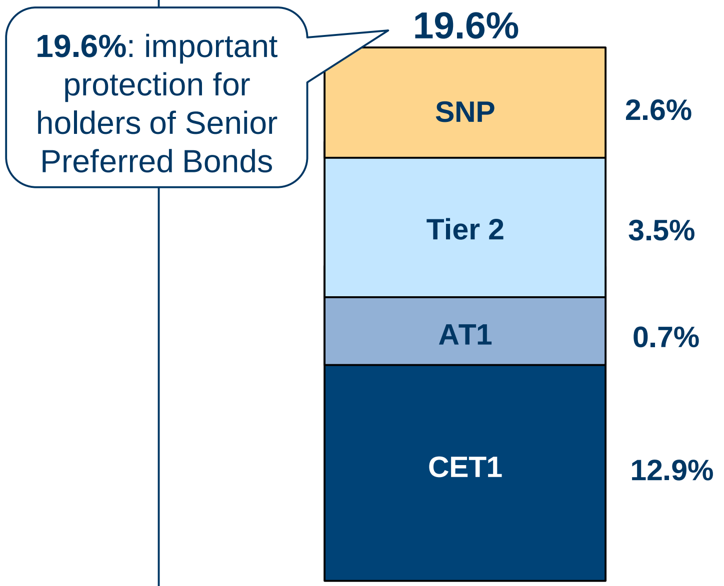
Already above Business Plan expectations

- MDA buffer (CET1): 361 bps (vs Srep 9.25%)
- MDA buffer (CET1): 459 bps (in the hypothesis of full application of art. 104a CRD5)

Both including or excluding 2019 dividend

- MDA buffer (CET1) > 330 bps*
- CET1 ratio > 12.5%

Total Capital + SNP



- In 1Q20 impacts on CET1 ratio from:
  - ✓ Dividend accrued for 2019 and not resolved by the General Shareholders' meeting following ECB recommendation (+26bps)
  - ✓ Change in real estate valuation criteria (+38 bps, higher than Business Plan expectations)
  - ✓ OCI reserve (-25 bps) and impact of TRIM inspections
  - ✓ Net 1Q20 profit positive contribution with dividend accrual according to Business Plan projections
- ✓ Further positive effect on Total Capital ratio from 400 mln AT1 issued in Jan '20

* Average estimate in the span of Business Plan (2020-2022)
SREP 2019: CET1 requirement 9.25%; Total Capital Requirement: 10.25% (12.75% including the Capital Conservation Buffer). 2020 SREP unchanged vs 2019
See Annex 10 for further detail

Business Outlook

- The Covid19 emergency is a crisis that is different from others both because of how it originated and how it might develop, which makes any type of forecast complex. However, even in this crisis, **the key factor is the quality of credit**. In the face of this unprecedented crisis, swifter and more incisive measures were taken by domestic and international authorities to mitigate its impact.
- These measures, recently implemented, should allow the Bank to preserve its level of net interest income. Weaker performance by the fee and commission component relating to transactions following the slowdown in the economy is expected, while the fee and commission component relating to assets under management will be affected by the crisis in the first part of the year, but will depend on the performance of markets in the second.
- Maximum efforts will continue to be made to contain operating expenses, although in a different manner, driven by smartworking.
- As concerns loan losses, these will be higher than forecast for the first year under the Business Plan, although mitigated by the use of support initiatives included in the mentioned recent measures. The Bank has already made greater provisions for unlikely-to-pay loans in those sectors more exposed to the crisis with an impact on 1Q 2020 of about 50 million (with an overall cost of credit of 73 bps), and it will focus its attention during the year on these loans, given the high quality of performing loans (the level of high-risk performing loans fell further in 1Q 2020 to 2.7%, the default rate is expected to remain low and coverage for performing loans is among the highest for major Italian banks). The internal workout strategy for non-performing loans is therefore confirmed.
- From a balance sheet viewpoint, the UBI Group’s capital position, its solid liquidity and its asset quality enables it to face this crisis with a reasonable level of confidence, as already occurred in previous crisis, and to generate profits on a continuing basis to the benefit of all stakeholders (including dividends when authorised by the ECB).

UBI Banca

Annexes

Reclassified consolidated Income Statement (restated to reflect the change in real estate measurement criteria)

(mln/€)	1Q19 (restated)	4Q19 (restated)	1Q20	1Q20 vs 1Q19	1Q20 vs 4Q19	FY19 (restated)
Net interest income	445.6	412.0	405.2	(9.1%)	(1.7%)	1,725.1
- of which: TLTRO2	*12.4*	*11.1*	*10.1*	*(18.4%)*	*(8.9%)*	48.7
- of which: credit components (IFRS9 and PPA)	*31.2*	*21.4*	*20.1*	*(35.6%)*	*(6.2%)*	110.6
- of which: IFRS9 contractual modifications without derecognition	*(5.2)*	*(11.9)*	*(8.8)*	*70.7%*	*(25.8%)*	(25.3)
Net fee and commission income	400.9	446.3	420.5	4.9%	(5.8%)	1,661.8
Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value through profit or loss	37.4	58.2	53.6	43.2%	(7.9%)	104.3
Profits of equity-accounted investees	6.3	9.1	7.8	23.6%	(14.6%)	40.3
Dividends and similar income	5.2	0.1	4.8	(7.6%)	n.s.	7.7
Net income from insurance operations	3.5	4.0	2.5	(28.6%)	(37.9%)	15.3
Other net operating income/expense	21.7	18.8	19.3	(11.0%)	2.5%	83.5
Operating income	**920.6**	**948.5**	**913.6**	**(0.8%)**	**(3.7%)**	**3,637.9**
Staff costs	(364.4)	(355.5)	(355.0)	(2.6%)	(0.1%)	(1,427.7)
Other administrative expenses	(186.0)	(162.7)	(181.4)	(2.5%)	11.5%	(711.1)
of which: SRF and DGS contributions	*(42.0)*	*(4.4)*	*(42.0)*	*(0.0%)*	*n.s.*	*(107.6)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(52.5)	(58.5)	(57.2)	8.9%	(2.3%)	(221.3)
Operating expenses	**(603.0)**	**(576.7)**	**(593.6)**	**(1.6%)**	**2.9%**	**(2,360.0)**
Operating expenses excluding SRF and DGS contributions	***(561.0)***	***(572.2)***	***(551.6)***	*(1.7%)*	*(3.6%)*	***(2,252.5)***
Net operating income	**317.7**	**371.9**	**320.0**	**0.7%**	**(13.9%)**	**1,277.9**
Net impairment losses for credit risk relating to:	(130.0)	(210.5)	(157.1)	20.9%	(25.4%)	(744.1)
- financial assets measured at amortised cost: loans to banks	*(0.0)*	*(0.3)*	*(0.2)*	*n.s.*	*(47.4%)*	*0.1*
- financial assets measured at amortised cost: loans and advances to customers	*(128.6)*	*(208.2)*	*(155.6)*	*21.0%*	*(25.2%)*	*(738.4)*
- financial assets measured at amortised cost: securities	*(0.5)*	*(1.4)*	*0.6*	*n.s.*	*n.s.*	*(2.5)*
- financial assets as at fair value through other comprehensive income	*(0.9)*	*(0.6)*	*(1.9)*	*114.9%*	*211.1%*	*(3.3)*
Net provisions for risks and charges - commitments and guarantees granted	(0.6)	(1.9)	(0.9)	67.6%	(51.3%)	(0.0)
Net provisions for risks and charges - other net provisions	(3.5)	(1.2)	0.9	n.s.	n.s.	(24.8)
Profits (losses) from the disposal of equity investments	0.3	1.8	0.1	(75.5%)	(96.3%)	6.1
Net income (loss) from fair value change in property, plant and equipment and intangible assets	-	(39.4)	(8.7)	n.s.	n.s.	(39.4)
Pre-tax profit from continuing operations	**183.9**	**120.6**	**154.2**	**(16.1%)**	**27.9%**	**475.7**
Taxes on income for the period from continuing operations	(51.4)	(22.5)	(52.4)	1.9%	133.1%	(118.8)
Profits/losses for the period attributable to non-controlling interests	(6.4)	(13.0)	(8.3)	29.4%	(36.0%)	(33.9)
Profit for the period attributable to the Parent before Business Plan and other impacts	**126.1**	**85.2**	**93.6**	**(25.8%)**	**9.8%**	**323.0**
Redundancy expenses net of taxes and non-controlling interests	(42.6)	(46.8)	0.0			(89.4)
Business Plan Project expenses net of taxes and non-controlling interests	(0.1)					(0.1)
Impairment losses on property, plant and equipment		(0.3)				(0.3)
Profit for the period	**83.4**	**38.1**	**93.6**	**12.1%**	**145.8%**	**233.1**
Profit for the period net of non-recurring items	**126.1**	**83.9**	**99.3**	**(21.2%)**	**18.4%**	**331.3**

Contribution of non-recurring items to Net Profit

1Q20	Stated Net Profit	2017-2020 Business Plan Staff leaving incentives	Disposal of securities/equity investments	First time application of measurement of properties at fair value	Total impact of non-recurring items	Normalised Net Profit
1Q20	93.6	(0.0)	(0.0)	5.8	5.8	99.3
P&L reference line	*(A)*	*Redundancy expenses net of taxes and non-controlling interests*	*Net income from trading, hedging and disposal/ repurchase activities and from assets/liabilities as at fair value through profit or loss*	*Net income (loss) from fair value change in property, plant and equipment and intangible assets*	*(B)*	*(A+B)*

The reference date for the first time application of the new evaluation criterion is 31/03/2020.
In short, the FTA impacts of the new evaluation criterion can be summarized as follows:

	IAS	Change in FV vs FTA
FTA	Properties for operational use (pursuant to IAS 16)	Positive impact to equity Negative impact to income statement
	Investment properties (pursuant to IAS 40)	Net impact to equity

Note: items net of taxes and non-controlling interests

Change in the measurement critera for real estate assets

The real estate assets of the UBI Banca Group include:

- properties for operational use (pursuant to IAS 16)
- investment properties (pursuant to IAS 40)

and also properties treated as “inventories” (pursuant to IAS 2).

The Group’s accounting policies required both categories to be measured at cost (net of accumulated depreciation and any impairment).
The UBI Group has decided to revalue the carrying amount of its real estate assets as of 31st March 2020.
This consists of making changes:

- from measurement at cost to measurement at a “revalued amount” for properties held for operational use pursuant to IAS 16 (with impacts “on going” in the equity and income statement);
- from measurement at cost to measurement at fair value for investment properties pursuant to IAS 40 (with impacts “on going” in the income statement).

In accordance with IAS 8 “Accounting policies, changes in accounting estimates, and errors”, this change in the method of measurement constitutes a voluntary change in accounting policies for the following reasons:

- to improve the quality of the information on which users of the financial statements bases their decisions;
- to evaluate the real estate assets in order to reflect their market value based on the characteristics of the properties and on the market context, regardless of the timing and reasons for the acquisition of each individual property;
- to improve the comparability of operating performance from year to year.

Change in the measurement criteria for real estate assets: impact on income statement

As of 31st March 2020 the UBI Group changed the criterion it uses to measure real estate assets, adopting the fair value criterion in place of that of cost. As a consequence of the above, the restated comparative periods differ from those published as at their respective reporting dates. In compliance with IAS 8, the comparative figures for previous periods have been restated following retrospective application of the change in the measurement criterion for real estate assets, subject to IAS 40 rules.

On the contrary, the change in the measurement criteria for operational real estate assets, pursuant to IAS 16, has been applied prospectively from 31st March 2020, in compliance with IAS 8.

Following the change in the measurement criteria for real estate assets, we report the following as of these financial statements:

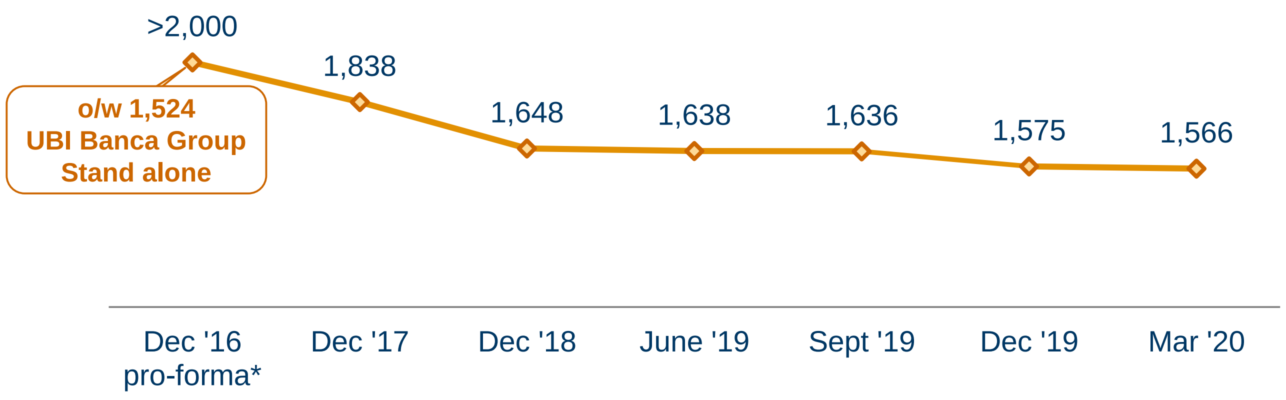
- *the item "Property, plant and equipment" in the balance sheet includes measurement of "Operational properties" pursuant to IAS 16 and "Investment property" pursuant to IAS 40, at the "revalued amount" and at "fair value" respectively;*
- *the item "Depreciation and net impairment losses on property, plant and equipment and intangible assets" in the income statement includes, with regard real estate assets, only the depreciation of "Operational properties" since "Investment properties" measured at fair value are not depreciated;*
- *the item "Net income (loss) from fair value change in property, plant and equipment and intangible assets" includes the result for changes in the fair value of properties in the period, in compliance with the new measurement criteria adopted.*

It follows that the figures reported are comparable with previous periods except for the item "Property, plant and equipment" in the balance sheet and the item "Net income (loss) from fair value change in property, plant and equipment and intangible assets" in the income statement.

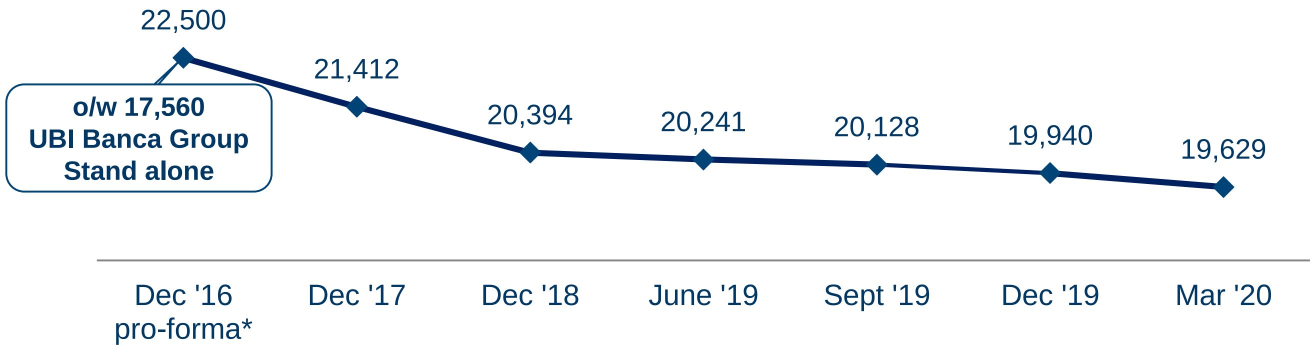
Figures in thousands of euro		2019 4th Quarter restatement impacts	2019 3rd Quarter restatement impacts	2019 2nd Quarter restatement impacts	2019 1st Quarter restatement impacts
	Operating income	-	-	-	-
190. a)	Staff costs				
190. b)	Other administrative expenses				
	of which: SRF and DGS contributions				
210.+220.	Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	2,590	2,212	1,851	1,809
	Operating expenses	**2,590**	**2,212**	**1,851**	**1,809**
	Net operating income	**2,590**	**2,212**	**1,851**	**1,809**
130.	Net impairment losses for credit risk relating to:				
130. a)	- financial assets measured at amortised cost: loans and advances to banks				
130. a)	- financial assets measured at amortised cost: loans and advances to customers				
130. a)	- financial assets measured at amortised cost: securities				
130. b)	- financial assets measured at fair value through other comprehensive income				
200. a)	Net provisions for risks and charges - commitments and guarantees granted				
200. b)	Net provisions for risks and charges - other net provisions				
260.	Net income (loss) from fair value change in property, plant and equipment and intangible assets	(39,386)	-	-	-
250.+280.	Profits (losses) from the disposal of equity investments				
290.	**Profit (loss) before tax from continuing operations**	**(36,796)**	**2,212**	**1,851**	**1,809**
300.	Taxes on income for the period from continuing operations	11,289	(715)	(595)	(582)
340.	(Profit) loss for the period attributable to minority interests				
	Profit (loss) for the period attributable to the shareholders of the Parent before the Business Plan and other impacts	**(25,507)**	**1,497**	**1,256**	**1,227**
190. a)	Redundancy expenses net of taxes and minority interests				
190. b)	Business Plan project expenses net of taxes and minority interests				
210.	Depreciation and net impairment losses on property, plant and equipment net of taxes and minority interests	3,432			
350.	**Profit (loss) for the period attributable to the shareholders of the Parent**	**(22,075)**	**1,497**	**1,256**	**1,227**

Branches and headcounts evolution

# of domestic branches (end of period)



# of headcounts (end of period)



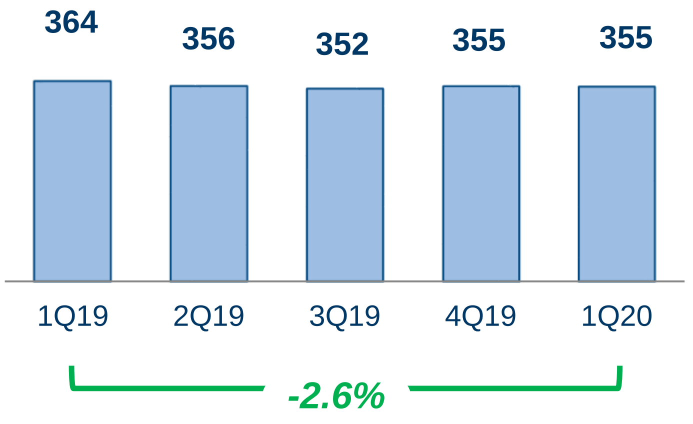
On 14th January trade union agreement signed for the exit, on a voluntary basis, of over 300 resources as from Feb 2020

Approx. 133 resources still to exit from end March 2020

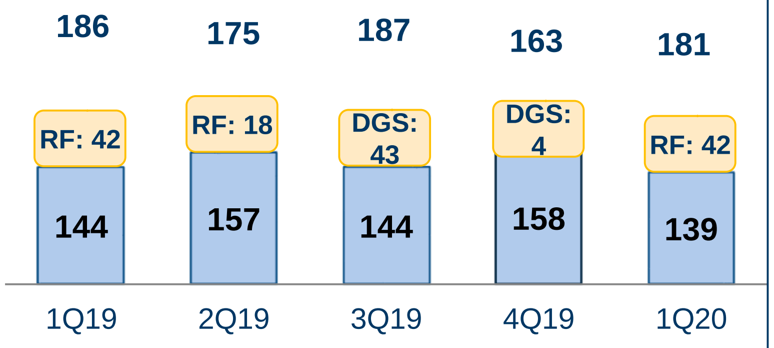
* Dec '16 pro-forma and FY2016 pro-forma include UBI Banca Group Stand Alone + data of 3 Banks acquired in May 2017

Detail of Operating costs

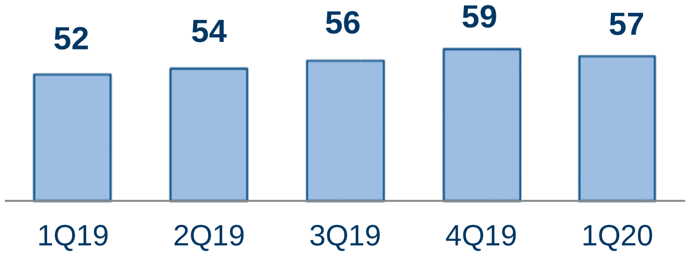
o/w Staff Costs
(mln/€)



o/w Admin. Expenses
(mln/€)



o/w Depreciation, Amortisation, etc.
(mln/€)



Number of staff decreases by 311 employees vs Dec '19 and by 757 vs March '19

Reclassified Consolidated Balance Sheet – Assets (restated to reflect the change in real estate measurement criteria)

	Figures in thousands of euro	31.03.2020 A	31.12.2019 restated B	Changes A-B	% changes A/B	31.03.2019 restated C	Changes A-C	% changes A/C
	ASSETS							
10.	Cash and cash equivalents	543,344	694,750	(151,406)	(21.8%)	606,459	(63,115)	(10.4%)
20.	Financial assets measured at fair value through profit or loss	2,445,729	1,758,730	686,999	39.1%	1,504,110	941,619	62.6%
	1) Loans and advances to banks	*16,875*	*16,213*	*662*	*4.1%*	*14,715*	*2,160*	*14.7%*
	2) Loans and advances to customers	*275,614*	*260,667*	*14,947*	*5.7%*	*270,459*	*5,155*	*1.9%*
	3) Securities and derivatives	*2,153,240*	*1,481,850*	*671,390*	*45.3%*	*1,218,936*	*934,304*	*76.6%*
30.	Financial assets measured at fair value through other comprehensive income	11,476,015	12,221,616	(745,601)	(6.1%)	11,237,472	238,543	2.1%
	1) Loans and advances to banks	-	-	-	-	-	-	-
	2) Loans and advances to customers	-	-	-	-	*15*	*(15)*	*(100.0%)*
	3) Securities	*11,476,015*	*12,221,616*	*(745,601)*	*(6.1%)*	*11,237,457*	*238,558*	*2.1%*
40.	Financial assets measured at amortised cost	101,689,225	101,736,289	(47,064)	-	103,161,917	(1,472,692)	(1.4%)
	1) Loans and advances to banks	*9,467,195*	*11,723,923*	*(2,256,728)*	*(19.2%)*	*11,327,078*	*(1,859,883)*	*(16.4%)*
	2) Loans and advances to customers	*85,778,114*	*84,564,033*	*1,214,081*	*1.4%*	*87,095,528*	*(1,317,414)*	*(1.5%)*
	3) Securities	*6,443,916*	*5,448,333*	*995,583*	*18.3%*	*4,739,311*	*1,704,605*	*36.0%*
50.	Hedging derivatives	34,039	35,117	(1,078)	(3.1%)	20,298	13,741	67.7%
60.	Fair value change in hedged financial assets (+/-)	651,581	547,019	104,562	19.1%	320,370	331,211	103.4%
70.	Equity investments	293,676	287,353	6,323	2.2%	263,307	30,369	11.5%
80.	Technical reserves of reinsurers	104	-	104	-	-	104	-
90.	Property, plant and equipment	2,590,524	2,370,247	220,277	9.3%	2,492,994	97,530	3.9%
100.	Intangible assets	1,731,379	1,739,903	(8,524)	(0.5%)	1,721,712	9,667	0.6%
	of which: goodwill	*1,465,260*	*1,465,260*	-	-	*1,465,260*	-	-
110.	Tax assets	3,748,151	3,755,895	(7,744)	(0.2%)	4,123,686	(375,535)	(9.1%)
120.	Non-current assets and disposal groups held for sale	291,766	268,100	23,666	8.8%	10,320	281,446	n.s.
130.	Other assets	997,059	1,200,966	(203,907)	(17.0%)	1,357,159	(360,100)	(26.5%)
	Total assets	**126,492,592**	**126,615,985**	**(123,393)**	**(0.1%)**	**126,819,804**	**(327,212)**	**(0.3%)**

UBI Banca

Reclassified Consolidated Balance Sheet - Liabilities and Equity (restated to reflect the change in real estate measurement criteria)

Figures in thousands of euro		31.03.2020 A	31.12.2019 restated B	Changes A-B	% changes A/B	31.03.2019 restated C	Changes A-C	% changes A/C
	LIABILITIES AND EQUITY							
10.	Financial liabilities measured at amortised cost	108,386,682	109,795,016	(1,408,334)	(1.3%)	111,409,557	(3,022,875)	(2.7%)
	a) Due to banks	*14,497,500*	*14,367,985*	*129,515*	*0.9%*	*17,776,512*	*(3,279,012)*	(18.4%)
	b) Due to customers	*71,435,696*	*72,577,255*	*(1,141,559)*	*(1.6%)*	*69,830,403*	*1,605,293*	*2.3%*
	c) Debt securities issued	*22,453,486*	*22,849,776*	*(396,290)*	*(1.7%)*	*23,802,642*	*(1,349,156)*	*(5.7%)*
20.	Financial liabilities held for trading	617,709	555,296	62,413	11.2%	461,254	156,455	*33.9%*
30.	Financial liabilities designated at fair value	285,439	197,610	87,829	44.4%	124,296	161,143	129.6%
40.	Hedging derivatives	575,925	386,778	189,147	48.9%	107,022	468,903	*n.s.*
50.	Fair value change in hedged financial liabilities (+/-)	156,033	145,191	10,842	7.5%	124,767	31,266	*25.1%*
60.	Tax liabilities	300,268	210,882	89,386	42.4%	196,528	103,740	*52.8%*
70.	Liabilities associated with assets held for sale	-	2,331	(2,331)	(100.0%)	-	-	-
80.	Other liabilities	3,145,785	2,735,807	409,978	15.0%	2,271,216	874,569	*38.5%*
90.	Provision for post-employment benefits	264,793	289,641	(24,848)	(8.6%)	307,910	(43,117)	*(14.0%)*
100.	Provisions for risks and charges:	448,535	489,485	(40,950)	(8.4%)	495,298	(46,763)	*(9.4%)*
	a) commitments and guarantees granted	*54,255*	*54,005*	*250*	*0.5%*	*54,026*	*229*	0.4%
	b) pension and similar obligations	*85,035*	*86,756*	*(1,721)*	*(2.0%)*	*87,111*	*(2,076)*	(2.4%)
	c) other provisions for risks and charges	*309,245*	*348,724*	*(39,479)*	*(11.3%)*	*354,161*	*(44,916)*	(12.7%)
110.	Technical reserves	2,149,201	2,210,294	(61,093)	(2.8%)	1,962,495	186,706	9.5%
120.+150.+160. +170.+180	Share capital, share premiums, reserves, valuation reserves and treasury shares	10,002,121	9,306,321	695,800	7.5%	9,243,950	758,171	8.2%
190.	Minority interests (+/-)	66,529	58,230	8,299	14.3%	32,076	34,453	107.4%
200.	Profit (loss) for the period/year (+/-)	93,572	233,103	(139,531)	(59.9%)	83,435	10,137	*12.1%*
	Total liabilities and equity	**126,492,592**	**126,615,985**	**(123,393)**	**(0.1%)**	**126,819,804**	**(327,212)**	**(0.3%)**

UBI Banca

Direct funding at over 94 bln/€: a slight decrease in corporate current account and deposits Indirect funding at 92.2 bln/€, -0.5% vs Dec ‘19 when excluding market performance

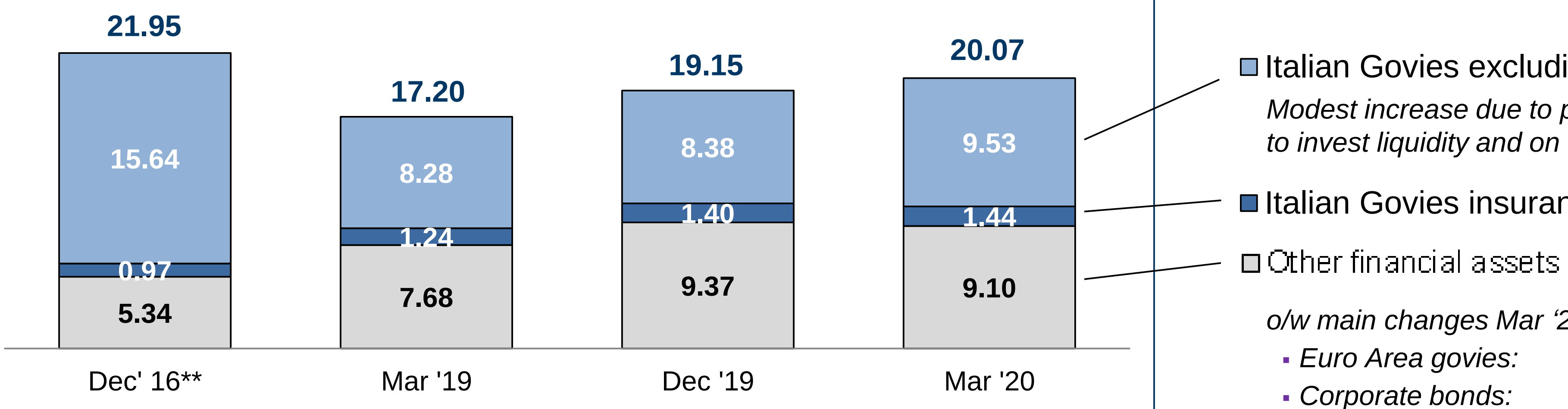
bln/€	31 Mar '19	31 Dec '19	31 Mar '20
...from ORDINARY CUSTOMERS	**75.75**	**76.88**	**75.54**
of which			
Current accounts and deposits	65.66	69.04	67.95
Term deposits, financing & other payables	2.32	2.38	2.48
Leasing payables	0.40	0.39	0.38
Bonds issued	7.09	4.93	4.64
Certificates of deposit	0.27	0.13	0.08
…from INSTITUTIONAL CUSTOMERS	**17.89**	**18.64**	**18.51**
of which			
Covered Bonds	*13.02*	*10.57*	*10.54*
EMTN	*3.42*	*7.21*	*7.19*
Repos with CCG and other	*1.45*	*0.85*	*0.78*
TOTAL DIRECT FUNDING	**93.63**	**95.51**	**94.05**
AuM	*43.50*	*45.83*	*41.22*
Bancassurance	*25.52*	*27.26*	*27.08*
AuC	*29.75*	*28.36*	*23.95*
TOTAL INDIRECT FUNDING	**98.77**	**101.45**	**92.24**

- Current accounts and deposits in Mar ’20: decrease (-1.6% vs Dec ‘19), mainly due to strategy to reduce corporate deposits, lowering balance with ECB

- Indirect funding: all items impacted by market performance effect
  - AUM (net of insurance) down by 10.1% but +0.3% net of performance effect
  - AUC down by 15.6% (-3.9% net of performance effect, following the exit of one large position)
  - Insurance products substantially unvaried (+1.5% net of performance effect

Evolution of the Group's Financial Assets

Financial Assets (Securities*, in bln/€)



Modest increase due to purchase of short term bonds to invest liquidity and on the trading book

o/w main changes Mar '20 vs Dec '19:

- *Euro Area govies:* +1.2 bln/€
- *Corporate bonds:* -1.3 bln/€
- *Emerging markets:* -0.1 bln/€

Focus on Italian Govies (Incidence on total financial assets)

75.7%	55.4%	51.1%	54.6%
Dec '16	*Mar '19*	*Dec '19*	*Mar '20*

o/w main changes Mar '20 vs Mar '19:

- *Euro Area govies:* +1.3 bln/€
- *Corporate bonds:* -0.5 bln/€
- *Equity securities/ UCITS:* +0.1 bln/€

* Includes reclassified balance sheet items 20.3) , 30.3) and 40.3)

** Dec '16 aggregate includes UBI Banca Group Stand Alone (17,859 mln/€) + data of 3 Banks acquired in May 2017

Financial assets proprietary portfolio breakdown: Italian Govies maturities and main exposures

Amounts in mln/€	31 DECEMBER 2019 FVTPL (fair value through profit or loss)	31 DECEMBER 2019 FVOCI (fair value through other comprehensive income)	31 DECEMBER 2019 AC (financial assets at amortised cost)	31 DECEMBER 2019 TOTAL
Financial Assets (Securities and derivatives*)	1,482	12,222	5,448	**19,152**
o/w Italian Govies	*9*	*5,520*	*4,258*	***9,787***

Financial Liabilities held for trading	**469**

Amounts in mln/€	31 MARCH 2020 FVTPL (fair value through profit or loss)	31 MARCH 2020 FVOCI (fair value through other comprehensive income)	31 MARCH 2020 AC (financial assets at amortised cost)	31 MARCH 2020 TOTAL	% Change of TOTAL amounts
Financial Assets (Securities and derivatives*)	2,153	11,476	6,444	**20,073**	**4.8%**
o/w Italian Govies	*682*	*4,804*	*5,482*	***10,969***	**12.1%**

Financial Liabilities held for trading	**541**

Maturity of the Italian Govies Portfolio

Amounts in mln/€	FVTPL	FVOCI	AC	TOTAL 31.03.20	TOTAL 31.12.19
2020	328	1	-	**329**	**16**
2021-2022	350	131	459	**940**	**835**
2023-2025	4	2,562	703	**3,269**	**3,305**
2026-2030	-	1,561	2,268	**3,829**	**3,133**
From 2031 and over	-	550	2,051	**2,601**	**2,497**
Total portfolio	**682**	**4,804**	**5,482**	**10,969**	**9,787**
% of portfolio on total Italian Govies	**6.2%**	**43.8%**	**50.0%**	**100%**	

Main exposures as at 31 March 2020

Portfolio:	Consolidated			*o/w Insurance*
Amounts in bln/€	o/w Govies	o/w Corporates and banks	o/w Loans	*Govies*
Italy	10,969	1,134	631	*1,441*
Spain	2,044	77		*275*
USA	1,765	105		*1*
France	952	116		*31*
Main 4 countries	**15,730**	**1,432**	**631**	***1,748***
% on total amount	***93.9%***	***73.3%***	***96.8%***	***96.5%***

* The analysis excludes equity securities (0.4 bln/€) and UCITs (0.6 bln/€)

Liquidity resources at 36.8 bln/€ (31/03/2020)

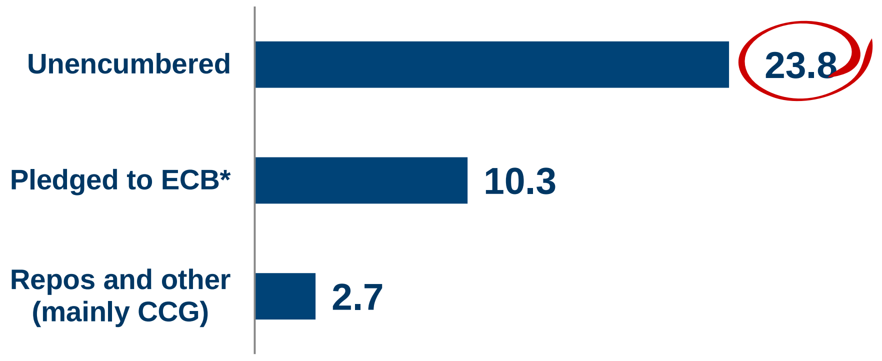
(i.e. over 50% of current accounts and deposits)

36.8 bln/€

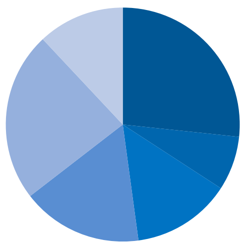
Excess Liquidity on ECB Account
5.8 bln/€

Eligible assets *(net of haircut)*
31.0 bln/€

Destination (amounts in €/bln)



Composition of eligible assets (net of haircut)



Italian Govies	31%
Foreign Govies	11%
Retained covered bonds	16%
Retained securitisation	14%
ABACO (credit claims)	19%
Other (mainly CCG repos)	9%

* Following the 1.5bn/€ reimbursement in September 2019, UBI Banca proceeded in December 2019 with the early repayment of a further 1 bln/€ TLTRO2, which now amount to nominal 7.5 bln/€ currently outstanding with expiry date 24 June 2020. As a result, the residual TLTRO2 total exposure amounts now to 10 bln/€, including also nominal 2.5 bln/€ expiring on 24 March 2021.

NPEs coverage up 56bps vs December 2019
High collective provisions on Stage 1 and 2 loans

LOANS TO CUSTOMERS AT AMORTISED COST (31 MARCH ‘20)

bln/€	Gross exposure		Impairment losses	Carrying amount		Coverage	Coverage with write-offs
NPEs	**(7.5%)**	**6.67**	**2.64**	**(4.7%)**	**4.03**	**39.56%**	**52.03%**
- Bad loans	(3.8%)	3.41	1.76	(1.9%)	1.66	51.51%	67.66%
- UTPs	(3.5%)	3.15	0.87	(2.7%)	2.28	27.65%	
- Past-due loans	(0.1%)	0.10	0.01	(0.1%)	0.10	8.58%	
Performing loans	**(92.5%)**	**82.20**	**0.45**	**(95.3%)**	**81.74**	**0.55%**	
TOTAL		**88.87**	**3.09**		**85.78**	**3.48%**	

LOANS TO CUSTOMERS AT AMORTISED COST (31 DECEMBER ‘19)

mln/€	Gross exposure		Impairment losses	Carrying amount		Coverage	Coverage with write-offs
NPEs	**(7.8%)**	**6.84**	**2.67**	**(4.9%)**	**4.17**	**39.00%**	**50.92%**
- Bad loans	(4.1%)	3.55	1.85	(2.0%)	1.71	51.98%	67.12%
- UTPs	(3.6%)	3.17	0.81	(2.8%)	2.36	25.52%	
- Past-due loans	(0.1%)	0.11	0.00	(0.1%)	0.10	8.33%	
Performing loans	**(92.2%)**	**80.85**	**0.46**	**(95.1%)**	**80.39**	**0.57%**	
TOTAL		**87.69**	**3.13**		**84.56**	**3.57%**	

- **Reduction in gross NPEs stock:** -2.4% vs Dec ‘19 and -29.4% vs Mar ’19
- **Reduction in net NPEs stock:** -3.3% vs Dec ‘19 and -30% vs Mar ’19

Capital Ratios as at 31 March '20.

Common Equity Tier 1 phased in ratio at 12.90%, Total Capital phased in ratio at 17.08%

mln/€	Dec '19	Mar '20
Common Equity Tier 1 ***(after filters)***	**7,254.6**	**7,572.6**
Common Equity Tier 1 regulatory adjustments	**-89.4**	**-75.0**
of which negative elements for deduction excess of expected losses over impairment losses	*-84.5*	*-13.4*
Common Equity Tier 1 Capital (CET1)	**7,165.2**	**7,497.6**
Additional Tier 1 before deductions	**-**	**397.9**
Additional Tier 1 regulatory adjustments	-	-
of which negative elements for deduction excess of expected losses over impairment losses	-	-
Additional Tier 1	**-**	**397.9**
Tier 1 Capital (CET 1 +Additional Tier 1)	**7,165.2**	**7,895.5**
Tier 2 Capital before transitional provisions	2,114.6	2,094.5
Tier 2 instruments grandfathering	-	-
Tier 2 Capital after transitional provisions	**2,114.6**	**2,094.5**
Tier 2 capital regulatory adjustments	-58.4	-58.0
of which: negative elements for deduction excess of expected losses over impairment losses	-	-
Tier 2 Capital	**2,056.2**	**2,036.5**
TOTAL OWN FUNDS	**9,221.4**	**9,932.1**

mln/€	Dec '19	Mar '20
Risk weighted assets	**58,086.3**	**58,143.1**
Total prudential requirements	***4,646.9***	***4,651.5***
Credit risk	*4,240.2*	*4,238.2*
CVA (Credit Value Adjustment) risk	*3.8*	*4.1*
Market risk	*81.0*	*87.3*
Operational risk	*321.9*	*321.9*

CET 1 ratio

	Dec '19	Mar '20
PHASED - IN	**12.34%**	**12.90%**
FULLY LOADED	***12.29%***	***12.86%***

TOTAL CAPITAL ratio

	Dec '19	Mar '20
PHASED - IN	**15.88%**	**17.08%**
FULLY LOADED	***15.83%***	***17.05%***

- **B3 Leverage ratios as at 31 Mar'20:**
  - ✓ **phased in 5.89% (5.44% in Dec '19)**
  - ✓ **fully loaded 5.87% (5.42% Dec '19)**
- **LCR and NSFR > 100%** *(also excluding TLTRO2)*

UBI Banca

Issuances in 2020

20th January 2020

- **AT 1 bond** issuance on the wholesale market for a total 400mln/€ amount
- Thanks to the huge total amount of the orders received from approximately 450 institutional investors (over €6 billion), the initial coupon guidance, announced at around 6.5%, was reviewed downwards by 0.625% and the final coupon was set at 5.875% for the first five and a half years.
- The coupon is payable half-yearly in arrears on 20th June and 20th December of each year starting from 20th June 2020 (first coupon is short).The re-offer price is 100.