BPER:
Gruppo

Public Disclosure as at 30 September 2023

Pillar 3

BPER Banca s.p.a.
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Register of Banks no. 4932
Parent Company of the BPER Banca s.p.a. Banking Group
Registered in the Register of Banking Groups with ABI code 5387.6
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Company belonging to the BPER Banca VAT Group VAT no. 03830780361
Tax Code and Modena Companies Register no. 01153230360
C.C.I.A.A. Modena Chamber of Commerce 222528 Share capital Euro 2,104,315,691.40
Member of the Interbank Deposit Protection Fund and of the National Guarantee Fund
Ordinary shares listed on the regulated Euronext market

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Introduction

Prudential rules for banks and investment companies contained in Regulation (EU) 2013/575 of 26 June 2013 (Capital Requirements Regulation, CRR) as later amended and in the 2013/36/EU Directive (Capital Requirements Directive, CRD IV), as later amended, entered into force on 1 January 2014; these rules transpose the standards defined by the Basel Committee for Banking Supervision (so-called Basel 3 framework) into the European Union.
On 7 June 2019 the Official Journal of the European Union published Regulation (EU) 2019/876 of 20 May 2019, (also known as Capital Requirements Regulation II, CRR II) which amended Regulation (EU) 2013/575 (CRR). Subject to certain exceptions, the CRR II Regulation applies from 28 June 2021. The main changes introduced relate to the change in the frequency of disclosure and the quantitative information to be incorporated in the submission. With regard to the formal policy that the institution must adopt, clarification has been provided in Article 431:

- the management body or senior management shall put in place and maintain internal processes, systems and controls to verify that the institutions' disclosures are appropriate and in compliance with the requirements laid down in the CRR;
- information to be disclosed shall be subject to the same level of internal verification as that applicable to the management report included in the institution's consolidated financial report;
- one member of the management body or senior management shall attest in writing that the relevant institution has made the disclosures required in accordance with the formal policies and internal processes, systems and controls.

The regulatory framework is completed with the implementing measures contained in the Regulatory or Implementing Technical Standards (RTS and ITS) adopted by the European Commission on the proposal of the European Supervisory Authorities.

The harmonised legislation has been transposed into national law through the Bank of Italy Circular 285 of 17 December 2013 and subsequent updates entitled "Supervisory Instructions for Banks".

The regulatory framework is designed to strengthen the banks' capacity to absorb shocks deriving from financial and economic tensions, regardless of their origin, to improve risk management and governance, as well as to strengthen transparency and disclosure to the market. The function of the Third Pillar (Pillar 3) - market discipline - is to integrate with the minimum capital requirements (First Pillar) and the prudential control process (Second Pillar). It aims to encourage market discipline by identifying a set of disclosure transparency requirements that allow operators to have fundamental information on Own Funds, the scope of recognition, exposure and risk assessment processes and, consequently, on the capital adequacy of intermediaries. These requirements are particularly relevant in the present situation, where the current provisions, when adequate and permissible, rely extensively on internal risk assessment methods, giving banks significant discretion when determining capital requirements.

Public disclosures by institutions (Pillar 3) are governed directly by:

- CRR, Part Eight "Disclosure by Institutions", as amended by Regulation (EU) 2019/876 (CRR II) applicable from 28 June 2021;
- European Commission Regulations containing Regulatory and Implementing Technical Standards to regulate the standard templates and tables for the public disclosure by institutions of the information referred to in Part Eight of the CRR and subsequent updates (Regulation (EU) 2021/ 637, Regulation (EU) 2022/631 and Regulation (EU) 2022/2453);

On 26 June 2020, Regulation (EU) 2020/873 of 24 June 2020 (CRR "quick fix") was published on the website of the Official Journal of the European Union. This regulation, amending Regulation (EU) 2013/575 and Regulation (EU) 2019/876, introduces rapid solutions in response to the Covid-19 pandemic.
The BPER Banca Group did not avail itself of the extension of the IFRS 9 transitional arrangements as provided for in Regulation (EU) 2020/873 and has chosen not to apply the temporary treatment referred to in Article 468 of Regulation (EU) 2013/575, as amended by Regulation (EU) 2019/876 (CRR II) and by Regulation (EU) 2020/873 (ending on 31 December 2022). Therefore, the Own Funds and capital and leverage ratios of the BPER Banca Group fully take into account the impact of unrealised gains and losses measured at fair value through other comprehensive income and the impact of the introduction of IFRS 9 (the IFRS 9 transition period pursuant to Article 473a of Regulation (EU) 2013/575 ended on 31 December 2022).
Not availing itself of the above-mentioned temporary treatment as at 30 September 2023, the BPER Banca Group is not obliged to give disclosure under Article 473a of Regulation (EU) 2013/575 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS 9 on Own Funds to ensure compliance with the CRR 'quick fix' in response to the COVID-19 pandemic.

On 21 April 2021 the Official Journal of the European Union published Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Part Eight of the CRR as later amended, repealing Commission Implementing Regulation (EU) 2013/1423, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295. The disclosure formats, templates and tables take into account the principle of proportionality depending on the differences in size and complexity between institutions. For the purposes of current legislation, as at 30 September 2023, the BPER Banca Group is considered a large institution[1].

On 12 May 2021 the Official Journal of the European Union published Regulation (EU) 2021/763[2] of 23 April 2021 laying down implementing technical standards for the application of Regulation (EU) 2013/575 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities.

On 19 April 2022, Commission Implementing Regulation (EU) 2022/631 of 13 April 2022 was published in the Official Journal of the European Union to amend the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of exposures to interest rate risk on positions not held in the trading book. The Implementing Regulation introduces into Regulation (EU) 2021/637 Article 16a, governing the qualitative and quantitative disclosure requirements to be published in accordance with Article 448 of the CRR. The BPER Banca Group has published the required disclosures[3] on interest rate risk exposures on positions not held in the trading book in line with the content proposed in the afore-mentioned consultation paper since the half-year disclosure for 2022.

On 19 December 2022, Commission Implementing Regulation (EU) 2022/2453 was published in the Official Journal of the European Union to amend the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of exposures to environmental, social and governance risks. On the basis of this Regulation, the applicable ESG templates were prepared for disclosure from 31 December 2022.

This document, entitled "Public Disclosure as at 30 September 2023 – Pillar 3", has been prepared by BPER Banca, Parent Company, on a consolidated basis with reference to the scope of consolidation used for supervisory purposes.

As required by art. 433 CRR, it is made available in conjunction with -or as soon as possible after- the date of publication of the Consolidated interim report on operations as at 30 September 2023, or as early as possible after said date, by publication in the institutional area of the Banks' website, as allowed by the relevant regulations.

Based on Article 433 of the CRR, institutions shall publish the information required under Titles II and III in the manner set out in Article 433a and using the templates set out in Regulation (EU) 2021/637, Regulation (EU) 2022/631 and Regulation (EU) 2022/2453.

The "Public Disclosure as at 30 September 2023 – Pillar 3" document was prepared on a collaborative basis by the various bodies and internal organisations involved in the governance and performance of processes, consistent with the duties assigned to them in the internal regulations of the BPER Banca Group.

The document is accompanied by the:
- Declaration of the Manager responsible for preparing the Company's financial reports, pursuant to para. 2 of art. 154-bis of the Consolidated Law on Finance (TUF), and is subjected to the approval of the Board of Directors of BPER Banca;
- Joint Declaration of the CEO and the Manager responsible for preparing the Company's financial reports in order to comply with the disclosure requirements laid down in art. 431, paragraph 3 of the CRR.

It should be noted that articles 437a[4] (Disclosure of own funds and eligible liabilities), 441[5] (Indicators of global systemic importance), 447 (Disclosure of key metrics) letter h)[6], 454 (Use of the advanced measurement approaches to operational risk) and 455 (Use of Internal Market Risk models) of Regulation (EU) 2013/575 (CRR) as later amended do not apply.

All of the amounts shown in the document are expressed in thousands of euro, unless otherwise specified. Any misalignment between data referring to the same items in the tables of this document only depends on rounding.

The general and sectoral macroeconomic framework is still affected by significant uncertainty brought about by the Russia-Ukraine conflict and the more recent conflict in the Middle East, the consequent international sanctions, and the awareness acquired at international level of climate risk and the associated measures to tackle it. It is, moreover, affected by the persistence of the rise in inflation and the subsequent increase in market interest rates. This high level of uncertainty leads the BPER Banca Group to maintain constant oversight and monitoring of the main risks, including credit risk.

[1] With total consolidated assets exceeding Euro 30 billion.
[2] Title II "Public disclosure by institutions" art. 10 will enter into force on 1 January 2024.
[3] Disclosure already made as at 31 December 2021 in accordance with Implementing Technical Standards EBA/ITS/2021/07 of 10 November 2021.
[4] The BPER Banca Group not being a G-SII.
[5] The BPER Banca Group not being a G-SII.
[6] The BPER Banca Group not being a G-SII.

Reference to the regulatory requirements of CRR Part VIII

The following table summarises how to find the information provided to the market on a quarterly basis in accordance with European regulatory requirements including, in particular, CRR Part Eight as later amended, in force as at 30 September 2023, along with requirements not applicable to the BPER Banca Group at the reporting date.

Articles CRR	chapter Pillar 3
art. 431, 432	Introduction
art. 437a	Not applicable
art. 438 (*)	1. General disclosure requirements 3. Credit risk: disclosure of the IRB approach
art. 441	Not applicable
art. 447 (**)	1. General disclosure requirements
art. 451a	2. Liquidity risk
art. 454	Not applicable
art. 455	Not applicable

(*) Although Article 438 (d) of the CRR generally covers the different risk categories whose main results are shown quarterly in Template EU 0V1, reference to this article has not been made explicit for operational risk as per the instructions for completion of the operational risk disclosure templates of Regulation (EU) 2021/637.
(**) Article 447h), introduced by Regulation (EU)2019/876 does not apply, as the BPER Banca Group is not a G-SII.

With regard to article 449a, Regulation (EU) 2019/876 of 20 May 2019 requires that from 28 June 2022 “large institutions which have issued securities that are admitted to trading on a regulated market of any Member State, as defined in point (21) of Article 4(1) of Directive 2014/65/EU, shall disclose information on ESG risks, including physical risks and transition risks, as defined in the report referred to in Article 98(8) of Directive 2013/36/EU”. On 19 December 2022, Commission Implementing Regulation (EU) 2022/2453 was published in the Official Journal to amend the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of exposures to environmental, social and governance risk, thereby adopting the content of EBA/ITS/2022/01 “Final Report - Final draft implementing technical standards on prudential disclosures on ESG risks in accordance with Article 449a CRR”. On the basis of this Regulation, the applicable ESG templates were prepared for disclosure from 31 December 2022.

Additionally, Commission Implementing Regulation (EU) 2021/763, laying down implementing technical standards for the application of Regulation (EU) 2013/575 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities, shall apply from 1 January 2024, as the BPER Banca Group is not a G-SII.

The following table shows the location of the quarterly[7] disclosure requirements envisaged by Regulation (EU) 2021/637 as later amended, within the scope of the "Public Disclosure as at 30 September 2023 - Pillar 3". The reasons why individual templates are deemed not applicable to the BPER Banca Group are also reported, if applicable.

code	title	chapter Pillar 3
EU KM1	Key metrics template	01. General disclosure requirements
EU OV1	Overview of total risk exposure amounts	01. General disclosure requirements
EU LIQ1	Quantitative information of LCR	02. Liquidity risk
EU LIQB	On qualitative information on LCR, which complements template EU LIQ1	02. Liquidity risk
EU CR8	RWEA flow statements of credit risk exposures under the IRB approach	03. Credit risk: disclosure of the IRB approach
EU CCR7[(1)]	RWEA flow statements of CCR exposures under the IMM	Exposures to counterparty credit risk
EU MR2-B[(2)]	RWEA flow statements of market risk exposures under the IMA	Market risk

(1) No internal models are applied to exposures subject to CCR.
(2) No internal models are used for market risk.

[7] The frequency of disclosure by large institutions is precisely regulated by Article 433a of the CRR II ("Disclosure by Large institutions").

1. General disclosure requirements

For further details on the BPER Banca Group's risk management objectives and policies, governance, approach to capital adequacy and liquidity assessment processes, please refer to Chapter 1 of the Pillar 3 Public Disclosure as at 31 December 2022.

1.1 Key metrics of the BPER Banca Group

Based on the requirements of Article 447 CRR II (Disclosure of key metrics), the table shows the key capital and risk metrics of the BPER Banca Group.

Template EU KM1 - Key metrics template

		a	b	c	d	e
		30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	7,756,084	7,451,222	7,138,834	6,613,149	6,986,499
2	Tier 1 capital	7,906,429	7,601,610	7,289,236	6,763,584	7,138,096
3	Total capital	9,687,642	9,386,687	9,070,756	8,525,562	8,695,146
Risk-weighted exposure amounts						
4	Total Risk exposure amount	51,984,439	53,138,340	53,518,498	53,025,476	53,947,766
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	14.92%	14.02%	13.34%	12.47%	12.95%
6	Tier 1 ratio (%)	15.21%	14.31%	13.62%	12.76%	13.23%
7	Total capital ratio (%)	18.64%	17.67%	16.95%	16.08%	16.12%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.45%	2.61%	2.61%	2.61%	2.61%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.38%	1.47%	1.47%	1.47%	1.47%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.84%	1.96%	1.96%	1.96%	1.96%
EU 7d	Total SREP own funds requirements (%)	10.45%	10.61%	10.61%	10.61%	10.61%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.038%	0.034%	0.016%	0.017%	0.008%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-	-	-
11	Combined buffer requirement (%)	2.538%	2.534%	2.516%	2.517%	2.508%
EU 11a	Overall capital requirements (%)	12.99%	13.14%	13.13%	13.13%	13.12%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.37%	6.35%	5.66%	4.80%	5.27%

Continued: Template EU KM1 - Key metrics template

		a	b	c	d	e
		30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
Leverage ratio						
13	Total exposure measure	145,234,886	145,114,586	153,055,377	152,812,785	166,196,211
14	Leverage ratio (%)	5.44%	5.24%	4.76%	4.43%	4.29%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	30,237,535	32,542,771	33,329,120	32,765,323	32,718,317
EU 16a	Cash outflows - Total weighted value	19,067,247	19,668,649	19,669,695	19,120,738	18,888,096
EU 16b	Cash inflows - Total weighted value	3,733,656	3,571,128	3,534,791	3,427,712	3,294,397
16	Total net cash outflows (adjusted value)	15,333,591	16,097,521	16,134,904	15,693,026	15,593,699
17	Liquidity coverage ratio (%)	196.912%	202.160%	206.760%	209.804%	210.948%
Net Stable Funding Ratio						
18	Total available stable funding	102,936,845	100,288,781	99,847,712	106,217,055	112,872,792
19	Total required stable funding	78,576,244	79,543,399	78,951,554	83,429,926	85,846,439
20	NSFR ratio (%)	131.003%	126.081%	126.467%	127.313%	131.482%

It is specified that figures as of 31 March 2023 are stated on a Fully Phased basis, whereas the corresponding values for previous quarters are shown on a Phased-in basis.

Template EU OV1 – Overview of total risk exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		30.09.2023	30.06.2023	30.09.2023
1	Credit risk (excluding CCR)	44,431,371	45,788,033	3,554,510
2	*Of which standardised approach*	*20,387,859*	*21,534,054*	*1,631,029*
3	*Of which the Foundation IRB (F-IRB) approach*	*2,572,421*	*2,845,118*	*205,794*
4	*Of which slotting approach*	*155,905*	*148,131*	*12,472*
EU 4a	*Of which equities under the simple riskweighted approach*	-	-	-
5	*Of which the Advanced IRB (A-IRB) approach*	*21,302,595*	*21,247,323*	*1,704,208*
6	Counterparty credit risk - CCR	541,124	443,977	43,290
7	*Of which standardised approach*	*189,340*	*143,840*	*15,147*
8	*Of which internal model method (IMM)*	-	-	-
EU 8a	*Of which exposures to a CCP*	*4,486*	*5,961*	*359*
EU 8b	*Of which credit valuation adjustment - CVA*	*108,287*	*57,991*	*8,663*
9	*Of which other CCR*	*239,011*	*236,185*	*19,121*
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	225,104	226,984	18,008
17	*Of which SEC-IRBA approach*	-	-	-
18	*Of which SEC-ERBA (including IAA)*	*5,868*	*6,302*	*469*
19	*Of which SEC-SA approach*	*173,296*	*175,233*	*13,864*
EU 19a	*Of which 1250% / deduction*	*45,940*	*45,449*	*3,675*
20	Position, foreign exchange and commodities risks (Market risk)	804,231	696,737	64,338
21	*Of which standardised approach*	*804,231*	*696,737*	*64,338*
22	*Of which IMA*	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	5,982,609	5,982,609	478,609
EU 23a	*Of which basic indicator approach*	-	-	-
EU 23b	*Of which standardised approach*	*5,982,609*	*5,982,609*	*478,609*
EU 23c	*Of which advanced measurement approach*	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	2,812,359	2,794,604	224,989
29	Total	51,984,439	53,138,340	4,158,755

Figures in column c) are 8% of the amounts posted in each row of column a).

The above table includes the RWAs relating to “Other elements for the calculation”, amounting respectively to a total of Euro 12,591 thousand and Euro 13,407 thousand as at 30 September 2023 and 30 June 2023.

Deductions relating to significant and non-significant investments in a financial sector entity and deferred tax assets that are dependent on future profitability and arise from temporary differences only apply to amounts above certain CET1 thresholds; amounts below the thresholds for deduction are subject to a 250% risk weight.
As at 30 September 2023, the BPER Banca Group does not exceed the threshold exemptions from deduction from Common Equity Tier 1 items under Article 48 of the CRR.

RWAs in 3Q 2023 were down by approximately Euro -1,154 million compared to the previous quarter.
The key drivers of this trend include:

- Credit and Counterparty Risk (Euro -1,311 million):
  - with regard to the Standardised approach portfolio: a decrease in exposures is recorded, with particular reference to the termination of relationships with a subsidiary (Euro - 968 million);
  - with regard to the IRB portfolio: the composition of the risk profile of the portfolio improved (Euro - 563 million) and the exposures treated under the internal models increased (Euro + 394 million);
- Market risk and CVA (Euro + 158 million): increase mainly attributable to the introduction of derivatives related to tax credits.

2. Liquidity risk

Liquidity Coverage Ratio (LCR)

Quantitative information on the BPER Banca Group's Liquidity Coverage Ratio (LCR), disclosed in compliance with the European regulatory framework, is provided below.

Values are calculated as the unweighted average of end-of-month observations in the twelve months preceding the end of each quarter

Template EU LIQ1 - Quantitative information of LCR

		a	b	c	d	e	f	g	h
Scope of consolidation: (solo/consolidated)		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2023	30.06.2023	31.03.2023	31.12.2022
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					30,237,535	32,542,771	33,329,120	32,765,323
CASH OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	73,679,779	75,315,903	74,941,562	72,998,214	4,915,444	5,048,819	5,015,689	4,930,327
3	*Stable deposits*	*57,605,391*	*58,538,928*	*57,905,335*	*56,152,127*	*2,877,589*	*2,926,947*	*2,883,808*	*2,807,606*
4	*Less stable deposits*	*16,074,388*	*16,776,975*	*17,036,227*	*16,846,087*	*2,037,855*	*2,121,872*	*2,131,881*	*2,122,721*
5	Unsecured wholesale funding	25,425,237	25,652,856	25,528,818	24,663,153	11,514,336	11,767,807	11,778,945	11,471,654
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	*500,235*	*538,637*	*562,697*	*559,417*	*127,545*	*134,545*	*143,654*	*139,717*
7	*Non-operational deposits (all counterparties)*	*24,841,604*	*25,008,824*	*24,905,328*	*24,056,403*	*11,304,591*	*11,527,867*	*11,563,251*	*11,284,604*
8	*Unsecured debt*	*83,398*	*105,395*	*60,793*	*47,333*	*82,200*	*105,395*	*72,040*	*47,333*
9	Secured wholesale funding					301,210	356,836	388,996	350,951
10	Additional requirements	3,381,902	3,342,571	3,197,606	3,122,370	709,184	719,211	662,617	592,682
11	*Outflows related to derivative exposures and other collateral requirements*	*468,597*	*472,649*	*415,367*	*420,897*	*457,728*	*471,432*	*415,485*	*360,605*
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	*2,913,305*	*2,869,922*	*2,782,239*	*2,701,473*	*251,456*	*247,779*	*247,132*	*232,077*
14	Other contractual funding obligations	450,528	642,535	738,103	730,261	433,109	642,508	731,380	730,240
15	Other contingent funding obligations	37,695,458	36,491,551	35,046,158	33,817,002	1,193,964	1,133,468	1,092,068	1,044,884
16	TOTAL CASH OUTFLOWS					19,067,247	19,668,649	19,669,695	19,120,738

(continued)

Scope of consolidation: (solo/consolidated)		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2023	30.06.2023	31.03.2023	31.12.2022
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
CASH INFLOWS									
17	Secured lending (e.g. reverse repos)	356,863	320,362	188,011	75,468	26,561	21,641	16,154	13,095
18	*Inflows from fully performing exposures*	*2,379,009*	*2,266,954*	*2,240,160*	*2,240,410*	*1,384,137*	*1,393,182*	*1,393,471*	*1,394,638*
19	Other cash inflows	10,132,330	9,874,624	9,709,141	9,269,520	2,322,958	2,156,305	2,125,166	2,019,979
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	12,868,202	12,461,940	12,137,312	11,585,398	3,733,656	3,571,128	3,534,791	3,427,712
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	*12,868,202*	*12,461,940*	*12,137,312*	*11,585,398*	*3,733,656*	*3,571,128*	*3,534,791*	*3,427,712*
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					30,237,535	32,542,771	33,329,120	32,765,323
22	TOTAL NET CASH OUTFLOWS					15,333,591	16,097,521	16,134,904	15,693,026
23	LIQUIDITY COVERAGE RATIO					196.912%	202.160%	206.760%	209.804%

The average value of the LCR was down mainly as a consequence of the repayment of the TLTRO III tranche coming to maturity on 27 September 2023 for an amount of Euro 3.7 billion.

Table EU LIQB: on qualitative information on LCR, which complements template EU LIQ1.

The following table shows the information required under Article 451a(2) of the CRR.

Row number	Qualitative Information
a)	**Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time**
	As illustrated in template EU LIQ1, over the last 12 months, the BPER Banca Group has maintained an average LCR of 196.9%, which is significantly greater than the current minimum regulatory requirement (100%). Net cash outflows are obtained by applying to liabilities and assets the coefficients set out in the regulatory framework or in Delegated Regulation (EU) 2015/61, reflecting the potential liquidity inflows and outflows in a combined market and idiosyncratic stress scenario. More specifically, the main component of cash outflows includes retail deposits, wholesale funding and contingent funding obligations resulting from the use of revocable credit facilities.
b)	**Explanations on the changes in the LCR over time**
	The BPER Banca Group's Liquidity Coverage Ratio (LCR) is calculated according to the European regulatory requirements in force and reported periodically to the relevant Supervisory Authority. In 2019, the 'additional outflows for other products and services' (referred to in row 15 of the EU LIQ1 template 'Other contingent funding obligations'), assessed on the basis of guidance provided in Delegated Regulation (EU) 2015/61 (Article 23), were revised to reflect the guidance received from the ECB at the end of May 2019.
c)	**Explanations on the actual concentration of funding sources**
	Funding concentration risk may arise when sources of funding are concentrated on a limited number of counterparties, the significance of which may give rise to liquidity problems in the event of deposit withdrawal. The BPER Banca Group operates with the objective of maintaining a diversified funding profile in terms of borrowers, products, maturities and currencies. The Group's liquidity and funding risk management provides for the regular monitoring of operational and regulatory funding concentration metrics, by type of counterparty and product.
d)	**High-level description of the composition of the institution`s liquidity buffer.**
	The average level, over 12 months, of high-quality liquid assets that can be immediately converted into cash amounts to Euro 30.2 billion. As at 30 September 2023 (point-in-time figure) the liquidity buffer consists mainly of excess European Central Bank reserves and government bonds, which together account for 74% of the total liquidity buffer.
e)	**Derivative exposures and potential collateral calls**
	The BPER Banca Group engages in derivative contracts with both central counterparties and third parties (OTC). The risk factors underlying these contracts may, depending on changes in market conditions, affect the future derivative exposures, thereby impacting the Group's liquidity position following collateral calls in the form of cash or other liquid collateral. The method of calculation of potential liquidity absorption, corresponding to additional collateral needs resulting from the impact of an adverse market scenario, is based on the Historical Look Back Approach, which focuses on net collateral outflows.
f)	**Currency mismatch in the LCR**
	Under the EU regulatory framework, an institution shall monitor and report currencies when they are material, i.e. if the foreign currency-denominated liabilities are equal to or higher than 5% of the institution's total liabilities. The BPER Banca Group's liabilities are mainly denominated in Euro, and at 30 September 2023 the Group had no exposures in foreign currencies defined as material according to EU regulatory guidelines.
g)	**Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile**
	Intraday liquidity risk arises when a bank does not have sufficient funds to meet its payment and settlement obligations on a timely basis during the business day. Intraday liquidity management therefore aims to ensure the BPER Banca Group's ability to meet its expected or unexpected payment and settlement obligations on an ongoing basis during its opening hours. Maintaining a sustainable funding gap between cash inflows and outflows during the day is an essential condition for the pursuit of business as usual in the banking industry.

	The BPER Banca Group's intraday liquidity risk is monitored using the tools defined by the Basel Committee on Banking Supervision (BCBS - Monitoring tools for intraday liquidity management", April 2013). To cover intraday liquidity risk, an immediately available buffer of unencumbered assets is held for the Group to meet expected and unexpected payment and settlement obligations on a timely basis.

3. Credit risk: disclosure of the IRB approach

Template EU CR8 – RWEA flow statements of credit risk exposures under the IRB approach

		Quarter closing as at 30.09.2023
		Risk weighted exposure amount
		a
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**24,240,572**
2	Asset size (+/-)	393,958
3	Asset quality (+/-)	(563,250)
4	Model updates (+/-)	-
5	Methodology and policy (+/-)	-
6	Acquisitions and disposals (+/-)	(45,266)
7	Foreign exchange movements (+/-)	4,907
8	Other (+/-)	-
9	**Risk weighted exposure amount as at the end of the reporting period**	**24,030,921**

In the third quarter of 2023 risk weighted exposures in the context of the application of the advanced approach (A-IRB) amounted to Euro 24.03 billion, attributable for Euro 14.47 billion to exposures to Corporate counterparties, for Euro 6.99 billion to exposures to Retail counterparties and for Euro 2.57 billion to assets other than loans.

The quarterly change of Euro - 0.21 billion is attributable to the following dynamics:
- Euro + 0.39 billion for the increase in exposures to customers;
- Euro - 0.56 billion for the improvement of the portfolio risk profile;
- Euro - 0.05 billion subsequent to the completion of the disposals of AIRB transactions;
- Euro + 0.005 billion due to foreign exchange rate movements.

Certification on disclosure requirements pursuant to Part Eight, para. 3 of art. 431 of Regulation (EU) 575/2013 dated 26 June 2013 and subsequent additions and amendments

Certification on disclosure requirements pursuant to Part Eight, para. 3 of art. 431 of Regulation (EU) 575/2013 dated 26 June 2013 and subsequent additions and amendments

The undersigned

- Piero Luigi Montani, as Chief Executive Officer,
- Marco Bonfatti, as the Manager responsible for preparing the Company's financial reports,

of BPER Banca S.p.A.,

ATTEST

that, having considered the requirements of para. 3 of art. 431 of Regulation (EU) 575/2013 dated 26 June 2013 and subsequent additions and amendments, the information provided pursuant to the aforementioned Part Eight have been prepared in accordance with the formal policy and processes, systems and internal controls.

Modena, 27 November 2023

Signed by
Piero Luigi Montani

Chief Executive Officer

Signed by
Marco Bonfatti

The Manager responsible for preparing the Company's financial reports

Declaration of the Manager responsible for preparing the Company's financial reports

Declaration of the Manager responsible for preparing the Company's financial reports

The Manager responsible for preparing the Company's financial reports, Marco Bonfatti, certifies, pursuant to para. 2 of art. 154-bis of Decree 58/1998 (Consolidated Financial Law) that the accounting information contained in this document "Public Disclosures as at 30 September 2023 - Pillar 3" agrees with the underlying accounting entries, records and documentation.

Modena, 27 November 2023

Signed by
Marco Bonfatti

The Manager responsible for preparing the
Company's financial reports