



BPER GROUP

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Agenda

1. BPER Group
2. Main figures trend
3. 1Q10 Results
4. Group Business Plan 2009-2011: work in progress

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1. BPER Group

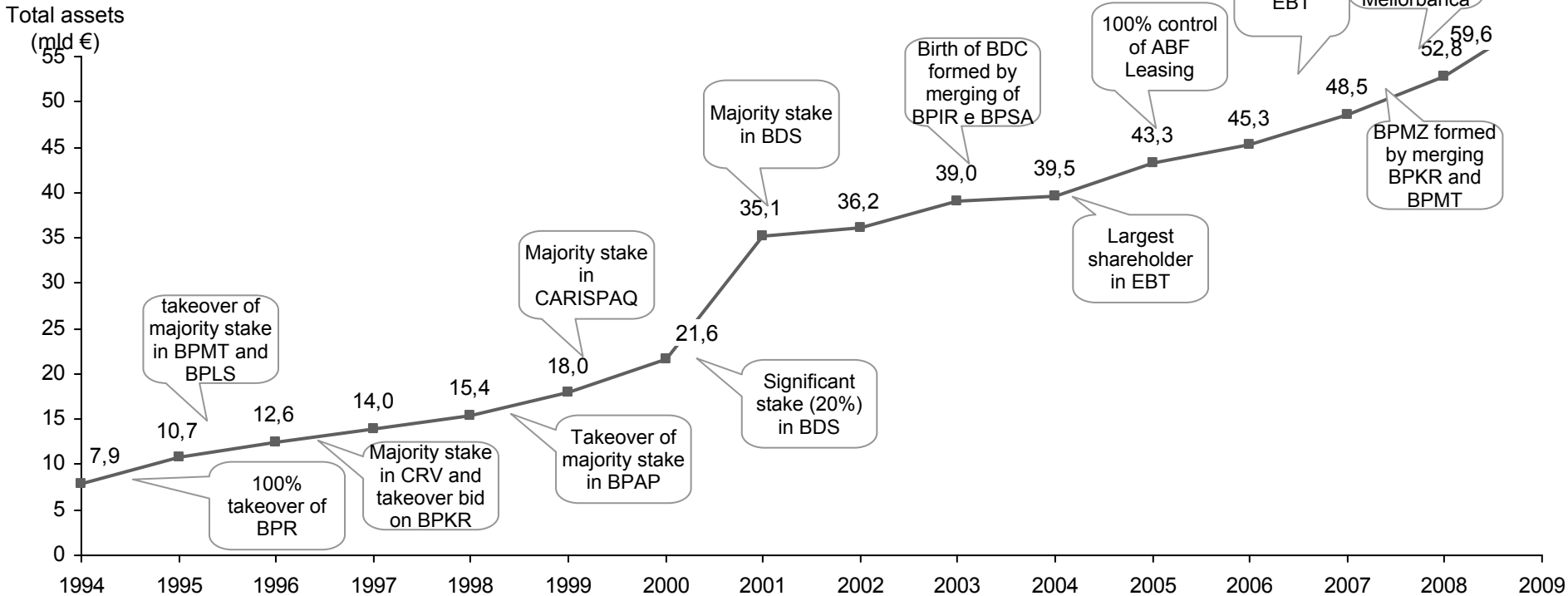
2. Main figures trend

3. 1Q10 Results

4. Group Business Plan 2009-2011: work in progress

BPER Group has an excellent track record in acquiring and restructuring small local banks, a process which has – in just a few years – turned it into one of Italy’s foremost national banking groups

The BPER Group: history and growth



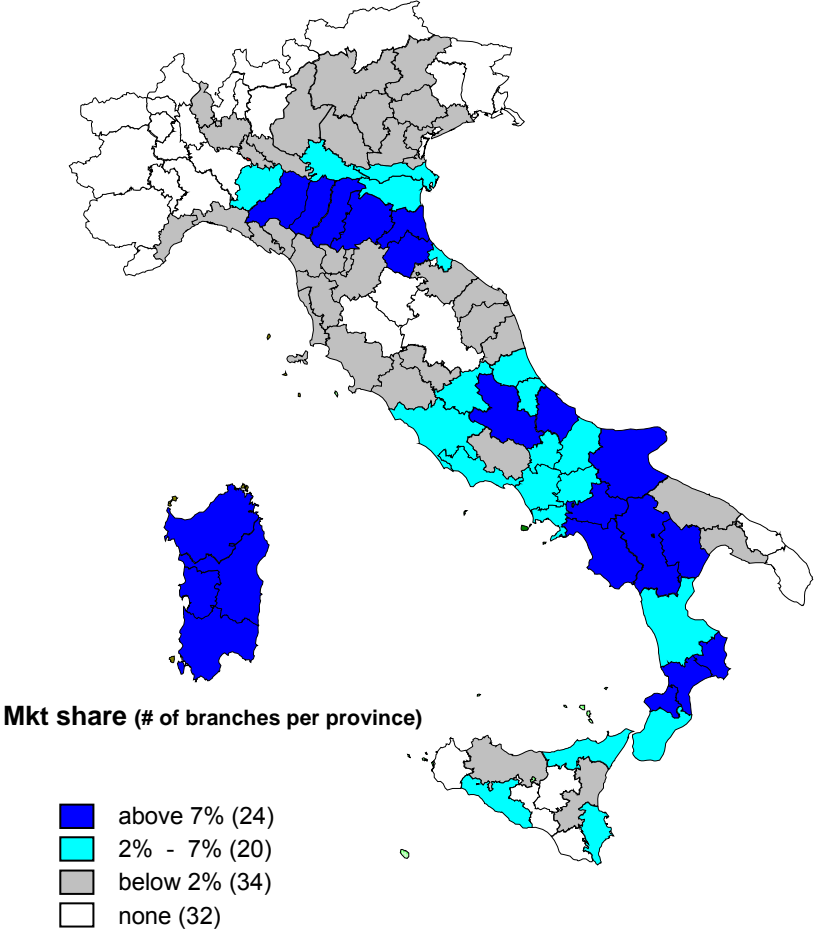
Employees (headcount)	2.767	5.577	12.278 ¹
Branches (#)	180	457	1.286 ²
Net profit (€m)	52	140	169

Source: BPER Group Planning & Control figures

(1): excluding staff leave of absence (2) excluding 6 branches of Meliorbanca, 1 of Meliorbanca Private and 1 of BNT

A Leading Federated Banking Group

Number of branches and market share by Province (1)



- 1,292 branches in Italy and 1 branch in Luxembourg at the end of 2009
- National market share of 3,8% (number of branches)
- Strong regional presence with a market share over 4% in 7 regions and in 43% of Italy's provinces
- Regional presence through subsidiary banks that operate mainly in the South and the Centre of Italy:

- North : BP Ravenna (BPR) - CR Vignola (CRV)
- Centre: BP Aprilia (BPAP) - CR Aquila (CARISPAQ) - BP Lanciano e Sulmona (BPLS)
- South: BP Mezzogiorno (BPMZ) - Banca della Campania (BDC)
- Islands: Banco di Sardegna (BDS) - Banca di Sassari (BSS)
- Foreign: BPER (Europe) Int.
- Qualified shareholding in saving banks

- North: CR Bra (31,0%) - CR Fossano (23,1%) - CR Saluzzo (31,0%) - CR Savigliano (31,0%)

(1) Figures at 31 December 2009

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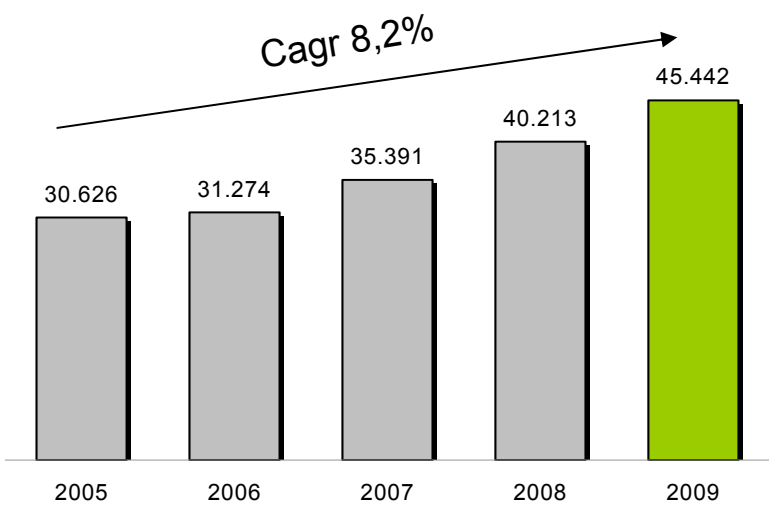
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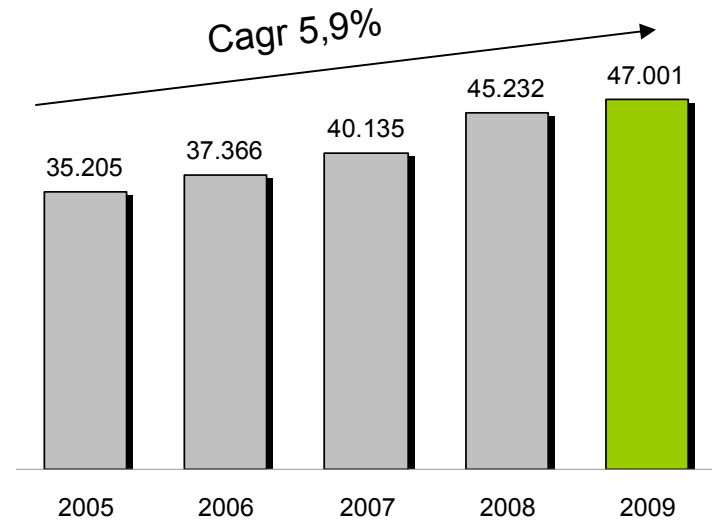
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Main figures trend (1/2)

Loans

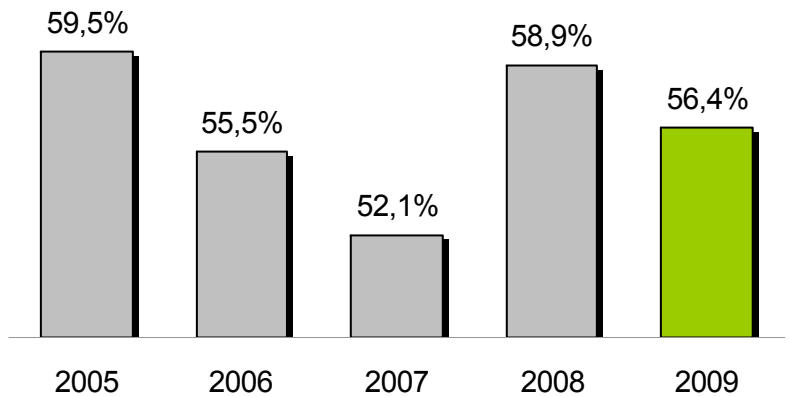


Direct Funding Total

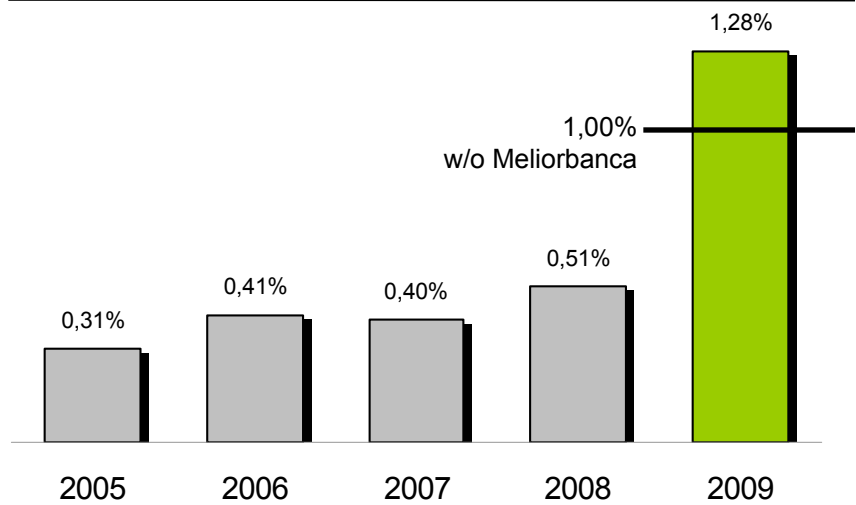


Cost/income

* 2008-2009 figures pro-formed to be comparable with previous years



Cost of credit



Main figures trend (2/2)

	2007		2008		2009	
	bper	peers	bper	peers	bper	peers
Loans (net)	13,2%	9,9%	13,6%	8,1%	(w/o Meliorb.) 7,5%	1,6%
Direct deposits	7,4%	7,0%	12,7%	12,2%	2,4%	9,2%
Net interest income	7,2%	7,4%	9,4%	6,9%	-14,3%	-7,8%
Net commissions income	1,9%	0,8%	-0,9%	10,7%	18,8%	-0,2%
Net interest income + net commissions	5,7%	5,3%	6,6%	8,1%	-5,8%	-5,4%
Operating income*	15,5%	-0,6%	-18,0%	-20,9%	17,9%	9,0%
Provisions & Adjustments / Total loans	0,45%	0,64%	0,60%	1,03%	1,03%	1,32%

* (Total income - Operating costs)

Source: BPER, Prometeia

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- assets and liabilities
- profit and loss
- capital adequacy

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- assets and liabilities**

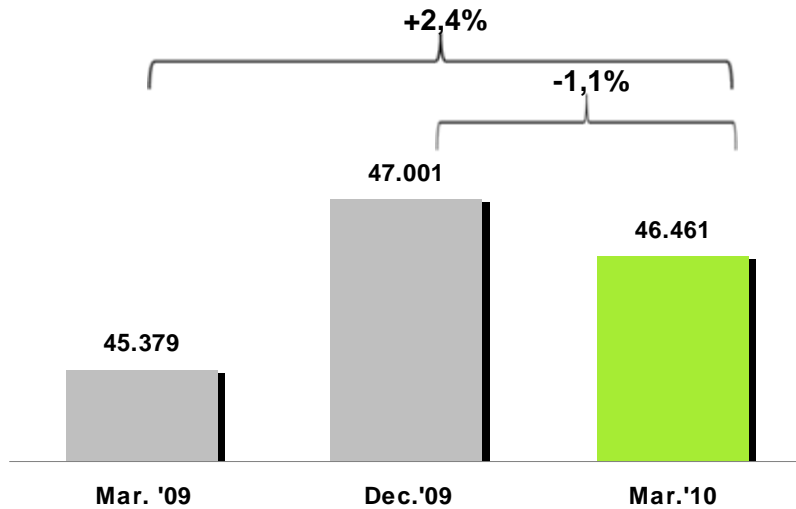
- profit and loss

- capital adequacy

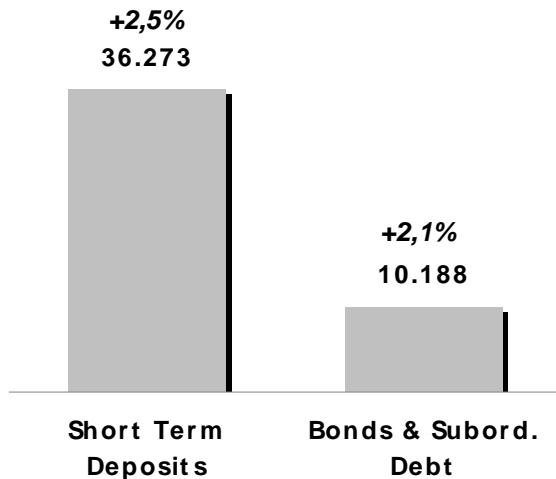
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Direct Funding

Direct Funding Total



Direct Funding by Maturity (March '10 – YoY)

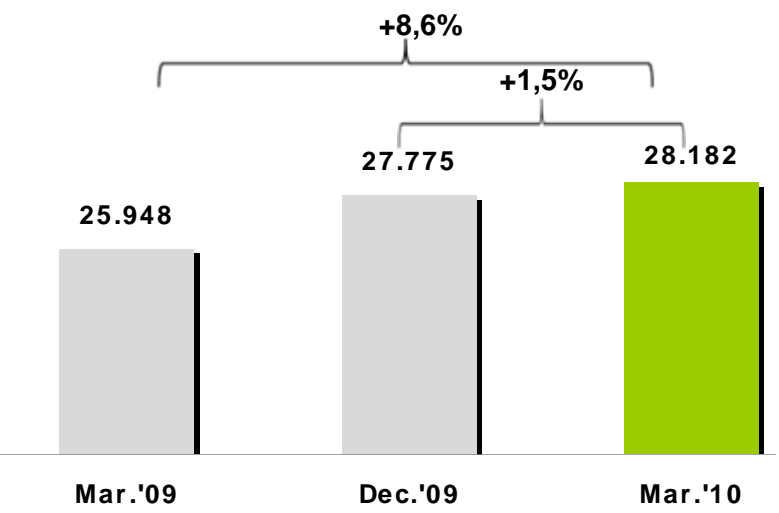


Main trends

- ✓ Reduction in the 1Q10 due to seasonal effects and some outflows from “fiscal shield” deposits (“scudo fiscale”) into other investment products
- ✓ Significant growth in bonds, certificates and, particularly, REPOS
- ✓ BPER: 248 €mil subordinated convertible bond issued in March 2010 and fully subscribed

Indirect Deposits

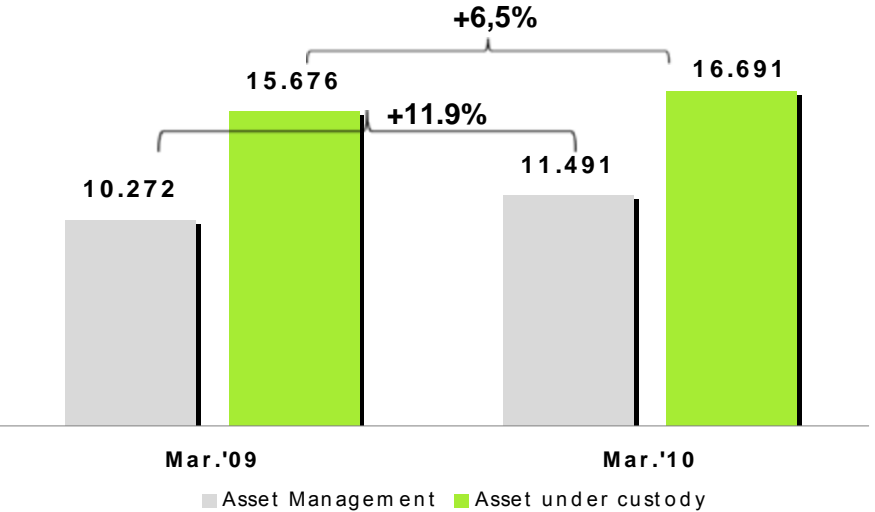
Total Indirect Deposits



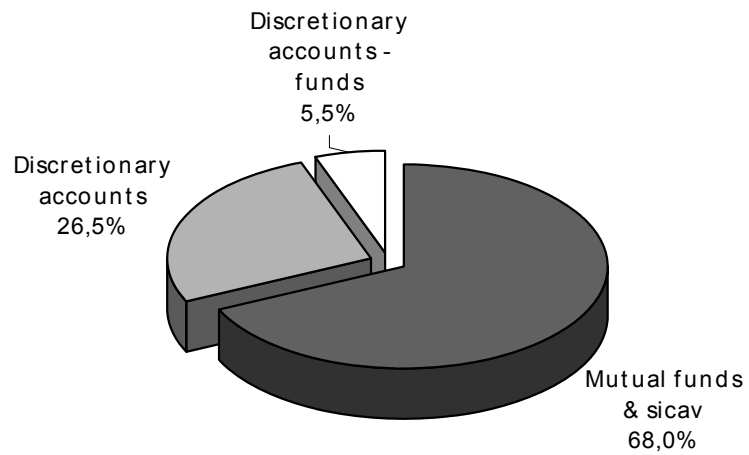
Main trends

- ✓ AUM on total indirect deposits up from 39,6% to 40,8% in 12 months
- ✓ Trends:
 - a) AUC: growth of equity assets
 - b) AUM: reduction of liquidity mutual funds

Indirect Deposits Breakdown

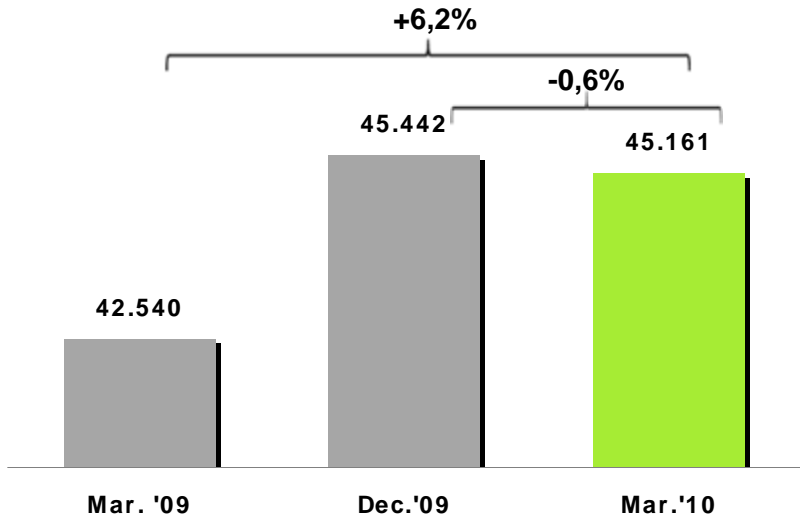


AUM Breakdown (March '10)



Customer Loans

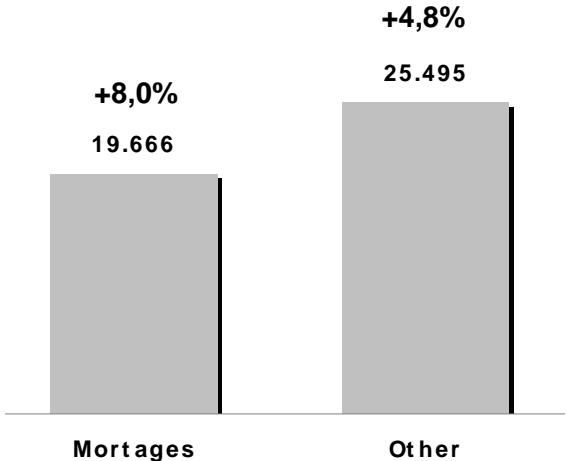
Loans



Main trends

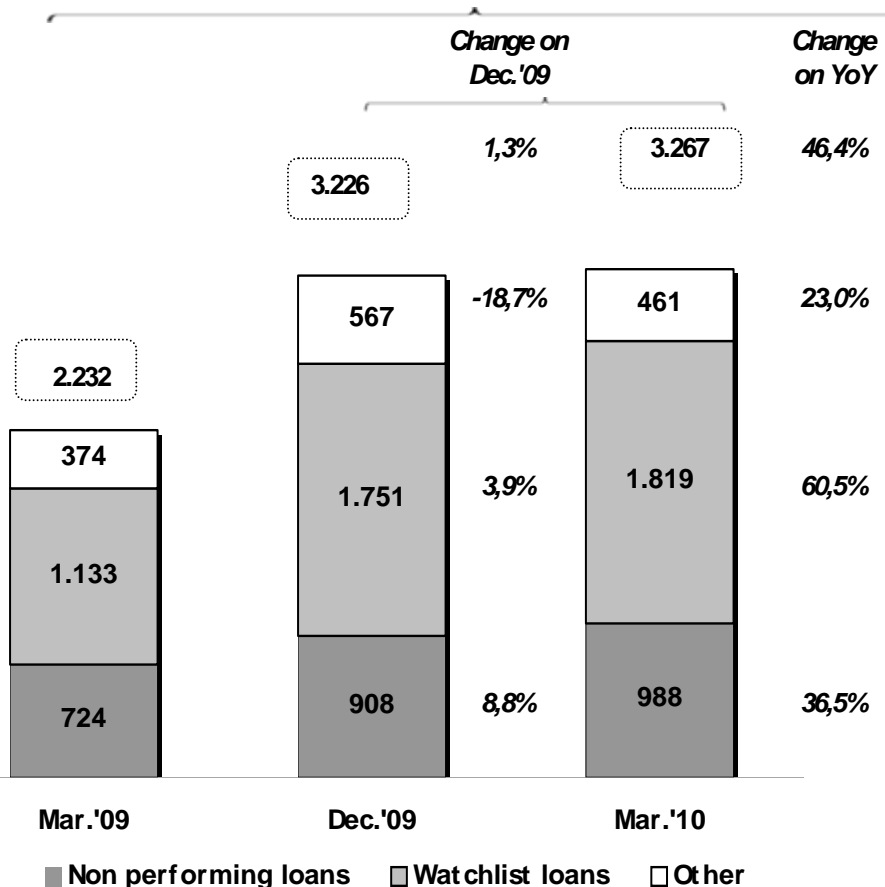
- ✓ Slight reduction in 1Q10 originated by the combined effect of:
 - BNT deconsolidation (-0,5 €bn)
 - Restructuring of Meliorbanca loans portfolio in progress (-0,1 €bn)
 - Growth of commercial banks lending
- ✓ Corporate loans market share, net of Meliorbanca: 20 bps up in 12 months

Loans by Maturity (March '10 – YoY)



Doubtful Loans : non performing loans increase

Breakdown of Doubtful Loans



Main trends

- ✓ Slowdown of doubtful loans growth vs 4Q09 (particularly of watchlist loans)
- ✓ Outflows of watchlist loans (originated in 2009) into non performing category, as expected
- ✓ -18,7% of restructuring and past due

Notes: in box total doubtful loans

Doubtful Loans

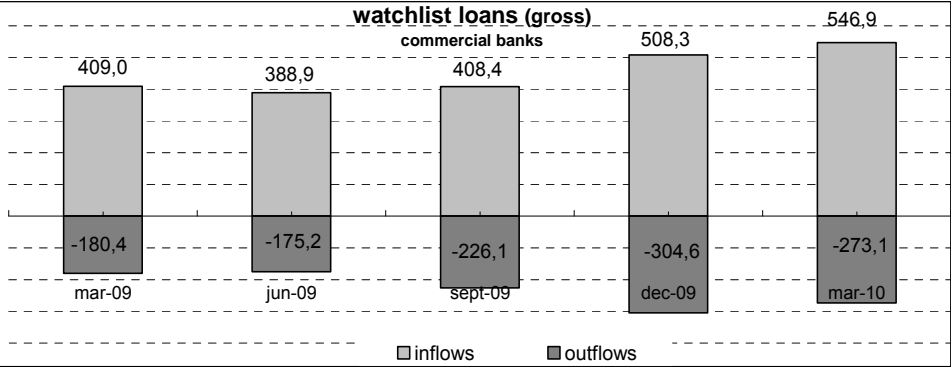
% on net lending and coverage

	% of net lending		Cover		% of net lending		Cover		% of net lending		Cover	
	Mar-09		2009		Mar-10		2009		Mar-10		2009	
net non performing loans	1,7%	62,46%	2,0%	60,63%	2,2%	60,20%	2,0%	60,63%	2,2%	60,20%	2,0%	60,20%
watch-list loans	2,7%	22,29%	3,9%	20,76%	4,0%	18,20%	3,9%	20,76%	4,0%	18,20%	3,9%	20,76%
other	0,9%	4,00%	1,2%	4,07%	1,0%	5,24%	1,2%	4,07%	1,0%	5,24%	1,2%	4,07%
total doubtful loans	5,2%	45,17%	7,1%	36,84%	7,2%	37,07%	7,1%	36,84%	7,2%	37,07%	7,1%	36,84%
other loans	94,8%	0,93%	92,9%	0,89%	92,8%	0,99%	92,9%	0,89%	92,8%	0,99%	92,9%	0,89%
Total loans	100,0%	4,32%	100,0%	4,78%	100,0%	4,93%	100,0%	4,78%	100,0%	4,93%	100,0%	4,93%

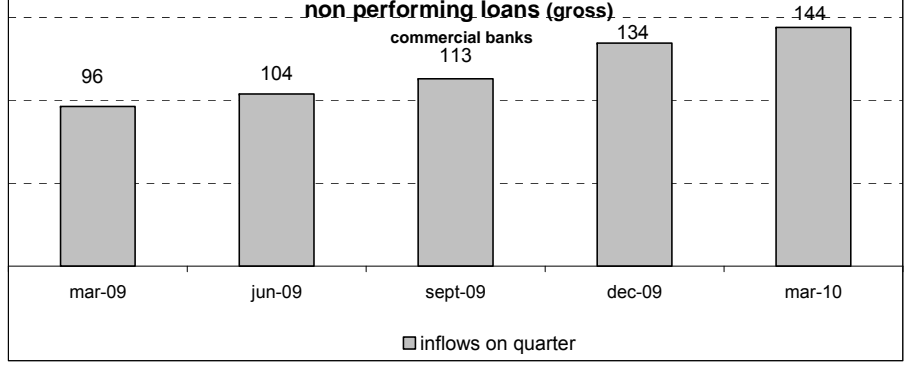
Main trends

- ✓ non-doubtful loans (“in bonis”) coverage at 0,99%: one of the highest level among peers
- ✓ 1Q10 watchlist loans inflows boosted by 4 significant positions, for a total of 127,5 €\mn

Watchlist loans flows



Non performing loans inflows

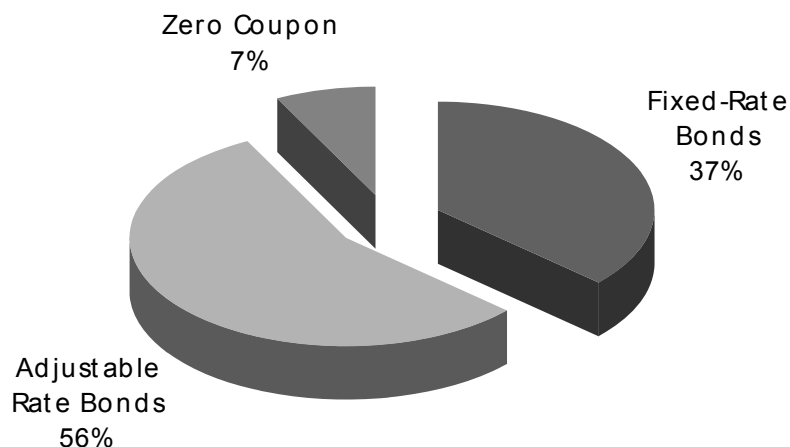


Securities portfolio

Breakdown of securities portfolio

	€m	%
Bonds	3.756	81,9%
Equity	428	9,3%
Funds and Sicav	213	4,7%
Other	187	4,1%
Group	4.584	100,0%

Bonds portfolio: breakdown by coupon



Main trends

- ✓ equity portfolio mainly constituted by shareholdings (IstPop, Dexia, Release, etc.)
- ✓ bonds portfolio mostly represented by govies (1,7 €\bn) and primary banking institutions (1,5 €\bn)
- ✓ duration (in years):
 - investment portfolio (0,4 €\bn): 2,5
 - ALM portfolio (0,8 €\bn): 5
 - other (2,6 €\bn): 0,8

PIGS Exposure (31 march 2010)

	Portugal	Ireland	Greece	Spain	Total
government *	16	25	7	72	120
covered bonds	7	1		47	55
banking	4	12	14	17	47
other	2	8		11	21
Total	29	46	21	147	243

* Included also bonds guaranteed by the Government

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Profit & Loss

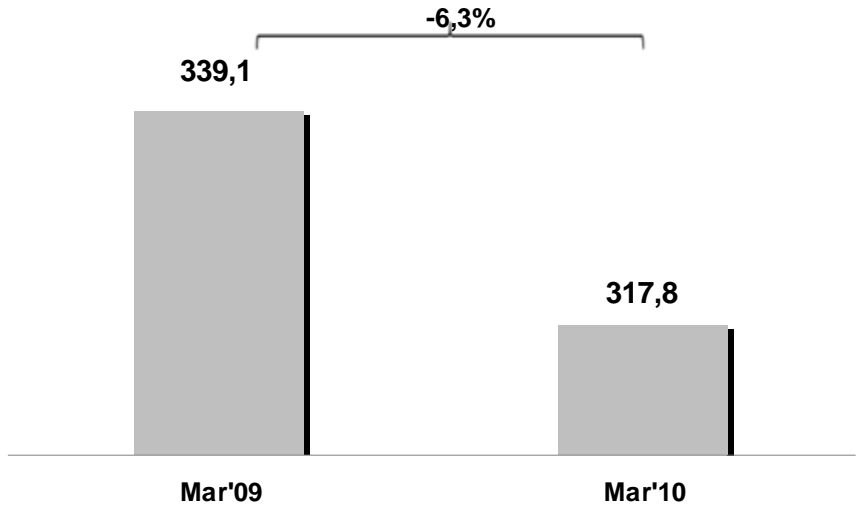
P&L €/mil	31 mar.'10	31 mar.'09	Change	
Interest Margin	317,8	339,1	-21,3	-6,3%
Commissions	176,2	131,1	45,1	34,4%
Dividends and Trading gains	21,8	30,7	-9,0	-29,1%
Total Income	515,8	501,0	14,9	3,0%
Adjustments	-106,3	-104,5	-1,8	1,7%
Operating Income	409,5	396,5	13,1	3,3%
Operating costs	-305,1	-297,9	-7,3	2,4%
Net Operating Income	104,4	98,6	5,8	5,9%
Other income, net	0,3	2,7	-2,4	-87,9%
Pre-tax Profit	104,7	101,3	3,4	3,4%
Taxes	-44,7	-45,0	0,2	-0,5%
Net profit of assets under disposal	5,8		5,8	n.c.
Net profit	65,8	56,4	9,4	16,7%
Minority Interests	-7,8	-17,4	9,6	-55,2%
Net Profit, Group Share	58,0	38,9	19,1	49,0%
Cost/Income	59,16%	59,46%		-0,30%
Net profit/Total income	12,76%	11,25%		1,51%

- ✓ net profit growth +16,7%
- ✓ net profit, Group Share +49%
- ✓ NII: +4,2% on a like-for-like basis (net of maximum overdraft fee: "cms")
- ✓ commissions: relevant increase (+34,4%) led by new commissions structure and income from indirect deposits; +6,7% on a like-for-like basis

- ✓ provisions slightly higher than 12 months ago
- ✓ cost increase (+2,4%) mainly due to Risk and Charges Provisions
- ✓ low level of minority interests (11.9% of the net profit)

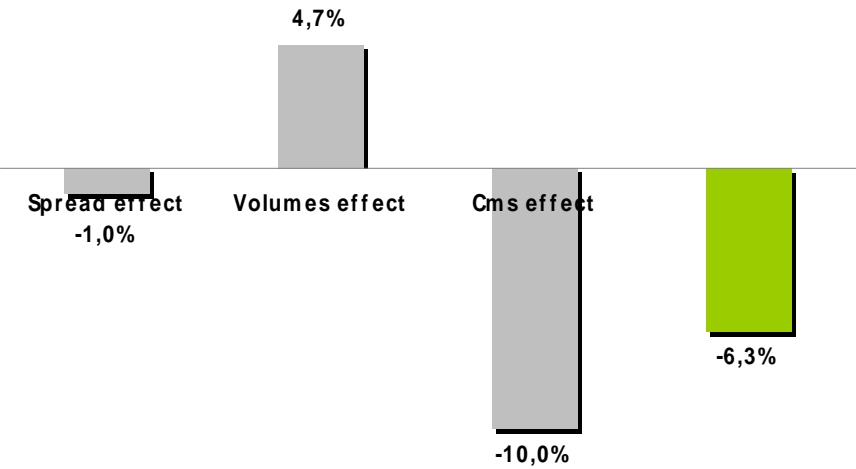
Interest margin

Reduction due to Maximum Overdraft Fee elimination Main trends

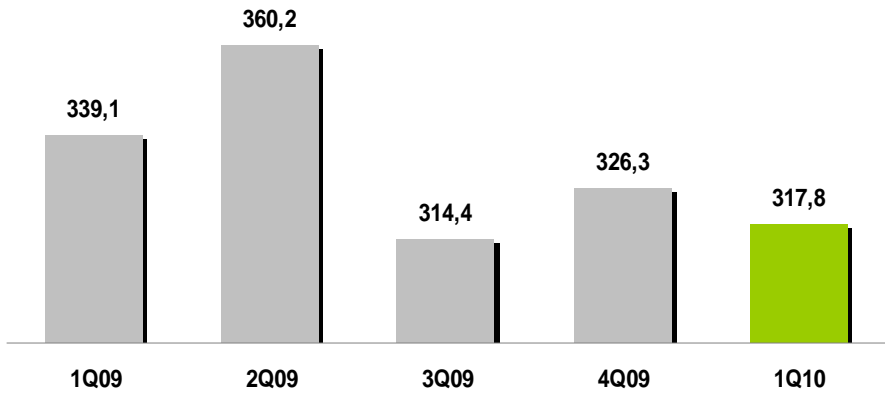


- ✓ growth in 1Q10 vs 1Q09: +4,2% on a like-for-like basis net of maximum overdraft fee (“cms”)
- ✓ reduction vs 4Q09 due to BNT deconsolidation (-4 €\mn) and lower number of days than 4Q09 (-6,6 €\mn)
- ✓ spread impact only -1%, sign of a progressive moving closer to 2008 spread
- ✓ significant growth of average volumes (volume effect +4,7%)

Interest margin Breakdown (31 March'10)

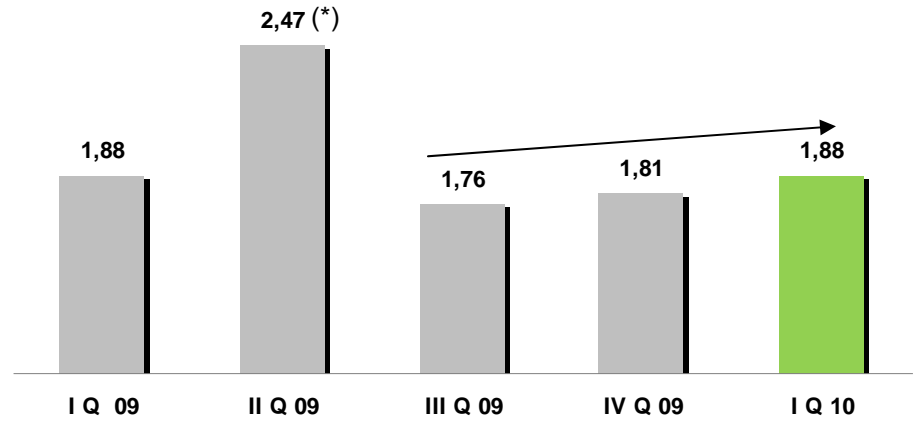


Interest margin by quarter



Spread effect – Quarterly trends

Spread (%)

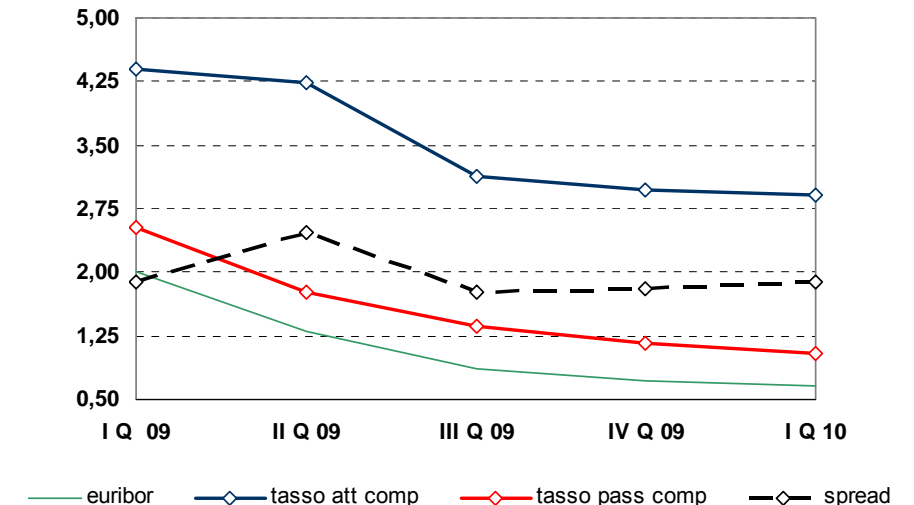


Main trends

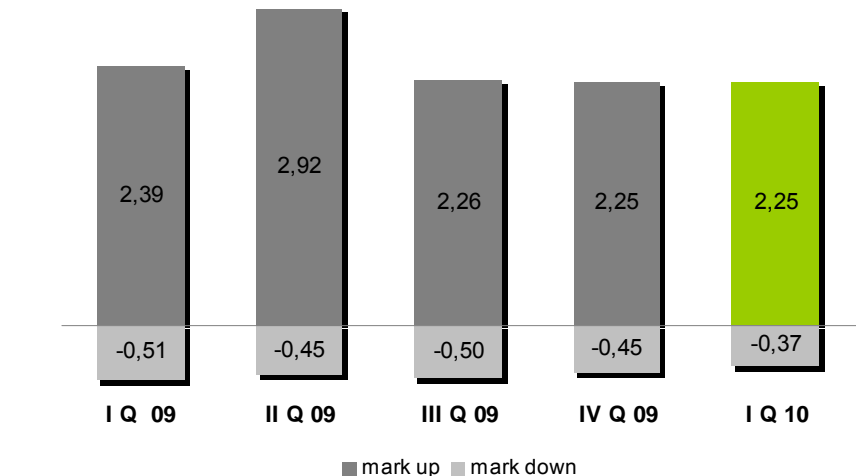
- ✓ spread widening in the last 2 quarters
- ✓ mark down improvement, thanks to the expiring of bonds and certificates with higher coupon
- ✓ mark up stabilization, with repricing counterbalanced by the negative effect of Banco di Sardegna floating rate mortgages

(*) including dividends

Rates (%)

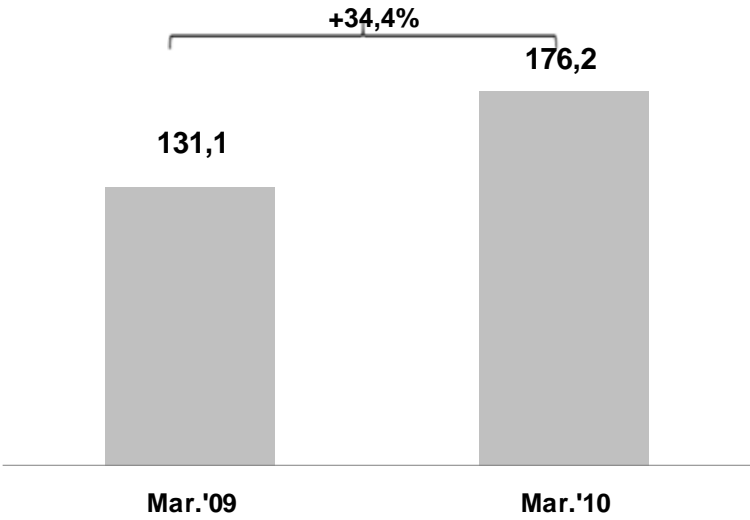


Mark up & mark down (%)



Commissions

Significant increase in 12 months



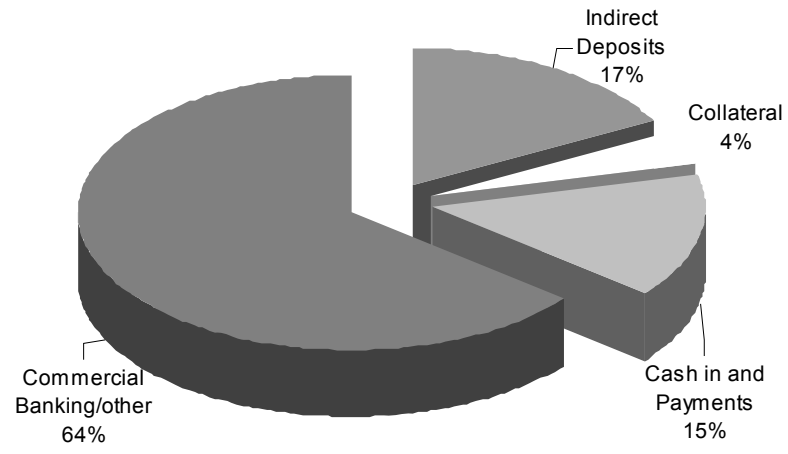
Main trends

- ✓ 1Q10 vs 1Q09: positive effect due to new commissions structure
- ✓ good contribution from indirect deposits commissions, particularly AUM
- ✓ traditional commissions down due to weak economic cycle (payments, cash-in, etc.)

Commissions Breakdown

€/m	0	0	%
Indirect Deposits (*)	30,5	25,3	20,4%
Collateral	6,7	6,7	-0,7%
Cash in and Payments	25,9	26,2	-1,1%
Commercial Banking/other	113,2	73,0	55,1%
Total	176,2	131,1	34,4%

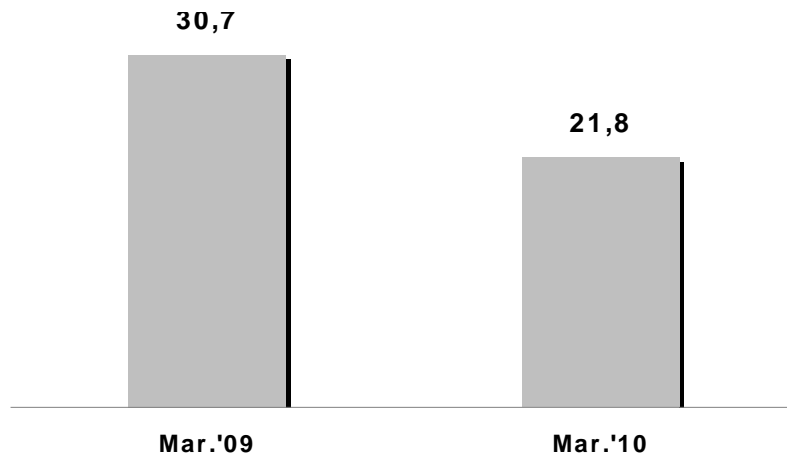
Commissions Breakdown (31 march '10)



(*) Including Bancaassurance

Non interest income – Dividend and Trading gains

Dividends and Trading gains



Main trends

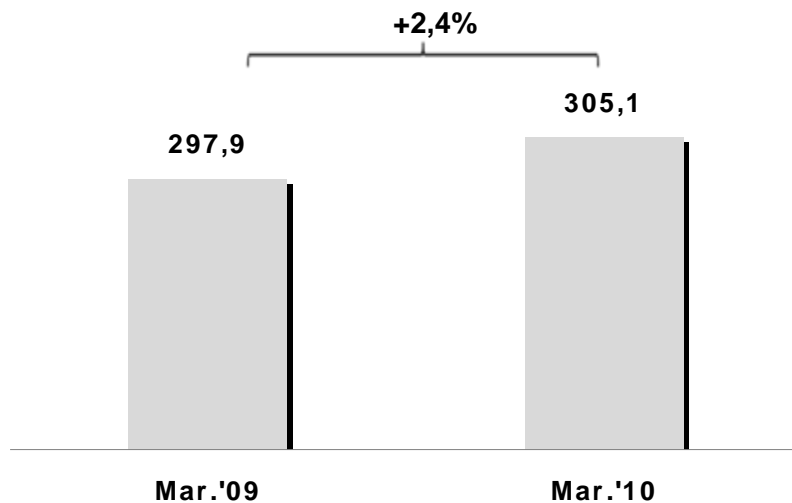
- ✓ Trading income at a lower level than in 1Q09 but still significant
- ✓ More than 25% of the trading gains already cashed (dividends + trading = 5,7 €\mil)
- ✓ Trading income still positive after the first 2 weeks of May

Dividends and Trading gains Breakdown

€/m	Mar.'10	Mar.'09	Change
Dividends	1,7	1,1	0,6
Trading (net)	4,0	10,7	-6,7
Plus	23,4	45,2	-21,7
Minus	-6,0	-32,6	26,6
Other	-1,4	6,4	-7,8
Total	21,8	30,7	-9,0

Operating costs

Operating Costs



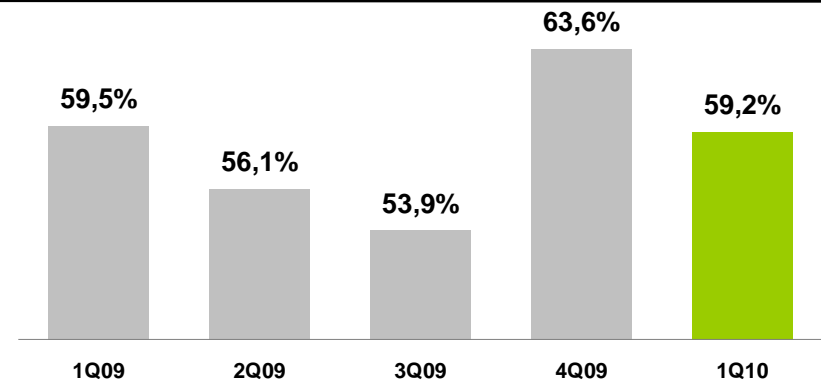
Main trends

- ✓ operating costs up: +2,4%
- ✓ staff costs: slight increase (+1,3%) due to the recruitment in BP del Mezzogiorno related to the Sicily branches reinforcement
- ✓ depreciations growth linked to new investments in 2H09 for the business plan projects implementation
- ✓ strong growth of Risk and Charges Provisions

Operating Costs Breakdown

€/m	Mar.'10	Mar.'09	Delta	%
Staff	190,1	187,6	2,5	1,3%
Administrative Expences	119,0	119,7	-0,7	-0,6%
Depreciations	13,1	11,7	1,4	12,2%
Other	6,7	3,5	3,2	88,9%
Other Revenues/Costs	-23,8	-24,7	0,9	-3,6%
Total	305,1	297,9	7,3	2,4%

Cost Income by Quarter



Loan Loss Provisions: strong impact of provisions on “bonis”

Provisions Breakdown

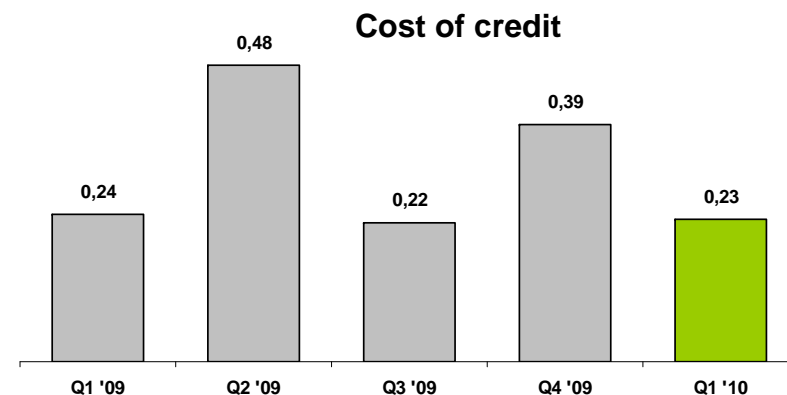
	mar-10	mar-09	Δ	%
gross provisions				
non performing loans	89.457	60.011	29.446	49,1%
watchlist loans	79.727	86.925	-7.198	-8,3%
others	1.378	2.083	-705	-33,8%
past due	678	616	61	10,0%
provisions "on bonis"	24.085	7.442	16.643	223,6%
Total Commercial Banks	195.325	157.077	38.248	24,3%
<i>of which: time value (total)</i>	<i>41.134</i>	<i>30.334</i>	<i>10.799</i>	<i>35,6%</i>
write backs				
non performing loans	49.671	43.036	6.636	15,4%
watchlist loans	41.930	26.783	15.147	56,6%
others	1.789	1.573	215	13,7%
past due	5.461	2.331	3.130	134,3%
write backs "on bonis"	437	7.328	-6.891	-94,0%
Total Commercial Banks	99.288	81.051	18.238	22,5%
net provisions				
Total Commercial Banks	96.036	76.026	20.010	26,3%
Meliorbanca	6.633	21.853	-15.220	-69,6%
Other Companies	3.606	6.602	-2.996	-45,4%
Total Group	106.276	104.482	1.794	1,7%

Main trends

✓ Provisions slightly higher than in 1Q09, but with a different mix:

- Inflows from watchlist loans to non performing
- Increasing impact of provisions on non-doubtful loans (“in bonis”) due to:
 - a) realignment of PD due to the worsening economic scenario
 - b) higher “time value” effect related to increasing inflows to non performing loans

✓ Meliorbanca: drop in provisions in comparison with 1Q09; corporate loans under control; provisions on retail 2,3 €mn



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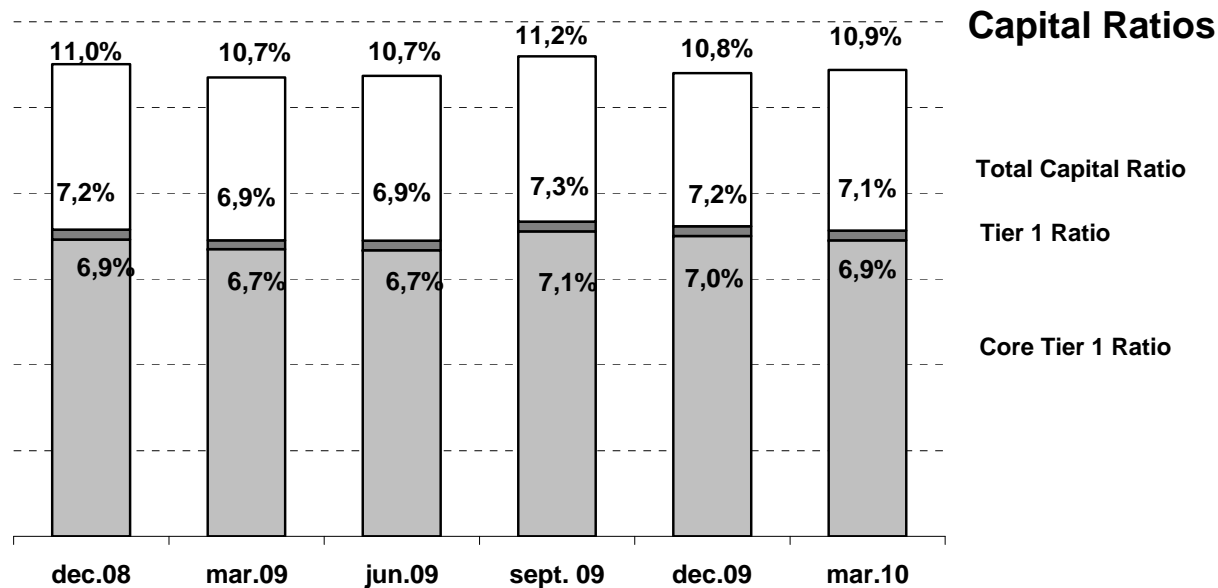
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profit and loss

capital adequacy

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Regulatory capital: Capital Ratios strenghtened even after Meliorbanca and Italease



Capital Requirements

capital requirements	€/000	%
credit risk	3.045.830	87,6%
market risk	62.569	1,8%
other regulatory requirements	64.245	1,8%
operating risks (from 1/1/2009-Basel 2)	304.005	8,7%
total requirements	3.476.649	100,0%

Main trends

- ✓ 1Q10 core capital at 2,971 €/mn from 4Q09 3,005 €/mn due to BNT deconsolidation
- ✓ Core Tier1 from 7% to 6,9 most of all due to RWA expansion linked to the realignment of loans PD
- ✓ CT1 figure does not include the benefits of the ARCA Vita deal and from the future conversion of the "BPER 4% 2010-2015 subordinated convertible bond with redemption in shares" placed recently, estimated in total as 85 bps.

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4. Group Business Plan 2009-2011: work in progress

2009 main figures compared to Business Plan

P&L €/000	31 dec. 2009			Business Plan '09		
	Total w/o Meliorbanca	Meliorbanca	Total	Total w/o Meliorbanca	Meliorbanca	Total
Interest Margin	1.292.898	47.038	1.339.936	1.257.314	33.548	1.290.862
Commissions	613.116	24.851	637.967	597.625	44.427	642.052
Dividends and Trading gains	166.351	12.628	178.979	21.660		21.660
Total Income	2.072.365	84.517	2.156.882	1.876.599	77.975	1.954.574
Adjustments	-444.079	-160.902	-604.981	-351.454	-26.900	-378.354
Operating Income	1.628.286	-76.385	1.551.901	1.525.145	51.075	1.576.220
<i>staff costs</i>	-740.321	-25.475	-765.796	-733.921	-29.000	-762.921
<i>general expenses</i>	-477.952	-28.480	-506.432	-479.145	-28.706	-507.851
<i>net provisions for risks and charges</i>	-12.573	-9.703	-22.276	-19.699		-19.699
<i>depreciation</i>	-56.324	-975	-57.299	-48.011		-48.011
<i>other income</i>	94.101	3.529	97.630	89.331	5.708	95.039
Operating costs	-1.193.069	-61.104	-1.254.173	-1.191.445	-51.998	-1.243.443
Net Operating Income	435.217	-137.489	297.728	333.700	-923	332.777
Extraordinary items	8.644		8.644	22.430		22.430
Pre-tax Profit	443.861	-137.489	306.372	356.130	-923	355.207
Taxes	-178.501	33.212	-145.289	-170.931	-841	-171.772
Net profit of assets under disposal	8.390		8.390			0
Net profit	273.750	-104.277	169.473	185.199	-1.764	183.435

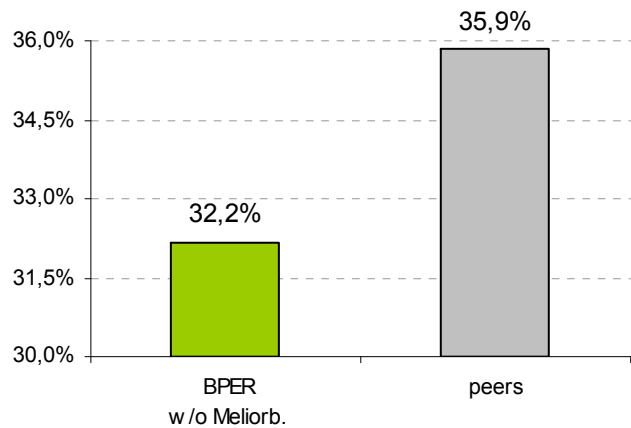
cost / income	57,6%	58,1%	63,5%	63,6%
net profit / total income	13,2%	7,9%	9,9%	9,4%
commissions / (comm+interest marg.)	32,2%	32,3%	32,2%	33,2%

The Implementation Plan is articulated in 7 Programs and 28 Project initiatives, 16 of them with high priority

<i>Programs</i>	<i>Initiatives</i>	<i>%</i>	<i>Status</i>
Distribution Channel Program	Re-launch of underperforming Branches		
Marketing&Commercial Program	CRM instruments&methods + Commercial Behaviours		
	Empowerment / Renewal of remote channels		
Credit Program	Client-value optimization– Pricing Risk based		
	Active Credit Management – Early Warning		
	Credits cartolarization + Managing of Doubtful Loans		
	Credit Process – Electronic credit procedure		
Functioning Program	Branch processes optimization		
	Back Office Rationalization / BperServices Consortium evolution		
	Cost Efficiency		
Personnel Program	Management of HR Inflow/Outflow		
	Instrument and measures for personnel cost optimization		
Special Projects Program	Meliorbanca integration		
	Bancassurance Partnership		
Governance&Controlling Program	Group's Finance centralization		
	New model of Management Control		

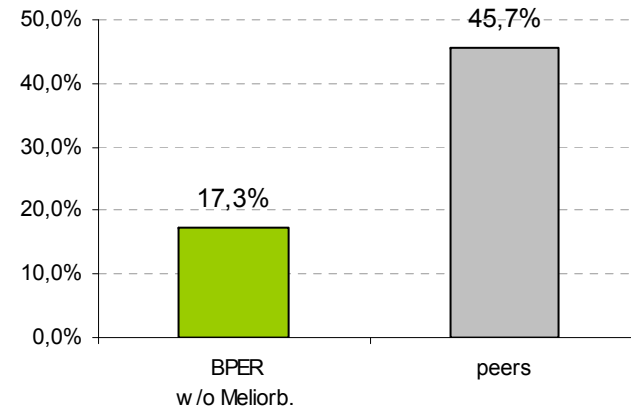
A new customer approach: from a “transactional” to a “relational” one, with an important upside potential

Commissions / (Interest margin + commissions)



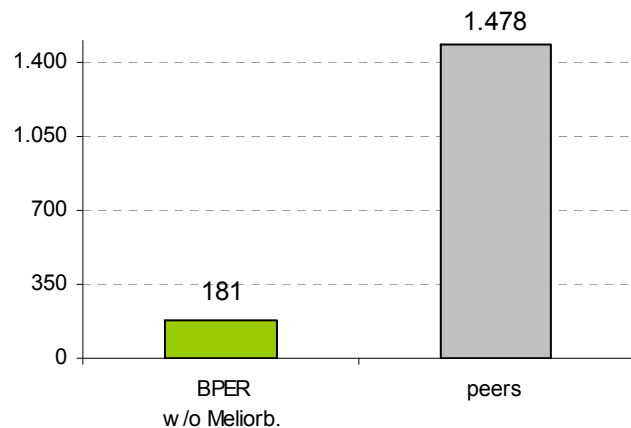
Peers: UBI, BP, BPM, Credem – 2009 Company figures

Indirect deposit commissions / Total commissions



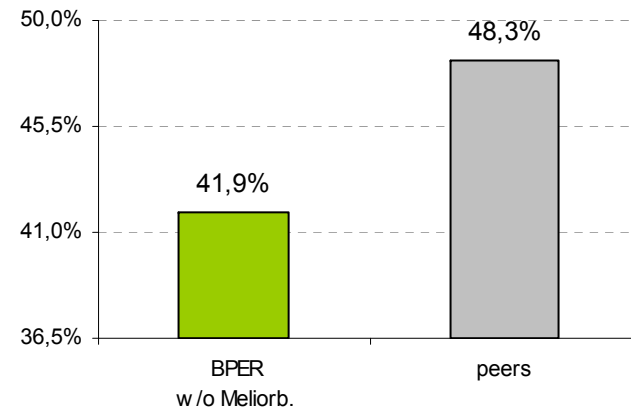
Peers: UBI, BP, BPM, Credem – 2009 Company figures

Life insurance premiums by branch



Peers: banks with more than 1000 branches – 2008 Internal study

Indirect deposits / (direct + indirect deposits)



Peers: UBI, BP, BPM, Credem – 2009 Company figures

Contacts

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