The UBI Banca Group
Consolidated Results as at 30th June 2020

3rd August 2020

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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.

1H20 resilience and value creation

Strong CAPITAL	❖ **FL CET1 ratio to 13.41% (after a pro-quota accrual of an hypothesis of dividend of 20 cent per share for FY2020**), well above the 12.5% floor set in the Updated BP ❖ FL **Total capital ratio to 17.84%** also following successful issuance of AT1 in Jan 2020 ❖ MREL requirements largely exceeded – **LCR > 200%** - NSFR > 100%
Strong P&L	❖ **Net profit of 184 mln/€ in 1H20 vs 133 mln/€ in 1H19 (+38.1%)** ❖ Operations in the Covid19 scenario lead to a **Net profit of 90.7 million in 2Q20** (vs 93.6 in 1Q20), the result of strong resilience by core revenues, continued cost control and increased provisioning
High quality LOAN BOOK	❖ High quality performing loan book (low risk remains unvaried vs March 2020 to 82.7%, High risk loans to 2.8%). **Coverage of Performing loans grows in June 20 to 0.58% from 0.55% in March 20** ❖ **Medium to long term loans granted in 2Q20 rise significantly by 42%** to 5.5 bln€ (from 3.9 in 1Q20), also following quick implementation of Covid19 decrees financing ❖ **Still decreasing level of NPEs** thanks to steady internal work-out. As at 30 June 2020 gross NPE ratio to 7.48% of total loans (6.6% taking account of 800 mln€ SME bad loan disposal currently being processed) vs 7.51% in March 2020. **Confirmed feasibility of an increase in the amount of SME bad loan sale from 800 million to 1 billion, leading to a pro-forma NPE ratio of 6.4%** ❖ In 2Q2020 **growing coverage of all categories of NPEs, by almost 1 percentage point** June vs March 2020 ❖ **Default rate of 1%** both in 2Q20 and in 1Q20
Direct and indirect FUNDING	❖ **Direct funding up by 4.8%** vs March 2020 mainly due to increase by 4.1% in current accounts and deposits ❖ **Indirect funding** (AUM, AUC and insurance products) **up by 7%** vs March20 following both growth in volumes and positive performance effect

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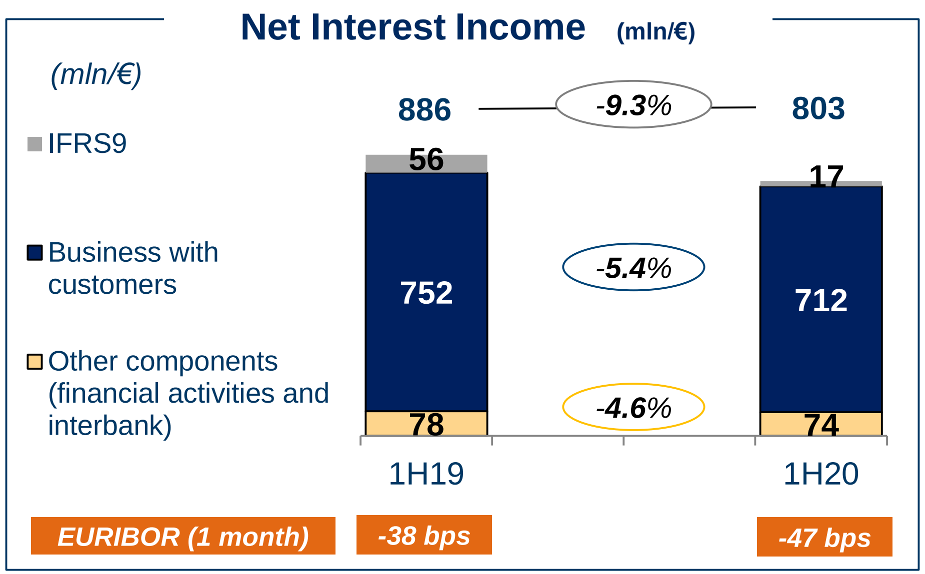
Resilience of Net Interest Income in 2Q20



mln/€	2Q19	1Q20	2Q20
Business with customers (including IFRS9)	**399**	**370**	**359**
o/w business with customers	*369*	*359*	*353*
o/w IFRS9	*30*	*11*	*6*
Financial activities	**48**	**37**	**36**
Interbank business	**-7**	**-2**	**4**
Net Interest Income	**441**	**405**	**398**
EURIBOR (1 month)	***- 38 bps***	***- 48 bps***	***- 47 bps***

1H20 vs 1H19

Total net interest income impacted by lower NPE related IFRS9 contribution **(-39mln/€)**

Business with customers (net of IFRS9 impact) mainly affected by:

- Higher cost of M/L term funding both from institutional (strong issuance plan carried out in 2019) and ordinary customers (growing deposits)
- Lower average Euribor 1M (-9bps in 1H20 vs 1H19)

2Q20 vs 1Q20

- **Lower IFRS9 contribution** (-5 mln/€) mainly due to decreasing non-performing loans contribution
- **Business with customers** (net of IFRS9 impact) relatively **resilient in 2Q20,** with a decrease of -6mln/€, mainly attributable to higher cost of institutional funding (in relation to the increase in 3 Month Euribor) and higher customer deposits. Lower mark up on loans was nearly offset by higher volumes of Covid19 financing (with higher RoRaC and no/low impact on RWA)

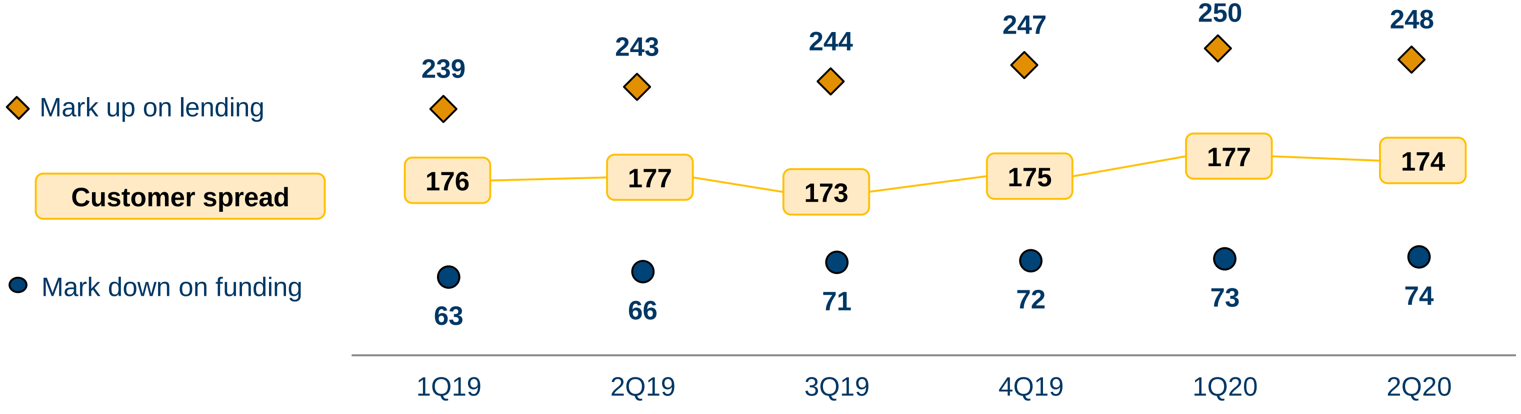
New M/L term originations:
5.5 bln/€ in 2Q20 (+42% vs 1Q20), and 9.4 bln/€ in 1H20 (+70% vs 1H19) including "Covid19" financing to the territories

STOCK

GROUP CUSTOMER SPREAD*

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

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



	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Spread 10Y BTP-BUND ***(period average)***	257	262	183	148	166	206

FLOWS

FOCUS ON MEDIUM/LONG TERM VOLUMES & COMMERCIAL SPREADS

BANKING PERIMETER

	1H19	1H20	1Q20	2Q20
NEW ORIGINATIONS				
Flows	+5.5bln/€	+9.4bln/€	+3.9bln/€	+5.5bln/€
Commercial Spread	240bps	167bps	195bps	147bps
REIMBURSEMENTS				
Flows	-6.6bln/€	-7.1bln/€	-3.2bln/€	-3.9bln/€
Commercial Spreads	197bps	180bps	195bps	167bps

- **In 1H20, new originations increase to 9.4bln/€ (approx. +70% vs 1H19)**
- Commercial spreads impacted by large amount of financing re Covid-19 decrees and TLTRO financing

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Direct funding at 98.6 bln/€: current accounts and deposits increase by 4.1% since Mar '20
Indirect funding at 98.7 bln/€, +7% vs Mar '20

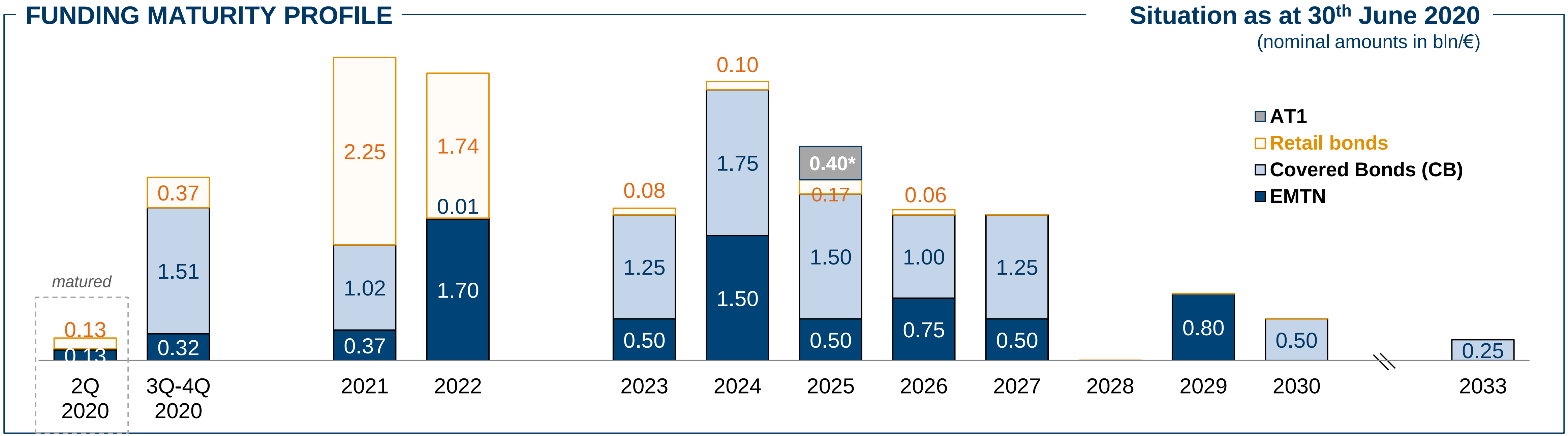
bln/€	30 Jun '19	31 Dec '19	31 Mar '20	30 Jun '20	Vs March 2020
...from ORDINARY CUSTOMERS	**76.62**	**76.88**	**75.54**	**78.44**	
of which					
Current accounts and deposits	66.93	69.04	67.95	70.72	**+4.1%**
Term deposits, financing & other payables	2.21	2.38	2.48	2.79	
Leasing payables	0.41	0.39	0.38	0.39	
Bonds issued	6.87	4.93	4.64	4.48	
Certificates of deposit	0.20	0.13	0.08	0.06	
…from INSTITUTIONAL CUSTOMERS	**18.16**	**18.64**	**18.51**	**20.13**	
of which					
Covered Bonds (including repos)	*12.27*	*10.57*	*10.54*	*10.61*	
EMTN	*4.61*	*7.21*	*7.19*	*7.05*	
Repos with CCG	*1.29*	*0.85*	*0.78*	*2.47*	
TOTAL DIRECT FUNDING	**94.79**	**95.51**	**94.05**	**98.57**	**+4.8%**
AuM	*44.06*	*45.83*	*41.22*	*44.94*	**+6.4%** (AuM + Bancassurance)
Bancassurance	*26.14*	*27.26*	*27.08*	*27.70*	
AuC	*29.25*	*28.36*	*23.95*	*26.07*	**+8.9%**
TOTAL INDIRECT FUNDING	**99.46**	**101.45**	**92.24**	**98.71**	**+7.0%**
TOTAL FUNDING (DIRECT + INDIRECT)	**194.26**	**196.97**	**186.30**	**197.29**	**+5.9%**

Vs March 2020

- Current accounts and deposits increase by +2.8bln/€, together with a solid increase in AUM.
- **70.7 billion of current accounts and deposits represent the highest end of quarter level reached since 2Q2017***
- Total direct funding up by 4.8%
- Indirect funding up by +7% (1.6% net of performance effect) o/w:
  - AUM & Bancassurance: +6.4%
  - AUC: +8.9%
- Total funding up by +5.9%1

* First quarter in which the three banks acquired in April 2017 were consolidated

Comfortable funding position and regular maturity profile

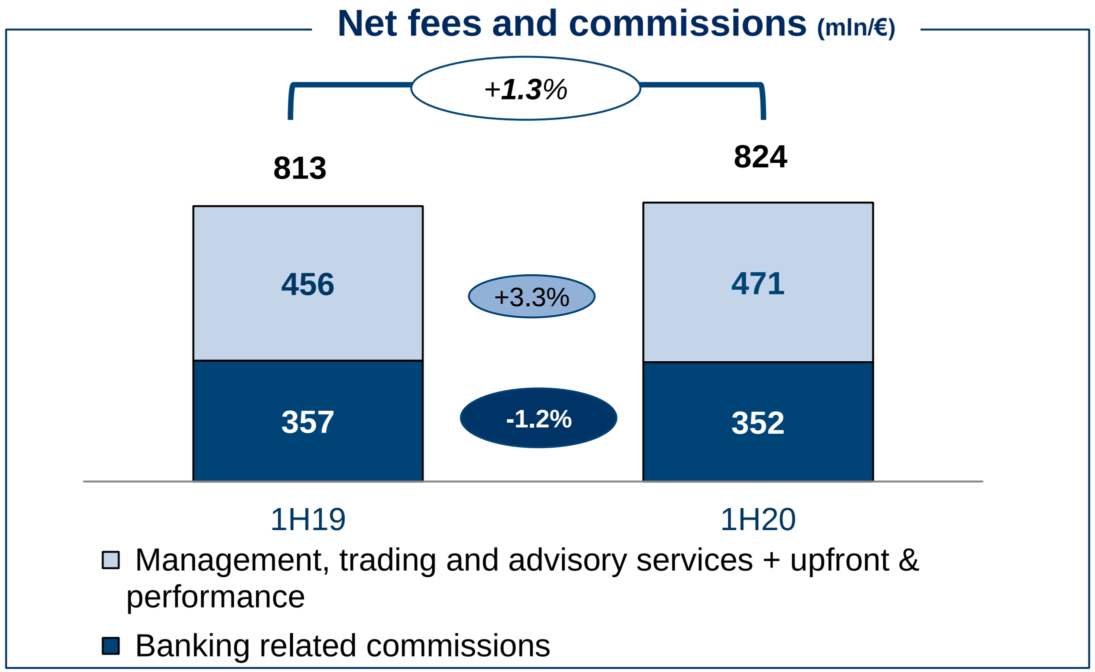


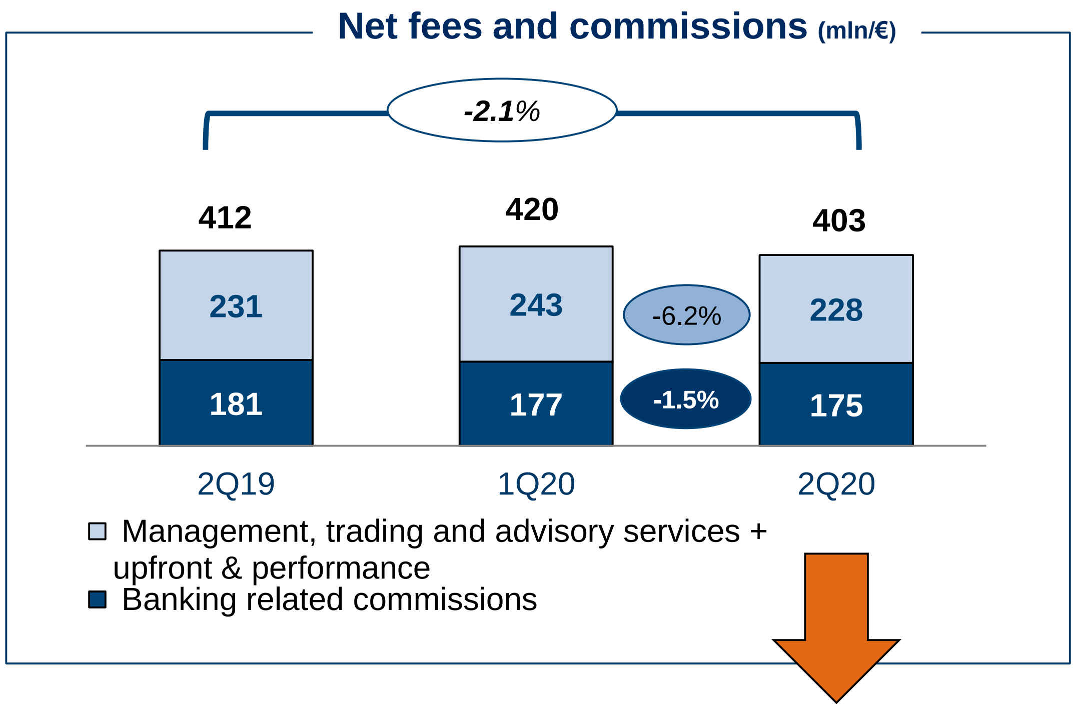
2020 INSTITUTIONAL ISSUANCES

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*

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

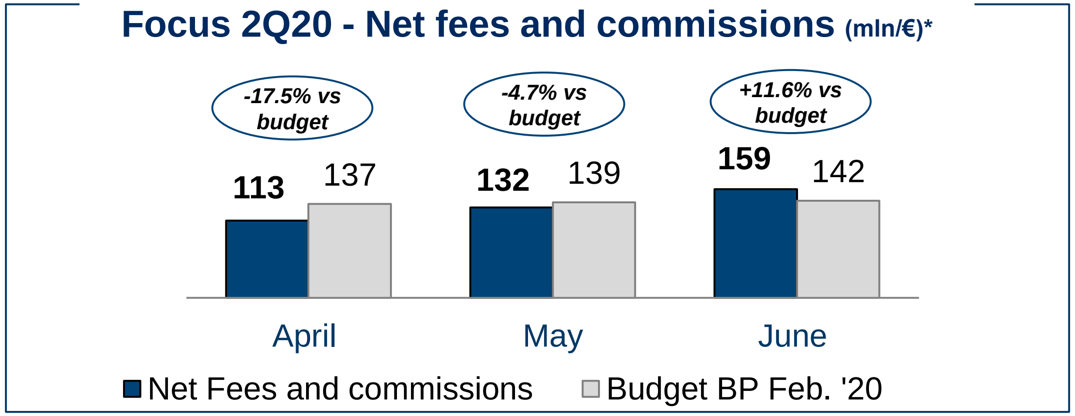
Net fees and commission income up 1.3% in 1H20 vs 1H19, despite lockdown





- Net fees & commission income up 1.3% in 1H20 vs 1H19

- 2Q20 resilient notwithstanding the lockdown. Net fees and commission rebounded as lockdown measures were eased and, in June, came in at 159mln/€, 11.6% above Feb 2020 BP budget



* Also see Update of the Business Plan 2022 page 27

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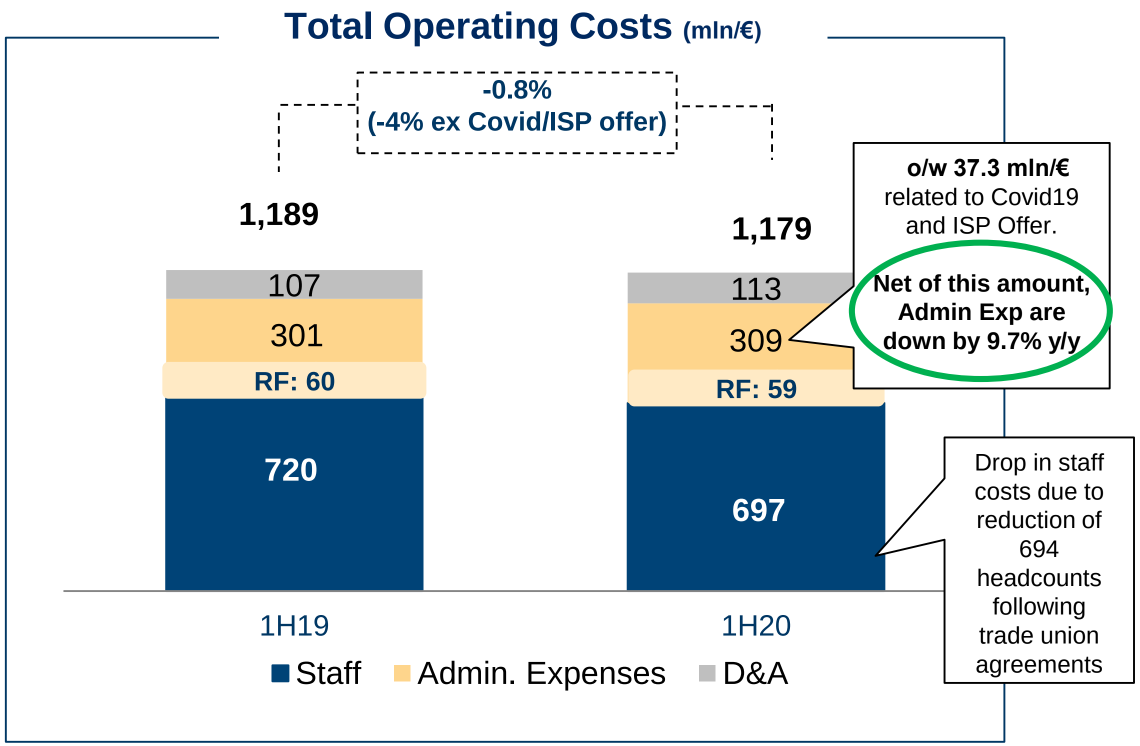
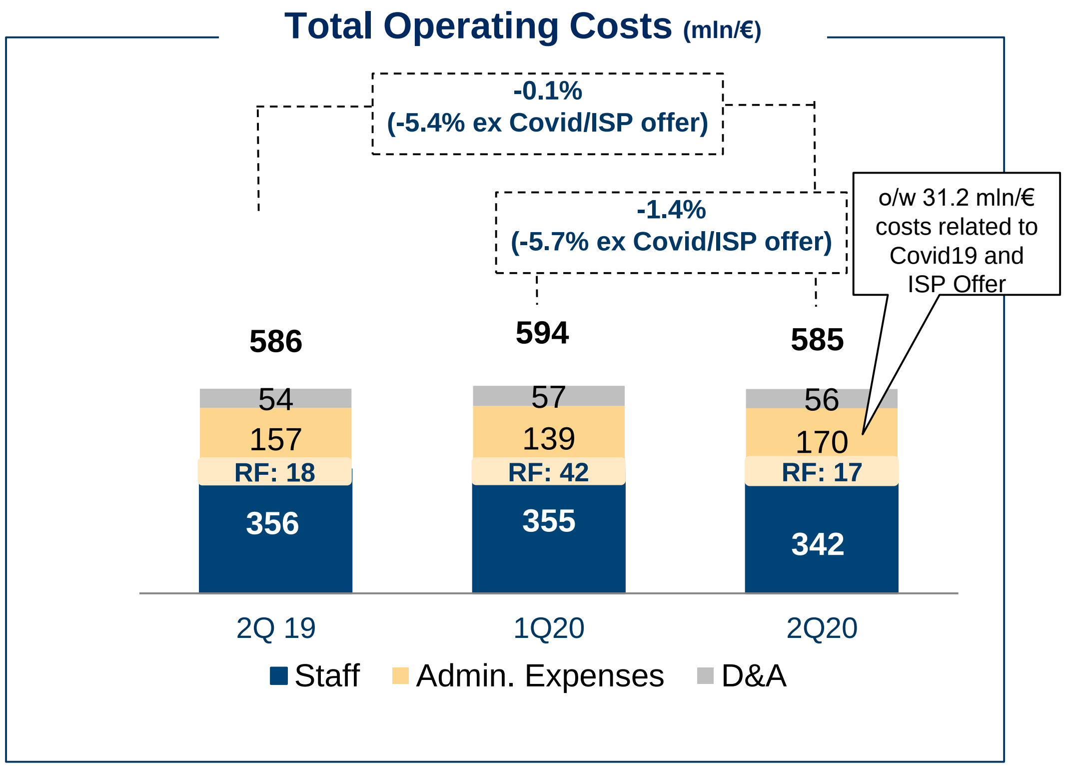
Operating costs are down 0.8% in 1H20 vs 1H19 and -4% ex Covid/ISP offer costs

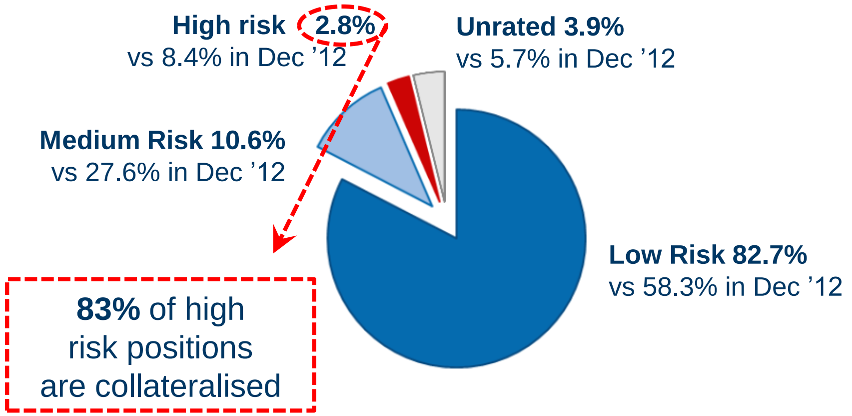




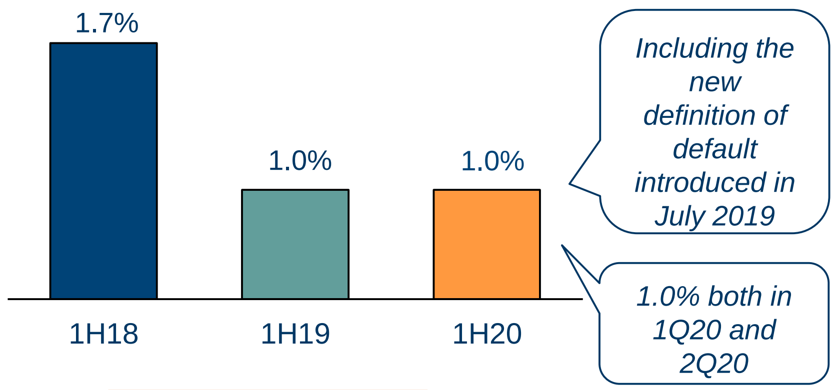
Asset quality: performing high risk positions at 2.8% of the portfolio. Still low new inflows to NPEs from performing loans (-82% vs 2009 peak). Annualised default rate at 1%

GROSS PERFORMING PORTFOLIO UNDER AIRB

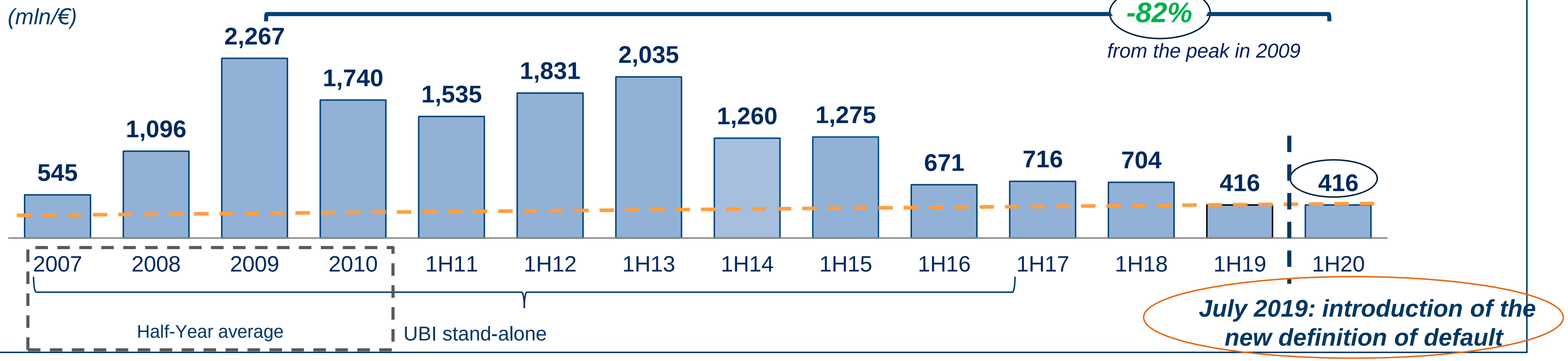
Loans at amortised cost and at fair value through P&L as at 30.06.2020



DEFAULT RATE*



NPEs: GROSS INFLOWS FROM PERFORMING

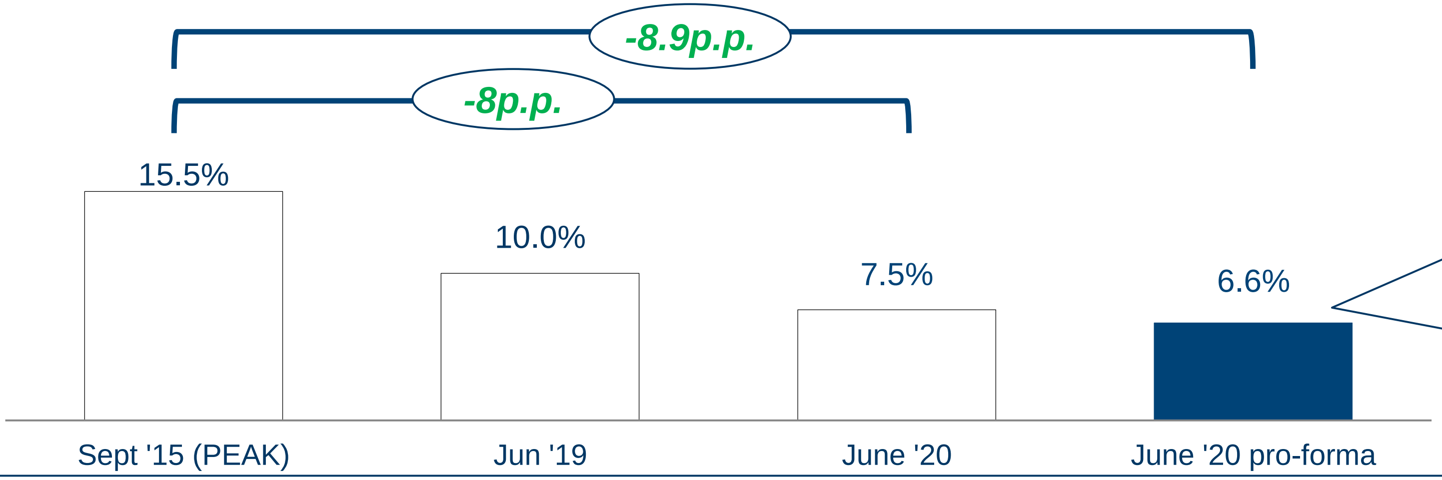


2007 and 2008 gross inflows figures are stated according to table A.1.7. Since 2009 gross inflows figures are stated according to Table "Loans to customers: change in non-performing exposure"

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

Gross NPE more than halved since peak in Sept 2015. Steady Recovery Rates

GROSS NPEs/TOTAL GROSS LOANS %



- **Considering disposal of about 800mln/€ SMEs bad loans to be completed in 2020**
- **Confirmed feasibility of an increase in the sale to 1 bln/€ (pro-forma ratio down to 6.4%)**

RECOVERY RATE AND BACK TO PERFORMING (%)

CASH-IN AND BACK TO PERFORMING	2019	1Q20	2Q20
(A) RECOVERY RATE NPE (cash-in)*	7.8%	9.1%	8.9%
(B) BACK TO PERFORMING**	3.9%	3.4%	3.0%
(A+B) RECOVERY RATE NPE (cash-in) + BACK TO PERFORMING	**11.7%**	**12.5%**	**11.9%**

FOCUS BAD LOANS	2019	1Q20	2Q20
RECOVERY RATE BAD LOANS	6.5%	7.1%	6.8%

- **Cash-in** in line with 1Q and still higher than 2019.
- **Back to performing** affected by lockdown
- Recovery rate on bad loans at 6.8% in 2Q20, still above FY2019 average

* 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

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Cost of Risk in 2Q20 at 85 bps. Coverage improving on all categories of NPEs (almost +1 percentage point) and on performing loans

COST OF RISK

2Q 20
- 85 bps with increasing coverage on all NPEs categories and higher coverage of performing loans (coverage up to 0.58% from 0.55% in March). This compares with 75bps in 2Q2019 (net of 12 bps of LLPs related to massive disposals)

1Q 20
- 73 bps including 50mln/€ higher impairments on UTPs in sectors expected to be most hit by Covid19

FY 19
- 87 bps of which 20 bps related to massive disposals

LOANS TO CUSTOMERS AT AMORTISED COST (30 JUNE '20)

bln/€	Gross exposure		Impairment losses	Carrying amount		Coverage	Coverage with write-offs
NPEs	**(7.5%)**	**6.57**	**2.66**	**(4.6%)**	**3.91**	**40.52%**	**52.96%**
- Bad loans	(3.8%)	3.38	1.77	(1.9%)	1.61	52.42%	68.38%
- UTPs	(3.5%)	3.08	0.88	(2.6%)	2.20	28.61%	
- Past-due loans	(0.1%)	0.11	0.01	(0.1%)	0.10	9.67%	
Performing loans	**(92.5%)**	**81.30**	**0.47**	**(95.4%)**	**80.83**	**0.58%**	
TOTAL		**87.87**	**3.13**		**84.74**	**3.57%**	

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

mln/€	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%**	

Coverage up in all NPE categories:

- NPEs Coverage: **+96 bps** vs March '20
- Bad Loans Coverge: **+91 bps** vs March '20
- UTPs coverage: **+96 bps** vs March '20

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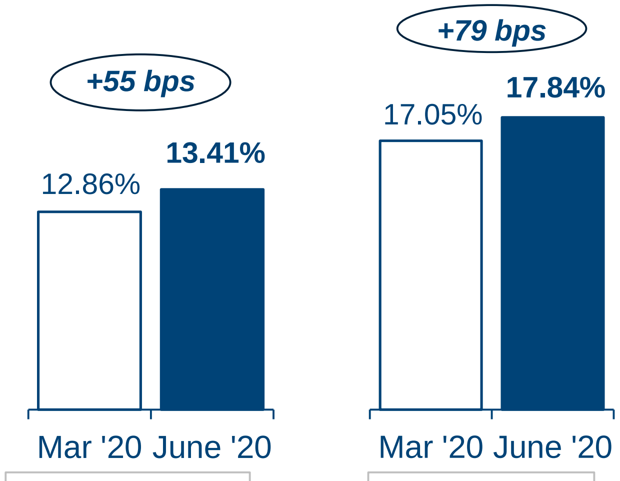
FL CET1 ratio at 13.4%

No future DTAs or optimisation actions included

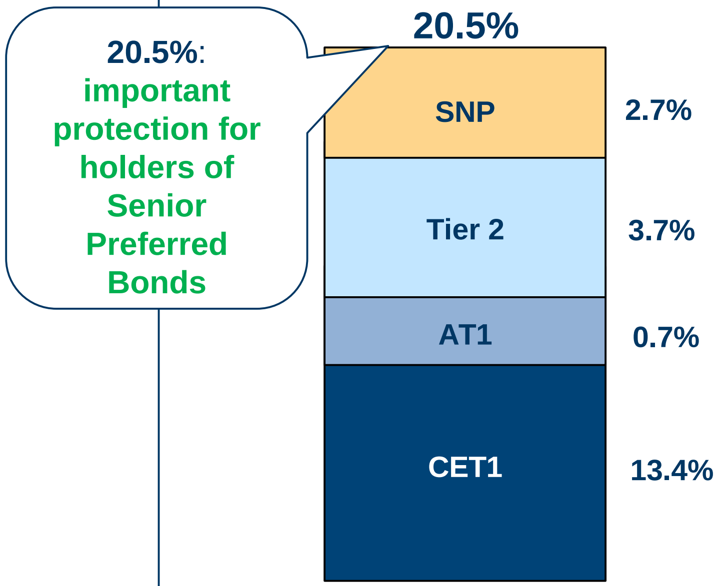
Capital Ratios Fully Loaded

No future DTAs nor optimisation manoeuvres included



- **After a pro-quota accrual of 20 cent dividend per share for FY2020**
- **Still additional 91bps buffer vs CET1 ratio floor of 12.5% set in the Updated Business Plan**

Total Capital + SNP



- 2Q20 main impacts on CET1 ratio from:
  - ✓ CRR2 *i.e. Credit Supporting Factor* (+34bps)
  - ✓ OCI reserve (+14 bps)

SREP: CET1 requirement 8.27%; Total Capital Requirement: 10.25% (as updated in April 2020)
MDA buffer (CET1 ratio): 514 bps

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Business Outlook

- The UBI Banca Group's capital strength, its solid liquidity position, the high quality of its assets and the dedication of its staff were confirmed and fundamental in meeting the challenge of the crisis, supporting communities and achieving the significant results reported at the end of the first half of 2020

- The outlook for the second half of the year will be influenced by the extraordinary operations which ISP will carry out following the positive outcome of the public purchase and exchange offer

- At present the Board of Directors has no details of the aforementioned operations (e.g. sale of branches to BPER), the relative timing and the operating and capital impacts.

- In the absence of the aforementioned extraordinary operations and of a new Covid-19 crisis, core revenues (net interest income and fee and commission income) are forecast to remain resilient, while careful control over costs will continue. Loan losses will be affected by the completion of the wholesale disposal of SME bad loans, large part of which was however already recognised in 2019, and by the end (if not extended) of the moratoriums granted to help households and companies, the possible impacts of which will be partially mitigated by the use, in progress, of support measures provided by recent legislative measures.

Overall positive net profit is forecast, which will be able to pay dividends in line with the expectations of the Updated Business Plan 2022.

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The UBI Banca Group
Consolidated Results as at 30th June 2020

Q&A session

Annexes

Reclassified consolidated Income Statement

(mln/€)	1H19 (restated)	1H20	1HQ20 vs 1H19	2Q19 (restated)	1Q20	2Q20	2Q20 vs 2Q19	2Q20 vs 1Q20	FY19 (restated)
Net interest income	886.2	803.4	*-9.3%*	440.6	405.2	398.3	*(9.6%)*	*(1.7%)*	1,725.1
- of which: TLTRO2	*24.9*	*20.6*	*-17.4%*	*12.5*	*10.1*	*10.4*	*(16.5%)*	*3.3%*	*48.7*
- of which: credit components (IFRS9 and PPA)	*66.7*	*34.7*	*-48.0%*	*35.5*	*20.1*	*14.6*	*(58.8%)*	*(27.1%)*	*110.6*
- of which: IFRS9 contractual modifications without derecognition	*(10.4)*	*(17.5)*	*67.3%*	*(5.3)*	*(8.8)*	*(8.7)*	*64.0%*	*(1.6%)*	*(25.3)*
Net fee and commission income	812.9	823.7	*1.3%*	412.0	420.5	403.3	*(2.1%)*	*(4.1%)*	1,661.8
Net income (loss) from trading, hedging and disposal/repurchase activities and from assets/liabilities at fair value through profit or loss	55.1	95.2	*72.7%*	17.6	53.6	41.6	*135.5%*	*(22.5%)*	104.3
Profits of equity-accounted investees	19.4	22.8	*17.5%*	13.1	7.8	15.0	*14.6%*	*92.4%*	40.3
Dividends and similar income	7.2	5.3	*-26.9%*	2.0	4.8	0.5	*(75.6%)*	*(89.6%)*	7.7
Net income from insurance operations	7.4	7.5	*1.5%*	3.9	2.5	5.0	*28.2%*	*101.7%*	15.3
Other net operating income/expense	40.7	37.6	*-7.7%*	19.1	19.3	18.3	*(4.0%)*	*(5.0%)*	83.5
Operating income	**1,829.0**	**1,795.6**	***-1.8%***	**908.4**	**913.6**	**882.0**	***(2.9%)***	***(3.5%)***	**3,637.9**
Staff costs	(720.4)	(697.2)	*-3.2%*	(356.0)	(355.0)	(342.2)	*(3.9%)*	*(3.6%)*	(1,427.7)
Other administrative expenses	(361.2)	(368.7)	*2.1%*	(175.2)	(181.4)	(187.3)	*6.9%*	*3.2%*	(711.1)
of which: SRF and DGS contributions	*(60.1)*	*(59.5)*	*-1.0%*	*(18.1)*	*(42.0)*	*(17.5)*	*(3.3%)*	*(58.4%)*	*(107.6)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(106.9)	(112.9)	*5.6%*	(54.4)	(57.2)	(55.7)	*2.3%*	*(2.6%)*	(221.3)
Operating expenses	**(1,188.5)**	**(1,178.7)**	***-0.8%***	**(585.6)**	**(593.6)**	**(585.2)**	***(0.1%)***	***(1.4%)***	**(2,360.0)**
Operating expenses excluding SRF and DGS contributions	***(1,128.5)***	***(1,119.3)***	*-0.8%*	***(567.5)***	***(551.6)***	***(567.7)***	*0.0%*	*2.9%*	***(2,252.5)***
Net operating income	**640.5**	**616.8**	***-3.7%***	**322.8**	**320.0**	**296.8**	***(8.1%)***	***(7.3%)***	**1,277.9**
Net impairment losses for credit risk relating to:	(393.4)	(341.5)	*-13.2%*	(263.4)	(157.1)	(184.4)	*(30.0%)*	*17.4%*	(744.1)
- financial assets measured at amortised cost: loans to banks	*0.7*	*(0.5)*	*n.s.*	*0.8*	*(0.2)*	*(0.3)*	*n.s.*	*64.6%*	*0.1*
- financial assets measured at amortised cost: loans and advances to customers	*(391.6)*	*(336.4)*	*-14.1%*	*(263.0)*	*(155.6)*	*(180.8)*	*(31.2%)*	*16.2%*	*(738.4)*
- financial assets measured at amortised cost: securities	*(0.8)*	*(0.4)*	*-52.6%*	*(0.3)*	*0.6*	*(1.0)*	*n.s.*	*n.s.*	*(2.5)*
- financial assets as at fair value through other comprehensive income	*(1.8)*	*(4.2)*	*n.s.*	*(0.9)*	*(1.9)*	*(2.3)*	*165.4%*	*17.4%*	*(3.3)*
Net provisions for risks and charges - commitments and guarantees granted	1.9	(8.2)	*n.s.*	2.5	(0.9)	(7.2)	*n.s.*	*n.s.*	(0.0)
Net provisions for risks and charges - other net provisions	(2.2)	0.1	*n.s.*	1.2	0.9	(0.8)	*n.s.*	*n.s.*	(24.8)
Profits (losses) from the disposal of equity investments	4.2	18.2	*n.s.*	3.9	0.1	18.1	*n.s.*	*n.s.*	6.1
Net income (loss) from fair value change in property, plant and equipment and intangible assets		(8.7)			(8.7)				(39.4)
Pre-tax profit from continuing operations	**251.0**	**276.7**	***10.2%***	**67.1**	**154.2**	**122.5**	***82.5%***	***(20.6%)***	**475.7**
Taxes on income for the period from continuing operations	(61.2)	(84.4)	*37.9%*	(9.8)	(52.4)	(32.1)	*n.s.*	*(38.8%)*	(118.8)
Profits/losses for the period attributable to non-controlling interests	(13.7)	(20.7)	*51.4%*	(7.3)	(8.3)	(12.4)	*70.8%*	*49.9%*	(33.9)
Profit for the period attributable to the Parent before Business Plan and other impacts	**176.1**	**171.6**	***-2.6%***	**50.0**	**93.6**	**78.0**	***56.0%***	***(16.6%)***	**323.0**
Redundancy expenses net of taxes and non-controlling interests	(42.6)	12.7	*n.s.*	0.0	0.0	12.7	*n.s.*	*n.s.*	(89.4)
Business Plan Project expenses net of taxes and non-controlling interests	(0.1)			(0.0)					(0.1)
Profit for the period	**133.4**	**184.3**	***38.1%***	**50.0**	**93.6**	**90.7**	***81.5%***	***-3.1%***	**233.1**
Profit for the period net of non-recurring items	**185.8**	**176.1**	***-5.3%***	**59.7**	**99.3**	**76.7**	***28.5%***	***(22.8%)***	**331.3**

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Contribution of non-recurring items to Net Profit

1H20	Stated Net Profit	Business Plan initiatives: Staff leaving incentives (2017-2020 Buness Plan)	Business Plan initiatives: Reorganization of the Group's presence in Milan (2020-2022 Business Plan)	SRF extraordinary contribution	First time application of measurement of properties at fair value	Disposal of securities/equity investments	Total impact of non-recurring items	Normalised Net Profit
1Q20	93.6	(0.0)			5.8	(0.0)	5.8	99.3
2Q20	90.7	(12.7)	(11.7)	10.9		(0.4)	(14.0)	76.7
1H20	**184.3**	**(12.7)**	**(11.7)**	**10.9**	**5.8**	**(0.5)**	**(8.2)**	**176.1**
P&L reference line	*(A)*	*Redundancy expenses net of taxes and non-controlling interests*	*Net income from fair value change in property, plant and equipment and intangible assets*	*Other administrative expenses*	*Net loss from fair value change in property, plant and equipment and intangible assets*	*Net income from trading, hedging and disposal/ repurchase activities and from assets/liabilities as at fair value through profit or loss*	*(B)*	*(A+B)*

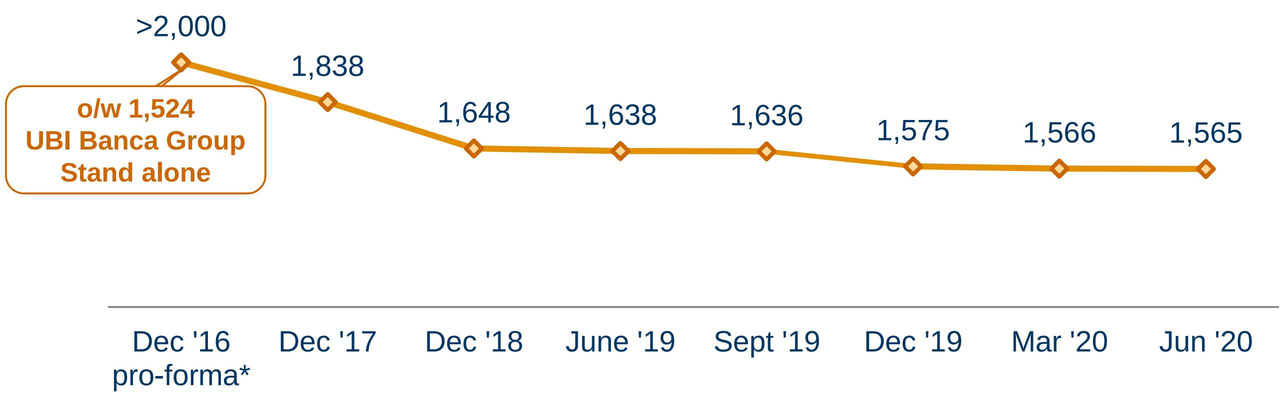
The reference date for the first time application of the new evaluation criterion is 31/03/2020.
In short, the FTA impacts of the new evaluation criterion can be summarized as follows:

	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

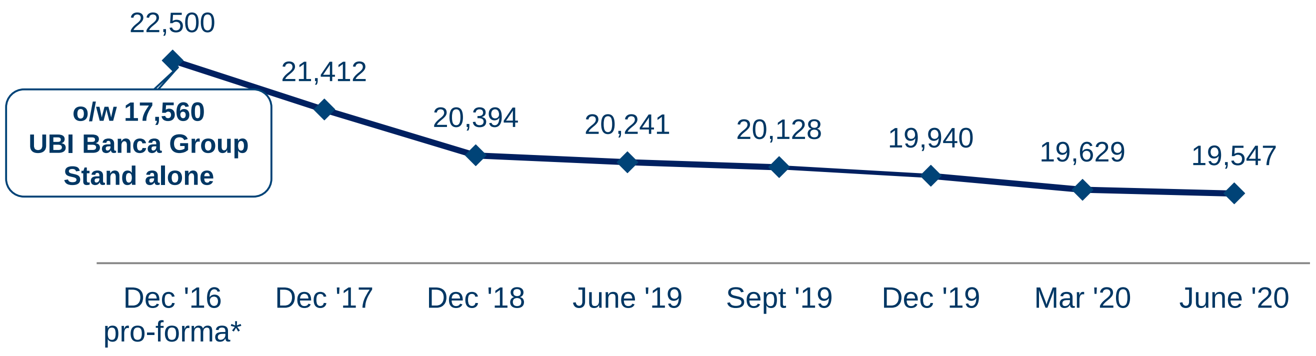
Note: items net of taxes and non-controlling interests

Branches and headcounts evolution

of domestic branches (end of period)

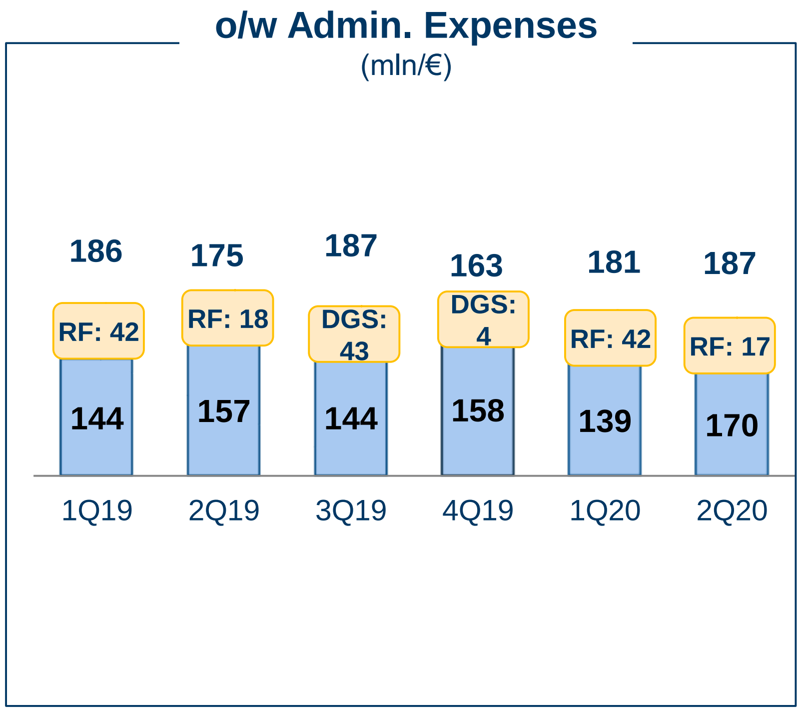


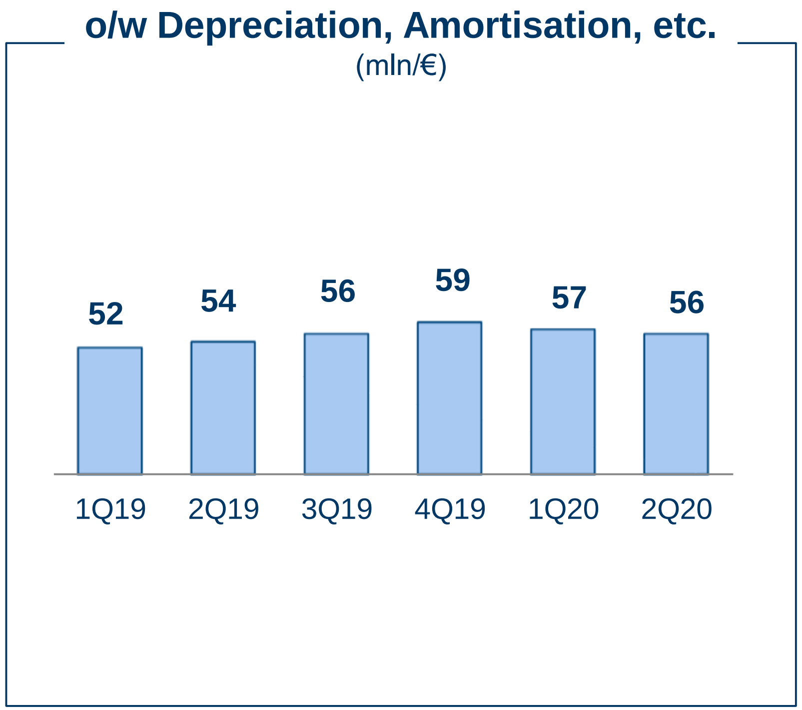
of headcounts (end of period)



* 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





Number of staff decreases by 82 employees vs March '20 and by 694 vs June '19

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

Figures in thousands of euro		30.06.2020 A	31.12.2019 restated B	Changes A-B	% changes A/B	30.06.2019 restated C	Changes A-C	% changes A/C
	ASSETS							
10.	Cash and cash equivalents	595,996	694,750	(98,754)	-14.2%	616,670	(20,674)	-3.4%
20.	Financial assets measured at fair value through profit or loss	2,918,145	1,758,730	1,159,415	65.9%	1,660,974	1,257,171	75.7%
	1) Loans and advances to banks	*17,320*	*16,213*	1,107	*6.8%*	*15,365*	*1,955*	*12.7%*
	2) Loans and advances to customers	*258,194*	*260,667*	(2,473)	*-0.9%*	*268,043*	(9,849)	*-3.7%*
	3) Securities and derivatives	*2,642,631*	*1,481,850*	1,160,781	*78.3%*	*1,377,566*	1,265,065	*91.8%*
30.	Financial assets measured at fair value through other comprehensive income	12,343,270	12,221,616	121,654	1.0%	11,618,770	724,500	6.2%
	1) Loans and advances to banks	-	-	-	-	-	-	-
	2) Loans and advances to customers	-	-	-	-	-	-	-
	3) Securities	*12,343,270*	*12,221,616*	121,654	*1.0%*	*11,618,770*	724,500	*6.2%*
40.	Financial assets measured at amortised cost	107,308,571	101,736,289	5,572,282	5.5%	103,356,416	3,952,155	3.8%
	1) Loans and advances to banks	*14,527,728*	*11,723,923*	2,803,805	*23.9%*	*12,393,150*	2,134,578	*17.2%*
	2) Loans and advances to customers	*84,739,135*	*84,564,033*	175,102	*0.2%*	*86,074,151*	(1,335,016)	*-1.6%*
	3) Securities	*8,041,708*	*5,448,333*	2,593,375	*47.6%*	*4,889,115*	3,152,593	*64.5%*
50.	Hedging derivatives	21,869	35,117	(13,248)	-37.7%	22,452	(583)	-2.6%
60.	Fair value change in hedged financial assets (+/-)	913,730	547,019	366,711	67.0%	541,946	371,784	68.6%
70.	Equity investments	284,750	287,353	(2,603)	-0.9%	266,897	17,853	6.7%
80.	Technical reserves of reinsurers	77	-	77	-	-	77	-
90.	Property, plant and equipment	2,879,330	2,370,247	509,083	21.5%	2,596,499	282,831	10.9%
100.	Intangible assets	1,745,824	1,739,903	5,921	0.3%	1,720,771	25,053	1.5%
	of which: goodwill	*1,465,260*	*1,465,260*	-	0.0%	*1,465,260*	-	0.0%
110.	Tax assets	3,584,469	3,755,895	(171,426)	-4.6%	3,963,978	(379,509)	-9.6%
120.	Non-current assets and disposal groups held for sale	90,109	268,100	(177,991)	-66.4%	7,353	82,756	n.s.
130.	Other assets	1,847,177	1,200,966	646,211	53.8%	1,199,827	647,350	54.0%
	Total assets	**134,533,317**	**126,615,985**	**7,917,332**	**6.3%**	**127,572,553**	**6,960,764**	**5.5%**

UBI Banca

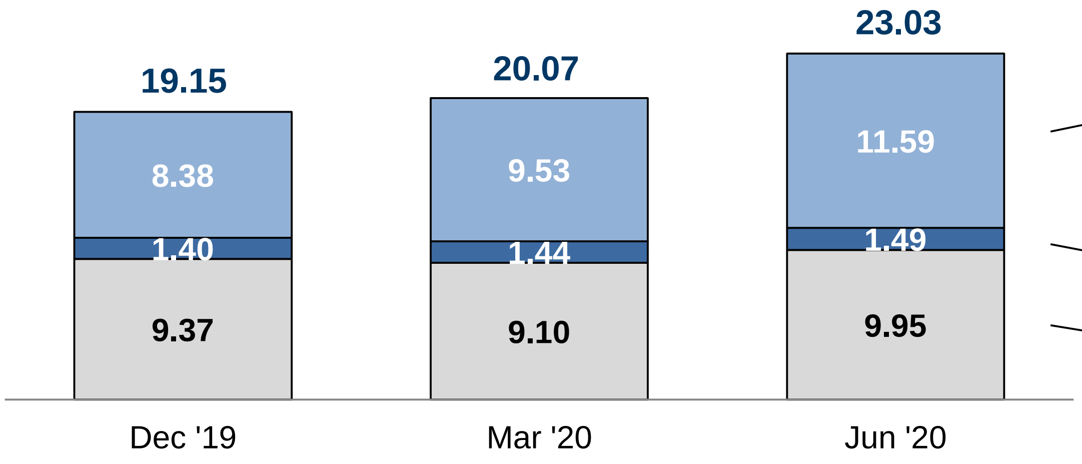
Reclassified Consolidated Balance Sheet - Liabilities and Equity (restated to reflect the change in real estate measurement criteria)

Figures in thousands of euro		30.06.2020 A	31.12.2019 restated B	Changes A-B	% changes A/B	30.06.2019 restated C	Changes A-C	% changes A/C
	LIABILITIES AND EQUITY							
10.	Financial liabilities measured at amortised cost	114,934,180	109,795,016	5,139,164	4.7%	111,840,625	3,093,555	2.8%
	a) Due to banks	*16,679,833*	*14,367,985*	2,311,848	*16.1%*	*17,053,172*	(373,339)	*-2.2%*
	b) Due to customers	*76,065,027*	*72,577,255*	3,487,772	*4.8%*	*70,840,373*	5,224,654	*7.4%*
	c) Debt securities issued	*22,189,320*	*22,849,776*	(660,456)	*-2.9%*	*23,947,080*	(1,757,760)	*-7.3%*
20.	Financial liabilities held for trading	598,541	555,296	43,245	7.8%	571,499	27,042	4.7%
30.	Financial liabilities designated at fair value	462,372	197,610	264,762	134.0%	149,871	312,501	n.s.
40.	Hedging derivatives	708,400	386,778	321,622	83.2%	230,655	477,745	n.s.
50.	Fair value change in hedged financial liabilities (+/-)	166,404	145,191	21,213	14.6%	188,275	(21,871)	-11.6%
60.	Tax liabilities	295,667	210,882	84,785	40.2%	170,802	124,865	73.1%
70.	Liabilities associated with assets held for sale	-	2,331	(2,331)	-100.0%	-	-	-
80.	Other liabilities	4,154,680	2,735,807	1,418,873	51.9%	2,290,570	1,864,110	81.4%
90.	Provision for post-employment benefits	277,276	289,641	(12,365)	-4.3%	299,460	(22,184)	-7.4%
100.	Provisions for risks and charges:	397,084	489,485	(92,401)	-18.9%	415,665	(18,581)	-4.5%
	a) commitments and guarantees granted	*61,025*	*54,005*	7,020	*13.0%*	*51,951*	9,074	*17.5%*
	b) pension and similar obligations	*81,200*	*86,756*	(5,556)	*-6.4%*	*87,892*	(6,692)	*-7.6%*
	c) other provisions for risks and charges	*254,859*	*348,724*	(93,865)	*-26.9%*	*275,822*	(20,963)	*-7.6%*
110.	Technical reserves	2,250,864	2,210,294	40,570	1.8%	2,070,095	180,769	8.7%
120.+140. +150.+160. +170.+180	Share capital, equity instruments, share premiums, reserves, valuation reserves and treasury shares	10,058,703	9,306,321	752,382	8.1%	9,172,290	886,413	9.7%
190.	Minority interests (+/-)	44,861	58,230	(13,369)	-23.0%	39,344	5,517	14.0%
200.	Profit (loss) for the period/year (+/-)	184,285	233,103	(48,818)	-20.9%	133,402	50,883	38.1%
	Total liabilities and equity	**134,533,317**	**126,615,985**	**7,917,332**	**6.3%**	**127,572,553**	**6,960,764**	**5.5%**

UBI Banca

Evolution of the Group's Financial Assets

Financial Assets (Securities*, in bln/€)



- Italian Govies excluding insurance portfolio

  June vs March 2020: purchase of short term bonds to invest liquidity (1.5 bln) and on the trading book (0.4 bln)

  June vs Dec 2019: purchase of short term bonds to invest liquidity (over 2 bln) and on the trading book (1.1 bln)

- Italian Govies insurance portfolio
- Other financial assets

  o/w main changes Jun '20 vs Mar '20:
  - *Euro Area govies: +0.4 bln/€*
  - *Corporate bonds: +0.3 bln/€*

Focus on Italian Govies (Incidence on total financial assets)

51.1%	54.6%	56.8%
Dec '19	*Mar '20*	*Jun '20*

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

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

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

Financial Liabilities held for trading	**541**

	30 JUNE 2020 FVTPL (fair value through profit or loss)	FVOCI (fair value through other comprehensive income)	AC (financial assets at amortised cost)	TOTAL	% Change of TOTAL amounts
Financial Assets (Securities and derivatives*)	2,643	12,343	8,042	**23,028**	**14.7%**
o/w Italian Govies	*1,108*	*4,885*	*7,079*	***13,073***	***19.2%***

Financial Liabilities held for trading	**514** **

Maturity of the Italian Govies Portfolio

Amounts in mln/€	FVTPL	FVOCI	AC	TOTAL 30.06.20	TOTAL 31.03.20
2020	534	1		**535**	**329**
2021-2022	544	133	2002	**2,679**	**940**
2023-2025	8	2602	706	**3,315**	**3,269**
2026-2030	12	1575	2281	**3,868**	**3,829**
From 2031 and over	6	573	2091	**2,670**	**2,601**
Total portfolio	**1,103** **	**4,885**	**7,079**	**13,068** **	**10,969**
% of portfolio on total Italian Govies	**8.4%**	**37.4%**	**54.2%**	**100%**	

Main exposures as at 30 June 2020

Portfolio:	Consolidated*			*o/w Insurance*
Amounts in bln/€	o/w Govies	o/w Corporates and banks	o/w Loans	*Govies*
Italy	13,073 **	1,144	671	*1,486*
Spain	2,023	102	-	*286*
USA	1,562	213	-	*1*
France	1,121	179	-	*33*
Main 4 countries	**17,779**	**1,638**	**671**	***1,806***
% on total amount	***92.7%***	***67.9%***	***96.8%***	***96.5%***

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

** Net of technical position on Italian Govies for 5 mln/€

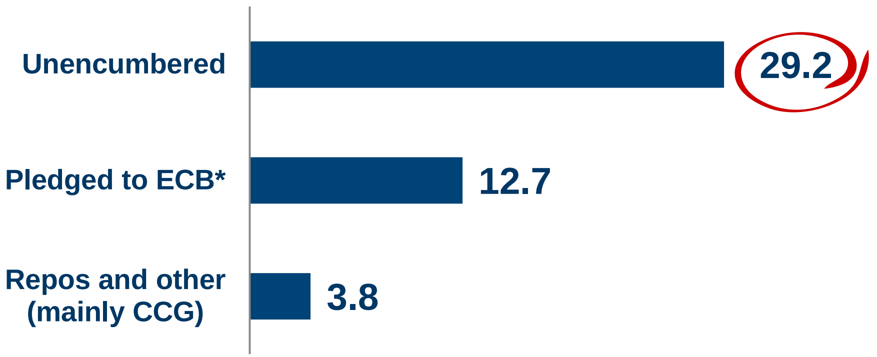
Liquidity resources at 45.7 bln/€ (30/06/2020)

45.7 bln/€

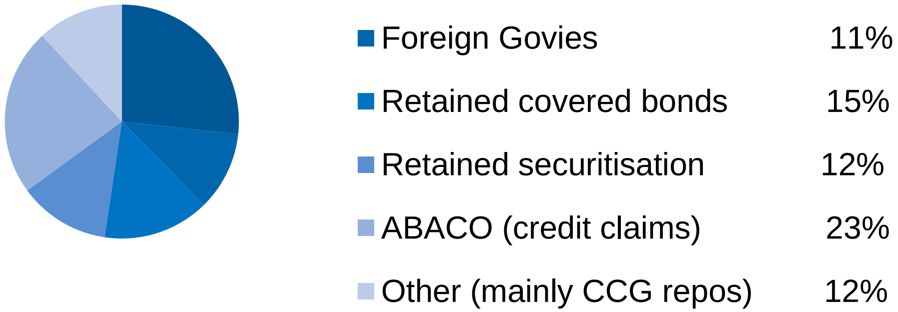
Excess Liquidity on ECB Account
11.1 bln/€

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

Destination (amounts in €/bln)



Composition of eligible assets (net of haircut)



* On the 24th of June 2020 all the remaining outstanding TLTRO2 amount was fully reimbursed (altogether approx. 10 billion euro, as a result of 7.5 billion euro expiring and of the early repayment of 2.5 billion euro expiring in March 2021). For the same value date, the Bank drawn 12 billion euro TLTRO3

Capital Ratios as at 30th June 2020

Common Equity Tier 1 ratio at 13.45%, Tier 1 ratio at 14.16% and Total Capital ratio at 17.88% (phased in ratios)

mln/€	Mar '20	Jun '20
Common Equity Tier 1 *(after filters)*	**7.572,6**	**7.642,8**
Common Equity Tier 1 regulatory adjustments	**-75,0**	**-65,4**
of which negative elements for deduction excess of expected losses over impairment losses	*-13,4*	
Common Equity Tier 1 Capital (CET1)	**7.497,6**	**7.577,4**
Additional Tier 1 before deductions	**397,9**	**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**	**397,9**
Tier 1 Capital (CET 1 +Additional Tier 1)	**7.895,5**	**7.975,4**
Tier 2 Capital before transitional provisions	2.094,5	2.150,7
Tier 2 instruments grandfathering	-	-
Tier 2 Capital after transitional provisions	**2.094,5**	**2.150,7**
Tier 2 capital regulatory adjustments	-58,0	-57,5
of which: negative elements for deduction excess of expected losses over impairment losses	-	-
Tier 2 Capital	**2.036,5**	**2.093,2**
TOTAL OWN FUNDS	**9.932,1**	**10.068,6**

mln/€	Mar '20	Jun '20
Risk weighted assets	**58,143.1**	**56,322.0**
Total prudential requirements	***4,651.5***	***4,505.8***
Credit risk	*4,238.2*	*4,136.6*
CVA (Credit Value Adjustment) risk	*4.1*	*3.6*
Market risk	*87.3*	*43.7*
Operational risk	*321.9*	*321.9*

	CET 1		TIER 1		TOTAL CAPITAL	
ratios	**Mar '20**	**Jun '20**	**Mar '20**	**Jun '20**	**Mar '20**	**Jun'20**
PHASED-IN	**12.90%**	**13.45%**	**13.58%**	**14.16%**	**17.08%**	**17.88%**
FULLY LOADED	***12.86%***	***13.41%***	***13.54%***	***14.12%***	***17.05%***	***17.84%***

- **B3 Leverage ratios as at 30 June'20:**
  - ✓ **phased in 5.70%**
  - ✓ **fully loaded 5.68%**
- **LCR > 200% and NSFR > 100%**

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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.