



Banca Popolare di Bari Group 1H 2017 and Group Presentation

October 2017

Disclaimer (1/2)

The information contained in this investor presentation (respectively, the “Information” and the “Investor Presentation”) has been prepared by and is the sole responsibility of Banca Popolare di Bari S.C.p.A. (“BPB”). This Information is made available by BPB to Permitted Recipients (as defined below), on a confidential basis and for information purposes only. You are prohibited from using the Information for any other purpose. The Information may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution or reproduction of the Information in whole or in part is unauthorized.

This Investor Presentation may contain forward looking statements concerning future events. Those forward-looking statements are based on the current information and assumptions of the BPB’s management concerning known and unknown risks and uncertainties.

Forward-looking statements do not relate to definite facts and are subject to risks and uncertainty. The actual results may differ considerably as a result of risks and uncertainties relating to the BPB’s expectations regarding such matters as the assessment of market risk and revenue growth or, more generally, the economic climate and changes in the law and taxation.

BPB cautions that expectations are only valid on the specific dates, and accept no responsibility for the revision or updating of any information following changes in policy, developments, expectations or the like.

The financial data regarding forward-looking statements concerning future events included in this Investor Presentation have not been audited. This Investor Presentation is not intended to offer securities, investment advisory services, investment management services, fiduciary services, or any other financial services to any US person as such term is defined in regulations under the US Securities Act of 1933, as amended, nor to any persons who are not allowed by the laws of their jurisdiction to invest offshore. The investments and services herein are not available to such persons.

The Information is intended to be made available only to, and is directed only at, persons (Permitted Recipients) who are (a) not a U.S. person (within the meaning of Regulation S under the Securities Act 1933 (as amended)) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia, (b) "qualified investors", as such term is defined in Directive 2003/71/EC (as amended) and (c) in respect of any persons in the United Kingdom, who (i) have professional experience in matters relating to investments or (ii) are a high net worth entity falling within Article 49(2)(a) to (d) of the Financial Services and Markets Act (Financial Promotion) Order 2005 or a certified high net worth individual within Article 48 of the Financial Services and Markets Act (Financial Promotion) Order 2005. It must not be acted on or relied on by, nor are the securities described herein available, to any other persons.

BPB is not registered as a broker-dealer or investment advisor by the US Securities and Exchange Commission. It cannot transact business as a broker-dealer or investment advisor in jurisdictions in which BPB is not exempt or excluded from such requirements.

Disclaimer (2/2)

The information provided is not intended to effect any transaction in securities nor is it an offer to buy or sell securities. BPB is supplying the entire content of this communication solely for general informational purposes. This Investor Presentation does not constitute an offer or solicitation to anyone in any jurisdiction in which such an offer or solicitation is not authorized, or to any person to whom it is unlawful to make such an offer or solicitation.

The information given in this Investor Presentation does not constitute legal, tax, accounting, regulatory or investment advice or opinion, and should not be relied upon for any planning purposes. It is provided solely and exclusively for general, non-specific informational purposes, and to advise the reader of the nature of the services and products offered by BPB.

You should neither construe any of the material contained herein as business, financial, investment, hedging, trading, legal, regulatory, tax, or accounting advice nor make this service the primary basis for any investment decisions made by you and you may want to consult your business advisor, attorney, and tax and accounting advisors concerning any contemplated transactions.

BPB expressly disclaim any and all liability for any representations (whether express or implied) contained in, or any omissions from, this Investor Presentation or any other written or oral communications transmitted to the recipient in the course of the recipient's evaluation of the services offered hereby. BPB expressly disclaim any and all liability which may be based on such information, errors therein or omissions therefrom. The information in this Investor Presentation may become unreliable because of subsequent market conditions, economic circumstances, new legal developments or for other reasons. BPB disclaim any intent or obligation to update these statements. Moreover, there is no assurance that any projections, predictions, forward-looking statements or forecasts will be realized.

The information contained herein must not be distributed by the viewer and is not intended for use in any jurisdiction where its use would be unlawful. This document contains links to third party web sites. These links are provided only as a convenience. The inclusion of any link is not and does not imply an affiliation, sponsorship, endorsement, approval, investigation, verification or monitoring by BPB of any information contained in any third party web site. In no event shall BPB be responsible for the information contained on that site or your use of or inability to use such site. No warranty, express or implied, is given by BPB as to the accuracy or completeness of the information that may be accessed by the website links.

The figures included in this Investor Presentation may be rounded up or down. Any inconsistencies and/or differences between the data included in the various tables herein are the result of such rounding.

Banca Popolare di Bari in a nutshell

- Credit policies and asset quality
- Funding, liquidity and securities portfolio
- Capital ratio
- Revenues development
- Cost management and Net profit development
- Annexes

Banca Popolare di Bari in a nutshell

Overview

History

- Banca Popolare di Bari is a cooperative Bank founded in 1960 by a group of 76 shareholders
- Historically the Bank is focused on traditional Retail banking, in particular on Mass/Affluent clients and SME
- Over the last decade, the Bank has experienced a strong growth, also driven by an intense M&A activity
- As of today, the Bank has about 70k shareholders (mainly Retail and SME) and it represents the largest banking group in Southern Italy

Key Highlights

Distribution Network

- ❑ **357 branches⁽¹⁾**
- ❑ Approx. **3,100 employees⁽¹⁾**
- ❑ Geographical focus in Southern Italy (Puglia, Abruzzo, Basilicata and Campania) and areas of Central Italy (Umbria through CR Orvieto)

Funding

- ❑ Approx **€10.4 bn⁽¹⁾** of Direct Funding (mainly deposits) and more than €4,1 bn of Indirect Funding, of which €2,4 bn of AuM

Loans

- ❑ Approx **€10.2 bn⁽¹⁾** of loans to customers, both Retail and SME
- ❑ Historically a good asset quality and adequate coverage ratios

Profitability

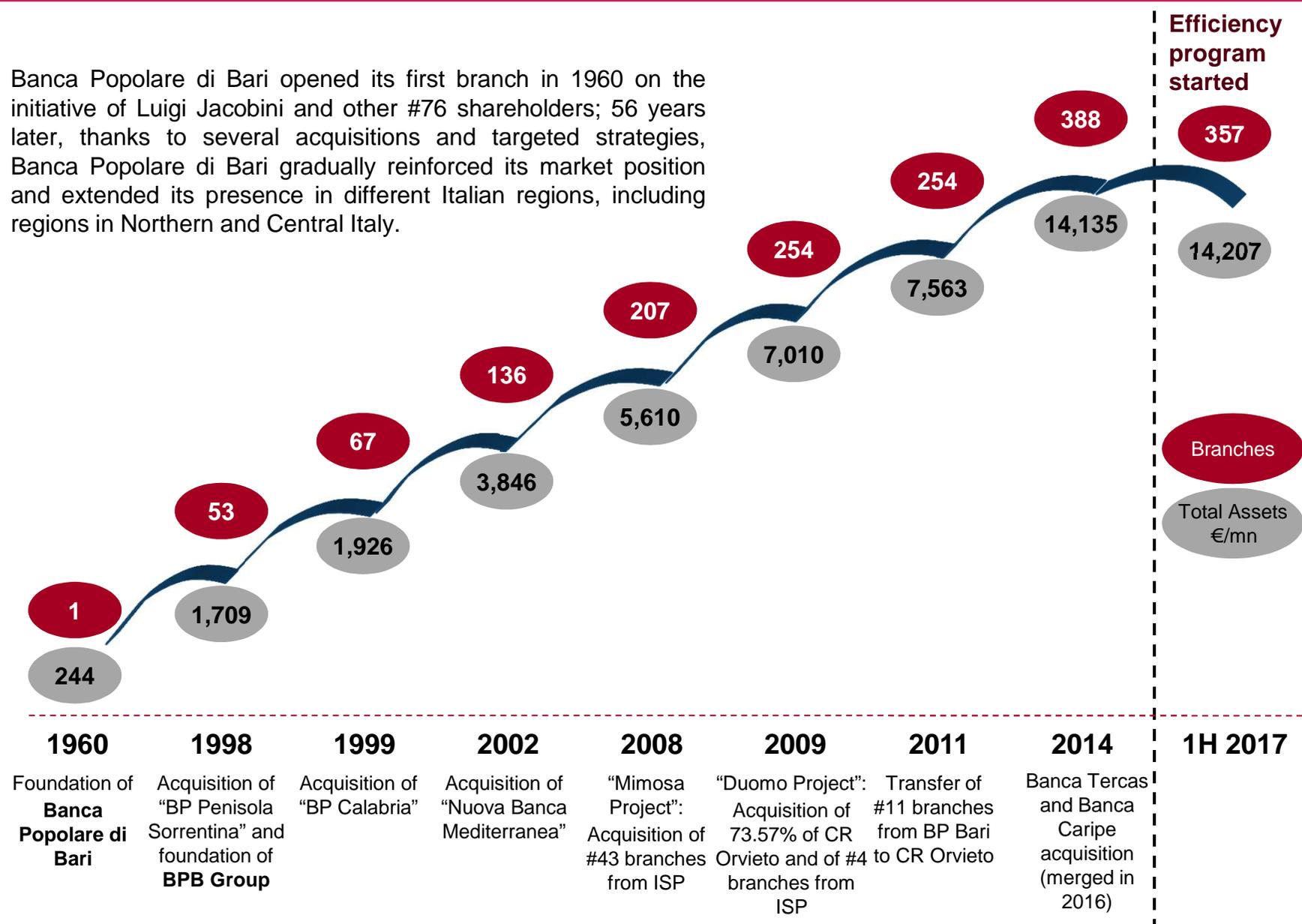
- ❑ 1H 2017 reported operating income equal to **€202 mr⁽¹⁾**, with a good contribution of commission stream
- ❑ Cost/Income ratio approx. 80%. After full benefit of cost reduction measures up to 70%

Note: (1) As of 30 June 2017

Banca Popolare di Bari in a nutshell

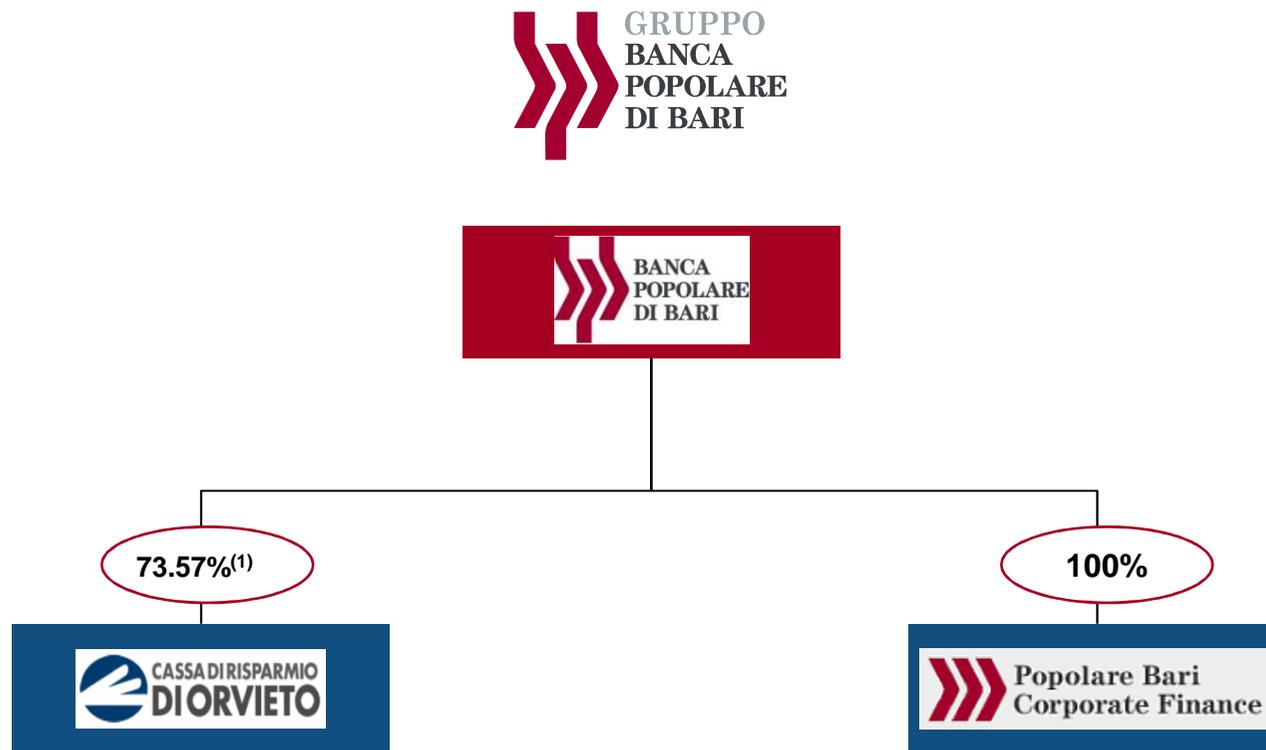
Milestones

Banca Popolare di Bari opened its first branch in 1960 on the initiative of Luigi Jacobini and other #76 shareholders; 56 years later, thanks to several acquisitions and targeted strategies, Banca Popolare di Bari gradually reinforced its market position and extended its presence in different Italian regions, including regions in Northern and Central Italy.



Banca Popolare di Bari in a nutshell

Current structure



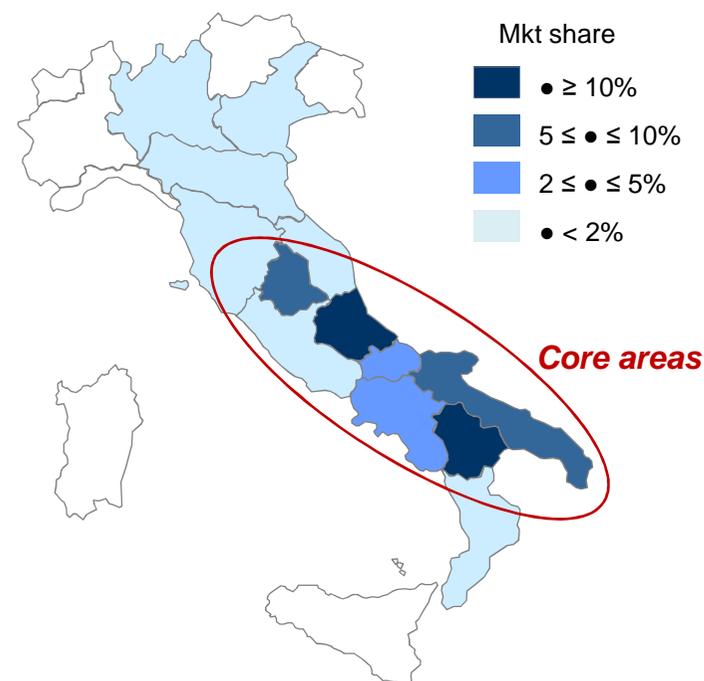
In July 2016, Banca Tercas and Banca Caripe were merged by incorporation inside the parent company Banca Popolare di Bari. At the same time, the IT systems of the two entities were integrated. As a result of the merger, it was implemented one of the most important strategic projects included in the Group's industrial plan 2016 – 2020 ("Banca Unica"). "Banca Unica" project envisages important synergies both in terms of revenues and costs.

Note: (1) 26.43% owned by Fondazione Cassa Risparmio di Orvieto

Banca Popolare di Bari in a nutshell

Distribution network

BPB Group	# branches	% by region	Market share
Lombardia	6	1.7%	0.11%
Veneto	2	0.6%	0.07%
Emilia Romagna	4	1.1%	0.14%
Marche	19	5.3%	1.93%
Toscana	4	1.1%	0.19%
Umbria	32	9.0%	6.50%
Lazio	24	6.7%	1.00%
Campania	44	12.3%	3.12%
Abruzzo	100	28.0%	16.72%
Molise	3	0.8%	2.38%
Puglia	79	22.1%	6.39%
Basilicata	33	9.2%	14.54%
Calabria	7	2.0%	1.60%
ITALY	357	100.0%	1.27%



As of June 30 2017, Banca Popolare di Bari Group counts #357 branches (#303 BP Bari, #54 CR Orvieto), mainly concentrated in Central-Southern Italy.

Banca Popolare di Bari in a nutshell

Market shares

Due to customers market share					
	Dec-2016	Jun-2016	Dec-2015	Δ FY16/1H16	Δ FY16/FY15
ITALY	0.74%	0.81%	0.83%	-0.06%	-0.09%
NORTH - WEST	0.03%	0.03%	0.05%	0.00%	-0.02%
NORTH - EAST	0.02%	0.02%	0.02%	0.00%	0.00%
CENTRAL ITALY	0.55%	0.58%	0.60%	-0.02%	-0.05%
SOUTHERN ITALY	5.80%	6.19%	6.30%	-0.39%	-0.50%
ABRUZZO	15.96%	16.74%	16.98%	-0.78%	-1.02%
CAMPANIA	2.11%	2.11%	2.20%	0.00%	-0.09%
MOLISE	3.79%	3.92%	3.82%	-0.13%	-0.02%
PUGLIA	6.68%	7.56%	7.54%	-0.88%	-0.86%
BASILICATA	16.58%	16.30%	16.69%	0.28%	-0.11%
CALABRIA	1.41%	1.40%	1.42%	0.01%	-0.01%
Loans market share					
	Dec-2016	Jun-2016	Dec-2015	Δ FY16/1H16	Δ FY16/FY15
ITALY	0.66%	0.70%	0.69%	-0.04%	-0.03%
NORTH - WEST	0.06%	0.07%	0.07%	-0.01%	-0.01%
NORTH - EAST	0.07%	0.09%	0.09%	-0.02%	-0.02%
CENTRAL ITALY	0.62%	0.63%	0.60%	-0.02%	0.01%
SOUTHERN ITALY	5.92%	6.27%	6.17%	-0.35%	-0.25%
ABRUZZO	11.70%	14.06%	13.60%	-2.36%	-1.89%
CAMPANIA	2.06%	2.05%	2.02%	0.00%	0.04%
MOLISE	2.38%	2.57%	2.60%	-0.19%	-0.22%
PUGLIA	8.16%	8.22%	8.00%	-0.06%	0.15%
BASILICATA	16.50%	15.20%	15.34%	1.30%	1.16%
CALABRIA	2.07%	1.93%	1.95%	0.14%	0.12%

□ As of December 2016, national market shares were:

- 0.74% for due to customers
- 0.66% for loans
- 1.24% for branches

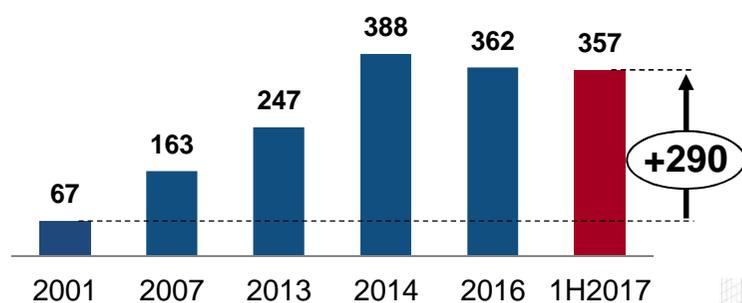
□ The highest market shares are in Southern Italy, in particular, in Abruzzo, Basilicata and Puglia.

Banca Popolare di Bari in a nutshell

Group economic-financial growth

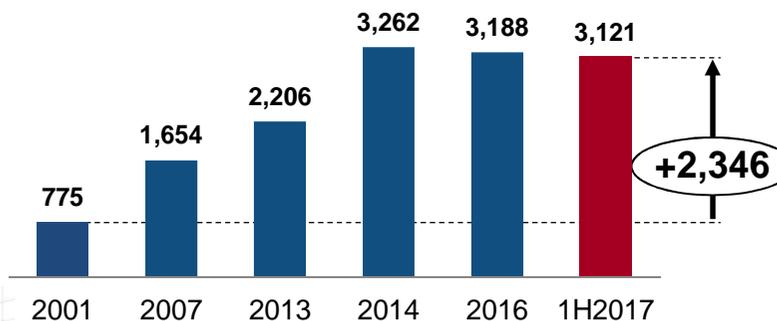
Branches

#



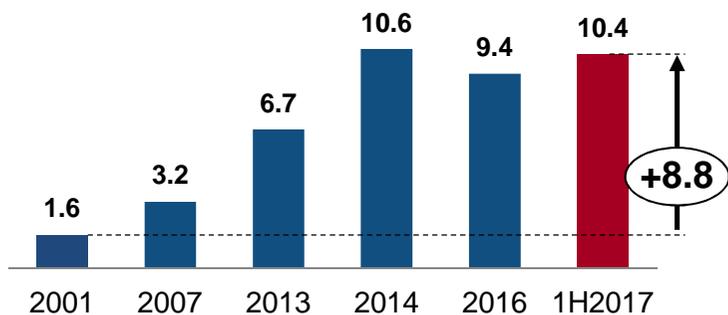
Personnel

#



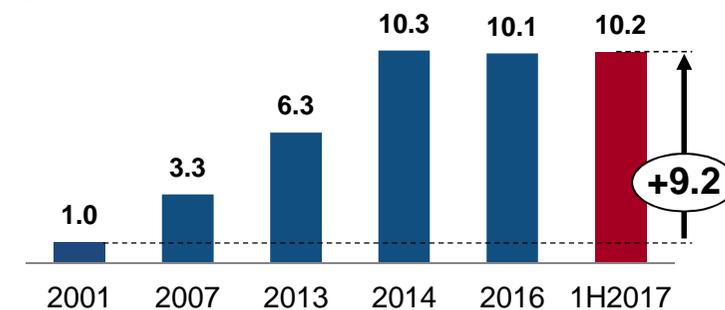
Direct funding

€ bn



Loans to customers

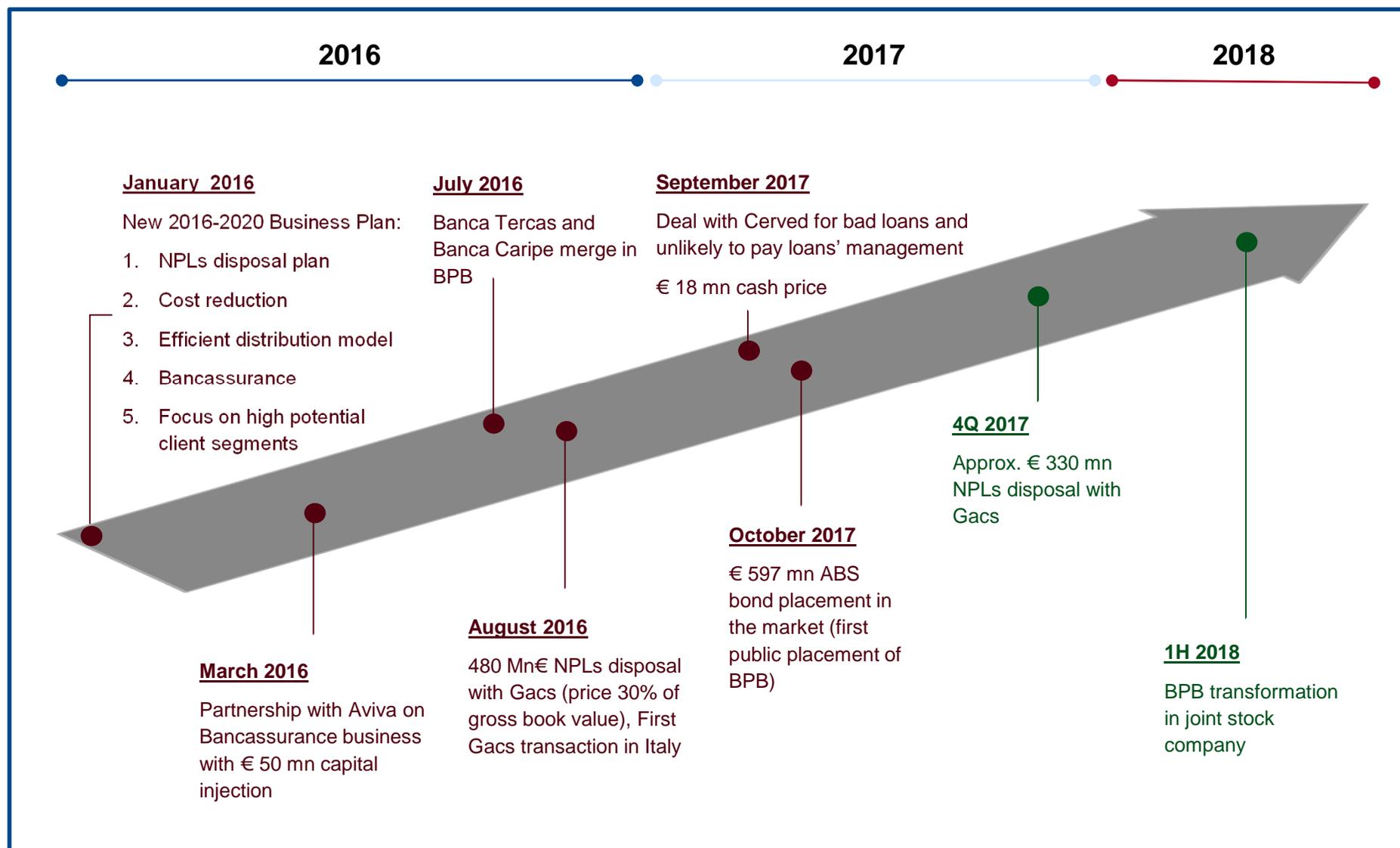
€ bn



Banca Popolare di Bari in a nutshell

Focus on last 2 years and....what's next

Milestones



Banca Popolare di Bari in a nutshell

Credit policies and asset quality

Funding, liquidity and securities portfolio

Capital ratio

Revenues development

Cost management and Net profit development

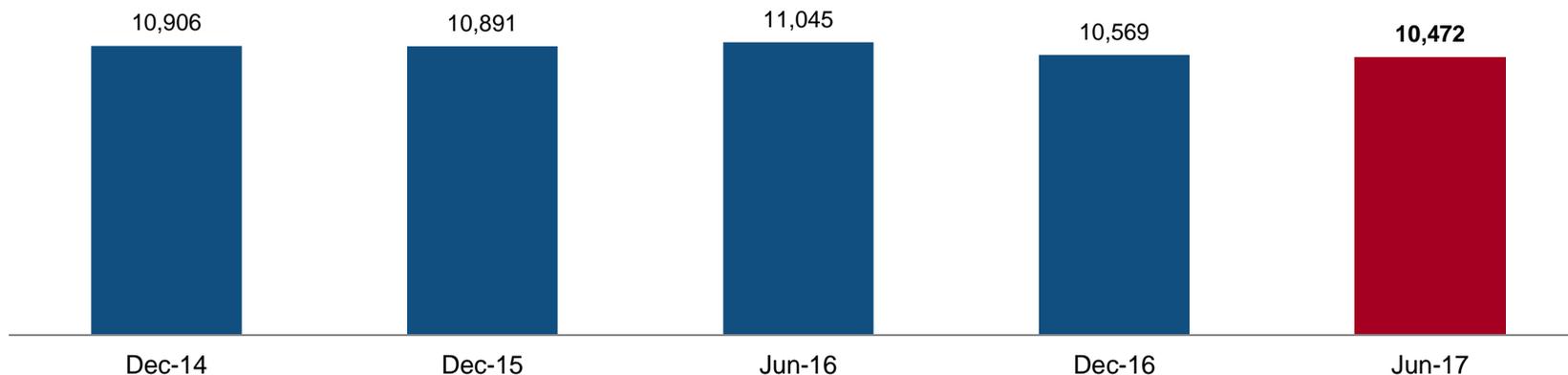
Annexes

Credit policies and asset quality

Loans to customers analysis

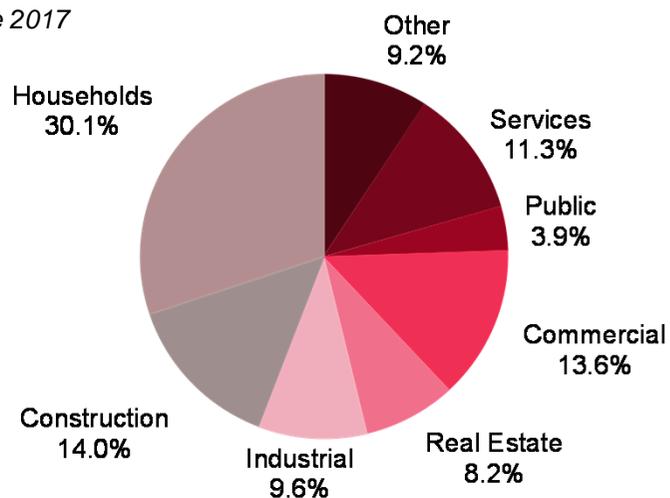
Evolution of Gross Loans⁽¹⁾

€ mn



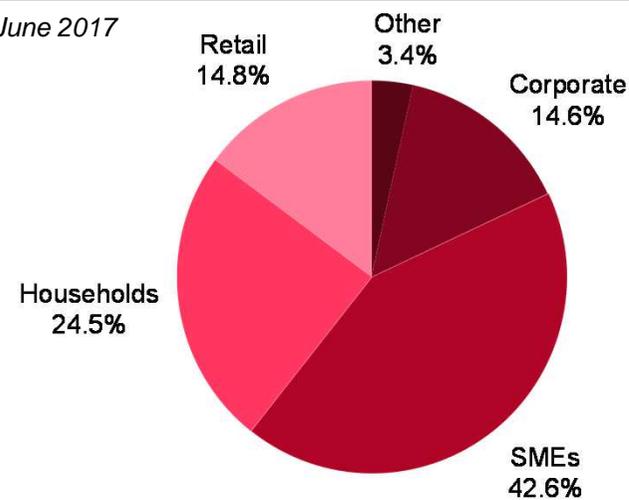
Performing Loans by sector⁽²⁾

June 2017



Total Gross Loans by asset class⁽²⁾

June 2017



Notes: (1) Total gross loans to customers net of exposures with CCG (Cassa Compensazione e Garanzia); (2) Internal data

Credit policies and asset quality

Focus on new loans

New loans granted in 1H17 equal to € 692 mn (Individuals and SME/Corporate)

€ mn		Amount	% Fixed	Average Rate ⁽¹⁾	
Individuals	New Loans 1H17	210.6	47.8%	2.68%	<input type="checkbox"/> Expected Loss (EL) new performing exposures disbursed in the period: Individuals: 17 bps Corporate: 95 bps SME: 87 bps Other: 15 bps
	<i>of which: € 15.4 mn of Substitutions ("Surroghe")</i>				
SME & Corporate	Secured	170.6	9.3%	2.65%	<input type="checkbox"/> Expected Loss (EL) new originated loans portfolio 1H17: 69 bps
	Unsecured	310.9	45.9%	2.83%	
	New Loans 1H17	481.5	32.9%	2.77%	

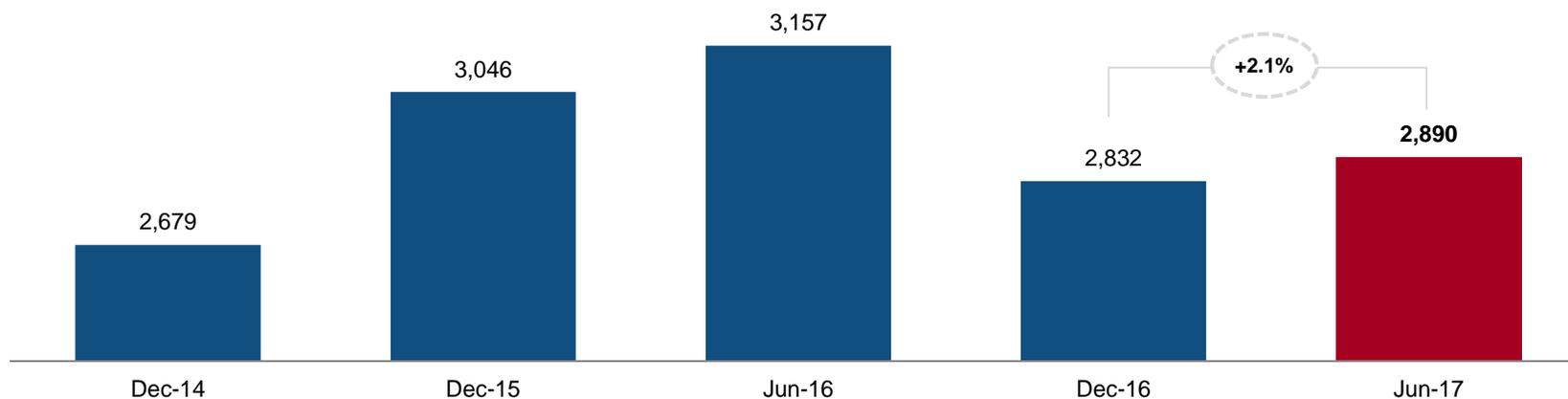
Note: (1) Average rate from the beginning of the year

Credit policies and asset quality

Non performing exposures (Gross amount)

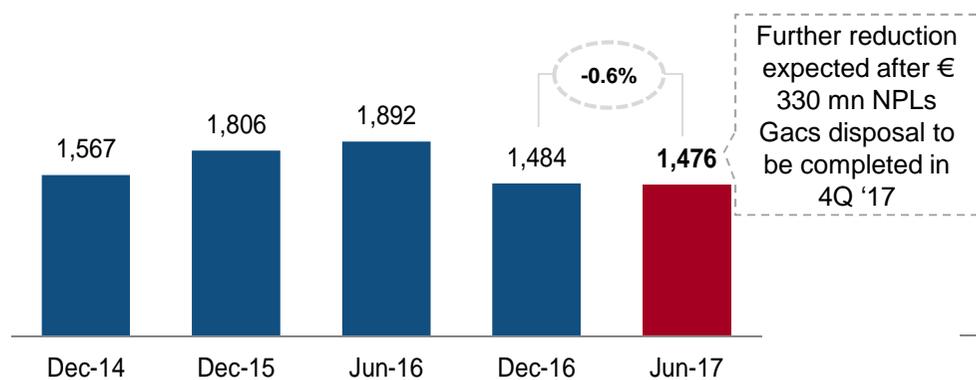
NPE

€ mn



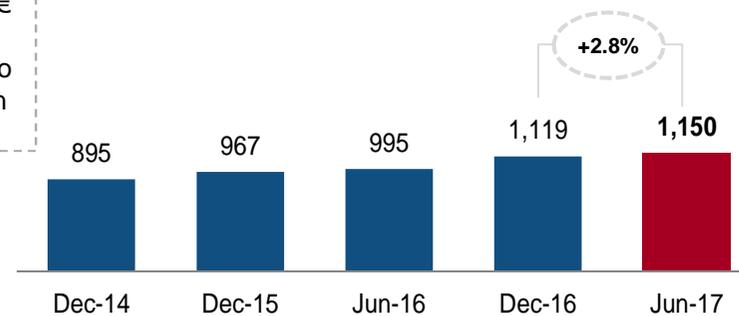
Bad loans

€ mn



Unlikely to pay

€ mn



Credit policies and asset quality

NPEs strategic approach

In 2016 BPB started a strategic project in order to reach in a short timeframe the target to keep a proactive approach on NPLs management as a value creation lever (in line with one of the 2016-2020 Business Plan' pillars)

1 Loan Loss Provisions increase

Provisioning

- **Increase of LLP** in order to reach adequate coverage levels and, eventually, minimizing losses deriving from NPLs disposal
- New policies on classification and provisioning of credits in line with the best AQR standards

FY 2015: cost of risk
approx. 250 bps

2 Enhancement of recovery activities

Internal Management Reorganization and enforcement

- Direct NPLs' management through a **specific business unit**
- Start up of **specialized teams responsible for NPLs' recovery plans**

External Management Close monitoring of an external servicer

- Ordinary and extraordinary management of NPLs under 1,5 mn GBV managed by external servicer
- Full responsibility of the servicers in daily management of the assets



Cerved agreement

Internal management on (i) Past due and (ii) Bad Loans and UTP > 1,5 mn GBV (approx. 1.000 borrowers)

External management on Bad Loans and Utp < 1,5 mn GBV (approx. 25.000 borrowers)

3 NPLs' disposals

Market-disposals transactions

- **NPLs' disposal process with GACS. € 800 mn disposal program, first tranche of approx. € 480 mn completed in 2016, second tranche of approx. € 330 mn to be completed in 4Q 2017**

Total NPLs disposals (1,2 bn):

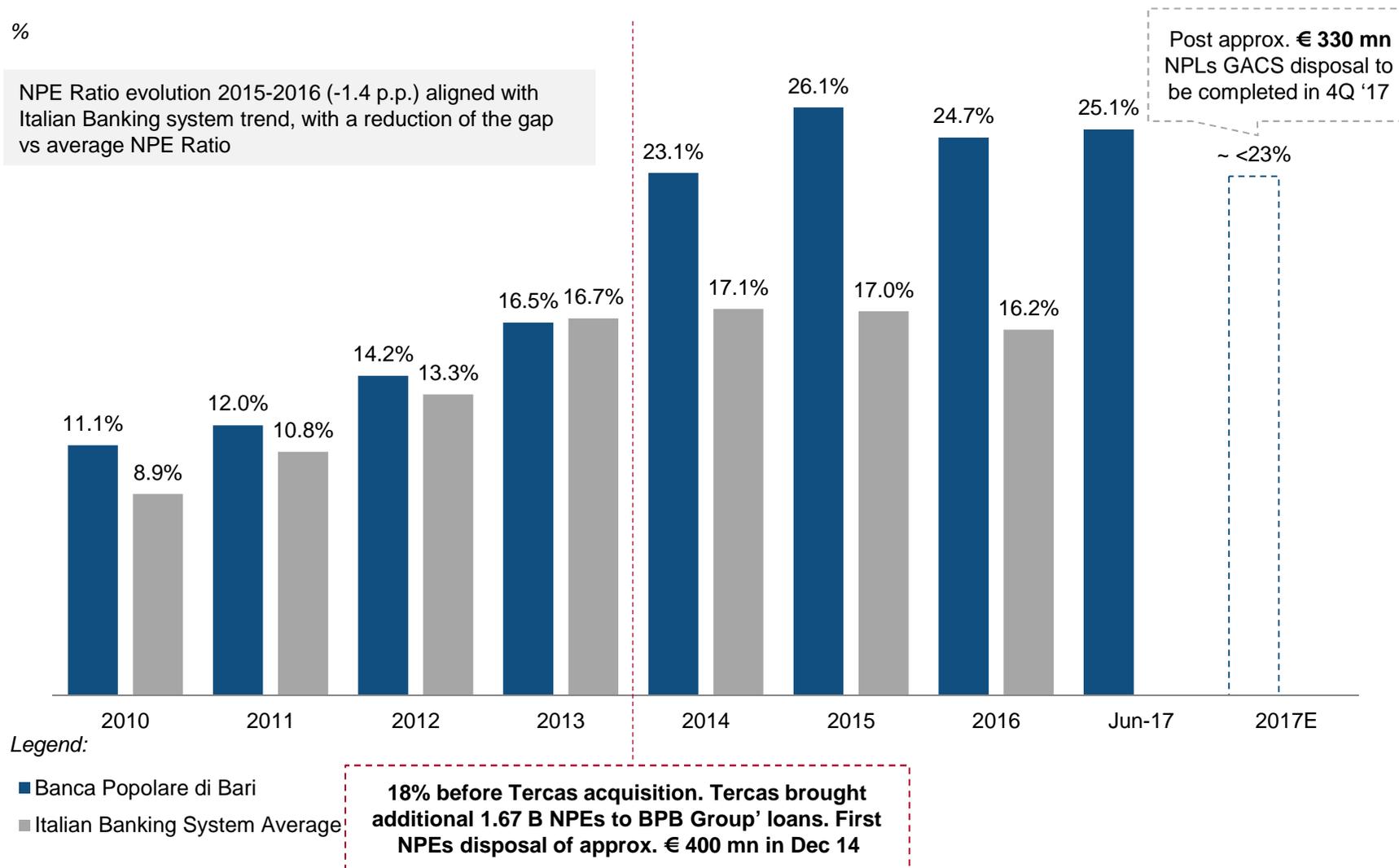


- 2014: € 400 mn
- 2016: € 480 mn
- 2017: € 330 mn

Credit policies and asset quality

Gross NPE ratio

Gross NPE ratio evolution: Banca Popolare di Bari vs Italian Banking System Average



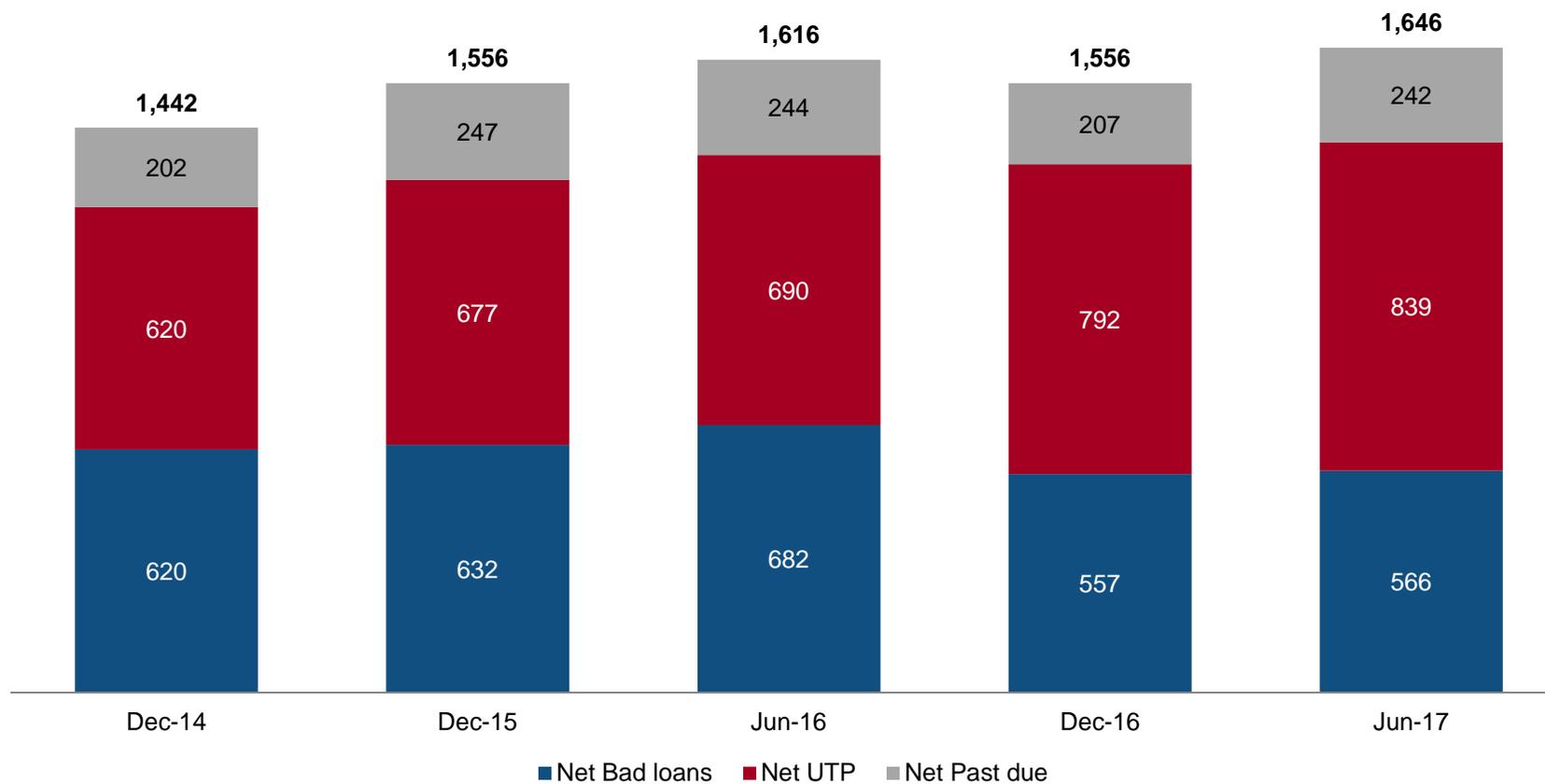
Source: Bollettino Statistico, Bank of Italy

Credit policies and asset quality

Net NPE evolution

Breakdown by class of risk

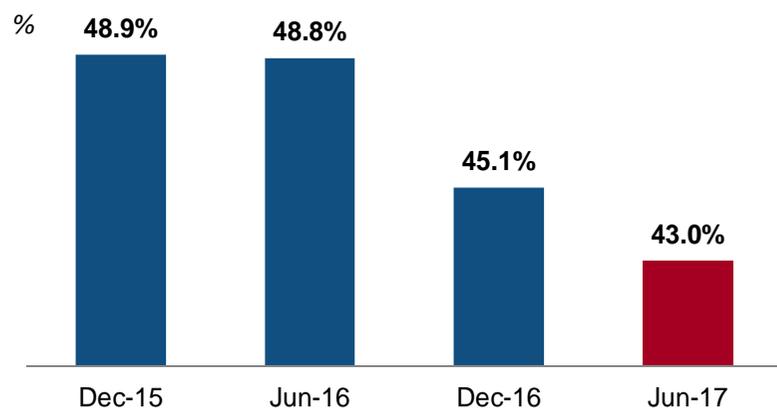
€ mn



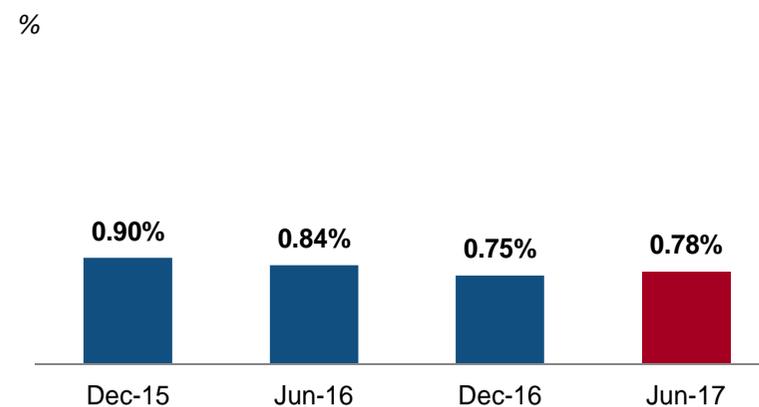
Credit policies and asset quality

Coverage ratio analysis

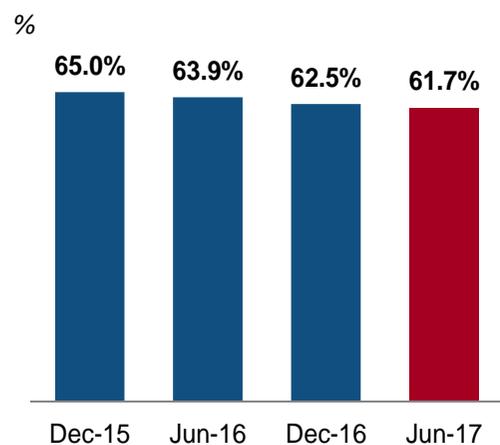
Non performing exposure coverage evolution



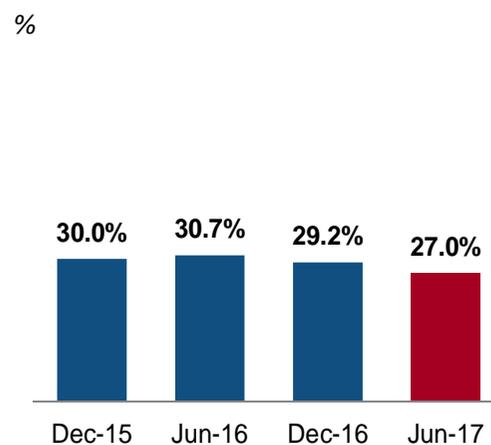
Performing coverage evolution



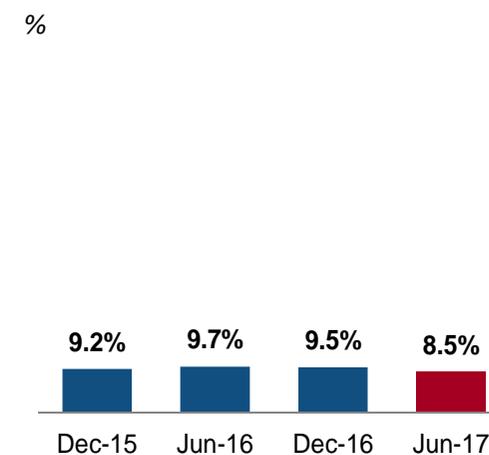
Bad loans



Unlikely to pay



Past due

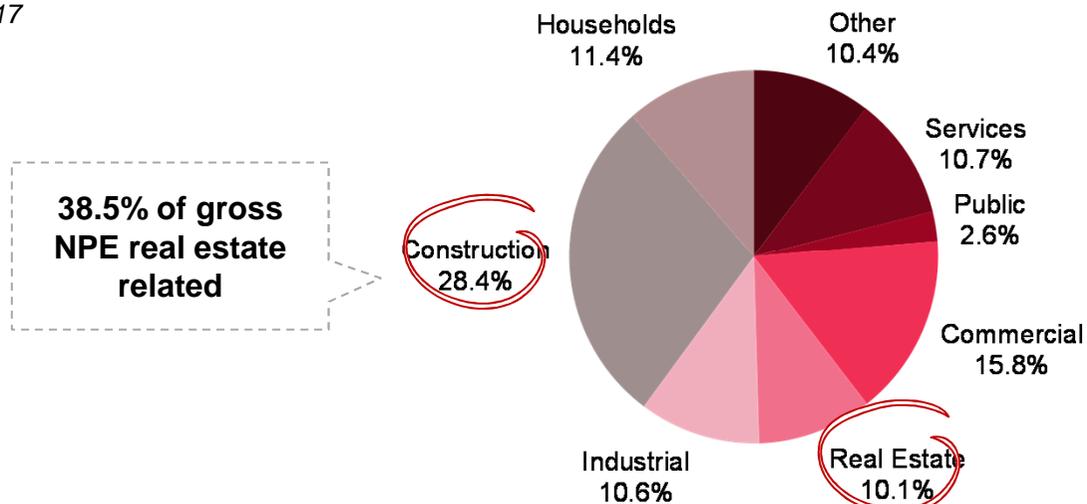


Credit policies and asset quality

NPE by sector⁽¹⁾

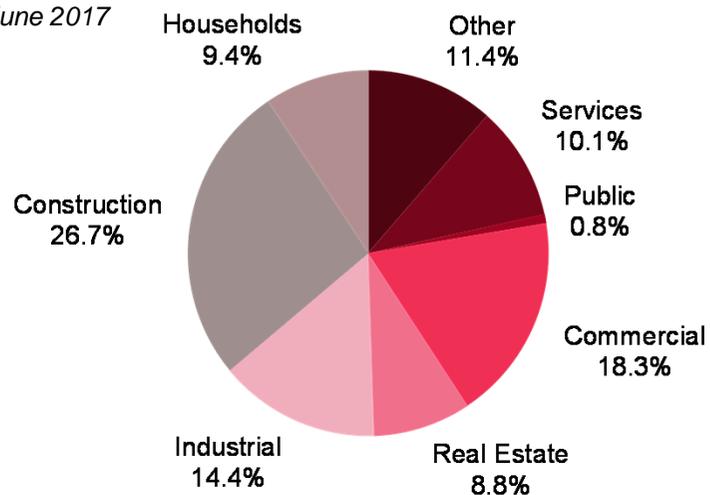
Breakdown NPE by sector

June 2017



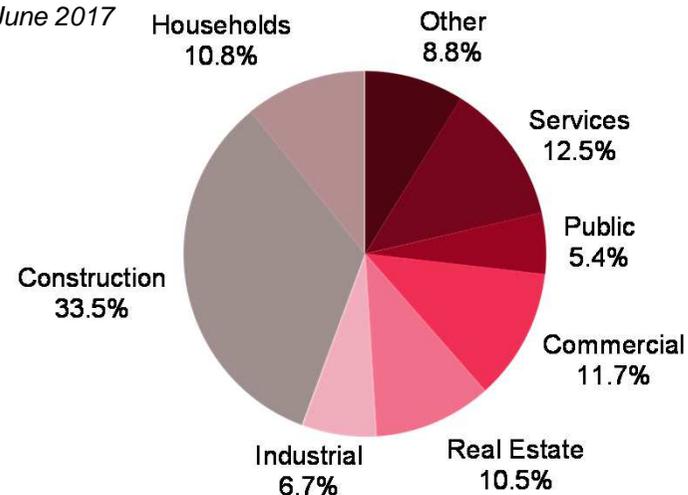
Breakdown Bad loans by sector

June 2017



Breakdown UTP by sector

June 2017



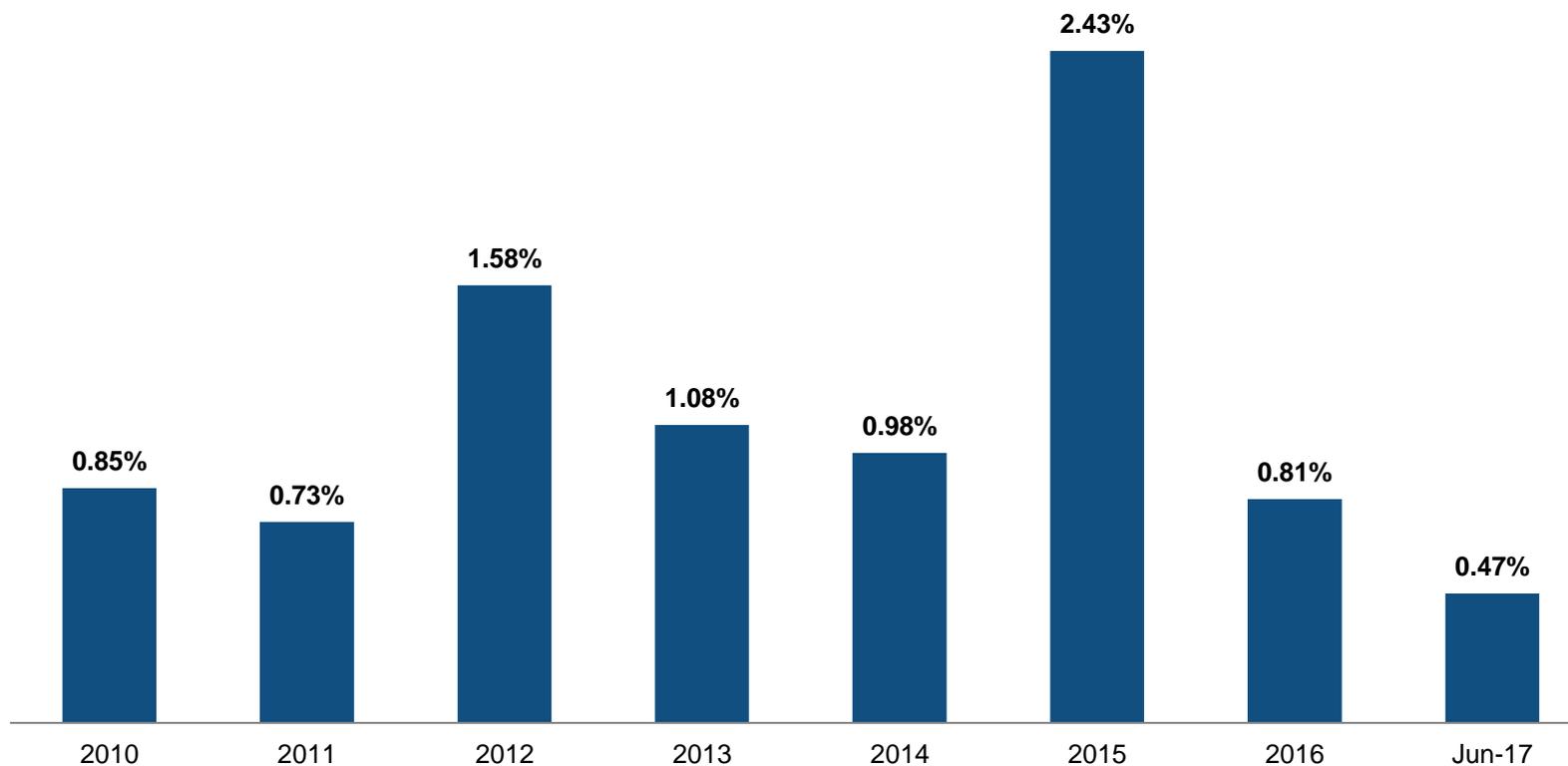
Note: (1) Internal data

Credit policies and asset quality

Cost of risk evolution

Cost of risk evolution⁽¹⁾

%



Note: (1) Calculated as Loan Loss Provisions / Net Loans to Customers (including Cassa Compensazione e Garanzia)

Banca Popolare di Bari in a nutshell

Credit policies and asset quality

Funding, liquidity and securities portfolio

Capital ratio

Revenues development

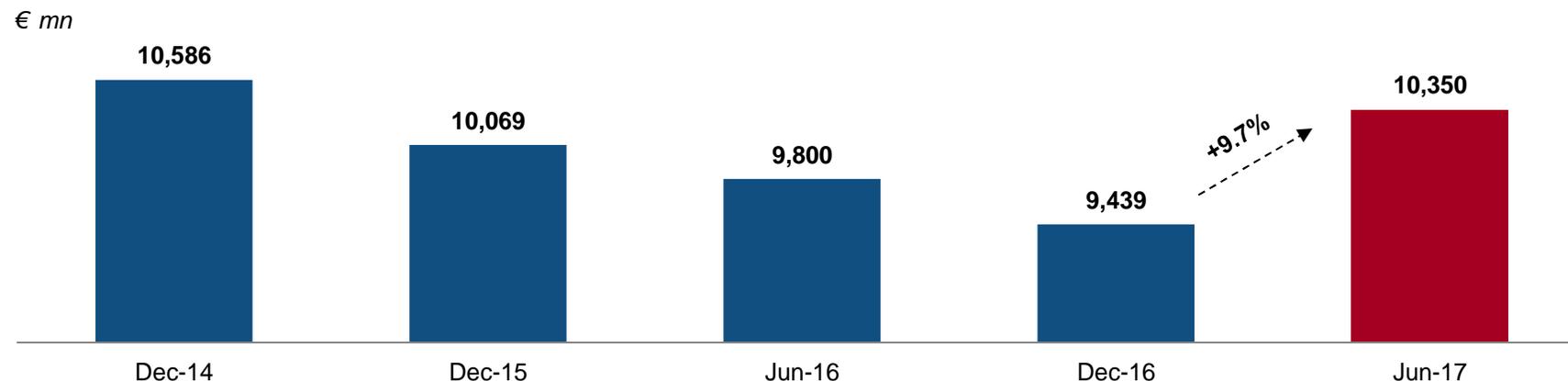
Cost management and Net profit development

Annexes

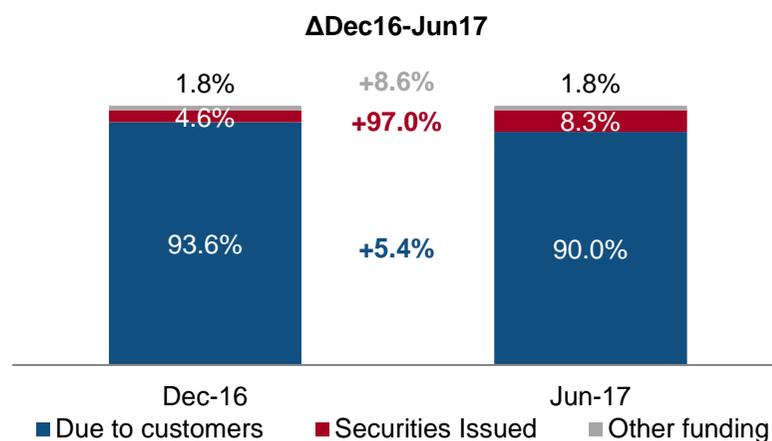
Funding, liquidity and securities portfolio

Direct funding analysis

Evolution of Direct funding⁽¹⁾



Breakdown of Direct funding



Breakdown of Direct funding by product

€ mn	Dec-16	Jun-17	Δ %
Saving deposits	486	462	(4.9%)
Time deposits	217	168	(22.6%)
Euro current accounts	8,025	8,574	6.8%
Foreign currency current accounts	19	20	5.8%
Bank loans	88	86	(2.5%)
Traditional Funding	8,835	9,310	5.4%
Non subordinated bonds	129	551	n.m.
Subordinated bonds	306	306	-
Securities Issued	435	857	97.0%
Bank cheques	45	60	32.9%
Repos	120	120	-
Third-party funds under administration	-	-	-
Other direct funding	4	4	(7.1%)
Other Funding	169	183	8.6%
Direct Funding	9,439	10,350	9.7%

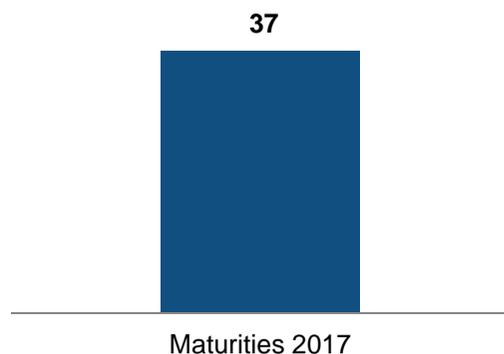
Note: (1) Direct funding net of Repos in place with Cassa di Compensazione & Garanzia

Funding, liquidity and securities portfolio

Bonds by maturities and ECB funding

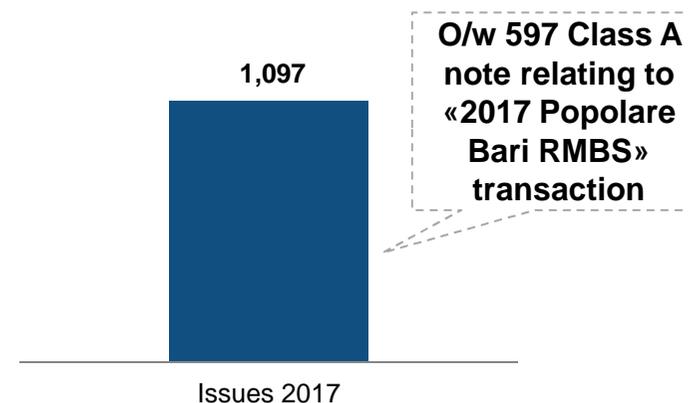
Bonds senior + subordinated

€ mn



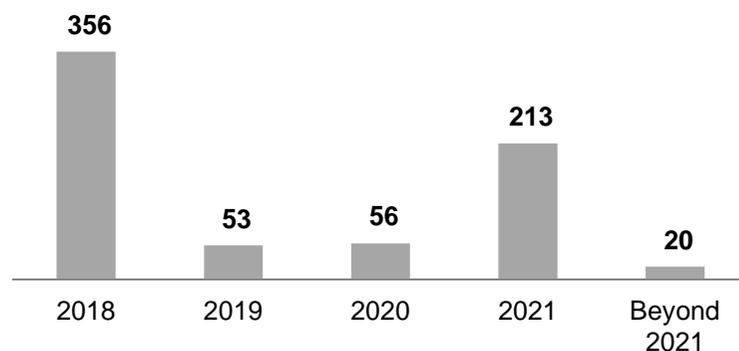
Wholesale bonds

€ mn



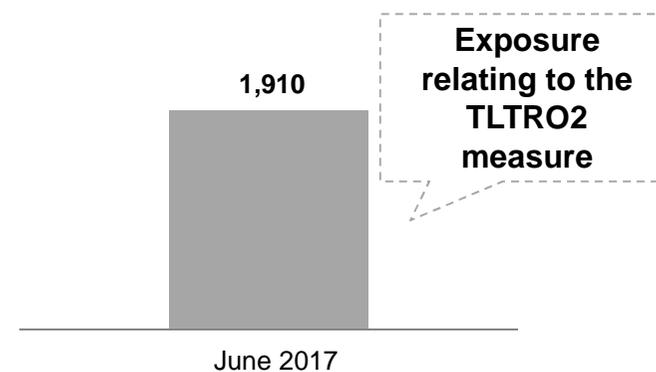
Maturities⁽¹⁾

€ mn



ECB funding Banca Popolare di Bari

€ mn



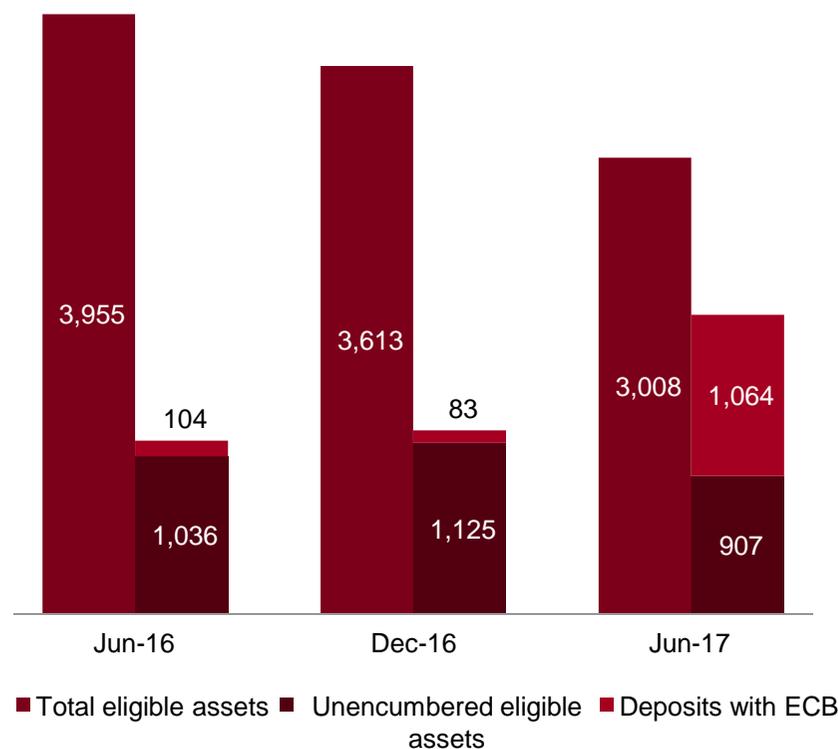
Note: (1) Includes Bonds senior, subordinated bonds and wholesale bonds (equal to € 300 mn)

Funding, liquidity and securities portfolio

Eligible assets and counterbalancing capacity

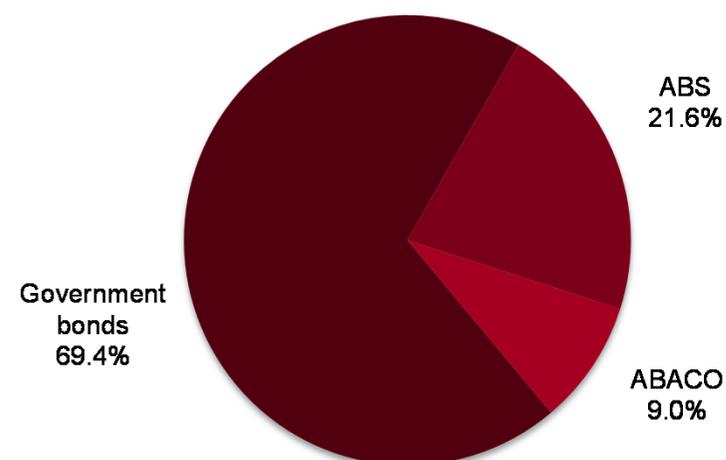
Total eligible Assets evolution⁽¹⁾

€ mn



Eligible Assets Pool Composition (%)

June 2017



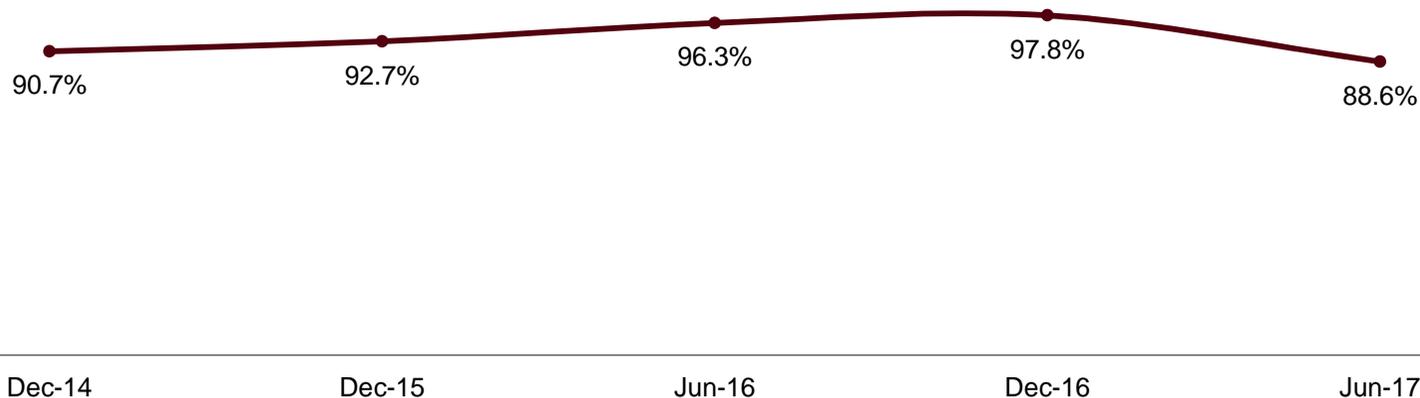
□ Counterbalancing capacity ("CBC") at €3.0 bn in Jun-17 of which €0.9 bn unencumbered and €1.1 bn deposits with ECB

Note: (1) Net of ECB haircuts

Funding, liquidity and securities portfolio

Liquidity position

Net loans⁽¹⁾ / Direct funding



Short-term liquidity position

€ mn

Data as of 30th June 2017	1d	2d	3d	4d	5d	2w	3w	1m	3m
Net balance of cumulative expiring positions	-	-	399	622	633	540	540	540	541
Counterbalancing Capacity	1,968	1,968	1,508	1,258	1,243	1,243	1,243	1,162	1,492
Net balance of overall liquidity	1,968	1,968	1,907	1,880	1,876	1,784	1,784	1,702	2,033

Net liquidity balance approx.
13.9% of Total assets⁽²⁾

LCR: 181.5%⁽²⁾

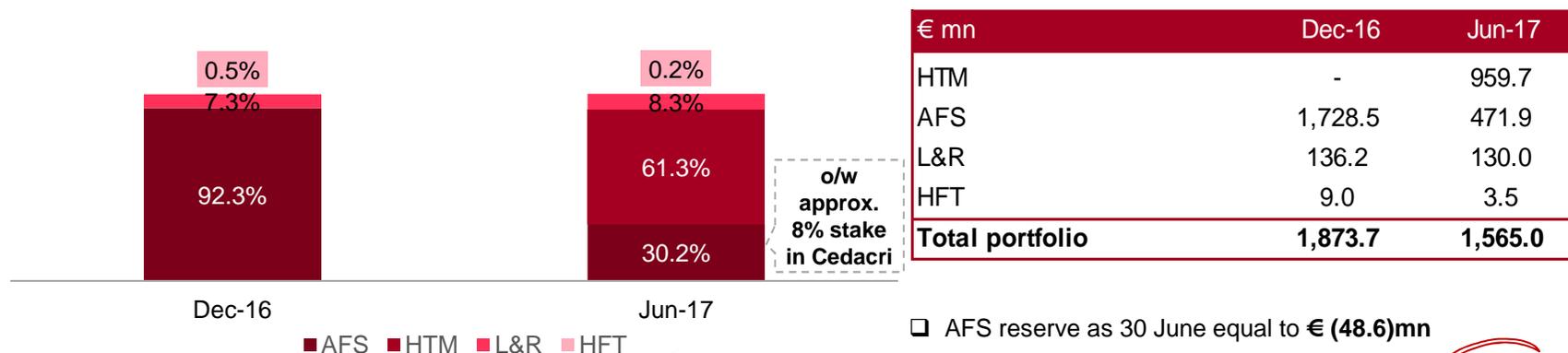
NSFR: 121.1%⁽²⁾

Notes: (1) Total net loans to customers net of exposures with CCG (Cassa Compensazione e Garanzia); (2) As of June 30th, 2017

Funding, liquidity and securities portfolio

Securities portfolio diversification

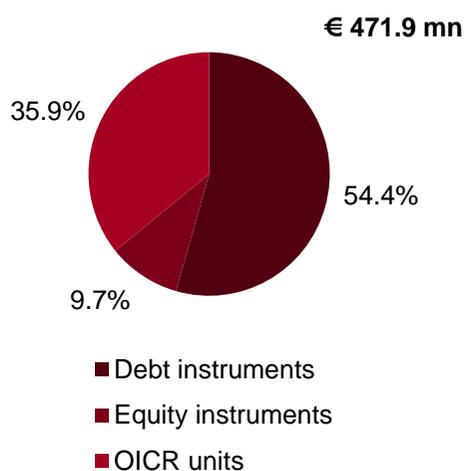
Breakdown by accounting portfolio



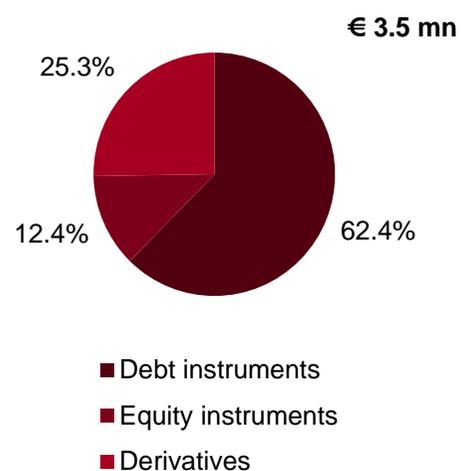
☐ AFS reserve as 30 June equal to € (48.6)mn

☐ AFS reserve on Govies as 30 June equal to € (19.6)mn

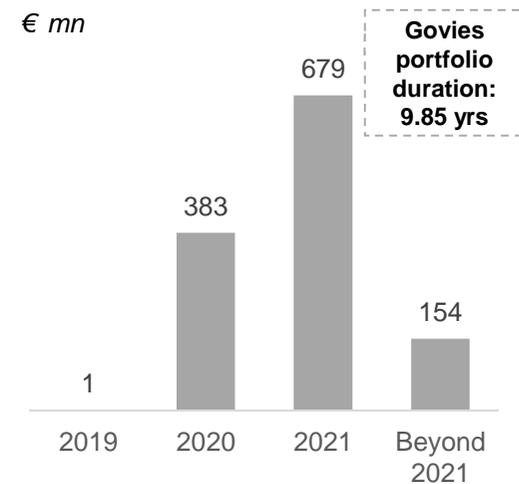
Breakdown AFS portfolio



Breakdown HFT portfolio



Govies portfolio by maturity

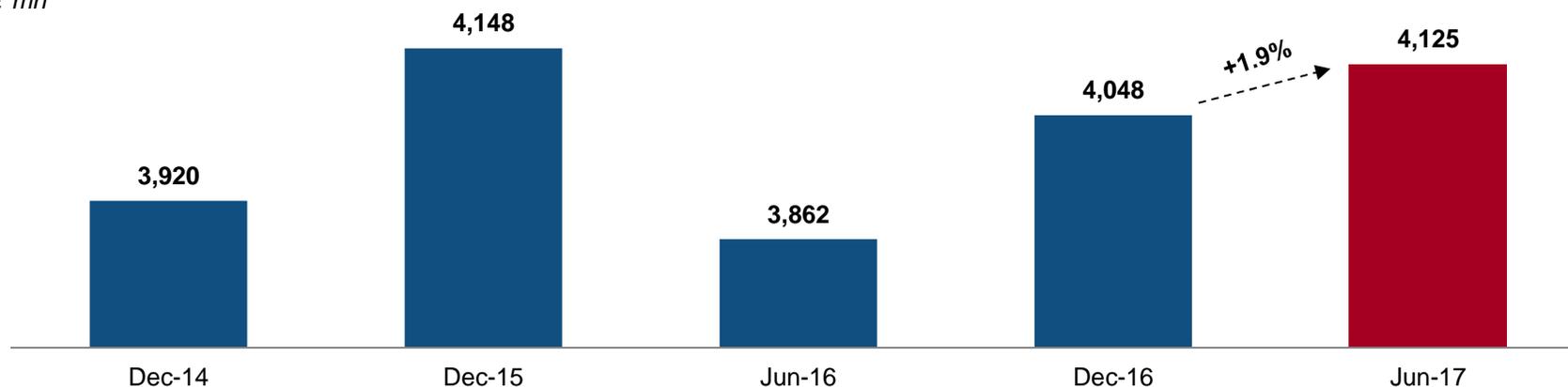


Funding, liquidity and securities portfolio

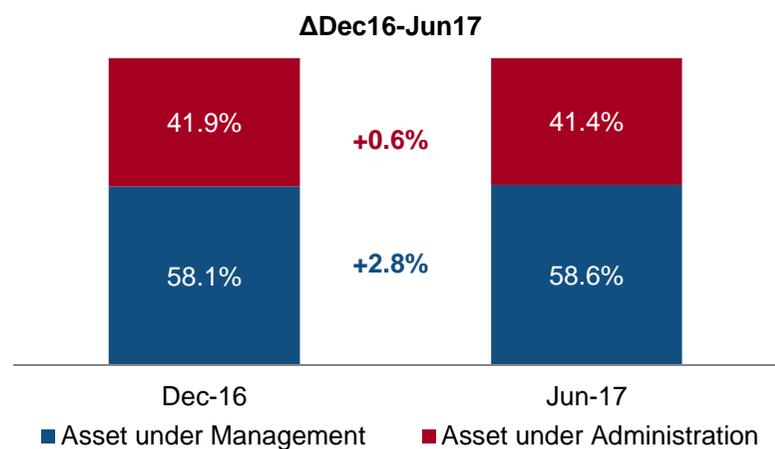
Indirect funding analysis

Evolution of Indirect funding

€ mn



Breakdown of Indirect funding



Breakdown of Indirect funding by product

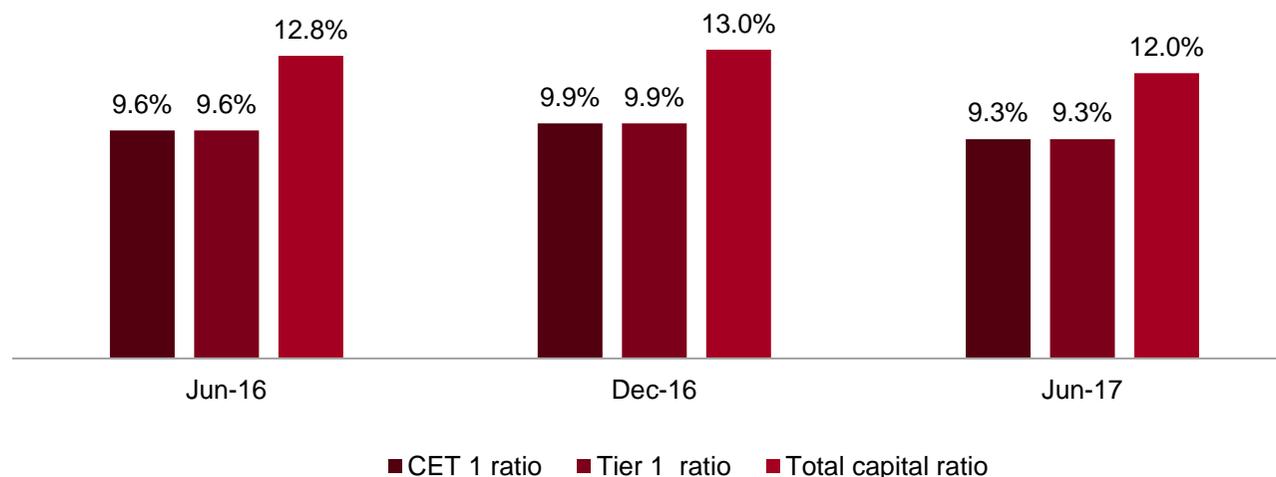
€ mn	Dec-16	Jun-17	Δ%
Insurance policy portfolio	1,267	1,300	2.5%
Portfolio management	52	42	(18.3%)
Funds	1,032	1,075	4.2%
AuM	2,351	2,417	2.8%
AuA	1,697	1,707	0.6%
Indirect Funding	4,048	4,125	1.9%

- Banca Popolare di Bari in a nutshell
- Credit policies and asset quality
- Funding, liquidity and securities portfolio
- Capital ratio**
- Revenues development
- Cost management and Net profit development
- Annexes

Capital Ratio

Capital ratios evolution

Capital ratios, phased-in calculation



SREP Requirement	
CET 1 ratio	6.70%
Tier 1 ratio	8.55%
Total capital ratio	11.00%

- In November 2016, in connection with the transformation in SpA, the BoD approved a common equity capital strengthening of **€300 mn**
- The capital strengthening is strictly related to the transformation in SpA that will be completed by the end of the first half of 2018 (see slide 45)

Capital ratio

€ mn	Jun-16	Dec-16	Jun-17
Common equity	837	841	779
Tier 1	837	841	779
Tier 2	273	264	234
Total Capital	1,110	1,104	1,013
RWA	8,694	8,478	8,418
<i>TIER 1 ratio</i>	<i>9.62%</i>	<i>9.92%</i>	<i>9.25%</i>
Indicators			
RWA/Assets	60.7%	62.5%	59.3%
Leverage ratio	5.5%	5.2%	4.8%

Requirements

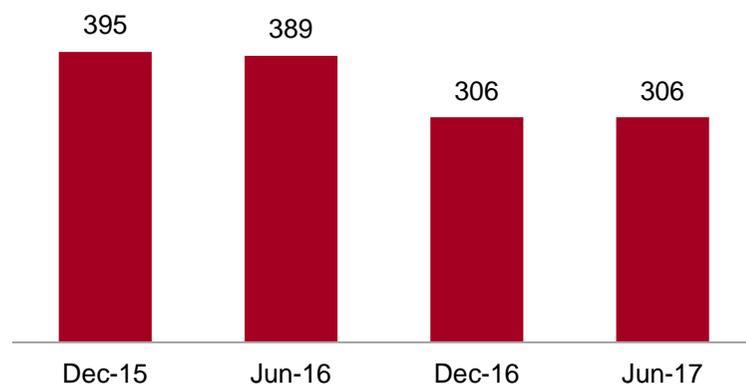
%	Jun-16	Dec-16	Jun-17
Credit	90.3%	90.1%	90.0%
CVA	0.3%	0.3%	0.3%
Market	0.3%	0.5%	0.5%
Operational	9.1%	9.1%	9.2%

Capital Ratio

Tier 2 Securities Evolution

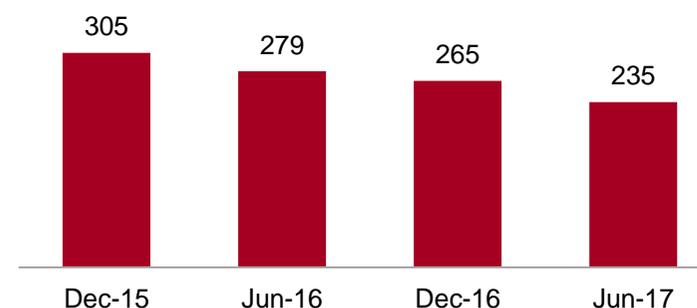
Subordinated debt

€ mn



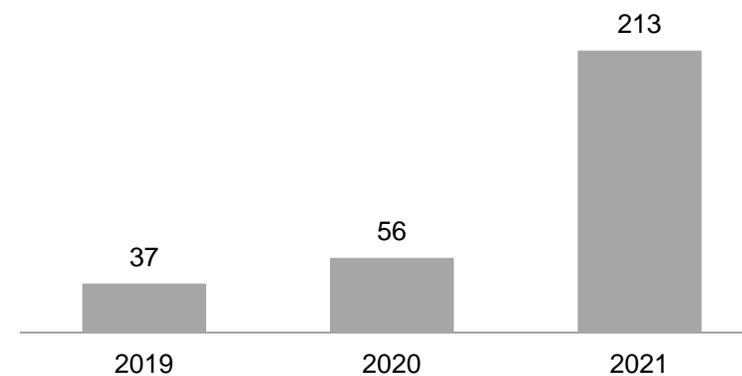
Tier 2 securities

€ mn



Maturities

€ mn



- ❑ Subordinated debt equal to **€306 mn** in Jun-17, of which **€235 mn of Tier 2**
- ❑ Current Business Plan 2016-2020 envisages a full replacement of the Tier 2 securities (and the relating contribution of the Tier 2 Capital) through new issues

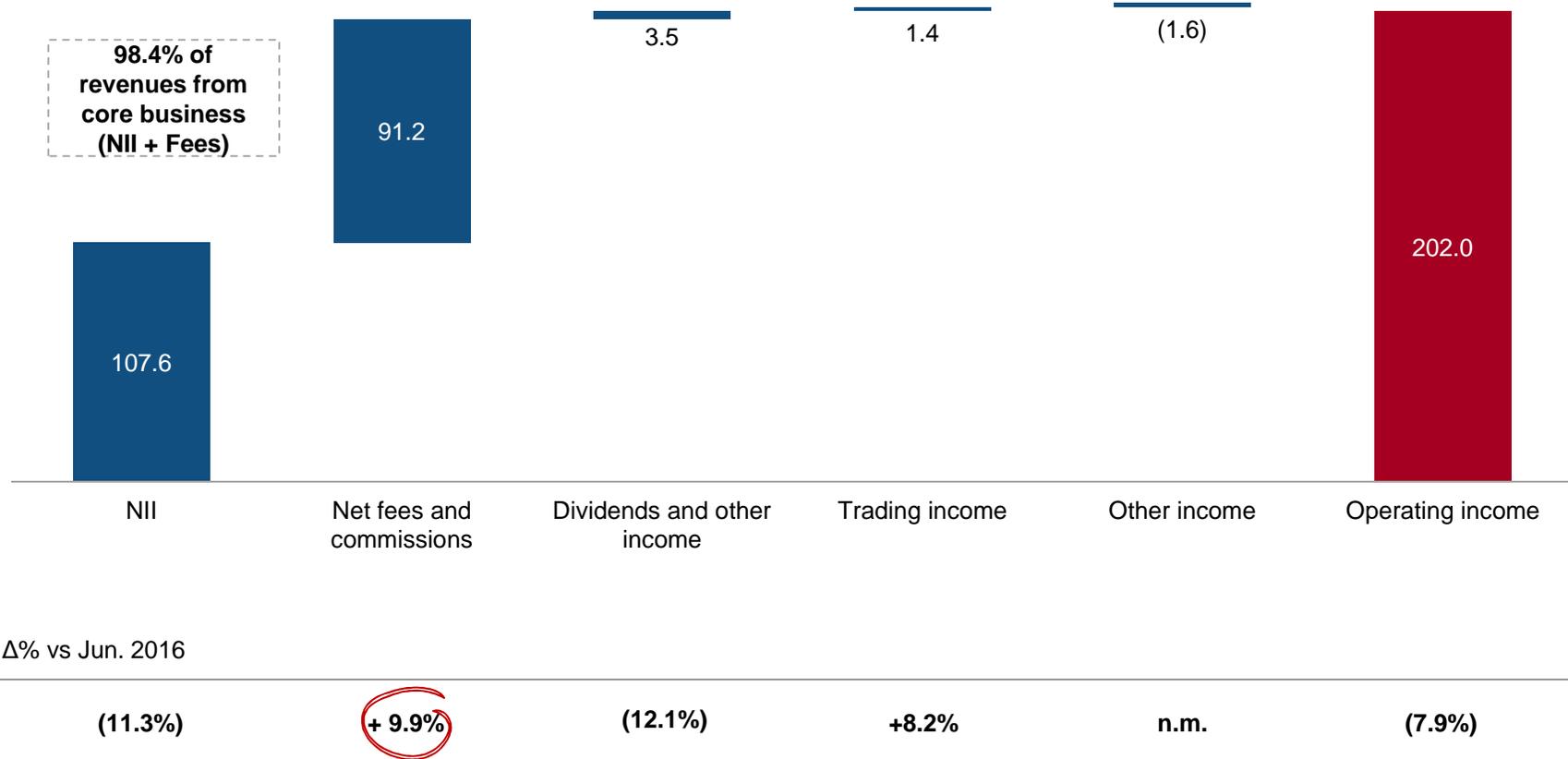
- Banca Popolare di Bari in a nutshell
- Credit policies and asset quality
- Funding, liquidity and securities portfolio
- Capital ratio
- Revenues development**
- Cost management and Net profit development
- Annexes

Revenues development

Operating income development

1H 2017 operating income result

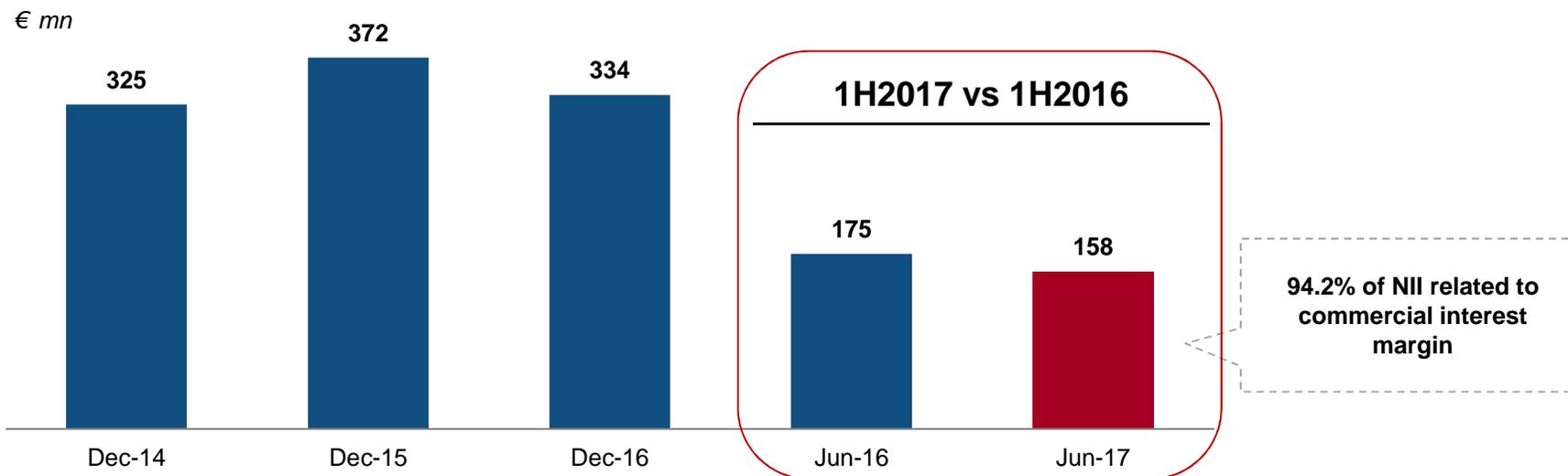
€ mn



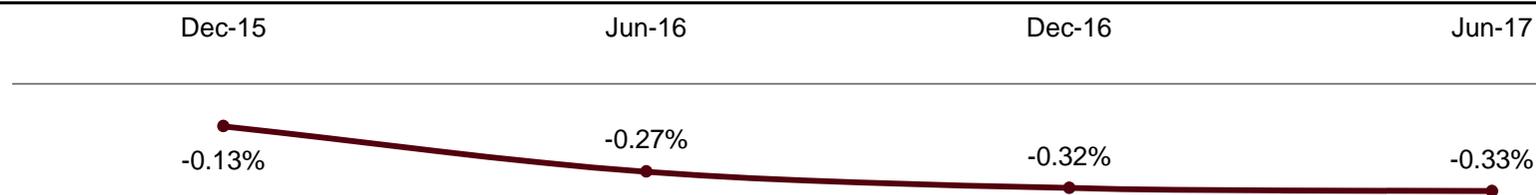
Revenues development

Focus on net interest income

Interest income evolution



Euribor evolution



Net interest margin⁽¹⁾

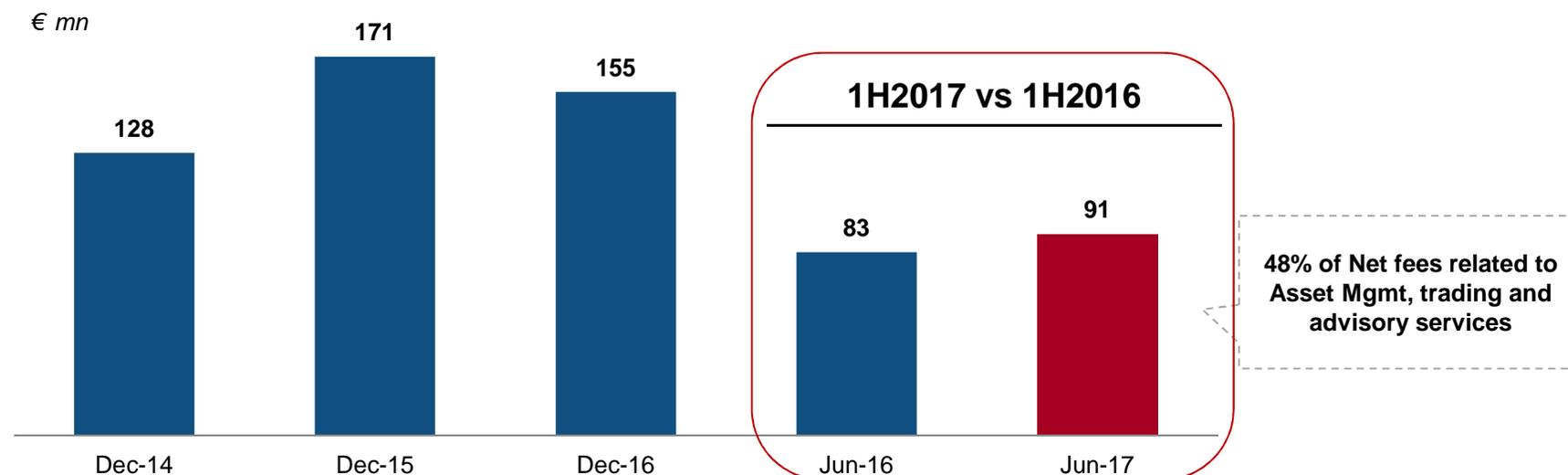


Note: (1) Net interest margin equal to interest income/loans to customers

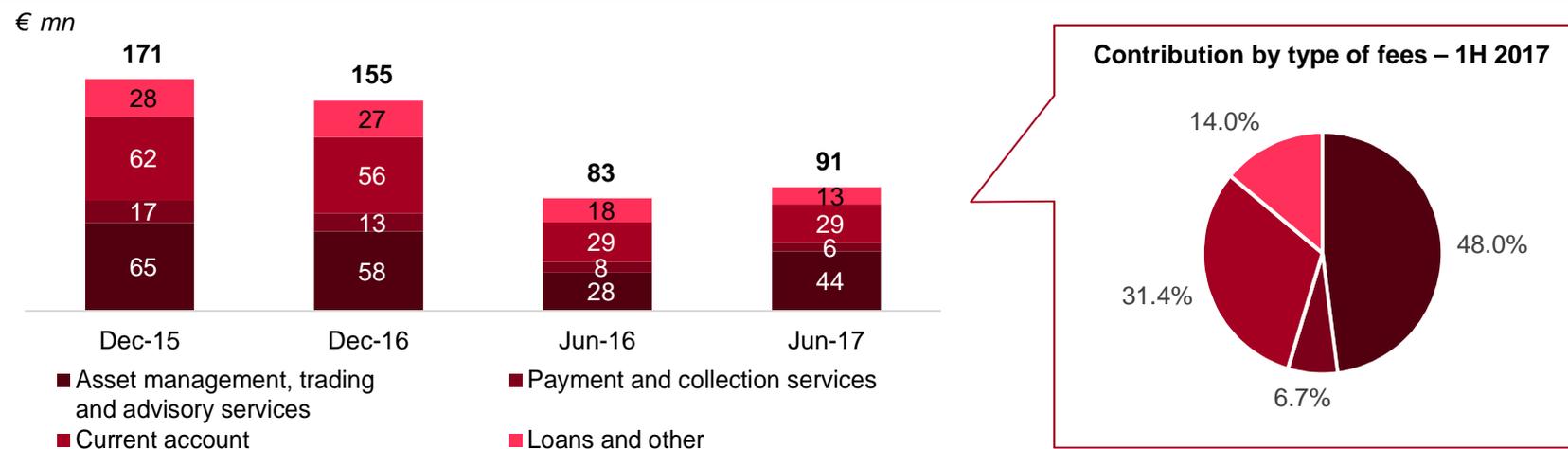
Revenues development

Focus on net fees

Net fees evolution



Net fees breakdown

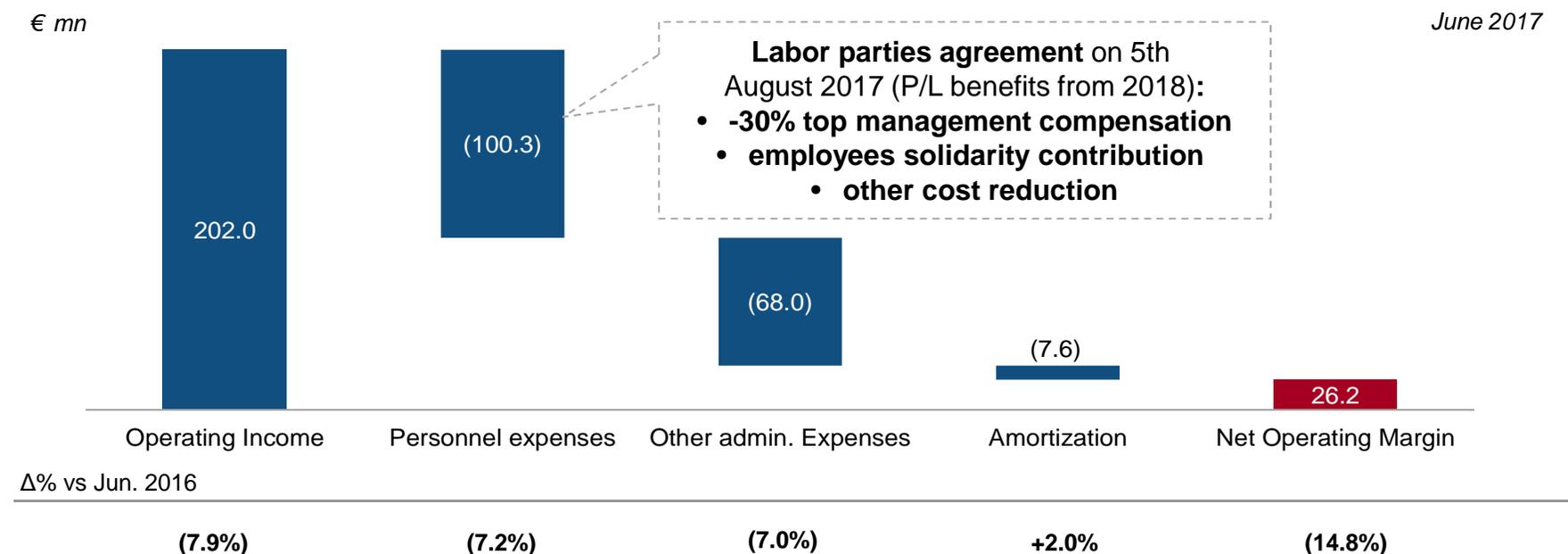


- Banca Popolare di Bari in a nutshell
- Credit policies and asset quality
- Funding, liquidity and securities portfolio
- Capital ratio
- Revenues development
- Cost management and Net profit development**
- Annexes

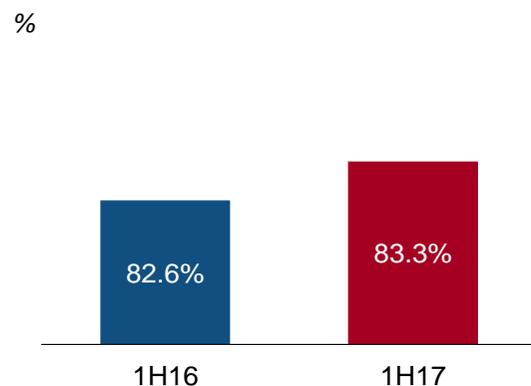
Cost management and Net profit development

Operating result and cost income

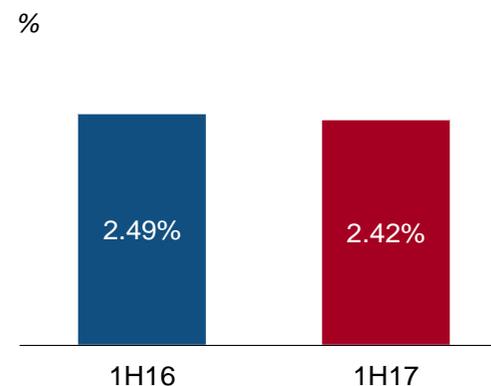
Operating result development



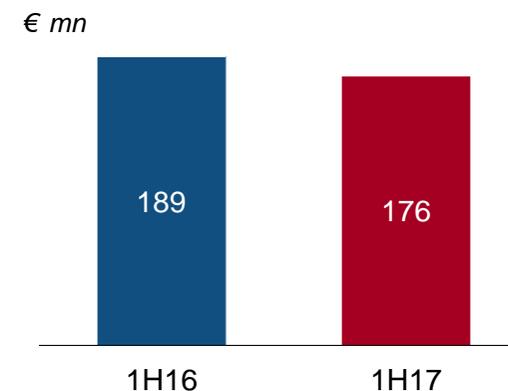
Cost income ratio⁽¹⁾



Cost to asset ratio⁽²⁾



Operating expenses⁽³⁾



Notes: (1) Calculated as Administrative expenses / Operating Income; (2) Annualized; (3) Include Administrative expenses and Amortization

Cost management and Net profit development

Net profit development

€mn	Jun-16	Jun-17	Δ% YoY
Net operating margin	30.7	26.2	(14.8%)
Value adjustments	(47.3)	(48.0)	1.5%
Net accruals to provisions for risks and charges	7.4	1.6	(78.9%)
Other income	15.8	16.1	1.9%
Income before taxes	6.5	(4.3)	<i>n.m.</i>
Tax for the period	(1.9)	2.0	<i>n.m.</i>
Minorities	(0.4)	(0.3)	(25.1%)
Net result	4.3	(2.6)	<i>n.m.</i>

o/w 23.6 mn
Atlante fund
write off

AGENDA

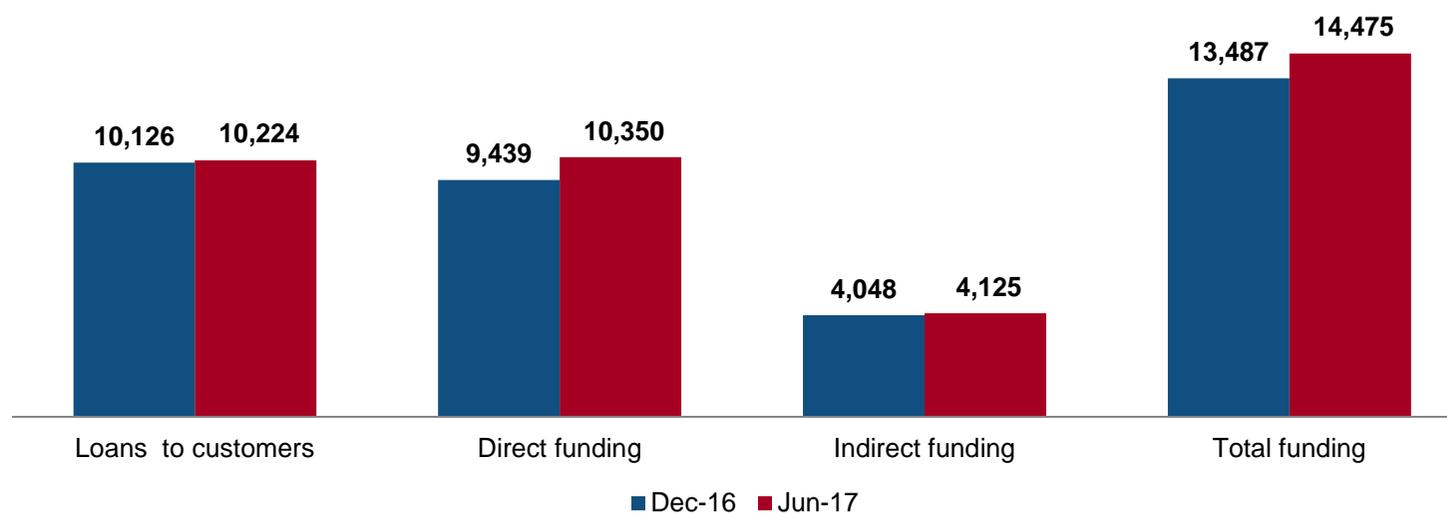
- Banca Popolare di Bari in a nutshell
- Credit policies and asset quality
- Funding, liquidity and securities portfolio
- Capital ratio
- Revenues development
- Cost management and Net profit development
- Annexes**

Annexes

Consolidated Balance Sheet data

June 2017 vs December 2016

€ mn



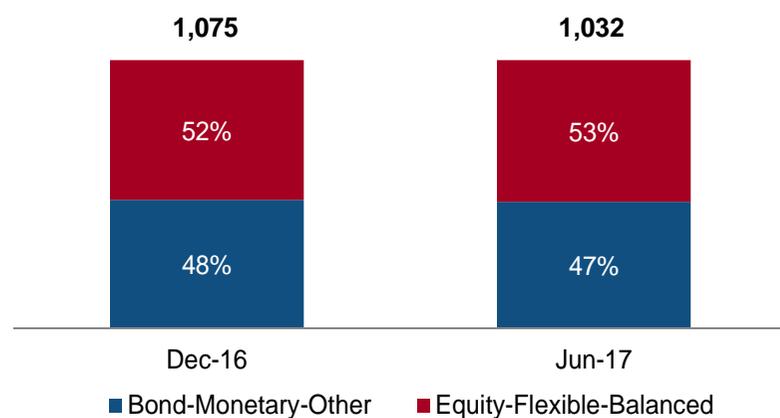
	Dec-16	Jun-17
Indirect funding/ Total funding	30.0%	28.5%
Direct funding/ Total funding	70.0%	71.5%
Loans to customers/Direct funding	107.3%	98.8%
Loans to customers/Total Assets	74.6%	72.0%

Annexes

Breakdown indirect funding

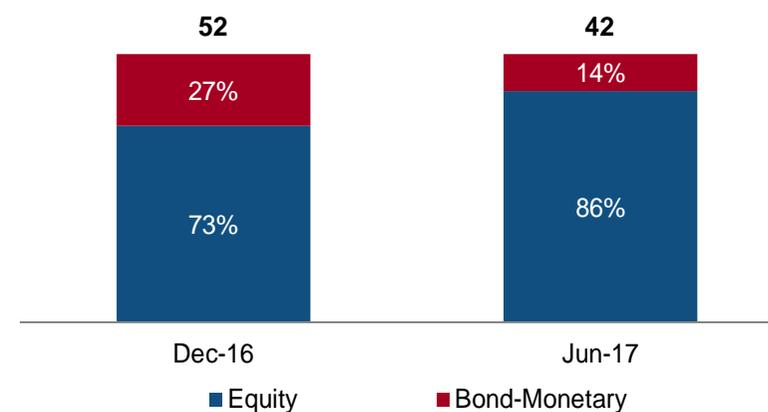
Breakdown of Funds

€ mn



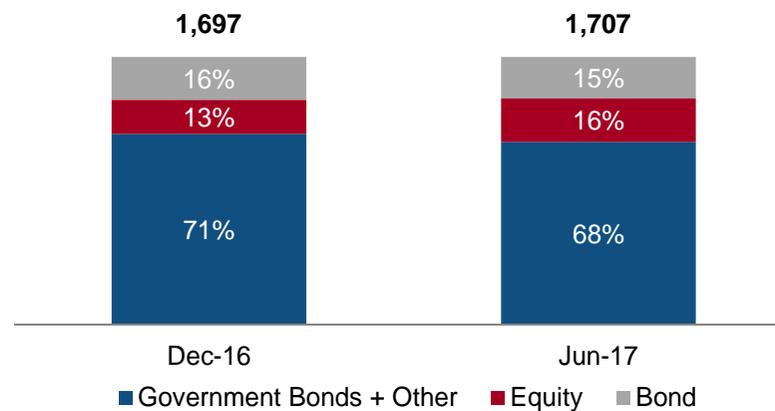
Breakdown of Portfolio management

€ mn



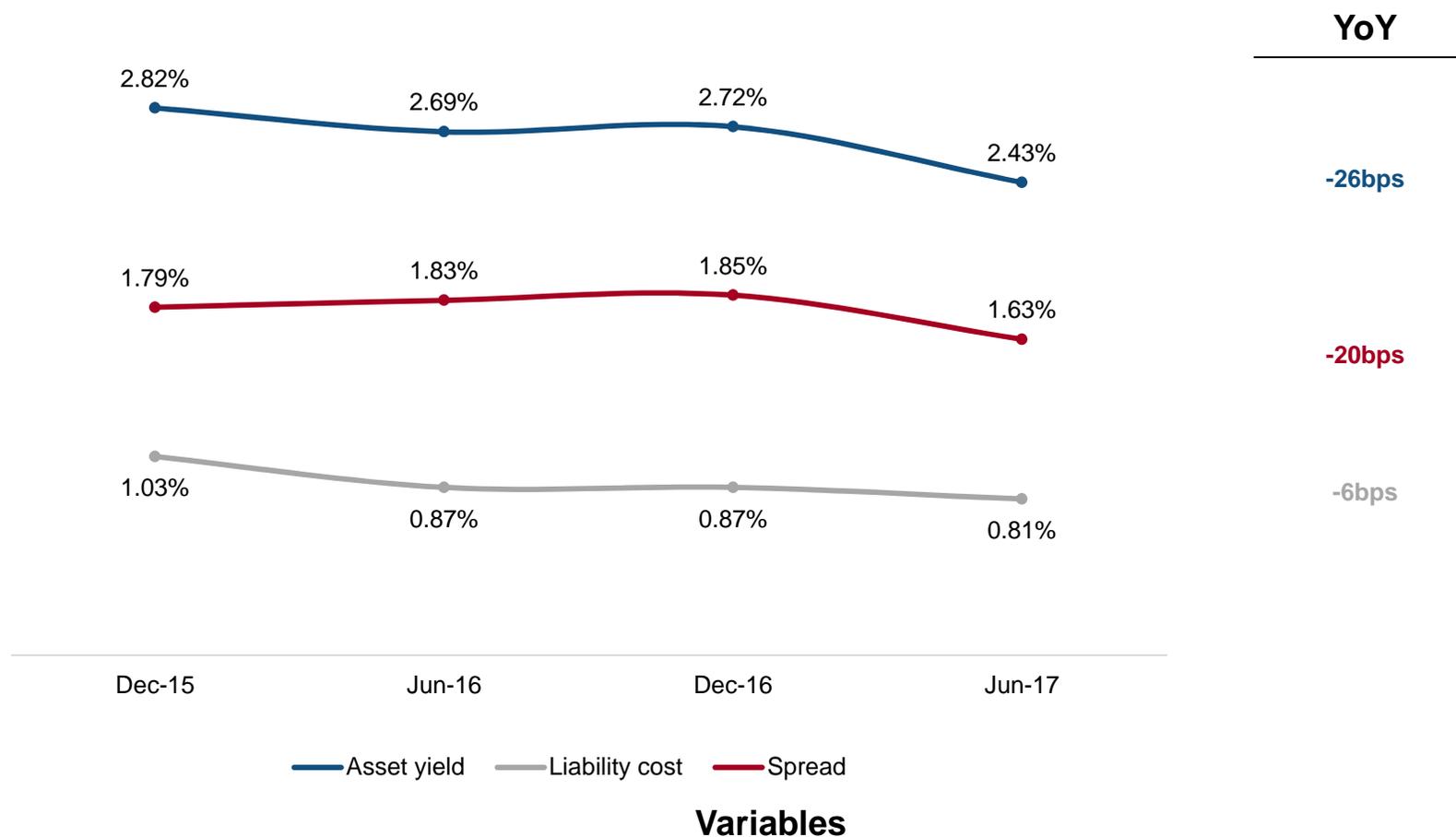
Breakdown of Assets under administration

€ mn



Annexes

Banking spread



- ❑ **Asset:** Loans and receivables to customers, loans and receivables to banks and financial assets
- ❑ **Asset yield:** Interest income / average bearing assets of the quarter
- ❑ **Liabilities:** Due to customers, due to banks and financial liabilities
- ❑ **Liability cost:** Interest expense / average bearing liabilities of the quarter

Annexes

Reclassified Consolidated Balance Sheet

€ mn

Assets	1H2017	FY2016	1H2016	FY2015	FY2014
Cash and cash equivalents	97	112	110	91	95
Financial assets held for trading	4	9	35	7	15
Available-for-sale financial assets	472	1,729	2,874	2,510	2,019
Held-to-maturity investments	960	-	-	-	-
Loans and receivables with banks	1,290	427	575	550	345
Loans and receivables with customers	10,224	10,126	9,534	10,131	10,271
Equity investments	-	-	-	-	-
Property, equipment and investment property and intangible assets	341	347	350	353	631
<i>of which goodwill</i>	124	124	124	124	396
Tax assets	518	570	617	700	567
Other assets	301	253	228	467	193
Total Assets	14,207	13,572	14,323	14,809	14,135

Liabilities and Equity	1H2017	FY2016	1H2016	FY2015	FY2014
Due to banks	2,018	1,104	918	902	1,493
Due to customers	9,399	10,190	10,629	10,695	8,893
Securities issued	992	618	945	1,091	1,610
Financial liabilities	34	35	45	60	111
Hedging derivatives	16	16	21	18	24
Tax liabilities	30	43	68	127	161
Other liabilities	491	303	454	648	295
Severance indemnity	44	48	54	52	57
Provision for risk and charges	104	115	114	131	103
Equity attributable to non-controlling interests	31	31	31	30	33
Shareholder's Equity	1,049	1,069	1,045	1,054	1,355
Total Liabilities and Equity	14,207	13,572	14,323	14,809	14,135

Annexes

Reclassified Consolidated Income Statement

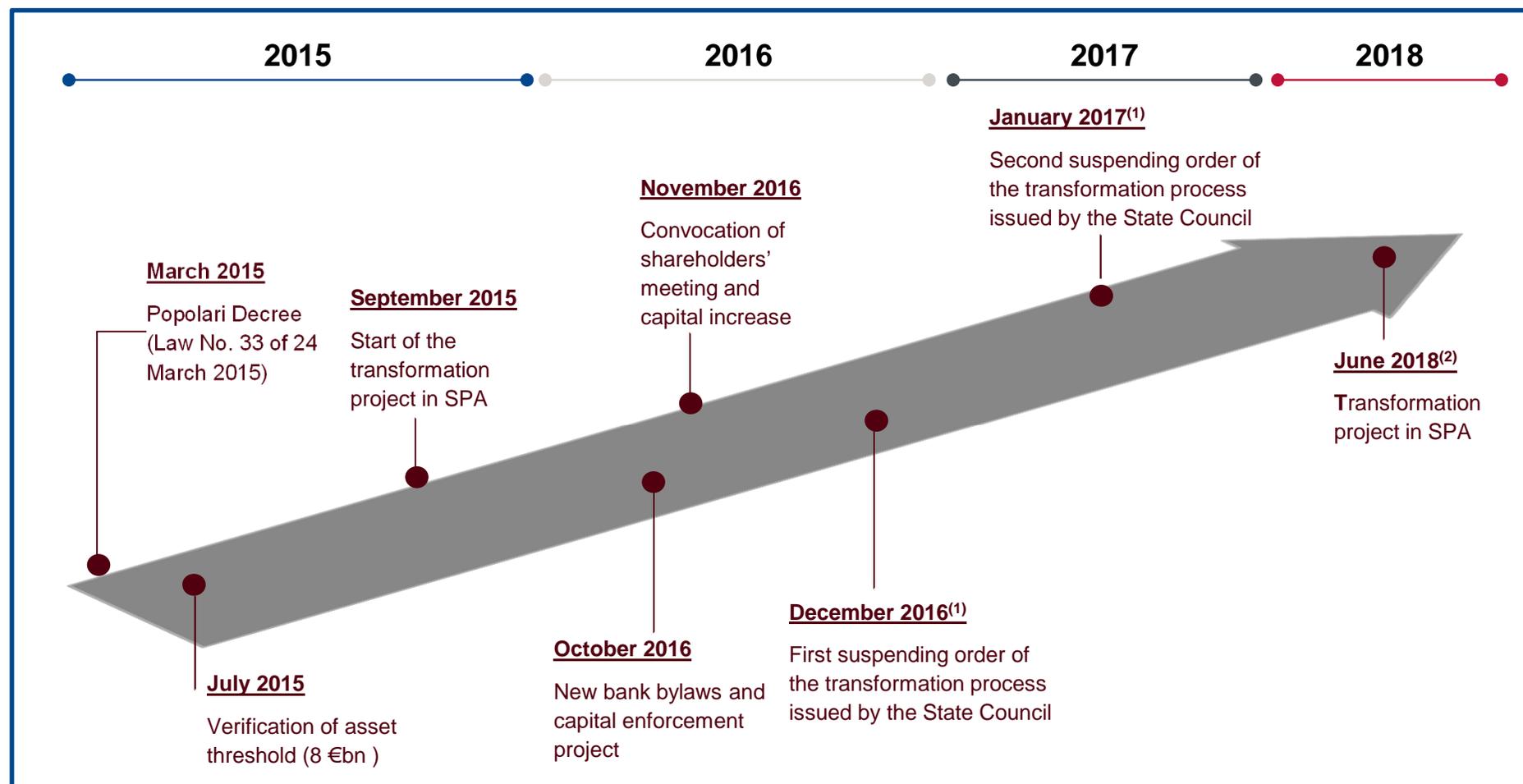
€ mn

Income Statement	1H2017	FY2016	1H2016	FY2015	FY2014
Net interest income	107.6	231.2	121.3	241.7	207.9
Net fee and commission income	91.2	155.2	82.9	171.2	127.8
Dividends and similar income	3.5	9.7	3.9	7.6	3.2
Profit (loss) of equity-accounted investments	1.4	3.6	1.3	5.3	2.2
Net trading and hedging income (expense) and profit (loss) on sales/repurchases	(2.2)	5.0	10.4	20.1	69.4
Other operating net income	0.6	0.2	(0.6)	2.0	2.1
Operating Income	202.0	404.8	219.3	448.0	412.5
Administrative expenses	(168.3)	(364.6)	(181.1)	(423.2)	(282.1)
<i>of which</i>					
<i>Personnel expenses</i>	(100.3)	(214.4)	(108.1)	(266.1)	(173.7)
<i>Other administrative expenses</i>	(68.0)	(150.2)	(73.1)	(157.1)	(108.4)
Depreciation/amortisation and net impairment losses on property, equipment and intangible assets	(7.6)	(14.6)	(7.4)	(14.1)	(9.9)
Operating costs	(175.9)	(379.2)	(188.6)	(437.3)	(292.0)
Operating Profit	26.2	25.6	30.7	10.7	120.5
Net impairment losses on loans and receivables and other financial assets	(48.0)	(94.9)	(47.3)	(251.1)	(102.9)
Net accruals to provisions for risks and charges	1.6	6.4	7.4	1.9	(5.2)
Value adjustments of goodwill	-	-	-	(271.3)	-
Net gains (losses) on sales of investments	(0.0)	(0.0)	0.1	0.1	0.1
Other operating income (expenses)	16.1	31.5	15.7	34.1	29.3
Pre-tax profit (loss) from continuing operations	(4.3)	(31.4)	6.5	(475.7)	41.9
Income taxes	2.0	37.0	(1.9)	177.3	(16.0)
Post-tax profit (loss) from continuing operations	(2.3)	5.6	4.6	(298.5)	25.9
Profit (loss) for the period attributable to non-controlling interests	(0.3)	(0.4)	(0.4)	(1.8)	0.9
Profit (Loss) for the period	(2.6)	5.2	4.3	(296.7)	24.9

Annexes

Transformation in joint stock company (S.p.A.)

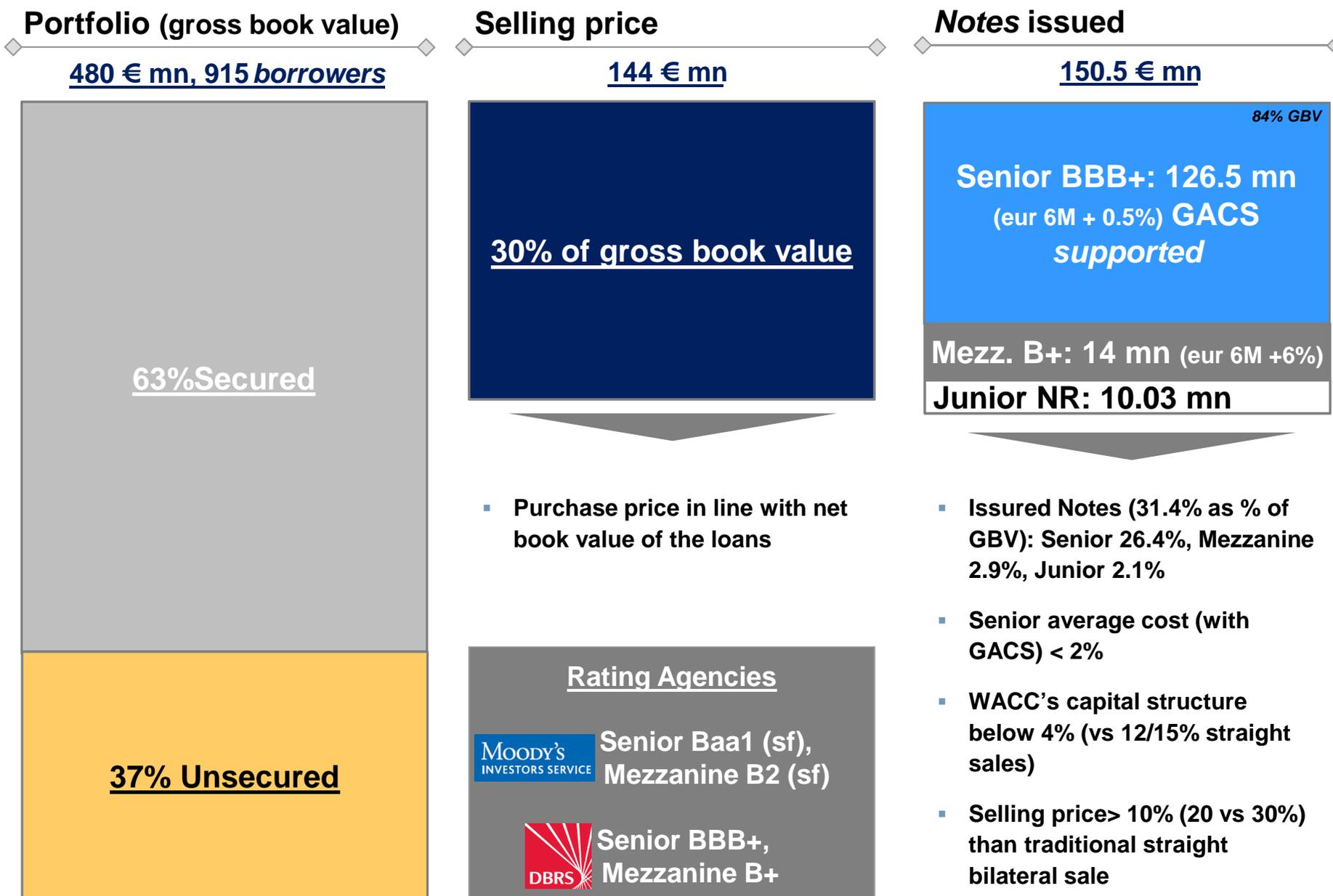
Main Milestones



⁽¹⁾ The deadline for the conclusion of the transformation process was set by the end of December 2016. However, on December 2016 and January 2017 two orders were issued by the State Council providing that the term for the completion of the transformation process had to be suspended until the publication of an additional order of the State Council. The State Council order is going to be issued as soon as the final decision of the Constitutional Court on the legitimacy issues raised by the State Council takes place. ⁽²⁾ On September, 27th 2017, the board of directors approved to proceed with the transformation in S.p.A. within the first semester of 2018.

Annexes

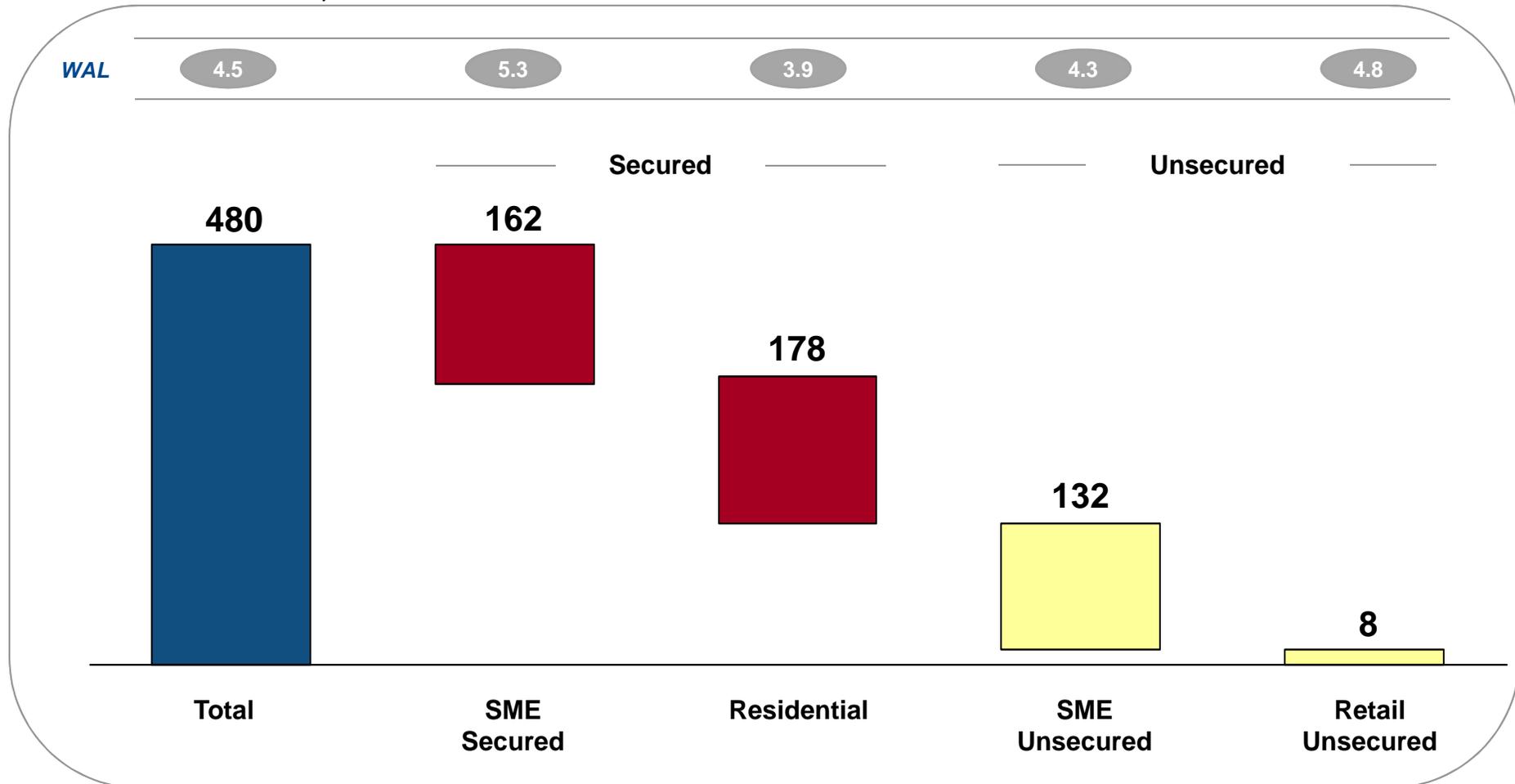
2016 Popolare Bari NPLs transaction - summary



Annexes

2016 Popolare Bari NPLs transaction – portfolio features

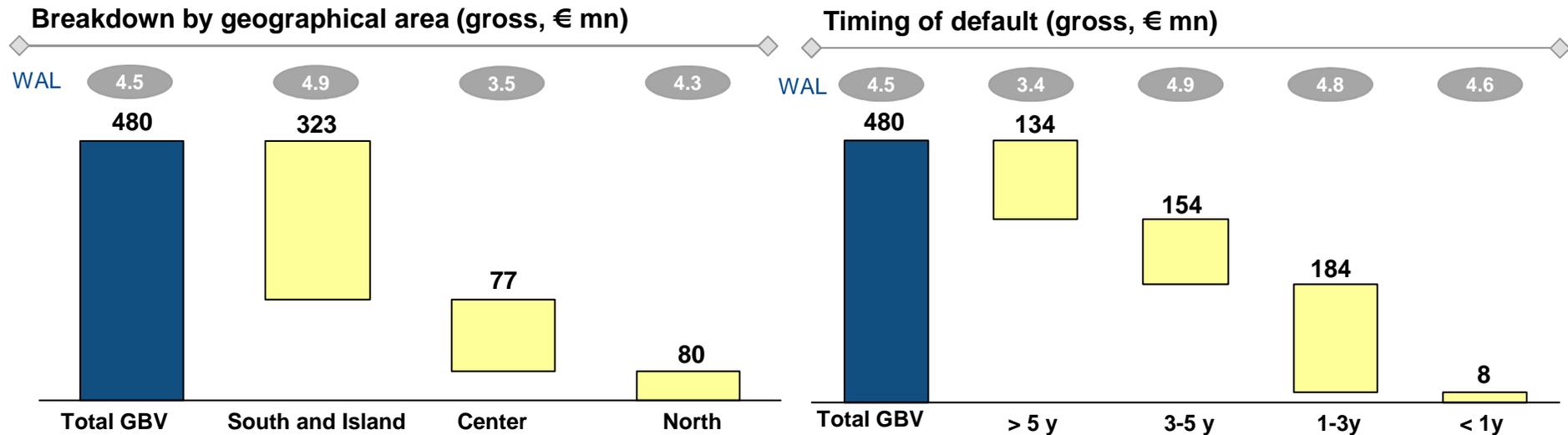
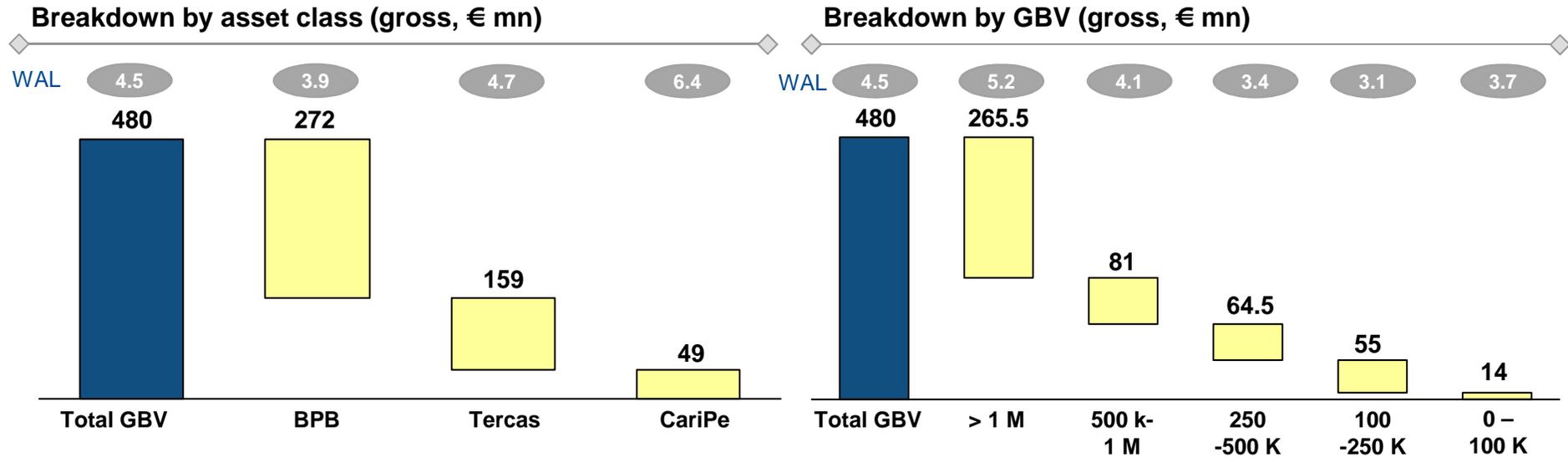
Gross book value, €/Mn



Over 70% secured, collateralized by assets with open market value > 420 mn (LTV 114%)
Original portfolio selected (507.4 mn) reduced to 480 mn through 27.4 mn loans random selection in line with CRR rules

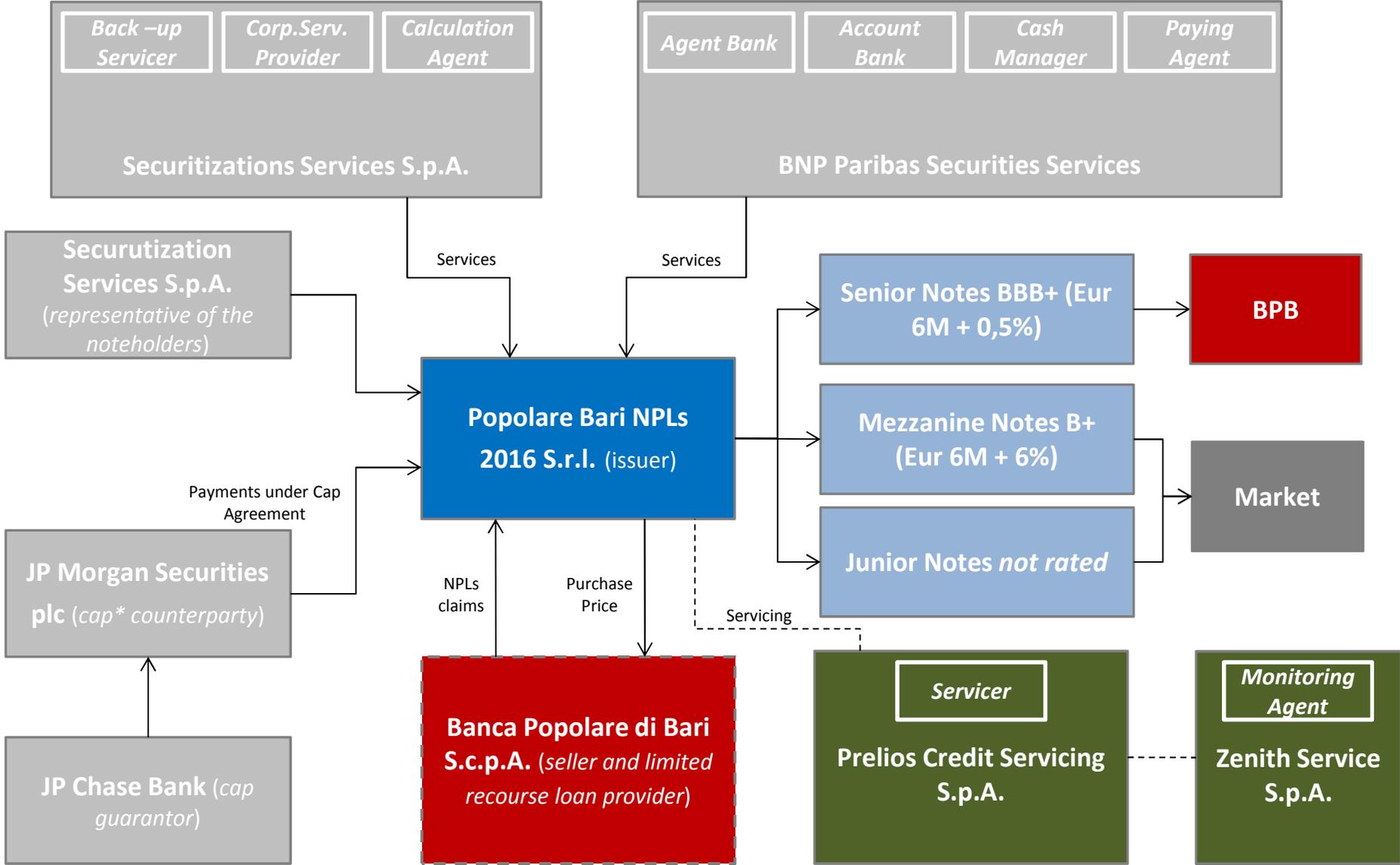
Annexes

2016 Popolare Bari NPLs transaction – stats info



Annexes

2016 Popolare Bari NPLs transaction – diagram



* Cap 0,1% on 6 months euribor (senior and mezzanine base rate)

Annexes

2016 Popolare Bari NPLs transaction – gacs applicability and waterfall

Applicability

Notes

- **State Guarantee** only to be applied to **senior tranche**. Senior Notes' **Rating higher than or equal to Investment Grade**

Control

- **BPB has disposed the NPLs and will achieve the accounting de-recognition of the sold NPLs** once sold to private investors junior and mezzanine tranches. **Neither Mezzanine nor Junior notes will be disposed to Italian Government and/or linked entities**

Price

- Prices of Npls is the **Net Book Value** (Gross Book Value – Reserves) of the portfolio

Servicing

- Appointment of an **independent servicer**. Owner of the junior and mezzanine notes have the right to appoint a different servicer subject to confirmation of non negative rating action by the Rating Agencies.

Other

- Senior and Mezzanine Notes with **variable rate coupons** and **flexible repayment structure**
- **Liquidity line** (limited recourse loan) provided in accordance with Rating Agencies criteria
- **Interest rate risk hedging with CAP on 6 months euribor - 0,1%** (EUR 6M is the base rate of senior and mezzanine)

GACS cost:

- **2016-2019: 87 bps**
- **2020-2021: 218 bps**

Waterfall overview

1	<u>Senior expenses</u>
2	<u>Servicing fees</u>
3	Interests on limited recourse loan
4	<u>Guarantee fees MEF</u>
5	Cap payments
6	<u>Payment of interests on Senior Notes</u>
7	Principal repayment on limited recourse loan
8	Payment of interests on Mezzanine Notes
9	<u>Principal repayment of Senior Notes</u>
10	Principal repayment of Mezzanine Notes
11	<u>Repayment on Junior Notes (once the notional of senior and mezzanine tranches are repaid in full)</u>

Annexes

2016 Popolare Bari NPLs transaction – main features of senior note



Class A EUR 126,5 MN Guaranteed NPL Asset-Backed Security Floating Rate Notes due to Dec 2036	
Issuer	Popolare Bari NPLS 2016
Guarantor	Italian Republic
Liquidity Facility Provider	Banca Popolare di Bari, 4,2 mn 6 month Euribor + 50 bps (cap 1%)
Coupon	6-month Euribor + 50 bps
Weighted Average Life (years)	4,5
Legal Maturity	2036
Rating unguaranteed of Senior Notes	BBB+ DBRS, Baa1 Moodys
Rating of Italian companies within the CDS spreads' basket	BBB+/Baa1/BBB+ A-/A3/A- Paniere (Ubi Banca, Unicredit, ISP, Generali, Enel, Eni, Acea, Atlantia)
Calculation methodology of guarantee's price	1. Biannual mid-price of basket CDS ("mid-price") 2. Arithmetic mean of mid-prices
Basic fees	Fixed till the year 3 since the issue, step up from the year 4 to the year 7 In years 1, 2 and 3, the price of the 3y benchmark CDS is paid on the residual value of the Senior Tranche In years 4 and 5, the price of the 5y benchmark CDS is paid on the residual value of the Senior Tranche From year 6 on, the price of the 7y benchmark CDS is paid on the residual value of the Senior Tranche
Additional fees¹	To be applied starting from year 4 to the year 7 in case Senior Tranche haven't been completely repaid In years 4 and 5: 2,70 x (price of 5 years CDS Basket - 3 years CDS Basket) In years 6 and 7: 8,98 x (price of 7 years CDS Basket - 5 years CDS Basket)

¹ Additional fees are calculated following the hypothesis shown below:

(i) Discount rate of 2%; (ii) 7 Years constant amortization of the Senior Tranche

Annexes

2017 Popolare Bari RMBS – main features of the securitization

Capital Structure

Class	Moody's / DBRS	Notes amount (€mm)	Notes amount (%) ¹	Subordination ²	Coupon	Cap	Estimated WAL (years) ³	Final Maturity Date	Status
A	Aa2(sf) / AA(sf)	597,210,000	82.0%	18.0%	3mE + 0.4% ³	-	4.37	April 2058	Re-offered
B	A2(sf) / A(h)(sf)	58,264,000	8.0%	8.0%	3mE + 0.5%	4%	10.76	April 2058	Retained
J1	NR	76,428,000	10.5%	0%	3mE + 0% + VR	-	-	April 2058	Retained
J2	NR	16,088,000	2.2%	0%	3mE + 0% + VR	-	-	April 2058	Retained
Total		747,990,000	102.7%						
Liquidity Reserve ⁴		19,664,220							

Main features of the 2017 Popolare Bari RMBS Senior Notes

- 2017 Popolare Bari RMBS Class A Notes were issued on 31st July 2016 and are listed on the Irish Stock Exchange
- WAL of Class A is currently about 4.4 years, based on 3% CPR, zero delinquencies and defaults³
- Static portfolio: there is no revolving period or substitution of mortgages after the initial sale
- First Payment Date on 31st October 2017
- The Issuer has the option to call the transaction from April 2028
- Interest rate hedging provided by J.P. Morgan AG
- The Senior Notes benefit from a subordination of 18%²
- Floor on Class A Notes interest (3m Euribor plus the relevant margin) at zero
- Amendment of Class A Notes margin from 50bps as at closing date to 40bps pursuant to a Written Resolution approved on 4 August 2017
- [Class A Notes are eligible for ECB Open Market Operations]

Cash flow structure

- Pass through structure and fully sequential amortization. Principal on Class A Notes in priority to principal on Class B and J Notes
- The Class A Notes benefit from structural subordination of Class B Notes and Class J Notes
- Capital structure providing Class B Notes Interest Deferability Mechanism: upon occurrence of Mezzanine Notes Interest Subordination Events⁵, the interest on the Class B is subordinated to the principal payment of the Class A Notes
- Full excess spread trapping to reimburse principal on the Class A Notes (subordinated items are not paid until the Class A Notes are redeemed in full)⁶
- Amortising cash reserve equal to €19.7mm (3% of Rated Notes). The Cash Reserve has a floor at €6.6mm, will serve as liquidity buffer during the life of the deal and it can be made available for the payment of principal on the Senior Notes at maturity

¹ Expressed as a percentage of the aggregate of the Portfolio as of the Valuation Date

² Excluding the Liquidity Reserve

³ WAL estimated assuming *inter alia* 3% CPR, no defaults, no delinquencies, and other relevant assumptions indicated in the Prospectus

⁴ Funded via a portion of the proceeds from the Class J Notes

⁵ Class B Interest Subordination Event shall occur when the Cumulative Default Ratio is equal to or higher than 16%. Please refer to Prospectus for more details

⁶ Please refer to the Prospectus for more details

Annexes

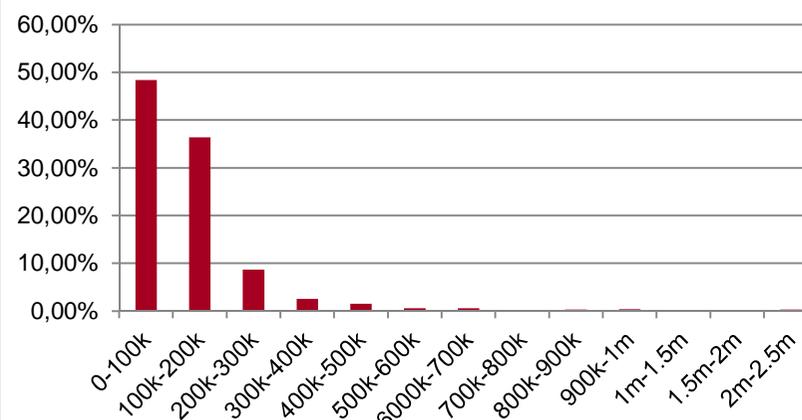
2017 Popolare Bari RMBS transaction – Portfolio Summary (1/4)

PORTFOLIO STATISTICS¹

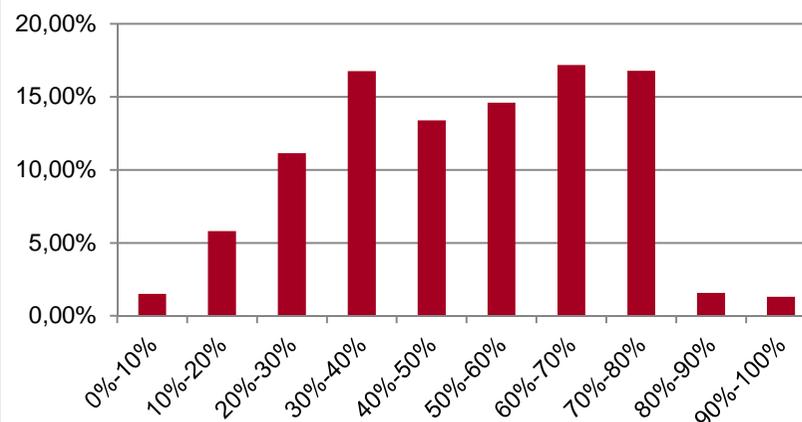
Number of Mortgage Loans	9,539
Number of Borrowers	9,384
Total Current Balance (€)	735,034,917.50
Total Original Balance (€)	973,017,147.23
Maximum Current Balance (€)	2,110,912.58
Average Current Balance (€)	77,055.76
Maximum Original Balance (€)	2,700,000.00
Average Original Balance (€)	102,004.10
WA CLTV (%)	50.06
WA OLTV (%)	58.80
WA Seasoning (yrs)	3.72
WA Remaining Term (yrs)	17.68
WA Maturity (yrs)	21.40
WA Spread (floating rate loans only) (%)	2.20
WA Interest Rate (fixed rate loans only) (%)	3.18
Top 1 Borrower (%)	0.29
Top 10 Borrower (%)	1.34
Top 20 Borrower (%)	2.19

¹ Portfolio as of 31 May 2017
Source: Prospectus

Breakdown by Current Balance

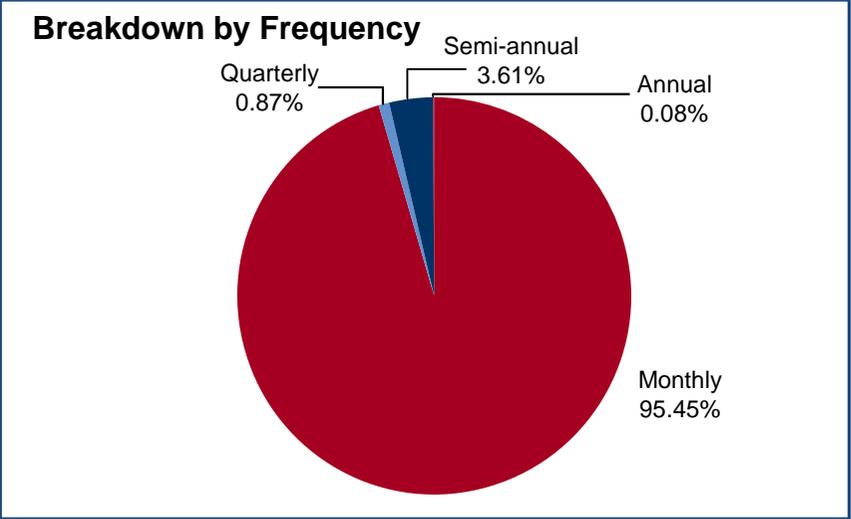
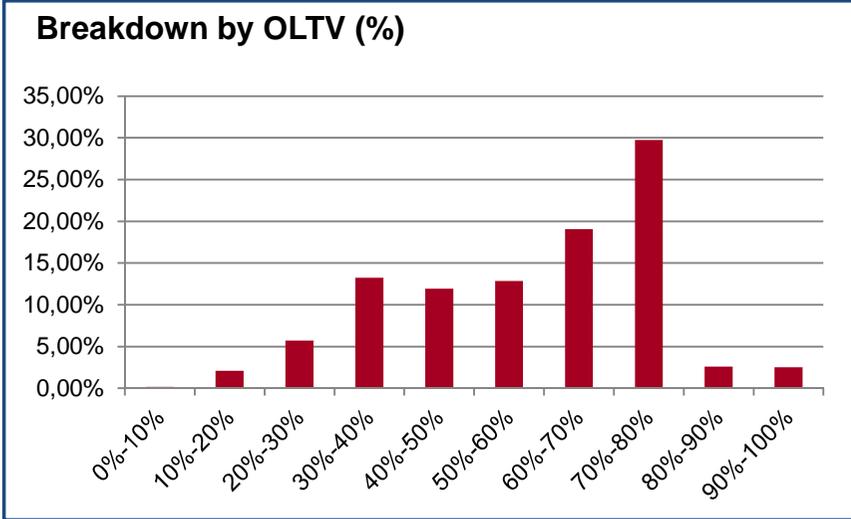
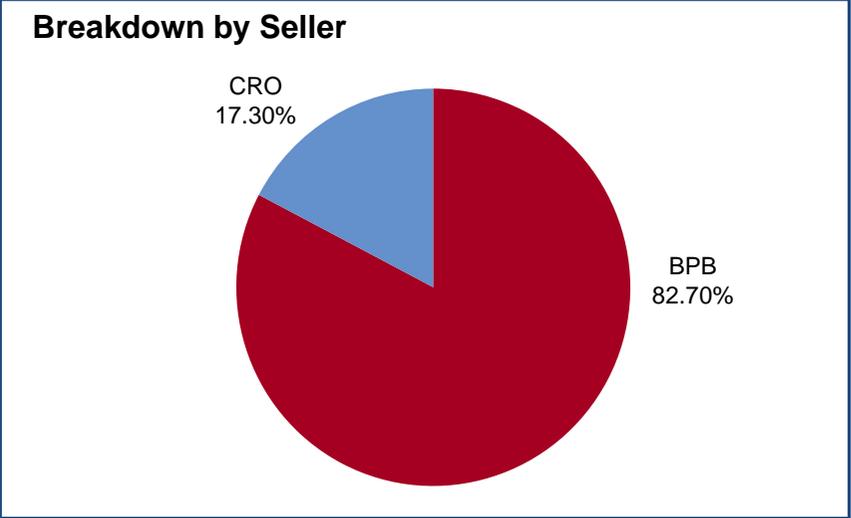
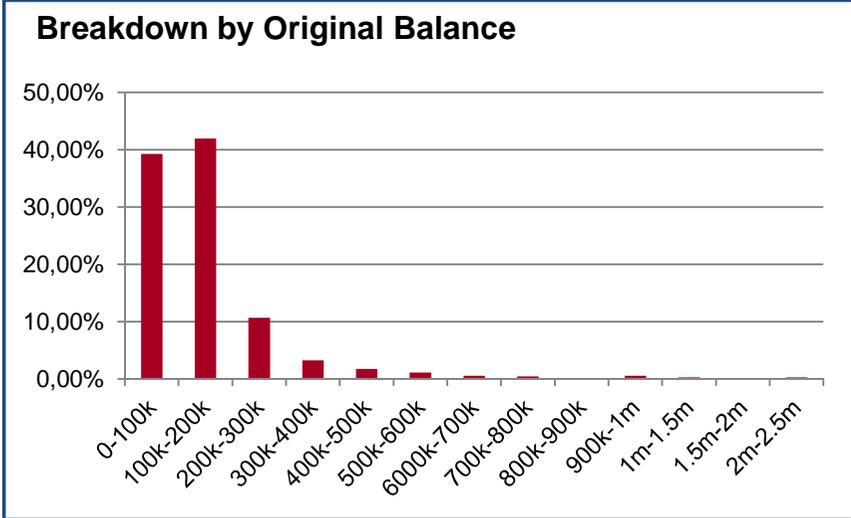


Breakdown by CLTV (%)



Annexes

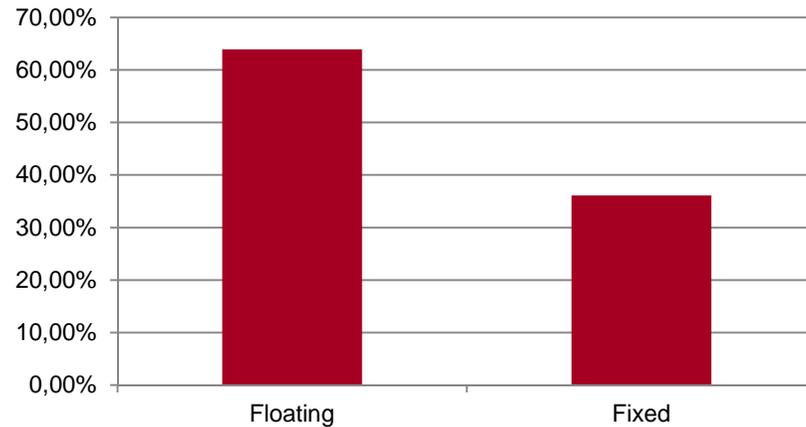
2017 Popolare Bari RMBS transaction – Portfolio Summary (2/4)



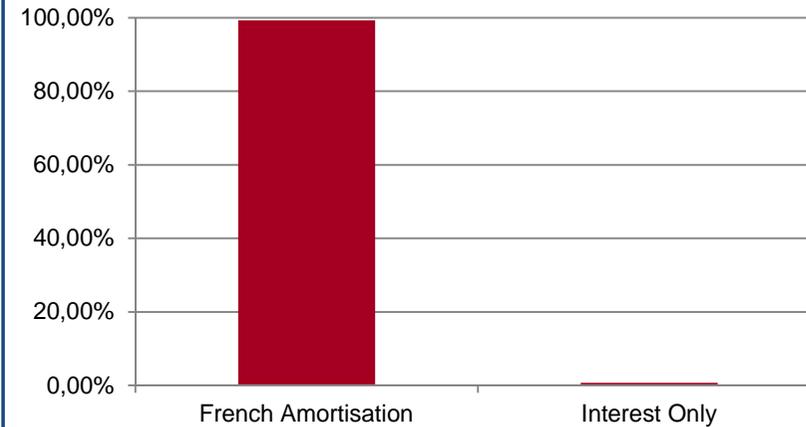
Annexes

2017 Popolare Bari RMBS transaction – Portfolio Summary (3/4)

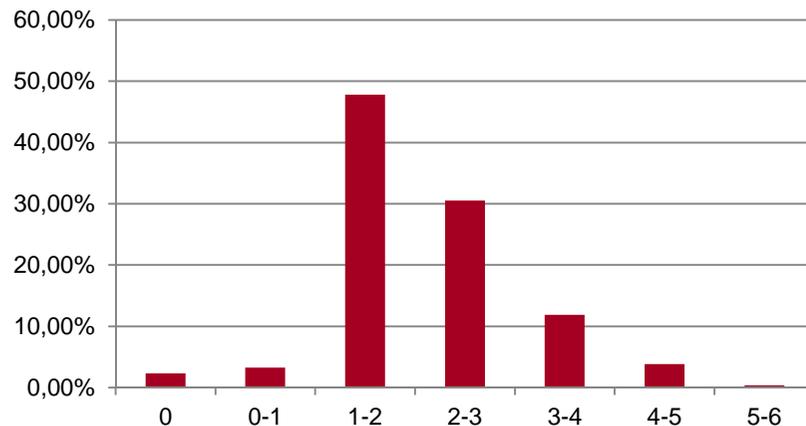
Breakdown by Interest rate type



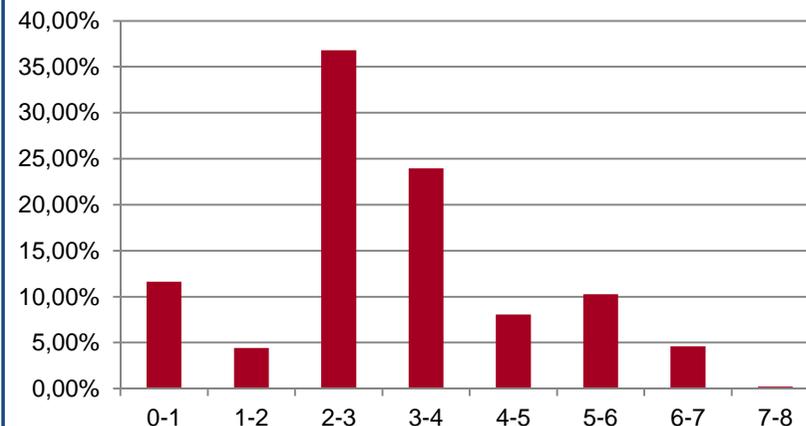
Breakdown by Repayment type



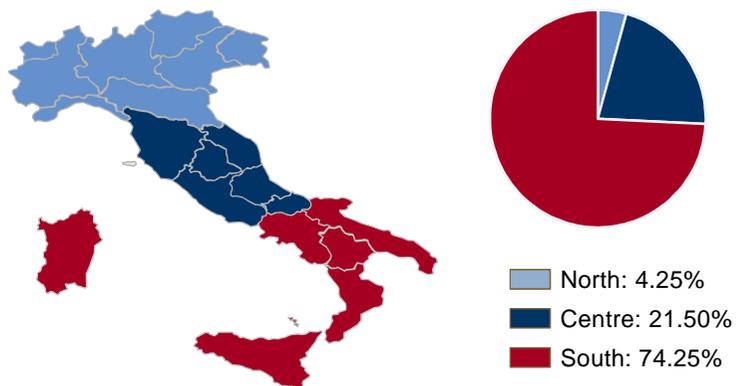
Breakdown by Margin for Floating Rate Loans (%)



Breakdown by Coupon for Fixed Rate Loans(%)



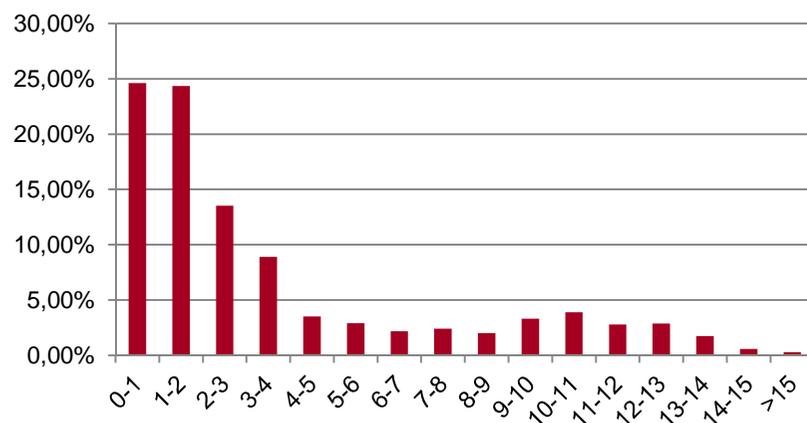
Breakdown by borrower geographical area



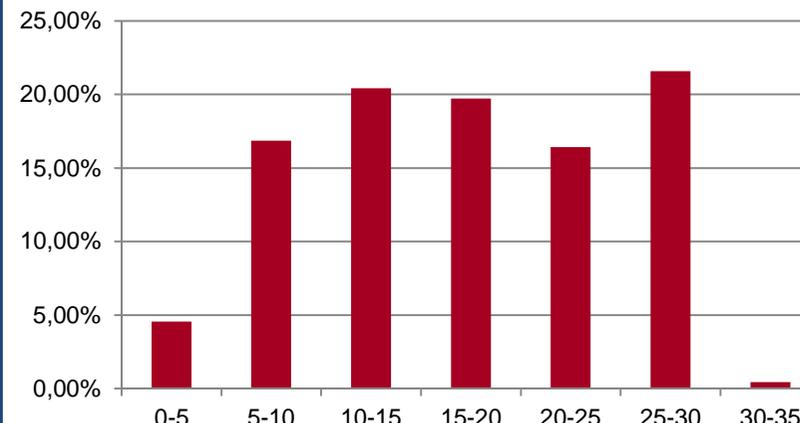
Breakdown by borrower region

By Borrower region	Current Balance (€)	Current Balance (%)	Number of loans	% of loans
Abruzzo	3,191,743.10	0.43%	36	0.38%
Basilicata	55,530,556.56	7.55%	969	10.16%
Calabria	19,517,611.98	2.66%	305	3.20%
Campania	155,023,500.63	21.09%	1,903	19.95%
Emilia Romagna	2,200,160.14	0.30%	22	0.23%
Friuli Venezia Giulia	95,688.58	0.01%	1	0.01%
Lazio	95,673,474.17	13.02%	969	10.16%
Liguria	1,567,092.37	0.21%	6	0.06%
Lombardia	22,256,426.82	3.03%	230	2.41%
Marche	3,507,006.76	0.48%	36	0.38%
Molise	2,278,239.64	0.31%	37	0.39%
Piemonte	439,677.33	0.06%	10	0.10%
Puglia	309,359,477.10	42.09%	4,172	43.74%
Sardegna	237,994.08	0.03%	2	0.02%
Sicilia	622,348.02	0.08%	8	0.08%
Toscana	8,806,607.23	1.20%	110	1.15%
Umbria	50,061,885.53	6.81%	679	7.12%
Veneto	4,665,427.46	0.63%	44	0.46%
Grand Total	735,034,917.50	100.00%	9,539	100.00%

Breakdown by Seasoning (years)



Breakdown by Remaining Terms (years)



Contacts for Investors and Financial Analysts



Dario Maria SPOTO

Head of Planning and Control
Corso Cavour, 19
70122 Bari – Italy
Ph. +39 3665871464
+39 0805274714
e-mail: d.spoto@popolarebari.it



Angelo BONERBA

Head of Communication Office
Corso Cavour, 19
70122 Bari – Italy
Ph. +39 3478700502
+39 0805274922
e-mail: an.bonerba@popolarebari.it