BPER:
Banca

PRESS RELEASE

CONSOLIDATED RESULTS AS AT 31 MARCH 2022

NET PROFIT FOR THE PERIOD OF € 112.7 MLN

PROFIT BEFORE TAX OF € 158.3 MLN, UP 50% FROM € 105.5 MLN IN 1Q21 NET OF ONE-OFFS

1Q RESULTS REFLECT STRONG GROWTH IN PROFITABILITY DESPITE DIFFICULT ENVIRONMENT

- Net operating income: € 325.3 mln, up 54.0% y/y
- Operating income: € 883.7 mln (+16.6% y/y) driven by the increase in net commission income, amounting to € 450.6 mln (+37.3% y/y) boosted by positive commercial momentum

CREDIT QUALITY IMPROVEMENT CONFIRMED

NPE RATIO AT 4.9% GROSS AND 2.0% NET, UNCHANGED SINCE END-2021

NPE COVERAGE OF 60.6% VS. 60.4% AT END-2021

- Coverage of bad loans 73.2%, UTPs 49.0% and Stage 2 performing loans 4.0%
- Marginal credit exposure to Russia-based counterparties. No direct exposure for the Group securities portfolio
- Very low annualised default rate at 1.0%
- Including the expected direct impacts from exposures to Russia, annualised cost of credit at 57 bps[1], down from 67 bps[2] in 2021

SOUND CAPITAL AND LIQUIDITY POSITION ENABLE TO FACE THE UNCERTAINTY OF THE CURRENT MACRO SCENARIO WITH CONFIDENCE

- Pro-forma fully phased[3] CET1 ratio at 13.64%, up from 13.50% on year end-2021, well above minimum SREP requirement (8.3%)
- LCR at 224% and NSFR >100%

NET PERFORMING LOANS TOTALLED € 77.1 BN (+5.7% Y/Y)

LOANS DISBURSED TO HOUSEHOLDS AND SMEs IN THE QUARTER: € 2.7 BN (+2.3% Y/Y)

DIRECT FUNDING: € 99.4 BN (+5.2% Y/Y)

INDIRECT FUNDING: € 161.3 BN, OF WHICH € 81.2 BN FROM AUM AND LIFE BANCASSURANCE SEGMENTS (+4.0% Y/Y)

- € 422.6 mln positive net funding in 1Q22 despite slowdown in March due to increased volatility in the financial markets

BPER Banca S.p.A., Head Office in Via San Carlo 8/20, Modena - Tax Code and Modena Companies Register No. 01153230360 – Company belonging to the BPER BANCA GROUP VAT, VAT No. 03830780361 – Share capital Euro 2,100,435,182.40 - ABI Code 5387.6 - Register of Banks No. 4932 - Member of the Interbank Deposit Guarantee Fund and of the National Guarantee Fund - Parent Company of the BPER Banca S.p.A. Banking Group - Register of Banking Groups No. 5387.6 - Tel. +39 059.2021111 - Telefax +39 059.2022033 - e-mail: servizio.clienti@bper.it - Certified e-mail (PEC): bper@pec.gruppobper.it - bper.it – istituzionale.bper.it

Modena – 9 May 2022. The Board of Directors of BPER Banca (the “**Bank**”) has examined and approved the Bank separate and Group consolidated results as at 31 March 2022.

BPER’s Chief Executive Officer Piero Luigi Montani commented: “*The first quarter of the year was sadly marked by the outbreak of the war in Ukraine following the Russian invasion at the end of February, with major humanitarian, social and economic repercussions.*
The scenario was further aggravated by rising inflationary pressures, which threaten to severely impact the domestic productive fabric and household consumption.
In this context, the Bank’s first quarter results reflected growing profitability, with net profit for the period amounting to € 112.7 million, after payment of € 45.7 million in contributions to the Single Resolution Fund.
Net operating income closed the quarter at € 325.3 million, up 54.0% as compared to the first quarter of 2021, partly benefiting from the stronger competitive position achieved last year.
The improving trend registered in credit quality in 2021 continued in the first quarter of this year, with gross NPE ratio at 4.9% (2.0% net), unchanged since end-2021, and non-performing loan coverage at 60.6%.
The Bank’ financial strength remains unchanged, with a fully phased CET1 ratio of 13.64%, well above the 8.3% current minimum SREP requirement. The same applies to the Bank’s liquidity position, with regulatory ratios being broadly in excess of the minimum thresholds required.
In sustainability, a most noteworthy milestone was our decision to join the Net-Zero Banking Alliance in March, further enhancing the already significant progress we have made in addressing climate change. In addition to this, a recent partnership has been signed with Italy’s export credit agency, SACE, to finance the energy transition of companies towards production models with a lower environmental impact, in line with the objectives of the National Recovery and Resilience Plan (PNRR) This initiative fits into a broad spectrum of activities that BPER has been engaged in for years to incorporate sustainability issues in its business model.
Today’s market environment of increased uncertainty and rising inflationary pressures presents us with new challenges, which the Group will be able to effectively rise up to, thanks to the progress it has made in revenue generation, its solid capital and liquidity position and its significant improvements in credit quality.
These aspects will be further strengthened by the actions and measures set out in the new Business Plan, which will be presented to the market in June”.

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Consolidated income statement[4]: key figures

Net interest income amounted to € 376.4 mln, up 9.6% on 1Q21, particularly as a result of a higher branch network contribution, totalling € 336.1 mln (+15.2% y/y). Key contributors also included TLTRO-III funds (net of interest paid on deposits with the ECB) for an amount of € 29.8 mln (€ 31.8 mln in 1Q21) and the securities portfolio for an amount of € 22.9 mln (€ 29.0 mln in 1Q21). As compared to 4Q21, the aggregate is down 2.5% primarily as a consequence of the lower number of calendar days in the first quarter of 2022 (-0.3%, net of calendar effect).

Net commission income totalled € 450.6 mln, up 37.3% on the same period of last year. In particular, commissions on indirect deposits and bancassurance settled at € 197.6 mln, up 37.4% y/y, while fees and commissions on traditional banking amounted to € 252.9 mln, up 37.2% y/y. With respect to 4Q21, the aggregate is down 4.0% mainly due to the usual positive seasonality of the last quarter which benefitted from performance fees on assets under management (€ 18.5 mln). Net of these fees, the aggregate is in line with the previous quarter.

Dividends amounted to € 0.3 mln as compared to € 1.7 mln in 1Q21 (€ 5.5 mln in 4Q21).

Net income from financial activities amounted to € 58.9 mln vs. € 76.2 mln in 1Q21 (€ 23.6 mln in 4Q21), despite the volatility registered in the financial markets since end-February due to the Russia-Ukraine war.

Operating income totalled € 883.7 mln, up 16.6% on 1Q21 (€ 897.5 mln in 4Q21), driven by the growth in core revenues (net interest income and net commission income), amounting to € 827.0 mln (+23.1% y/y).

Operating costs amounted to € 558.4 mln as against € 546.5 mln in the same period last year. With respect to 4Q21 (€ 858.3 mln) the aggregate is down 34.9%. More specifically:

- **Staff costs** totalled € 352.2 mln, on an uptrend compared to € 302.1 mln in 1Q21 due to the onboarding of new resources after the going concern acquisition last year. The aggregate is down 36.8% on 4Q21 (€ 557.2 mln), partly as a result of the one-off costs recognised in the previous quarter, primarily in connection with the workforce optimisation effort aimed at promoting generational turnover.
- **Other administrative expenses** amounted to € 160.7 mln, on a downtrend since both the same period last year (-15.4%) and 4Q2021 (-11.1%)
- **Net adjustments to property, plant equipment and intangible assets** amounted to € 45.6 mln, down 16.3% since the first quarter of 2021. With respect to 4Q21 (€ 120.3 mln), which included € 67.4 mln worth of non-recurring adjustments, the aggregate is down 62.1%. Net of these non-recurring items, the aggregate is down 13.8%.

Net operating income amounted to € 325.3 mln, an increase compared to both € 211.2 mln posted in the same period last year (+54.0%) and in the fourth quarter of 2021 (€ 39.2 mln).

Net impairment losses for credit risk totalled € 113.2 mln vs. € 418.8 mln in 1Q21 (€ 122.8 mln in 4Q21) and included € 16.3 mln of provisions for the expected risk of on-balance-sheet credit exposures to Russia (classified as "other financial assets"), calculated on the basis of the probability of estimated credit losses on those positions. The annualised **cost of credit** is thus 57 bps[5], down from the annualised cost of 67 bps for 2021.

Net provisions for risks and charges total € 12.2 mln (-70.2% y/y and -52.6% q/q) and include € 5.0 mln in off-balance-sheet credit exposures (endorsement loans) to counterparties resident in Russia.

The **contributions to banking system funds** relate to the regular payment to the Single Resolution Fund (SRF) for 2022 of € 45.7 mln.

In the interests of clarity, please note that these contributions are shown in a separate line in the reclassified income statement, whereas they are included in caption 190 b) “Other administrative expenses” in the Bank of Italy’s schedule.

Gains (Losses) on investments amounted to € 4.0 mln in contrast with a loss of € 250.7 mln in the first quarter of 2021 (€ -27.4 mln in 4Q21), which included € 230.4 mln in impairment losses on goodwill.

Profit from current operations before tax totalled € 158.3 mln, up 50.0% from € 105.5 mln in 1Q21 net of the non-recurring items relating to the going concern acquired last year.

Income taxes amounted to € 39.6 mln.

As a result, **profit for the period** totalled € 118.7 mln, inclusive of € 6.1 mln in profit for the period pertaining to minority interests.

The **profit for the period pertaining to the Parent Company** therefore amounted to € 112.7 mln.

Consolidated balance sheet: key figures

Direct funding from customers (due to customers, debt securities in issue and financial liabilities measured at fair value) settled at € 99.4 bn (+5.2% y/y). The key contributor to the aggregate amount was funding from retail/corporate customers, totalling € 93.8 bn and consisting mainly of current accounts and deposits (€ 89.4 bn), up 4.2% y/y. Institutional funding amounted to € 5.6 bn, up from € 4.1 bn as at 31 March 2021, primarily as a result of an increase in repurchase agreements.

Indirect funding from customers, totalling € 161.3 bn, was up slightly as compared to 31 March 2021 (€ 160.7 bn). As part of the aggregate amount:

- **assets under management** increased to € 61.8 bn (+2.2% y/y). Compared with the figure at 31 December 2021, AUM was down 4.7% exclusively due market effects.
- **life insurance premiums underwritten** amounted to € 19.4 bn, on an uptrend with respect to both end-2021 (+0.7%) and 31 March 2021 (9.9%).
- **assets under custody** totalled € 80.1 bn (-3.0% y/y and -2.5% q/q).

Gross loans to customers amounted to € 81.6 bn (-0.4% on end-2021), of which € 77.6 bn in performing loans (-0.4% on end-2021) and € 4.0 bn in non-performing loans (-0.4% on end 2021). The share of gross non-performing loans to total gross loans (**gross NPE Ratio**) is 4.9%, unchanged compared to 4Q21.

As regards the breakdown of gross non-performing loans, **bad loans** amounted to € 2.0 bn (-0.4% since end-2021), **unlikely-to-pay (UTP) exposures** settled at € 1.9 bn (+0.5% since end-2021), **past due exposures** amounted to € 109.6 mln (-14.2% since end-2021).

Net loans to customers amounted to € 78.7 bn (-0.5% on end-2021). As part of this item, net performing loans total € 77.1 bn (-0.5% since end-2021), of which € 7.5 bn in State-guaranteed loans.

It should also be noted that the amount of gross credit exposures to counterparties resident in Russia, Belarus and Ukraine is € 58.1 mln (down from € 66.8 mln at 31 December 2021), of which € 28.3 mln of on-balance-sheet exposures and € 29.8 mln of off-balance-sheet exposures (endorsement loans), for which the expected loss amount is limited.

Net non-performing loans to customers settled at € 1.6 bn, down 1.0% compared with end-2021 levels. The share of net non-performing loans to total net loans to customers (***net NPE ratio***) is 2.0%, unchanged from the ratio at year-end 2021. The coverage ratio for total non-performing loans has slightly risen to 60.6% from 60.4% at the end of 2021.

A breakdown of net NPEs shows € 0.5 bn in **net bad loans** (-5.2% on end-2021), with coverage rising to 73.2% (vs. 71.8% at end-2021), € 1.0 bn in **net UTP exposures** (+3.4% on end-2021) with coverage at 49.0%, essentially in line with the end-2021 level (50.4%); and € 76.7 mln in **net past due exposures** (-18.9% on end-2021), with coverage of 30.0% (up from 25.9% at end-2021).

Performing loan coverage settled at 0.64%, up from 0.57% at end-2021; in particular, Stage 2 loan coverage is 4.0% vs. 3.5% at the end of 2021.

The € 2.6 bn negative **net interbank position** is the result of the difference between € 21.3 bn in loans to banks and € 23.9 bn in loans from banks. Refinancing operations of the BPER Group with the European Central Bank (ECB), entirely consisting in TLTRO III funds with a maturity of three years, are stable at € 18.4 bn. Financial assets eligible as collateral for refinancing operations on the market amount to € 29.0 bn, net of haircut, including € 9.1 bn unencumbered, which come in addition to the € 20.0 bn worth of deposits with the ECB.

Financial assets, amounting to € 27.9 bn, account for 20.6% of total assets. Within the aggregate, debt securities amount to € 26.8 billion (95.9% of the total portfolio) with duration of approximately 2.5 years net of hedging and include € 13.9 billion of government securities and securities issued by other public entities, including € 8.5 billion of Italian government bonds.

Total shareholders' equity amounts to € 6.9 bn, with minority interests accounting for € 0.2 bn. **Group consolidated shareholders' equity**, including net profit for the period, amounts to € 6.7 bn.

At 31 March 2022, the **Liquidity Coverage Ratio** (LCR) comes to 224%, while the **Net Stable Funding Ratio** (NSFR) is estimated at over 100%.

Capital ratios

As at 31 March 2022, the capital ratios measured under the AIRB approach to credit risk were as follows:

- pro-forma Phased In Common Equity Tier 1 (CET1) ratio[6] of 14.1% (14.5% as at 31 December 2021). Calculated on a pro-forma Fully Phased[7] basis, the ratio is 13.6% (13.5% as at 31 December 2021);
- Pro-forma Phased In Tier 1 ratio[8] of 14.5% (14.8% as at 31 December 2021);
- Pro-forma Phased in Total Capital Ratio[9] of 17.0% (17.2% as at 31 December 2021).

Structure highlights as at 31 March 2022

The BPER Banca Group is present in nineteen regions of Italy with a network of 1,742 bank branches, in addition to the Luxembourg office of BPER Bank Luxembourg S.A..

Group employees total 18,120 as compared to a headcount of 18,128 at year-end 2021.

Outlook for operations

The euro area economy grew by 0.2% in the final quarter of 2021[10] and remained weak during the first months of 2022, largely owing to the outbreak of the armed conflict in Ukraine following the Russian invasion, which is having serious repercussions on the economy, in Europe and beyond. The consequent surge in energy and commodity prices drove inflation up to 7.5% in March from 5.9% in February, causing new supply difficulties for businesses and adding to the already existing bottlenecks in supply chains. Moreover, on the demand side, the persistence of high inflationary pressures in the medium term threatens to dampen consumption and investment more than expected.

The economic outlook, which is subject to a high degree of uncertainty, will therefore depend on how the conflict evolves, on the effect of current sanctions and on possible further measures.

In this scenario, support provided by the European governments under fiscal policies to compensate households and businesses will be important, as will be the successful implementation of national investment plans under the Next Generation EU programme, particularly in the area of climate and energy transition.

With regard to the Bank's operations, even taking into account the strong uncertainty of the macro scenario and unless the geopolitical situation deteriorates significantly, revenues are expected to grow as compared to last year, thanks to the Bank's stronger competitive position.

In particular, commission income is projected to benefit from an expected increase in loans to customers, driven in part by the investments under the NRRP.

On the cost side, efforts to improve efficiency and rationalise spending will continue, with a view to mitigating the impacts of inflation and offset the cost of the investments to be earmarked under the new Business Plan. The quality of credit will continue to be the focus of particular attention, including in view of the aforementioned risks of a slowdown in economic growth. Nonetheless, the capital position is expected to remain robust.

Verification of the independence requirements of a Director

The Board of Directors acknowledged that, with the Parent Company's Director Gianfranco Farre taking on the role of Chairman of the Board of Directors of the Subsidiary, Banco di Sardegna S.p.A., Mr. Farre ceased to meet the independence requirements set forth in Article 13, paragraph 1, letter c) of the Decree of the Ministry of Economy and Finance no. 169/2020.

The number of BPER Banca Directors who currently meet the requirements of independence, as set forth in Article 17, paragraph 4 of the Articles of Association, is therefore ten, significantly higher than the number required by the current legislation.

At a later meeting, the Board of Directors will carry out the annual verification of the independence requirements of all members qualifying as independent.

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With reference to the regulatory provisions that were introduced with the amendment to Legislative Decree no. 25 of 15 February 2016, implementing European Directive 2013/50/EU (Transparency II) and subsequent CONSOB Resolution no. 19770 of 26 October 2016, it should be noted that BPER Banca voluntarily decided, as it did in the past, to publish the Group's consolidated interim report on operations as at 31 March and 30 September of each year.

The document will soon be available at the Bank's head office, on the website of the Bank *(www.bper.it and https://istituzionale.bper.it)*, of Borsa Italiana S.p.A. and of the authorised storage system (www.1info.it).

As a complement to the information provided in this press release, attached please find the consolidated Balance Sheet and Income Statement (quarterly breakdown and reclassified) as at 31 March 2022, in addition to a summary of key financial indicators.

Modena, 9 May 2022

The Chief Executive Officer
Piero Luigi Montani

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The Manager responsible for preparing the Company's financial reports, Marco Bonfatti, declares pursuant to art. 154-bis, paragraph 2, of Legislative Decree No. 58/1998 (Consolidated Law on Finance), that the accounting information contained in this press release corresponds to the underlying documentary evidence, books and accounting records.

Modena, 9 May 2022

The Manager responsible for preparing
the company's financial reports
Marco Bonfatti

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A conference call to illustrate the consolidated results of the BPER Group at 31 March 2022 will be held today, 9 May 2022, at 6 p.m. (CET).

The conference call, in Italian with simultaneous translation into English, will be hosted by the Chief Executive Officer, Piero Luigi Montani.

To join the conference call, please dial the following numbers:

ITALY: +39 02 8020911
UK: +44 1212 818004
USA: +1 718 7058796

A set of slides to support the presentation will be made available on the Bank's website https://istituzionale.bper.it. in the Investor Relations section, Presentations page, shortly before the start of the conference call.

Contacts:

Investor Relations
investor.relations@bper.it

The Manager responsible for preparing the company's financial reports
dppreif@bper.it

External Relations
relest@bper.it

www.bper.it – https://istituzionale.bper.it/

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

Notes

[1] Calculated for the first quarter of 2022 by considering item 130 a) Loans to customers (€ 96.1 mln) and including € 16.3 mln in LLPs on on-balance-sheet exposures to Russia accounted for in item 130 a) Other financial assets.
[2] Cost of credit calculated by excluding € 310 mln worth of additional provisions.
[3] The pro-forma Fully Phased CET1 ratio is estimated by excluding the effects of transitional arrangements in force and including profit (loss) for the period for the portion not allocated to dividends, i.e. simulating in advance the effects of the ECB's authorisation to include these profits in Own Funds pursuant to art. 26, para. 2 of the CRR.
[4] Note: The BPER Banca Group's perimeter changed in 2021 following the assets and liabilities inclusion and P&L contribution of the acquired business unit, made up of 587 former UBI Banca branches effective from 22 February 2021 and 33 Intesa Sanpaolo branches effective from 21 June 2021.
[5] See Note 1.
[6] Phased-in capital ratios are calculated in accordance with the provisions of Regulation (EU) 2017/2395, amending Regulation (EU) 575/2013 (CRR) as regards "Transitional arrangements for mitigating the impact of the introduction of IFRS 9 on Own Funds". The Regulation introduced the transitional (Phase-in) regime offering banks the option to mitigate the impacts of IFRS 9 on Own Funds over a period of 5 years (from March 2018 to December 2022), by neutralising the impact on CET1 with the application of decreasing add-back factors over time. The BPER Banca Group elected to apply the "static approach" to the impact arising from a reconciliation of impairment losses under IAS 39 as at 31 December 2017 to impairment losses under IFRS 9 as at 1 January 2018. Calculation of the pro-forma amounts of these ratios includes profit (loss) for the period for the portion not allocated to dividends, i.e. simulating in advance the effects of the ECB's authorisation to include these profits in Own Funds pursuant to art. 26, para. 2 of the CRR.
[7] See Note 3.
[8] See Note 6.
[9] See Note 6.
[10] Preliminary Eurostat estimate published on 29 April 2022.

Reclassified financial statements as at 31 March 2022

For greater clarity in the presentation of the results for the period, the accounting schedules envisaged by the 7th 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"*;
- the caption *"Other assets"* includes captions 110 *"Tax assets"* and 130 "*Other assets*";
- the caption "*Other liabilities"* includes 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[1].

In the income statement:

- the caption *"Net commission income"* includes Euro 9.5 million related to commission on placement of Certificates, allocated for accounting purposes to caption 110 *"Net income on other financial assets and liabilities measured at fair value through profit or loss"* of the accounting schedule;
- the caption "*Net income from financial activities"* includes captions 80, 90, 100 and 110 of the accounting schedule, net of commission on placement of Certificates mentioned above;
- 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 58.9 million at 31 March 2022 and Euro 54.7 million at 31 March 2021);
- the caption *"Net adjustments to property, plant, equipment and intangible assets"* includes captions 210 and 220 of the accounting schedule;
- the caption *"Gains (Losses) on investments"* includes captions 250, 260, 270 and 280 of the accounting schedule;
- the caption *"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 expenses"* as a better reflection of the trend in the Group's operating costs. In particular, at 31 March 2022, this caption represents the component allocated for accounting purposes to administrative expenses in relation to the 2022 contribution to the SRF (European Single Resolution Fund) estimated for Euro 45.7 million.

[1] *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.*

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Reclassified consolidated balance sheet as at 31 March 2022

(in thousands)

Assets	31.03.2022	31.12.2021	Change	% Change
Cash and cash equivalents	1,260,203	1,306,282	(46,079)	-3.53
Financial assets	27,945,486	28,373,380	(427,894)	-1.51
a) Financial assets held for trading	369,175	323,721	45,454	14.04
b) Financial assets designated at fair value	128,239	125,098	3,141	2.51
c) Other financial assets mandatorily measured at fair value	716,183	714,759	1,424	0.20
d) Financial assets measured at fair value through other comprehensive income	6,348,172	6,631,897	(283,725)	-4.28
e) Debt securities measured at amortised cost	20,383,717	20,577,905	(194,188)	-0.94
- banks	6,033,729	5,795,622	238,107	4.11
- customers	14,349,988	14,782,283	(432,295)	-2.92
Loans	100,098,198	100,862,925	(764,727)	-0.76
a) Loans to banks	21,321,600	21,695,054	(373,454)	-1.72
b) Loans to customers	78,709,172	79,112,914	(403,742)	-0.51
c) Financial assets measured at fair value	67,426	54,957	12,469	22.69
Hedging derivatives	579,095	178,108	400,987	225.14
Equity investments	244,196	240,534	3,662	1.52
Property, plant and equipment	1,949,535	1,946,456	3,079	0.16
Intangible assets	463,930	459,197	4,733	1.03
- of which: goodwill	204,392	204,392	-	-
Other assets	3,281,269	2,980,991	300,278	10.07
Total assets	**135,821,912**	**136,347,873**	**(525,961)**	**-0.39**

(in thousands)

Liabilities and shareholders' equity	31.03.2022	31.12.2021	Change	% Change
Due to banks	23,871,648	23,633,494	238,154	1.01
Direct deposits	99,371,511	101,388,140	(2,016,629)	-1.99
a) Due to customers	94,468,707	96,627,735	(2,159,028)	-2.23
b) Debt securities issued	4,552,899	4,760,405	(207,506)	-4.36
c) Financial liabilities designated at fair value	349,905	-	349,905	n.s.
Financial liabilities held for trading	175,013	123,957	51,056	41.19
Macro-hedging activity	58,051	249,178	(191,127)	-76.70
a) Hedging derivatives	149,861	249,178	(99,317)	-39.86
b) Change in value of macro-hedged financial liabilities (+/-)	(91,810)	-	(91,810)	n.s.
Other liabilities	5,438,196	4,094,295	1,343,901	32.82
Minority interests	168,816	162,497	6,319	3.89
Shareholders equity pertaining to the Parent Company	6,738,677	6,696,312	42,365	0.63
a) Valuation reserves	126,509	196,370	(69,861)	-35.58
b) Reserves	3,018,131	2,493,508	524,623	21.04
c) Equity instruments	150,000	150,000	-	-
d) Share premium reserve	1,240,356	1,240,428	(72)	-0.01
e) Share capital	2,100,435	2,100,435	-	-
f) Treasury shares	(9,426)	(9,552)	126	-1.32
g) Profit (Loss) for the period	112,672	525,123	(412,451)	-78.54
Total liabilities and shareholders' equity	**135,821,912**	**136,347,873**	**(525,961)**	**-0.39**

BPER:
Gruppo

Reclassified consolidated income statement as at 31 March 2022

(in thousands)

Captions		31.03.2022	31.03.2021	Change	% Change
10+20	Net interest income	376,429	343,513	32,916	9.58
40+50	Net commission income	450,559	328,132	122,427	37.31
70	Dividends	286	1,678	(1,392)	-82.96
80+90+100+110	Net income from financial activities	58,939	76,241	(17,302)	-22.69
230	Other operating expense/income	(2,470)	8,119	(10,589)	-130.42
	Operating income	**883,743**	**757,683**	**126,060**	**16.64**
190 a)	Staff costs	(352,154)	(302,142)	(50,012)	16.55
190 b)	Other administrative expenses	(160,690)	(189,880)	29,190	-15.37
210+220	Net adjustments to property, plant and equipment and intangible assets	(45,584)	(54,454)	8,870	-16.29
	Operating costs	**(558,428)**	**(546,476)**	**(11,952)**	**2.19**
	Net operating income	**325,315**	**211,207**	**114,108**	**54.03**
130 a)	Net impairment losses to financial assets at amortised cost	(111,925)	(419,004)	307,079	-73.29
	- loans to customers	*(96,109)*	*(417,667)*	*321,558*	*-76.99*
	- other financial assets	*(15,816)*	*(1,337)*	*(14,479)*	--
130 b)	Net impairment losses to financial assets at fair value	(16)	773	(789)	-102.07
140	Gains (Losses) from contractual modifications without derecognition	(1,225)	(602)	(623)	103.49
	Net impairment losses for credit risk	**(113,166)**	**(418,833)**	**305,667**	**-72.98**
200	Net provisions for risks and charges	(12,200)	(40,914)	28,714	-70.18
###	Contributions to SRF, DGS, IDPF - VS	(45,666)	(31,055)	(14,611)	47.05
250+260+270 +280	Gains (Losses) on investments	4,026	(250,655)	254,681	-101.61
275	Gain on a bargain purchase	-	1,077,869	(1,077,869)	-100.00
290	**Profit (Loss) from current operations before tax**	**158,309**	**547,619**	**(389,310)**	**-71.09**
300	Income taxes on current operations for the period	(39,579)	(140,830)	101,251	-71.90
330	**Profit (Loss) for the period**	**118,730**	**406,789**	**(288,059)**	**-70.81**
340	Profit (Loss) for the period pertaining to minority interests	(6,058)	(6,523)	465	-7.13
350	**Profit (Loss) for the period pertaining to the Parent Company**	**112,672**	**400,266**	**(287,594)**	**-71.85**

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Reclassified consolidated income statement by quarter as at 31 March 2022

(in thousands)

Captions		1st quarter 2022	1st quarter 2021	2nd quarter 2021	3rd quarter 2021	4th quarter 2021
10+20	Net interest income	376,429	343,513	384,809	391,097	385,943
40+50	Net commission income	450,559	328,132	405,826	438,451	469,166
70	Dividends	286	1,678	12,269	677	5,460
80+90+100+110	Net income from financial activities	58,939	76,241	43,471	52,898	23,621
230	Other operating expense/income	(2,470)	8,119	(5,631)	9,247	13,291
	Operating income	**883,743**	**757,683**	**840,744**	**892,370**	**897,481**
190 a)	Staff costs	(352,154)	(302,142)	(355,061)	(313,821)	(557,216)
190 b)	Other administrative expenses	(160,690)	(189,880)	(157,403)	(151,125)	(180,750)
210+220	Net adjustments to property, plant and equipment and intangible assets	(45,584)	(54,454)	(52,510)	(52,849)	(120,304)
	Operating costs	**(558,428)**	**(546,476)**	**(564,974)**	**(517,795)**	**(858,270)**
	Net operating income	**325,315**	**211,207**	**275,770**	**374,575**	**39,211**
130 a)	Net impairment losses to financial assets at amortised cost	(111,925)	(419,004)	(157,291)	(138,202)	(122,697)
	- loans to customers	*(96,109)*	*(417,667)*	*(159,229)*	*(137,174)*	*(124,998)*
	- other financial assets	*(15,816)*	*(1,337)*	*1,938*	*(1,028)*	*2,301*
130 b)	Net impairment losses to financial assets at fair value	(16)	773	913	(225)	654
140	Gains (Losses) from contractual modifications without derecognition	(1,225)	(602)	(1,177)	(386)	(728)
	Net impairment losses for credit risk	**(113,166)**	**(418,833)**	**(157,555)**	**(138,813)**	**(122,771)**
200	Net provisions for risks and charges	(12,200)	(40,914)	(9,592)	(4,527)	(25,712)
###	Contributions to SRF, DGS, IDPF - VS	(45,666)	(31,055)	(15,106)	(79,957)	(7,581)
250+260+270 +280	Gains (Losses) on investments	4,026	(250,655)	(2,629)	(2,631)	(27,408)
275	Gain on a bargain purchase	-	1,077,869	72,053	(22,075)	-
290	**Profit (Loss) from current operations before tax**	**158,309**	**547,619**	**162,941**	**126,572**	**(144,261)**
300	Income taxes on current operations for the period	(39,579)	(140,830)	(50,902)	(34,317)	91,827
330	**Profit (Loss) for the period**	**118,730**	**406,789**	**112,039**	**92,255**	**(52,434)**
340	Profit (Loss) for the period pertaining to minority interests	(6,058)	(6,523)	(10,497)	(7,840)	(8,666)
350	**Profit (Loss) for the period pertaining to the Parent Company**	**112,672**	**400,266**	**101,542**	**84,415**	**(61,100)**

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Consolidated balance sheet as at 31 March 2022

(in thousands)

Assets		31.03.2022	31.12.2021	Change	% Change
10.	Cash and cash equivalents	1,260,203	1,306,282	(46,079)	-3.53
20.	Financial assets measured at fair value through profit or loss	1,281,023	1,218,535	62,488	5.13
	a) financial assets held for trading	369,175	323,721	45,454	14.04
	b) financial assets designated at fair value	128,239	125,098	3,141	2.51
	c) other financial assets mandatorily measured at fair value	783,609	769,716	13,893	1.80
30.	Financial assets measured at fair value through other comprehensive income	6,348,172	6,631,897	(283,725)	-4.28
40.	Financial assets measured at amortised cost	120,322,071	121,294,912	(972,841)	-0.80
	a) loans to banks	27,355,329	27,490,676	(135,347)	-0.49
	b) loans to customers	92,966,742	93,804,236	(837,494)	-0.89
50.	Hedging derivatives	579,095	178,108	400,987	225.14
70.	Equity investments	244,196	240,534	3,662	1.52
90.	Property, plant and equipment	1,947,982	1,945,000	2,982	0.15
100.	Intangible assets	463,930	459,197	4,733	1.03
	of which:				
	- goodwill	204,392	204,392	-	-
110.	Tax assets	1,770,586	1,784,995	(14,409)	-0.81
	a) current	386,887	410,514	(23,627)	-5.76
	b) deferred	1,383,699	1,374,481	9,218	0.67
120.	Non-current assets and disposal groups classified as held for sale	97,963	97,730	233	0.24
130.	Other assets	1,506,691	1,190,683	316,008	26.54
	Totale assets	**135,821,912**	**136,347,873**	**(525,961)**	**-0.39**

(in thousands)

	Liabilities and shareholders equity	31.03.2022	31.12.2021	Change	% Change
10.	Financial liabilities measured at amortised cost	122,733,053	124,854,511	(2,121,458)	-1.70
	a) due to banks	23,871,648	23,633,494	238,154	1.01
	b) due to customers	94,308,506	96,460,612	(2,152,106)	-2.23
	c) debt securities issued	4,552,899	4,760,405	(207,506)	-4.36
20.	Financial liabilities held for trading	175,013	123,957	51,056	41.19
30.	Financial liabilities designated at fair value	349,905	-	349,905	n.s.
40.	Hedging derivatives	149,861	249,178	(99,317)	-39.86
50.	Change in value of macro-hedged financial liabilities (+/-)	(91,810)	-	(91,810)	n.s.
60.	Tax liabilities	64,212	68,502	(4,290)	-6.26
	a) current	10,031	9,598	433	4.51
	b) deferred	54,181	58,904	(4,723)	-8.02
70.	Liabilities associated with assets classified as held for sale	166,751	173,662	(6,911)	-3.98
80.	Other liabilities	4,349,734	2,961,320	1,388,414	46.88
90.	Employee termination indemnities	191,262	209,973	(18,711)	-8.91
100.	Provisions for risks and charges	826,438	847,961	(21,523)	-2.54
	a) commitments and guarantees granted	99,795	97,219	2,576	2.65
	b) pension and similar obligations	127,226	140,255	(13,029)	-9.29
	c) other provisions for risks and charges	599,417	610,487	(11,070)	-1.81
120.	Valuation reserves	126,509	196,370	(69,861)	-35.58
140.	Equity instruments	150,000	150,000	-	-
150.	Reserves	3,018,131	2,493,508	524,623	21.04
160.	Share premium reserve	1,240,356	1,240,428	(72)	-0.01
170.	Share capital	2,100,435	2,100,435	-	-
180.	Treasury shares (-)	(9,426)	(9,552)	126	-1.32
190.	Minority interests (+/-)	168,816	162,497	6,319	3.89
200.	Profit (Loss) for the period (+/-)	112,672	525,123	(412,451)	-78.54
	Total liabilities and shareholders equity	**135,821,912**	**136,347,873**	**(525,961)**	**-0.39**

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Consolidated income statement as at 31 March 2022

(in thousands)

	Captions	31.03.2022	31.03.2021	Change	% Change
10.	Interest and similar income	438,844	398,172	40,672	10.21
	of which: interest income calculated using the effective interest method	435,623	396,152	39,471	9.96
20.	Interest and similar expense	(62,415)	(54,659)	(7,756)	14.19
30.	**Net interest income**	**376,429**	**343,513**	**32,916**	**9.58**
40.	Commission income	493,696	375,117	118,579	31.61
50.	Commission expense	(52,590)	(46,985)	(5,605)	11.93
60.	**Net commission income**	**441,106**	**328,132**	**112,974**	**34.43**
70.	Dividends and similar income	286	1,678	(1,392)	-82.96
80.	Net income from trading activities	44,266	28,097	16,169	57.55
90.	Net income from hedging activities	(927)	(1,172)	245	-20.90
100.	Gains (Losses) on disposal or repurchase of:	5,596	40,583	(34,987)	-86.21
	a) financial assets measured at amortised cost	3,632	35,867	(32,235)	-89.87
	b) financial assets measured at fair value through other comprehensive income	1,764	5,108	(3,344)	-65.47
	c) financial liabilities	200	(392)	592	-151.02
110.	Net income on other financial assets and liabilities measured at fair value through profit or loss	19,457	8,733	10,724	122.80
	a) financial assets and liabilities designated at fair value	29,965	459	29,506	--
	b) other financial assets mandatorily measured at fair value	(10,508)	8,274	(18,782)	-227.00
120.	**Net interest and other banking income**	**886,213**	**749,564**	**136,649**	**18.23**
130.	Net impairment losses for credit risk relating to:	(111,941)	(418,231)	306,290	-73.23
	a) financial assets measured at amortised cost	(111,925)	(419,004)	307,079	-73.29
	b) financial assets measured at fair value through other comprehensive income	(16)	773	(789)	-102.07
140.	Gains (Losses) from contractual modifications without derecognition	(1,225)	(602)	(623)	103.49
150.	**Net income from financial activities**	**773,047**	**330,731**	**442,316**	**133.74**
180.	**Net income from financial and insurance activities**	**773,047**	**330,731**	**442,316**	**133.74**
190.	Administrative expenses:	(617,416)	(577,775)	(39,641)	6.86
	a) staff costs	(352,154)	(302,142)	(50,012)	16.55
	b) other administrative expenses	(265,262)	(275,633)	10,371	-3.76
200.	Net provisions for risks and charges	(12,200)	(21,071)	8,871	-42.10
	a) commitments and guarantees granted	(2,582)	(1,082)	(1,500)	138.63
	b) other net provisions	(9,618)	(19,989)	10,371	-51.88
210.	Net adjustments to property, plant and equipment	(32,390)	(34,082)	1,692	-4.96
220.	Net adjustments to intangible assets	(13,194)	(20,372)	7,178	-35.23
230.	Other operating expense/income	56,436	42,974	13,462	31.33
240.	**Operating costs**	**(618,764)**	**(610,326)**	**(8,438)**	**1.38**
250.	Gains (Losses) of equity investments	3,859	2,280	1,579	69.25
260.	Valuation differences on property, plant and equipment and intangible assets measured at fair value	393	(22,641)	23,034	-101.74
270.	Impairment losses on goodwill	-	(230,366)	230,366	-100.00
275.	Gain on a bargain purchase	-	1,077,869	(1,077,869)	-100.00
280.	Gains (Losses) on disposal of investments	(226)	72	(298)	-413.89
290.	**Profit (Loss) from current operations before tax**	**158,309**	**547,619**	**(389,310)**	**-71.09**
300.	Income taxes on current operations for the period	(39,579)	(140,830)	101,251	-71.90
310.	**Profit (Loss) from current operations after tax**	**118,730**	**406,789**	**(288,059)**	**-70.81**
330.	**Profit (Loss) for the period**	**118,730**	**406,789**	**(288,059)**	**-70.81**
340.	Profit (Loss) for the period pertaining to minority interests	(6,058)	(6,523)	465	-7.13
350.	**Profit (Loss) for the period pertaining to the Parent Company**	**112,672**	**400,266**	**(287,594)**	**-71.85**

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Performance ratios [2]

Financial ratios	31.03.2022	2021 (*)
Structural ratios		
Net loans to customers/total assets	57.95%	58.02%
Net loans to customers/direct deposits from customers	79.21%	78.03%
Financial assets/total assets	20.58%	20.81%
Gross non-performing loans/gross loans to customers	4.91%	4.91%
Net non-performing loans/net loans to customers	2.01%	2.02%
Texas ratio[3]	45.18%	45.58%
Profitability ratios		
ROE[4]	7.14%	8.66%
ROTE[5]	7.70%	9.57%
ROA[6]	0.35%	0.41%
Cost to income ratio[7]	63.19%	72.12%
Cost of credit risk[8]	0.12%	0.55%
Prudential supervision ratios	**31.03.2022**	**2021 (*)**
Own Funds (Phased in)[9] (in thousands of Euro)		
Common Equity Tier 1 (CET1)	6,383,580	6,576,227
Own Funds	7,683,203	7,781,971
Risk-weighted assets (RWA)	45,150,362	45,340,544
Capital and liquidity ratios		
Common Equity Tier 1 Ratio (CET1 Ratio) - Phased in pro-forma[10]	14.14%	14.50%
Tier 1 Ratio (T1 Ratio) - Phased in pro-forma[11]	14.47%	14.84%
Total Capital Ratio (TC Ratio) - Phased in pro-forma[12]	17.02%	17.16%
Common Equity Tier 1 Ratio (CET1 Ratio) - Fully Phased pro-forma[13]	13.64%	13.50%
Liquidity Coverage Ratio (LCR)	223.7%	215.1%
Net Stable Funding Ratio (NSFR)	n.a.	142.5%

(*) The comparative balance sheet ratios, together with ROE, ROTE and ROA, have been calculated on figures at 31 December 2021 as per the Consolidated financial statements as at 31 December 2021, while income statement ratios have been calculated on figures at 31 March 2021 as per the Consolidated interim report as at 31 March 2021.

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[2] *To construct ratios, reference was made to the balance sheet and income statement captions of the reclassified statements providing an operational management view as per the present Press Release.*

[3] *The texas ratio is calculated as total gross non-performing loans on net tangible equity plus impairment provisions for non-performing loans.*

[4] *ROE has been calculated as annualized net profit for the period on the Group's average shareholders' equity not including net profit.*

[5] *ROTE has been calculated as annualized net profit for the period on the Group's average shareholders' equity of Group not including net profit and intangible assets.*

[6] *ROA has been calculated as annualized net profit for the period (including net profit pertaining to minority interests) on total assets.*

[7] *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 7th update of Bank of Italy Circular no. 262, the Cost to income ratio is at 69.82% (81.42% at 31 March 2021 as per the Consolidated interim report as at 31 March 2021).*

[8] *The Cost of credit risk has been calculated as net impairment losses to loans to customers on net loans to customers. Adding net impairment losses on loans to Russian banks, the Cost of credit risk at 31 March 2022 would be 0.14% (0.57% annualised at 31 December 2022).*

[9] *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". This 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.*

[10] *The pro-forma capital ratios have been calculated including the result for the period, net of the pro-quota dividends, thus simulating, in advance, the effects of the authorisation issued by the ECB for the inclusion of these profits in Own Funds pursuant to art. 26, para. 2 of the CRR.*

[11] *See previous note.*

[12] *See previous note.*

[13] *See previous note.*