

## PRESS RELEASE

### **BPER's draft separate and consolidated financial statements for 2020 approved**

**BPER's preliminary 2020 separate and consolidated results confirmed, as already approved and announced on 3 February 2021**

**Proposal of dividend of €4 cents per share confirmed**

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Modena – 16 March 2021. The Board of Directors of BPER Banca today reviewed and approved the draft separate financial statements of the Bank and the consolidated financial statements of the Group at 31 December 2020, confirming the preliminary results already analysed and approved on 3 February 2021.

The Board approved the proposed allocation of the profit made by the Bank, with the distribution of a cash dividend of Euro 0.04 for each of the 1,413,263,512 shares representing the share capital (net of those held in portfolio at the ex-dividend date: 455,458 at 31 December 2020 and as of today's date), for a total maximum amount of Euro 56,530,540.48.

Payment of the dividend, which will be submitted to the Shareholders' Meeting of 21 April 2021 for approval, is scheduled on 19 May 2020, according to the calendar of Borsa Italiana S.p.A. As regards its market price, BPER's stock will go ex-coupon on Monday, 17 May 2021, while the record date is scheduled for Tuesday, 18 May 2021.

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The Board of Directors of BPER Banca also examined and approved the Report on corporate governance and ownership structure as per art. 123-bis of Legislative Decree 58/1998 (Consolidated Finance Act - TUF).

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The draft financial statements of BPER Banca and the consolidated financial statements of the BPER Group with the attached Auditors' reports of Deloitte & Touche S.p.A., and the above mentioned Report, will be made available to the general public at the Head Office of the Bank, at the offices of Borsa Italiana S.p.A. and on the website of the Bank ([www.bper.it](http://www.bper.it)) as required by law.

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*This is a translation into English of the original in Italian. The Italian text shall prevail over the English version.*

To complete the information provided, we attach the consolidated and separate balance sheets and income statements (the consolidated balance sheets also in a reclassified format) at 31 December 2020, as well as a summary of the main indicators.

Modena, 16 March 2021

**BPER Banca S.p.A.**  
**Chief Executive Officer**  
**Alessandro Vandelli**

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The Manager responsible for preparing the Company's financial reports, Marco Bonfatti, declares in accordance with art. 154-bis, para. 2, of TUF that the accounting information contained in this press release agrees with the books of account, accounting entries and supporting documentation.

Modena, 16 March 2021

**BPER Banca S.p.A.**  
**Manager responsible for preparing the**  
**Company's financial reports**  
**Marco Bonfatti**

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Please note that following today's approval of the draft separate and consolidated financial statements for 2020, there will not be the usual conference call as one was held on 3 February 2021 after approval of the preliminary 2020 results.

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The press release is also available in the 1INFO storage device.

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## Reclassified financial statements as at 31 December 2020

For greater clarity in the presentation of the results for the year, the accounting schedules envisaged by the 6th update of Bank of Italy Circular no. 262/2005 have been reclassified as follows.

In the balance sheet:

- Debt securities valued at amortised cost (caption 40 *"Financial assets measured at amortised cost"*) have been reclassified under caption *"Financial assets"*;
- *"Other assets"* include captions 110 *"Tax assets"* and 130 *"Other assets"*;
- *"Other liabilities"* include captions 60 *"Tax liabilities"*, 80 *"Other liabilities"*, 90 *"Employee termination indemnities"* and 100 *"Provisions for risks and charges"*;
- assets and liabilities classified as held for sale (asset caption 120 *"Non-current assets and disposal groups classified as held for sale"* and liability caption 70 *"Liabilities associated with assets classified as held for sale"*) are presented in their original portfolios in order to report the aggregates more clearly<sup>1</sup>.

In the income statement:

- *"Net income from financial activities"* includes captions 80, 90, 100 and 110 in the standard reporting format;
- Indirect tax recoveries, allocated for accounting purposes to caption 230 *"Other operating expense/income"*, have been reclassified as a reduction in the related costs under *"Other administrative expenses"* (Euro 139,969 thousand at 31 December 2020 and Euro 137,269 thousand at 31 December 2019);
- *"Net provisions for risks and charges"* include Euro 11,452 thousand relating to the valuation of the profit-sharing clause in the contract for the acquisition of Nuova Carife, allocated to caption 230 *"Other operating charges/income"* in the accounting schedule;
- *"Net adjustments to property, plant, equipment and intangible assets"* include captions 210 and 220 in the standard reporting format;
- *"Gains (Losses) on equity investments, disposal investments and impairment losses on goodwill"* include captions 250, 270 and 280 in the reporting format;
- *"Contributions to the DGS, SRF and IDPF-VS funds"* has been shown separately from the specific accounting technical forms to give a better and clearer representation, as well as to leave the *"Other administrative costs"* as a better reflection of the trend in the Group's operating costs. In particular, at 31 December 2020, this caption represents the component allocated for accounting purposes to administrative costs in relation to:
  - the 2020 contribution to the SRF (European Single Resolution Fund) for Euro 25,992 thousand;
  - additional contribution requested by the SRF (European Single Resolution Fund) for 2018 from Italian banks for Euro 8,149 thousand;
  - contribution to the SRF for the settlement of irrevocable commitments previously guaranteed by cash collateral for Euro 10,939 thousand;
  - the 2020 contribution to the DGS (Deposit Guarantee Schemes) for Euro 43,102 thousand.
- appropriate specification (*"of which"*) has been included in *"Net interest income"* caption in order to highlight the impacts of IFRS 9 application.

<sup>1</sup> The balance sheet data include the amounts for 5 branches held for sale. These branches belong to the group of 10 Unipol Banca branches acquired by BPER Banca on 25 November 2019 and subsequently transferred to Banco di Sardegna. In that regard, the Italian competition authority (Autorità Garante della Concorrenza e del Mercato - AGCM) authorised the operation on condition that the 5 branches located in Sardinia would be sold subsequently. The disposal is intended to resolve the competition issue identified in the AGCM investigation, which found excessive concentration in the Municipalities of Sassari, Alghero, Iglesias, Nuoro and Terralba, which would create and/or strengthen a dominant position.

## Reclassified consolidated balance sheet as at 31 December 2020

Assets	31.12.2020	31.12.2019	(in thousands)	
			Change	% Change
Cash and cash equivalents	482,192	566,930	(84,738)	-14.95
Financial assets	24,661,915	18,956,906	5,705,009	30.09
a) Financial assets held for trading	279,009	270,374	8,635	3.19
b) Financial assets designated at fair value	127,368	130,955	(3,587)	-2.74
c) Other financial assets mandatorily measured at fair value	765,917	692,995	72,922	10.52
d) Financial assets measured at fair value through other comprehensive income	6,269,818	6,556,202	(286,384)	-4.37
e) Debt securities measured at amortised cost	17,219,803	11,306,380	5,913,423	52.30
- banks	4,496,133	2,744,570	1,751,563	63.82
- customers	12,723,670	8,561,810	4,161,860	48.61
Loans	62,888,784	54,353,634	8,535,150	15.70
a) Loans to banks	9,856,598	2,321,809	7,534,789	324.52
b) Loans to customers	53,005,879	52,006,038	999,841	1.92
c) Financial assets measured at fair value	26,307	25,787	520	2.02
Hedging derivatives	57,776	82,185	(24,409)	-29.70
Equity investments	225,558	225,869	(311)	-0.14
Property, plant and equipment	1,352,690	1,369,724	(17,034)	-1.24
Intangible assets	702,723	669,847	32,876	4.91
- of which: goodwill	434,758	434,758	-	-
Other assets	2,679,200	2,808,403	(129,203)	-4.60
<b>Total assets</b>	<b>93,050,838</b>	<b>79,033,498</b>	<b>14,017,340</b>	<b>17.74</b>

Liabilities and shareholders' equity	31.12.2020	31.12.2019	(in thousands)	
			Change	% Change
Due to banks	20,180,999	12,213,133	7,967,866	65.24
Direct deposits	63,140,669	58,055,608	5,085,061	8.76
a) Due to customers	58,458,479	52,220,719	6,237,760	11.94
b) Debt securities issued	4,682,190	5,834,889	(1,152,699)	-19.76
Financial liabilities held for trading	170,094	165,970	4,124	2.48
Hedging derivatives	469,240	294,114	175,126	59.54
Other liabilities	2,759,082	3,013,126	(254,044)	-8.43
Minority interests	133,935	131,662	2,273	1.73
Shareholders' equity pertaining to the Parent Company	6,196,819	5,159,885	1,036,934	20.10
a) Valuation reserves	118,105	37,750	80,355	212.86
b) Reserves	2,348,691	2,035,205	313,486	15.40
c) Equity instruments	150,000	150,000	-	-
d) Share premium reserve	1,241,197	1,002,722	238,475	23.78
e) Share capital	2,100,435	1,561,884	538,551	34.48
f) Treasury shares	(7,259)	(7,259)	-	-
g) Profit (Loss) for the year	245,650	379,583	(133,933)	-35.28
<b>Total liabilities and shareholders' equity</b>	<b>93,050,838</b>	<b>79,033,498</b>	<b>14,017,340</b>	<b>17.74</b>

## Reclassified consolidated income statement as at 31 December 2020

Captions		(in thousands)			
		31.12.2020	31.12.2019	Change	% Change
10+20	Net interest income	1,238,876	1,164,539	74,337	6.38
	<i>of which IFRS 9 components*</i>	<i>25,728</i>	<i>43,643</i>	<i>(17,915)</i>	<i>-41.05</i>
40+50	Net commission income	1,072,514	931,950	140,564	15.08
70	Dividends	18,492	14,101	4,391	31.14
80+90+100+110	Net income from financial activities	138,165	113,993	24,172	21.20
230	Other operating expense/income	40,974	51,079	(10,105)	-19.78
	<b>Operating income</b>	<b>2,509,021</b>	<b>2,275,662</b>	<b>233,359</b>	<b>10.25</b>
190 a)	Staff costs	(960,719)	(1,049,686)	88,967	-8.48
190 b)	Other administrative expenses	(499,040)	(451,830)	(47,210)	10.45
210+220	Net adjustments to property, plant and equipment and intangible assets	(178,518)	(185,076)	6,558	-3.54
	<b>Operating costs</b>	<b>(1,638,277)</b>	<b>(1,686,592)</b>	<b>48,315</b>	<b>-2.86</b>
	<b>Net operating income</b>	<b>870,744</b>	<b>589,070</b>	<b>281,674</b>	<b>47.82</b>
130 a)	Net impairment losses to financial assets at amortised cost	(541,877)	(447,547)	(94,330)	21.08
	- loans to customers	(534,605)	(444,818)	(89,787)	20.19
	- other financial assets	(7,272)	(2,729)	(4,543)	166.47
130 b)	Net impairment losses to financial assets at fair value	(362)	1,256	(1,618)	-128.82
140	Gains (Losses) from contractual modifications without derecognition	(2,141)	(2,979)	838	-28.13
	<b>Net impairment losses for credit risk</b>	<b>(544,380)</b>	<b>(449,270)</b>	<b>(95,110)</b>	<b>21.17</b>
200	Net provisions for risks and charges	(32,481)	(12,193)	(20,288)	166.39
###	Contributions to SRF, DGS, IDPF - VS	(88,182)	(60,681)	(27,501)	45.32
250+270+280	Gains (Losses) on equity investments, disposal investments and impairment losses on goodwill	(2,079)	6,611	(8,690)	-131.45
275	Gain on a bargain purchase	-	343,361	(343,361)	-100.00
<b>290</b>	<b>Profit (Loss) from current operations before tax</b>	<b>203,622</b>	<b>416,898</b>	<b>(213,276)</b>	<b>-51.16</b>
300	Income taxes on current operations for the year	67,045	(22,446)	89,491	-398.69
<b>330</b>	<b>Profit (Loss) for the year</b>	<b>270,667</b>	<b>394,452</b>	<b>(123,785)</b>	<b>-31.38</b>
340	Profit (Loss) for the year pertaining to minority interests	(25,017)	(14,869)	(10,148)	68.25
<b>350</b>	<b>Profit (Loss) for the year pertaining to the Parent Company</b>	<b>245,650</b>	<b>379,583</b>	<b>(133,933)</b>	<b>-35.28</b>

\* The "of which IFRS 9 components" caption includes the time value of bad loans and the write-down of part of the interest charged on non-performing exposures.

## Reclassified consolidated income statement by quarter as at 31 December 2020

Captions		(in thousands)							
		1st quarter 2020	2nd quarter 2020	3rd quarter 2020	4th quarter 2020	1st quarter 2019	2nd quarter 2019	3rd quarter 2019	4th quarter 2019
10+20	Net interest income	307,971	310,280	325,492	295,133	273,896	272,288	315,909	302,446
	<i>of which IFRS 9 components*</i>	<i>9,414</i>	<i>7,945</i>	<i>5,185</i>	<i>3,184</i>	<i>13,352</i>	<i>15,083</i>	<i>11,748</i>	<i>3,460</i>
40+50	Net commission income	267,595	245,102	262,127	297,690	192,544	195,210	268,316	275,880
70	Dividends	809	12,034	4,550	1,099	539	9,687	3,424	451
80+90+100+110	Net income from financial activities	5,642	46,832	43,115	42,576	22,062	5,403	49,721	36,807
230	Other operating expense/income	14,607	9,724	7,638	9,005	6,337	8,923	19,511	16,308
	<b>Operating income</b>	<b>596,624</b>	<b>623,972</b>	<b>642,922</b>	<b>645,503</b>	<b>495,378</b>	<b>491,511</b>	<b>656,881</b>	<b>631,892</b>
190 a)	Staff costs	(255,576)	(249,088)	(216,638)	(239,417)	(213,631)	(213,109)	(230,936)	(392,010)
190 b)	Other administrative expenses	(114,546)	(116,917)	(120,137)	(147,440)	(90,930)	(96,204)	(118,223)	(146,473)
210+220	Net adjustments to property, plant and equipment and intangible assets	(40,957)	(44,051)	(42,995)	(50,515)	(33,172)	(35,380)	(40,189)	(76,335)
	<b>Operating costs</b>	<b>(411,079)</b>	<b>(410,056)</b>	<b>(379,770)</b>	<b>(437,372)</b>	<b>(337,733)</b>	<b>(344,693)</b>	<b>(389,348)</b>	<b>(614,818)</b>
	<b>Net operating income</b>	<b>185,545</b>	<b>213,916</b>	<b>263,152</b>	<b>208,131</b>	<b>157,645</b>	<b>146,818</b>	<b>267,533</b>	<b>17,074</b>
130 a)	Net impairment losses to financial assets at amortised cost	(139,553)	(157,769)	(107,870)	(136,685)	(72,485)	(74,551)	(160,985)	(139,526)
	- loans to customers	(139,991)	(153,846)	(106,524)	(134,244)	(71,328)	(74,632)	(159,409)	(139,449)
	- other financial assets	438	(3,923)	(1,346)	(2,441)	(1,157)	81	(1,576)	(77)
130 b)	Net impairment losses to financial assets at fair value	105	(963)	363	133	421	(392)	553	674
140	Gains (Losses) from contractual modifications without derecognition	(195)	(247)	(182)	(1,517)	(891)	(76)	(651)	(1,361)
	<b>Net impairment losses for credit risk</b>	<b>(139,643)</b>	<b>(158,979)</b>	<b>(107,689)</b>	<b>(138,069)</b>	<b>(72,955)</b>	<b>(75,019)</b>	<b>(161,083)</b>	<b>(140,213)</b>
200	Net provisions for risks and charges	2,276	(17,177)	(15,109)	(2,471)	(1,995)	(9,698)	2,491	(2,991)
###	Contributions to SRF, DGS, IDPF - VS	(31,978)	(2,185)	(30,490)	(23,529)	(23,184)	(9,459)	(25,771)	(2,267)
250+270+280	Gains (Losses) on equity investments, disposal investments and impairment losses on goodwill	321	(5,481)	1,140	1,941	3,809	4,586	415	(2,199)
275	Gain on a bargain purchase	-	-	-	-	-	-	353,805	(10,444)
<b>290</b>	<b>Profit (Loss) from current operations before tax</b>	<b>16,521</b>	<b>30,094</b>	<b>111,004</b>	<b>46,003</b>	<b>63,320</b>	<b>57,228</b>	<b>437,390</b>	<b>(141,040)</b>
300	Income taxes on current operations for the year	(6,119)	75,066	(6,585)	4,683	(12,266)	987	(8,666)	(2,501)
<b>330</b>	<b>Profit (Loss) for the year</b>	<b>10,402</b>	<b>105,160</b>	<b>104,419</b>	<b>50,686</b>	<b>51,054</b>	<b>58,215</b>	<b>428,724</b>	<b>(143,541)</b>
340	Profit (Loss) for the year pertaining to minority interests	(4,320)	(6,563)	(8,479)	(5,655)	(3,083)	(5,694)	(6,291)	199
<b>350</b>	<b>Profit (Loss) for the year pertaining to the Parent Company</b>	<b>6,082</b>	<b>98,597</b>	<b>95,940</b>	<b>45,031</b>	<b>47,971</b>	<b>52,521</b>	<b>422,433</b>	<b>(143,342)</b>

\* The "of which IFRS 9 components" caption includes the time value of bad loans and the write-down of part of the interest charged on non-performing exposures.

## Consolidated balance sheet as at 31 December 2020

		(in thousands)			
Assets	31.12.2020	31.12.2019	Change	% Change	
10. Cash and cash equivalents	482,192	566,924	(84,732)	-14.95	
20. Financial assets measured at fair value through profit or loss	1,198,601	1,120,111	78,490	7.01	
a) financial assets held for trading	279,009	270,374	8,635	3.19	
b) financial assets designated at fair value	127,368	130,955	(3,587)	-2.74	
c) other financial assets mandatorily measured at fair value	792,224	718,782	73,442	10.22	
30. Financial assets measured at fair value through other comprehensive income	6,269,818	6,556,202	(286,384)	-4.37	
40. Financial assets measured at amortised cost	79,991,505	65,541,246	14,450,259	22.05	
a) loans to banks	14,352,731	5,066,379	9,286,352	183.29	
b) loans to customers	65,638,774	60,474,867	5,163,907	8.54	
50. Hedging derivatives	57,776	82,185	(24,409)	-29.70	
70. Equity investments	225,558	225,869	(311)	-0.14	
90. Property, plant and equipment	1,351,480	1,368,696	(17,216)	-1.26	
100. Intangible assets	702,723	669,847	32,876	4.91	
of which:					
- goodwill	434,758	434,758	-	-	
110. Tax assets	2,007,073	2,024,579	(17,506)	-0.86	
a) current	418,174	466,312	(48,138)	-10.32	
b) deferred	1,588,899	1,558,267	30,632	1.97	
120. Non-current assets and disposal groups classified as held for sale	98,714	97,142	1,572	1.62	
130. Other assets	665,398	780,697	(115,299)	-14.77	
<b>Total assets</b>	<b>93,050,838</b>	<b>79,033,498</b>	<b>14,017,340</b>	<b>17.74</b>	

		(in thousands)			
Liabilities and shareholders' equity	31.12.2020	31.12.2019	Change	% Change	
10. Financial liabilities measured at amortised cost	83,177,191	70,135,262	13,041,929	18.60	
a) due to banks	20,180,999	12,213,133	7,967,866	65.24	
b) due to customers	58,314,002	52,087,240	6,226,762	11.95	
c) debt securities issued	4,682,190	5,834,889	(1,152,699)	-19.76	
20. Financial liabilities held for trading	170,094	165,970	4,124	2.48	
40. Hedging derivatives	469,240	294,114	175,126	59.54	
60. Tax liabilities	74,748	75,737	(989)	-1.31	
a) current	4,797	5,405	(608)	-11.25	
b) deferred	69,951	70,332	(381)	-0.54	
70. Liabilities associated with assets classified as held for sale	144,809	134,077	10,732	8.00	
80. Other liabilities	1,945,822	2,069,511	(123,689)	-5.98	
90. Employee termination indemnities	148,199	191,120	(42,921)	-22.46	
100. Provisions for risks and charges	589,981	676,160	(86,179)	-12.75	
a) commitments and guarantees granted	62,334	55,995	6,339	11.32	
b) pension and similar obligations	148,357	161,619	(13,262)	-8.21	
c) other provisions for risks and charges	379,290	458,546	(79,256)	-17.28	
120. Valuation reserves	118,105	37,750	80,355	212.86	
140. Equity instruments	150,000	150,000	-	-	
150. Reserves	2,348,691	2,035,205	313,486	15.40	
160. Share premium reserve	1,241,197	1,002,722	238,475	23.78	
170. Share capital	2,100,435	1,561,884	538,551	34.48	
180. Treasury shares (-)	(7,259)	(7,259)	-	-	
190. Minority interests (+/-)	133,935	131,662	2,273	1.73	
200. Profit (Loss) for the year (+/-)	245,650	379,583	(133,933)	-35.28	
<b>Total liabilities and shareholders' equity</b>	<b>93,050,838</b>	<b>79,033,498</b>	<b>14,017,340</b>	<b>17.74</b>	

## Consolidated income statement as at 31 December 2020

		(in thousands)			
Captions	31.12.2020	31.12.2019	Change	Change %	
10. Interest and similar income	1,431,109	1,419,767	11,342	0.80	
of which: interest income calculated using the effective interest method	1,422,351	1,395,908	26,443	1.89	
20. Interest and similar expense	(192,233)	(255,228)	62,995	-24.68	
<b>30. Net interest income</b>	<b>1,238,876</b>	<b>1,164,539</b>	<b>74,337</b>	<b>6.38</b>	
40. Commission income	1,246,875	1,043,000	203,875	19.55	
50. Commission expense	(174,361)	(111,050)	(63,311)	57.01	
<b>60. Net commission income</b>	<b>1,072,514</b>	<b>931,950</b>	<b>140,564</b>	<b>15.08</b>	
70. Dividends and similar income	18,492	14,101	4,391	31.14	
80. Net income from trading activities	(14,220)	180	(14,400)	--	
90. Net income from hedging activities	(653)	(1,546)	893	-57.76	
100. Gains (Losses) on disposal or repurchase of:	141,182	116,600	24,582	21.08	
a) financial assets measured at amortised cost	130,513	38,710	91,803	237.16	
b) financial assets measured at fair value through other comprehensive income	10,356	77,664	(67,308)	-86.67	
c) financial liabilities	313	226	87	38.50	
110. Net income on financial assets and liabilities measured at fair value through profit or loss	11,856	(1,241)	13,097	--	
a) financial assets and liabilities designated at fair value	(3,683)	(8,436)	4,753	-56.34	
b) other financial assets mandatorily measured at fair value	15,539	7,195	8,344	115.97	
<b>120. Net interest and other banking income</b>	<b>2,468,047</b>	<b>2,224,583</b>	<b>243,464</b>	<b>10.94</b>	
130. Net impairment losses for credit risk relating to:	(542,239)	(446,291)	(95,948)	21.50	
a) financial assets measured at amortised cost	(541,877)	(447,547)	(94,330)	21.08	
b) financial assets measured at fair value through other comprehensive income	(362)	1,256	(1,618)	-128.82	
140. Gains (Losses) from contractual modifications without derecognition	(2,141)	(2,979)	838	-28.13	
<b>150. Net income from financial activities</b>	<b>1,923,667</b>	<b>1,775,313</b>	<b>148,354</b>	<b>8.36</b>	
<b>180. Net income from financial and insurance activities</b>	<b>1,923,667</b>	<b>1,775,313</b>	<b>148,354</b>	<b>8.36</b>	
190. Administrative expenses:	(1,687,910)	(1,699,466)	11,556	-0.68	
a) staff costs	(960,719)	(1,049,686)	88,967	-8.48	
b) other administrative expenses	(727,191)	(649,780)	(77,411)	11.91	
200. Net provisions for risks and charges	(21,029)	(12,193)	(8,836)	72.47	
a) commitments and guarantees granted	(6,329)	9,032	(15,361)	-170.07	
b) other net provisions	(14,700)	(21,225)	6,525	-30.74	
210. Net adjustments to property, plant and equipment	(118,816)	(125,524)	6,708	-5.34	
220. Net adjustments to intangible assets	(59,702)	(59,552)	(150)	0.25	
230. Other operating expense/income	169,491	188,348	(18,857)	-10.01	
<b>240. Operating costs</b>	<b>(1,717,966)</b>	<b>(1,708,387)</b>	<b>(9,579)</b>	<b>0.56</b>	
250. Gains (Losses) of equity investments	(2,945)	7,213	(10,158)	-140.83	
275. Gain on a bargain purchase	-	343,361	(343,361)	-100.00	
280. Gains (Losses) on disposal investments	866	(602)	1,468	-243.85	
<b>290. Profit (Loss) from current operations before tax</b>	<b>203,622</b>	<b>416,898</b>	<b>(213,276)</b>	<b>-51.16</b>	
300. Income taxes on current operations for the year	67,045	(22,446)	89,491	-398.69	
<b>310. Profit (Loss) from current operations after tax</b>	<b>270,667</b>	<b>394,452</b>	<b>(123,785)</b>	<b>-31.38</b>	
<b>330. Profit (Loss) for the year</b>	<b>270,667</b>	<b>394,452</b>	<b>(123,785)</b>	<b>-31.38</b>	
340. Profit (Loss) for the year pertaining to minority interests	(25,017)	(14,869)	(10,148)	68.25	
<b>350. Profit (Loss) for the year pertaining to the Parent Company</b>	<b>245,650</b>	<b>379,583</b>	<b>(133,933)</b>	<b>-35.28</b>	



## Performance ratios<sup>2</sup>

Financial ratios	31.12.2020	2019 (*)
<b>Structural ratios</b>		
Net loans to customers/total assets	56.96%	65.80%
Net loans to customers/direct deposits from customers	83.95%	89.58%
Financial assets/total assets	26.50%	23.99%
Gross non-performing loans/gross loans to customers	7.84%	11.07%
Net non-performing loans/net loans to customers	4.02%	5.77%
Texas ratio <sup>3</sup>	55.39%	79.04%
<b>Profitability ratios</b>		
ROE <sup>4</sup>	4.58%	8.66%
ROTE <sup>5</sup>	5.25%	9.92%
ROA <sup>6</sup>	0.29%	0.50%
Cost to income ratio <sup>7</sup>	65.30%	74.11%
Cost of credit risk <sup>8</sup>	1.01%	0.86%
<b>Own Funds (Phased in)<sup>9</sup> (in thousands of Euro)</b>		
Common Equity Tier 1 (CET1)	5,928,350	4,828,807
Own Funds	7,094,229	5,839,914
Risk-weighted assets (RWA)	33,501,647	34,721,277
<b>Capital and liquidity ratios</b>		
Common Equity Tier 1 Ratio (CET1 Ratio) - Phased in <sup>10</sup>	17.70%	13.91%
Tier 1 Ratio (T1 Ratio) - Phased in <sup>11</sup>	18.15%	14.35%
Total Capital Ratio (TC Ratio) - Phased in <sup>12</sup>	21.18%	16.82%
Common Equity Tier 1 Ratio (CET1 Ratio) - Fully Loaded <sup>13</sup>	15.90%	12.01%
Liquidity Coverage Ratio (LCR)	200.1%	158.9%
Net Stable Funding Ratio (NSFR)	123.7%	114.0%

(\*) The comparative ratios have been calculated on figures at 31 December 2019 as per the Consolidated financial statements as at 31 December 2019.

<sup>2</sup> To construct ratios, reference was made to the balance sheet and income statement figures of the reclassified statements prepared from a management point of view as per the present Press Release.

<sup>3</sup> The Texas ratio is calculated as total gross non-performing loans on net tangible equity increased by impairment provisions for non-performing loans.

<sup>4</sup> ROE has been calculated as net profit for the year on average shareholders' equity of Group not including net profit.

<sup>5</sup> ROTE has been calculated as net profit for the year on average shareholders' equity of Group not including net profit and intangible assets.

<sup>6</sup> ROA has been calculated as net profit for the year (including net profit pertaining to minority interests) on total assets.

<sup>7</sup> The Cost to income ratio has been calculated on the basis of the layout of the reclassified income statement (operating costs/operating income); when calculated on the basis of the layout provided by the 6th update of Bank of Italy Circular no. 262, the Cost to income ratio is at 69.61% (76.80% at 31 December 2019 as per the Consolidated financial statements as at 31 December 2019).

<sup>8</sup> The Cost of credit risk has been calculated as net impairment losses to loans to customers on net loans to customers.

<sup>9</sup> Items have been calculated according to the provisions of Regulation (EU) 2395/2017, which amends the Regulation (EU) 575/2013 (CRR) relating to "Transitional provisions to mitigate the impact of IFRS 9 on Own Funds". Regulation introduced the transitional arrangement (or so-called "Phased In") giving banks a chance to spread the effect on Own Funds over a period of 5 years (from March 2018 to December 2022), sterilizing the impact on CET1 by applying decreasing percentages over time. The BPER Banca Group chose to adopt the so-called "static approach" to be applied to the impact from comparing the IAS 39 adjustments at 31 December 2017 and the IFRS 9 adjustments at 1 January 2018.

<sup>10</sup> It should be noted that the Phased in capital ratios are equal to 15.14% for the CET1 Ratio Phased in, 15.60% for the T1 Ratio Phased in and 18.66% for the TC Ratio Phased in if we separate the impact of the increase in capital for the acquisition of going concern from the Intesa Sanpaolo Group.

<sup>11</sup> See previous note.

<sup>12</sup> See previous note.

<sup>13</sup> The CET1 ratio Fully Loaded has been estimated excluding the effects of the transitional provisions in force and taking into account the result for the year, net of the pro-quota dividends, and the expected absorption of deferred tax assets relating to first-time adoption of IFRS9. It should also be noted that such ratio is equal to 13.52% if we separate the impact of the increase in capital for the acquisition of going concern from the Intesa Sanpaolo Group.

## Balance sheet of the Parent Company as at 31 December 2020

		(in thousands)			
Assets		31.12.2020	31.12.2019	Change	% Change
10.	Cash and cash equivalents	365,864	429,141	(63,277)	(14.75)
20.	Financial assets measured at fair value through profit or loss	983,756	939,799	43,957	4.68
	a) financial assets held for trading	310,818	311,681	(863)	(0.28)
	b) financial assets designated at fair value	123,370	126,947	(3,577)	(2.82)
	c) other financial assets mandatorily measured at fair value	549,568	501,171	48,397	9.66
30.	Financial assets measured at fair value through other comprehensive income	6,051,222	6,202,401	(151,179)	(2.44)
40.	Financial assets measured at amortised cost	71,340,689	56,133,805	15,206,884	27.09
	a) loans to banks	16,418,169	8,369,103	8,049,066	96.18
	b) loans to customers	54,922,520	47,764,702	7,157,818	14.99
50.	Hedging derivatives	57,695	81,869	(24,174)	(29.53)
70.	Equity investments	2,008,146	2,138,421	(130,275)	(6.09)
80.	Property, plant and equipment	806,384	802,101	4,283	0.53
90.	Intangible assets	480,782	438,239	42,543	9.71
	of which:				
	- goodwill	230,366	225,792	4,574	2.03
100.	Tax assets	1,689,110	1,644,103	45,007	2.74
	a) current	402,666	456,290	(53,624)	(11.75)
	b) deferred	1,286,444	1,187,813	98,631	8.30
110.	Non-current assets and disposal groups classified as held for sale	3,194	3,128	66	2.11
120.	Other assets	444,330	534,741	(90,411)	(16.91)
	<b>Total assets</b>	<b>84,231,172</b>	<b>69,347,748</b>	<b>14,883,424</b>	<b>21.46</b>

  

		(in thousands)			
Liabilities and shareholders' equity		31.12.2020	31.12.2019	Change	% Change
10.	Financial liabilities measured at amortised cost	75,566,875	61,608,916	13,957,959	22.66
	a) due to banks	24,095,097	15,749,542	8,345,555	52.99
	b) due to customers	46,793,064	40,300,602	6,492,462	16.11
	c) debt securities issued	4,678,714	5,558,772	(880,058)	(15.83)
20.	Financial liabilities held for trading	182,981	176,219	6,762	3.84
40.	Hedging derivatives	456,447	283,792	172,655	60.84
60.	Tax liabilities	47,136	43,633	3,503	8.03
	b) deferred	47,136	43,633	3,503	8.03
80.	Other liabilities	1,500,563	1,594,541	(93,978)	(5.89)
90.	Employee termination indemnities	107,416	123,302	(15,886)	(12.88)
100.	Provisions for risks and charges	454,186	520,564	(66,378)	(12.75)
	a) commitments and guarantees granted	49,251	46,068	3,183	6.91
	b) pension and similar obligations	147,829	159,720	(11,891)	(7.44)
	c) other provisions for risks and charges	257,106	314,776	(57,670)	(18.32)
110.	Valuation reserves	(54,799)	(135,730)	80,931	(59.63)
130.	Equity instruments	150,000	150,000	-	-
140.	Reserves	2,342,135	2,039,723	302,412	14.83
150.	Share premium reserve	1,241,197	1,002,722	238,475	23.78
160.	Share capital	2,100,435	1,561,884	538,551	34.48
170.	Treasury shares (-)	(7,253)	(7,253)	-	-
180.	Profit (Loss) for the year (+/-)	143,853	385,435	(241,582)	(62.68)
	<b>Total liabilities and shareholders' equity</b>	<b>84,231,172</b>	<b>69,347,748</b>	<b>14,883,424</b>	<b>21.46</b>

## Income statement of the Parent Company as at 31 December 2020

		(in thousands)			
Captions	31.12.2020	31.12.2019	Change	% Change	
10. Interest and similar income	1,096,963	1,040,034	56,929	5.47	
of which: interest income calculated using the effective interest method	1,088,007	1,017,060	70,947	6.98	
20. Interest and similar expense	(195,450)	(253,352)	57,902	(22.85)	
<b>30. Net interest income</b>	<b>901,513</b>	<b>786,682</b>	<b>114,831</b>	<b>14.60</b>	
40. Commission income	817,034	741,171	75,863	10.24	
50. Commission expense	(62,735)	(51,570)	(11,165)	21.65	
<b>60. Net commission income</b>	<b>754,299</b>	<b>689,601</b>	<b>64,698</b>	<b>9.38</b>	
70. Dividends and similar income	24,645	34,363	(9,718)	(28.28)	
80. Net income from trading activities	(14,884)	(2,899)	(11,985)	413.42	
90. Net income from hedging activities	(577)	(1,392)	815	(58.55)	
100. Gains (Losses) on disposal or repurchase of:	117,313	82,775	34,538	41.73	
a) financial assets measured at amortised cost	108,077	18,698	89,379	478.01	
b) financial assets measured at fair value through other comprehensive income	8,920	63,840	(54,920)	(86.03)	
c) financial liabilities	316	237	79	33.33	
110. Net income on financial assets and liabilities measured at fair value through profit or loss	11,412	4,113	7,299	177.46	
a) financial assets and liabilities designated at fair value	(3,684)	(8,436)	4,752	(56.33)	
b) other financial assets mandatorily measured at fair value	15,096	12,549	2,547	20.30	
<b>120. Net interest and other banking income</b>	<b>1,793,721</b>	<b>1,593,243</b>	<b>200,478</b>	<b>12.58</b>	
130. Net impairment losses for credit risk relating to:	(443,781)	(288,004)	(155,777)	54.09	
a) financial assets measured at amortised cost	(443,433)	(288,945)	(154,488)	53.47	
b) financial assets measured at fair value through other comprehensive income	(348)	941	(1,289)	(136.98)	
140. Gains (Losses) from contractual modifications without derecognition	(2,076)	(1,981)	(95)	4.80	
<b>150. Net income from financial activities</b>	<b>1,347,864</b>	<b>1,303,258</b>	<b>44,606</b>	<b>3.42</b>	
160. Administrative expenses:	(1,326,776)	(1,269,401)	(57,375)	4.52	
a) staff costs	(751,764)	(763,894)	12,130	(1.59)	
b) other administrative expenses	(575,012)	(505,507)	(69,505)	13.75	
170. Net provisions for risks and charges	(13,061)	(8,071)	(4,990)	61.83	
a) commitments and guarantees granted	(3,036)	5,766	(8,802)	(152.65)	
b) other net provisions	(10,025)	(13,837)	3,812	(27.55)	
180. Net adjustments to property, plant and equipment	(99,116)	(85,467)	(13,649)	15.97	
190. Net adjustments to intangible assets	(54,446)	(49,532)	(4,914)	9.92	
200. Other operating expense/income	176,513	194,968	(18,455)	(9.47)	
<b>210. Operating costs</b>	<b>(1,316,886)</b>	<b>(1,217,503)</b>	<b>(99,383)</b>	<b>8.16</b>	
220. Gains (Losses) of equity investments	(3,269)	(25,979)	22,710	(87.42)	
245. Gain on a bargain purchase	-	329,433	(329,433)	(100.00)	
250. Gains (Losses) on disposal investments	817	1,028	(211)	(20.53)	
<b>260. Profit (Loss) from current operations before tax</b>	<b>28,526</b>	<b>390,237</b>	<b>(361,711)</b>	<b>(92.69)</b>	
270. Income taxes on current operations for the year	115,327	(4,802)	120,129	--	
<b>280. Profit (Loss) from current operations after tax</b>	<b>143,853</b>	<b>385,435</b>	<b>(241,582)</b>	<b>(62.68)</b>	
<b>300. Profit (Loss) for the year</b>	<b>143,853</b>	<b>385,435</b>	<b>(241,582)</b>	<b>(62.68)</b>	