PRESS RELEASE

The Group's preliminary consolidated results for 2019 have been approved

Profit for the year of € 379.6 million, a figure that is not directly comparable with last year's result (€ 402.0 million which included non-recurring gains on debt securities) considering the different scope of the Group and the presence of significant non-recurring items[1].

The following matters that took place in the second half are worth noting[2]:
- **non-recurring charges relating to the personnel retirement plan of € 136.0 million (gross of tax) confirming the Group's headcount targets set in the 2019-2021 Business Plan**
- **extraordinary costs of € 21.1 million relating to strategic transactions concluded in 2019;**
- **higher loan provisions, up by over € 150 million on the first half, in line with the expected acceleration of the de-risking process (€ 301.3 million in the second half of 2019 compared with € 148.0 million in the first);**
- **impairment of properties and equity investments for a total of € 34.1 million[3].**

These items were substantially offset by the badwill generated by the acquisition of Unipol Banca of € 343.4 million accounted for on completion of the Purchase Price Allocation.

Proposal for a cash dividend of € 14 cents per share (€ 13 cents in 2018), confirming the constant growth in shareholder remuneration over time.

The Group's high capital strength is confirmed even after the completion of extraordinary transactions, with a Fully Phased CET1 ratio of 12.01%. Phased In CET1 ratio of 13.91%, far higher than the SREP requirement set at 9% by the ECB for 2019.[4]

The improvement in asset quality is continuing, despite the impact of introducing the European legislation on the New Definition of Default[5]:
- **Gross NPE ratio at 11.1% compared with 11.6% in September 2019 and 13.8% in December 2018;**
- **default rate of 1.7%.**

The cost of credit is 86 bps, up compared with 47 bps last year, due to higher provisions, in particular in the second half of the year, in view of the expected acceleration of the de-risking process. As regards other management initiatives on problem loans, the BPER Group has in fact started work on a new bad loan securitisation, which is expected to be completed by the end of the first half of 2020. The aim is to achieve the target NPE ratio of less than 9% laid down in the Business Plan for 2021 a year ahead of schedule.

During 2019, some significant strategic transactions were concluded, such as the acquisition of Unipol Banca [6], with the simultaneous sale of a bad loans portfolio for approximately € 1.0 billion to UnipolReC; the purchase of minority interests in Banco di Sardegna and an additional stake in Arca Holding, rising to 57.1% of its share capital. As a result of these transactions,[7] Unipol Banca and Arca Holding entered the BPER Group's scope of consolidation from 1 July 2019.

Worth noting in the last quarter, in addition to the merger of Unipol Banca, are the conclusion of the public share exchange offer involving Banco di Sardegna savings shares with a subscription rate of over 80% and the signing of an agreement with the trade unions for the staff reduction foreseen in the 2019-21 Business Plan designed to optimize the size of the workforce and create generational turnover.

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The Board of Directors of BPER Banca has examined and approved the separate results of the Bank and the consolidated results of the Group at 31 December 2019.

Alessandro Vandelli, Chief Executive Officer di BPER Banca, comments: *"2019 was an extraordinary year in many ways. We worked simultaneously on several fronts and with a multiplicity of objectives to be achieved, in line with the strategies laid down in the new Business Plan presented at the beginning of the year. Thanks to the commitment of all Group staff, it was possible to combine a business growth strategy, also through the expansion of the scope to Unipol Banca and Arca Holding, with actions aimed at further improving the asset quality. Other initiatives concerned simplification of the Group governance, with transactions on minority interests and the public share exchange involving Banco di Sardegna savings shares; as regards the activities of the Business Plan, worth noting are the absorption of BPER Services by the Parent Company, closure of 128 branches out of the 230 planned and signing an agreement with the trade unions to optimize the size of the workforce and promote generational turnover with new hires. The implementation of the numerous strategic actions described above was accompanied by the maintenance of a very strong capital position with a CET1 ratio at 12.01% at the end of the year and by achieving satisfactory profitability with a profit for the year of € 379.6 million, despite difficult macroeconomic conditions and low level of interest rates. In light of these extremely positive elements and the confidence in the Group's growth prospects, the Board approved the proposal to distribute a dividend of € 14 cents compared with € 13 cents last year. The outlook for 2020 is positive in terms of growth and profitability, and further significant improvements are expected in capital solidity and asset quality: with reference to this last point, the activities relating to the new securitisation of bad loans which are expected to be finalised within the first half of the year are continuing according to plan and, together with the other management initiatives on problem loans, they will allow us to reach our target of a gross NPE ratio below the 9% threshold set by the Business Plan for 2021 more than a year ahead of schedule".*

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Consolidated income statement: key figures

(Bear in mind that the income statement figures in the Group's preliminary consolidated results for 2019 are not comparable with those of the previous year due to the change in the scope of consolidation, which from 1 July 2019 includes Unipol Banca and Arca Holding, the former absorbed by the Parent Company BPER Banca on 25 November 2019. On the other hand, the figures for the third and fourth quarters of 2019 are comparable as they are based on the same scope of consolidation.)

Net interest income comes to € 1,164.5 million. The fourth quarter figure is € 302.4 million, down 4.3% q/q from € 315.9 million in the previous quarter, mainly due to the effects of IFRS 9 and IFRS 16; in fact, the decrease in net interest income, net of these effects, is equal to 1.7% q/q (€ 299.5 million in the last quarter of the year compared with € 304.7 million in the previous quarter[8]).

Net commission income amounts to € 932.0 million. The fourth quarter figure is € 275.9 million, an increase of 2.8% q/q (€ 268.3 million in the previous quarter) with a particularly positive performance in bancassurance (+51.9% q/q), in loans and guarantees (+2.4% q/q) and in cards, collections and payments (+4.7% q/q).

Dividends for 2019 amount to € 14.1 million.

Net income from financial activities comes to € 114.0 million, after having expensed the full non-recurring write-down of BPER's share of the support given by the IDPF Voluntary Scheme to Banca Carige of € 13.3 million (the fourth quarter figure is € 36.8 million compared with € 49.7 million in the third quarter of the year). It includes realised net gains on sale of financial assets and loans of € 68.6 million, net gains on securities and derivatives of € 36.7 million and other positive elements of € 8.7 million.

Operating income comes in at € 2,275.7 million. This figure in the fourth quarter was € 631.9 million, down from € 656.9 million in the third quarter, mainly due to the contribution of financial activities and a significant difference in the impact on net interest income of the "IFRS 9 and IFRS 16 reclassification" in the two periods.

Operating costs amount to € 1,686.6 million and include significant non-recurring items, consisting of personnel expenses of € 1,049.7 million, other administrative expenses of € 451.8 million and depreciation and amortisation of € 185.1 million. In detail, in the fourth quarter of the year: 1) personnel expenses amount to € 392.0 million and include non-recurring charges relating to the personnel retirement plan of € 136.0 million, gross of tax; 2) other administrative expenses amount to € 146.5 million and include € 17.2 million of non-recurring costs relating to extraordinary transactions; 3) net adjustments to property, plant and equipment and intangible assets amount to € 76.3 million and include net adjustments to properties of € 26.9 million.

Net operating income for the year (operating income, net of operating costs) amounts to € 589.1 million.

Net impairment losses for credit risk amount to € 449.3 million, almost entirely referable to net adjustments to financial assets at amortised cost; this caption includes higher provisions for loans, accounted for in particular in the second half of the year (€ 301.3 million in the second half of 2019 compared with € 148.0 million in the first), partly due to the expected acceleration in the de-risking process through a new securitisation of a significant amount of bad loans to be completed in the first half of 2020; In particular, net adjustments for credit risk to financial assets at amortised cost during the year amounted to € 447.5 million (€ 139.5 million in the fourth quarter compared with € 161.0 million in the third quarter). The **cost of credit for the year** stands at 86 bps (47 bps in 2018).

Net provisions for risks and charges amount to € 12.2 million in the year.

Contributions to system funds recognised during the year total € 60.7 million. More specifically: the **BPER Group's ordinary contribution to the Single Resolution Fund (SRF) for 2019** of € 23.0 million in the first quarter; the **additional contribution for 2017** of € 9.6 million, accounted for in the second quarter; the ordinary contribution to the **Deposit Guarantee Scheme (DGS)** of € 28.1 million. Note that, in the interests of clarity, these contributions are shown on a separate line in the reclassified income statement, whereas in the Bank of Italy's schedule they are included in item 190 b) "Other administrative expenses".

A reminder that the first provisional accounting for the acquisition of Unipol Banca was carried out as at 30 September 2019 in accordance with IFRS 3 "Business Combinations". The negative difference between the purchase price and consolidated shareholders' equity pertaining to the acquired group came to € 353.8 million. On completion of the purchase price allocation process, the total benefit of the acquisition at 31 December 2019, € 343.4 million, was recognised as income in caption 275 of the income statement (badwill), with an adjustment of the provisional amount booked at 30 September 2019 (€ 353.8 million) of € 10.4 million.

Gains on equity investments and on disposal of investments are positive at € 6.6 million, which includes impairment on equity investments valued at equity for € 8.4 million.

The **profit from current operations before tax** is € 416.9 million. **Income taxes for the period** are € 22.4 million.

Profit for the period stands at € 394.5 million and includes a profit for the period attributable to minority interests of € 14.9 million. **The profit pertaining to the Parent Company** therefore comes to € 379.6 million.

Consolidated balance sheet: key figures

(Bear in mind that the balance sheet figures in the Group's preliminary consolidated results at 31 December 2019 are not comparable with those at 31 December 2018 due to the change in scope, which from 1 July 2019 includes Unipol Banca and Arca Holding, the former absorbed by the Parent Company BPER Banca on 25 November 2019. On the other hand, the figures at 30 September 2019 are comparable as they are based on the same scope of consolidation).

Direct funding from customers (amounts due to customers, debt securities in issue and financial liabilities designated at fair value through profit or loss) amounted to € 58.1 billion. Ordinary customer deposits amount to € 54.6 billion, mainly including current accounts and demand deposits for € 47.7 billion, time deposits and certificates of deposit for € 1.7 billion and bonds for € 1.8 billion. Institutional funding amounts to € 3.4 billion, made up almost entirely of bonds.

Indirect deposits from customers, valued at market prices, come to € 110.6 billion, significantly higher than the 2018 figure mainly due to the expansion of the Group's scope of consolidation. In particular, **assets under management** amount to € 41.7 billion, of which € 17.1 billion relating to Arca Holding, net of the portion of funds placed by the BPER Group network. **Assets under administration** amount to € 68.9 billion, which includes administered deposits of a leading insurance company. The **portfolio of life insurance premiums**, not included in indirect deposits, amounts to € 6.8 billion.

Gross loans to customers amount to € 55.3 billion. Gross performing loans amount to € 49.2 billion, whereas gross non-performing loans (bad, unlikely-to-pay and past due loans) amount to € 6.1 billion, which is 11.1% of total gross loans. Looking at the various components, **gross bad loans** amount to € 3.4 billion; **gross unlikely-to-pay loans** amount to € 2.5 billion; **gross past due loans** amount to € 195.0 million. The quality of performing loans remains high, with a percentage of low-risk ratings of 62.7%, an improvement compared with 60.1% at the end of 2018.

Net loans to customers amount to € 52.0 billion. Net performing loans amount to € 49.0 billion, whereas net non-performing loans (bad, unlikely-to-pay and past due loans) amount to € 3.0 billion, with a percentage on total net loans of 5.8% and a coverage ratio of 51.0%. Looking at the various components, **net bad loans** amount to € 1.2 billion, with a coverage ratio of 66.0%; **net unlikely-to-pay loans** amount to € 1.7 billion, with coverage of 33.0%; **net past due loans** amount to € 166.6 million with coverage of 14.6%.

The **net interbank position** is negative for € 9.9 billion and is the result of the imbalance between amounts due from banks of € 2.3 billion and amounts due to banks of € 12.2 billion. The BPER Group's total amount of refinancing with the European Central Bank (ECB) amounts to € 9.7 billion, entirely attributable to participation in TLTRO 2 with a four-year maturity. Financial instruments, which can be used as collateral for refinancing operations on the market, amount to € 20.9 billion, net of the haircut, of which € 10.4 billion is available, to which € 1.1 billion of deposits available at the ECB must be added.

Financial assets amount to € 19.0 billion, which is 24.0% of total assets. Debt securities amount to € 18.0 billion and represent 94.9% of the total portfolio: of these, € 8.3 billion refer to government securities and other public entities, including € 6.4 billion of Italian government securities.

Total shareholders' equity at 31 December 2019 amounts to € 5.3 billion, with a portion pertaining to minority interests of € 0.1 billion. The **Group's consolidated shareholders' equity**, including the result for the period, amounts to € 5.2 billion.

The **Liquidity Coverage Ratio** (LCR) and the **Net Stable Funding Ratio** (NSFR) are both over 100%; at 31 December 2019, the LCR is 158.9%, while the NSFR is estimated to be over 100% (it was 117.4% at 30 September 2019).

Capital ratios

The capital ratios at 31 December 2019, calculated including the badwill determined on completion of the Purchase Price Allocation, taking into account the AIRB methodology for credit risk requirements, are based on Own Funds including the portion of profit realised during the period, net of the expected dividend:

- Common Equity Tier 1 Ratio (Phased In)[9] of 13.91.% (14.24% at 30 September 2019 and 14.27% at 31 December 2018). This ratio calculated on a fully phased basis comes to 12.01% (12.36% at 30 September 2019 and 11.95% at 31 December 2018);
- Phased In Tier 1 ratio of 14.35.% (14.68% at 30 September 2019 and 14.37% at 31 December 2018);
- Phased In Total Capital ratio of 16.82.% (17.24% at 30 September 2019 and 17.25% at 31 December 2018).

Main structure data at 31 December 2019

The Group is present in nineteen regions of Italy with 1,349 bank branches, in addition to the Luxembourg office of BPER Bank Luxembourg S.A.

The Group employs 13,805 people (11,615 at the end of 2018).

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The parent company BPER Banca

(Bear in mind that the income statement and balance sheet figures relating to BPER Banca's preliminary results for 2019 are not comparable with those of the previous year due to the change in scope, which from 1 July 2019 includes Unipol Banca, absorbed by the Parent Company BPER Banca on 25 November 2019).

The financial statements of the Parent Company at 31 December 2019, approved by the Board of Directors at the same time on a preliminary basis, provide the balance sheet and income statement figures shown below.

Balance sheet:

- **direct funding** of € 45.9 billion (€ 36.3 billion at 31 December 2018);
- **indirect deposits** of € 88.4 billion (€ 32.0 billion at 31 December 2018);
- **net loans to customers** amount to € 40.8 billion (€ 36.7 billion at 31 December 2018), including non-performing loans of € 2.0 billion (€ 2.0 billion at 31 December 2018), which represent 4.8% of total net loans with coverage of 52.7%; the portion represented by bad loans amounts to € 0.7 billion, representing 1.8% of total net loans, with coverage of 68.3%;
- **shareholders' equity**, including the result for the year, is € 5.0 billion (€ 4.4 billion at 31 December 2018).

Income statement:

- **net interest income** of € 786.7 million (€ 773.9 million in 2018);
- **net commission income** amount to € 689.6 million (€ 590.3 million in 2018);
- **net interest and other banking income** comes to € 1,593.2 million (€ 1,523.8 million in 2018);
- **net profit from financial activities** comes to € 1,303.3 million (€ 1,373.7 million in 2018);
- **operating costs**, net of operating income, amount to € 1,217.5 million (€ 1,017.7 million in 2018);
- The **profit from current operations before tax** is € 390.2 million (€ 252.9 million in 2018);
- The **net result for the year**, which includes taxes for € 4.8 million, is a profit of € 385.4 million (€ 306.7 million in 2018).

Proposed allocation of BPER Banca's profit for the year

The Board has approved the proposal for the distribution of a cash dividend of € 14 cents per share for each of the 520,627,948 shares representing the share capital (net of those held in portfolio on the ex-coupon date: 455,458 at 31 December 2019, the same as today), for a maximum total amount of € 72,887,912.72.

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Outlook for operations

Globally, the economic situation seems to have begun a period of stabilization, as confirmed by recent data on the performance of both the American and European economies. The Chinese economy continues to expand, though growth is slowing. In this scenario, thanks to the support of economic policies and a decrease in US-China tensions on commercial tariffs on the one hand and the good level of consumption and corporate profits on the other, the risks of entering into a potential international recessionary spiral appear limited, even if the global growth rate seems to be stuck at the lowest levels in recent years, at around +2.6%. The Italian economy is expected to grow by about half a percentage point in 2020, bolstered by this stabilisation in the international context, by a drop in the spread and a slight recovery in consumption, although the growth rate is put at over half a percentage point lower than the European average, at around 1%. The epidemic that has hit China could have repercussions on the international economy, but they are difficult to quantify at this point. The monetary policy adopted by the European Central Bank under the guidance of the new President, Christine Lagarde, seems to be based on continuity with respect to that introduced by her predecessor: still weak growth in Europe and the absence of inflationary pressures should keep monetary policy rates stable at current levels in the medium term.

In this context, revenues will be supported by growth in commission income, especially from the asset management and bancassurance segments, while expectations for growth in net interest income remain modest, mainly due to the persistence of market rates at all-time lows, the increase in competition for less risky customers and the prospects of still weak economic growth; margin support should come from the positive dynamics expected from the consumer credit sector, where important commercial initiatives are planned. A significant contribution to Group profitability is expected from a substantial reduction in operating costs and the cost of credit. Asset quality is again expected to improve significantly, helped by the new bad loan securitisation, which is already at an advanced stage of execution and should be completed by the end of the first half of 2020, with the aim of reaching the target NPE ratio of less than 9% laid down the Business Plan for 2021 a year ahead of schedule. All of these factors should help to bolster the Group's profitability prospects for the current year, together with maintenance of a high capital solidity.

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Approval of BPER's draft separate and consolidated financial statements for 2019 by the Board of Directors is scheduled for 10 March 2020.

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Note that Deloitte & Touche S.p.A. still have to complete their audit, after which they will issue their audit report as required by law on the draft separate and consolidated financial statements for the year ended 31 December 2019, which are due to be approved by the Bank's Board of Directors scheduled for 10 March 2020.

To supplement the information provided in this press release, we attach:

- *the consolidated balance sheet and income statement (also quarterly and reclassified) at 31 December 2019, as well as a summary of the key financial indicators;*

- *a separate balance sheet and income statement of the Parent Company at 31 December 2019.*

Modena, 5 February 2020

The Chief Executive Officer
Alessandro Vandelli

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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 Finance Act), that the accounting information contained in this press release agrees with the supporting documentation, books of account and accounting entries.

Modena, 5 February 2020

The Manager responsible for preparing the Company's financial reports

Marco Bonfatti

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A conference call will be held today, **5 February 2020 at 6.30 p.m. (CET)**, to explain the consolidated results of the BPER Group at 31 December 2019.
The conference call will be held in English and will be chaired by **Alessandro Vandelli, the Chief Executive Officer.**

To join the conference call, dial the following telephone number:

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

A set of slides to support the presentation will be available the same day, before the start of the presentation and the conference call, in the Investor Relations area of the Bank's website https://istituzionale.bper.it.

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This press release is also available in the 1INFO storage device.
This is a translation into English of the original in Italian. The Italian text shall prevail over the English version.

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Footnotes

[1] The consolidated result at 31 December 2019 includes significant non-recurring items, including 1) the "badwill" generated by the acquisition of Unipol Banca for € 343.4 million (€ 353.8 million on a provisional basis accounted for in the third quarter of 2019 and subsequently adjusted for € 10.4 million in the fourth quarter of 2019 on completion of the Purchase Price Allocation); 2) the charges relating to the personnel retirement plan as a result of the trade union agreement signed at the end of October of € 136.0 million; 3) non-recurring charges relating to extraordinary transactions carried out in 2019 for € 22.2 million (€ 1.1 million accounted for in the 2nd quarter, € 3.9 million in the 3rd quarter and € 17.2 million in the 4th quarter); 4) the additional contribution to the European Single Resolution Fund for 2017 of € 9.6 million (accounted for in the second quarter); 5) charges deriving from the total write-down of BPER's share of the IDPF Voluntary Scheme's intervention in Banca Carige for € 13.3 million (accounted for in the first quarter).

[2] See Note 1.

[3] The following adjustments are also reflected in the 2019 result: 1) impairment of properties of € 28.4 million (accounted for € 1.6 million in the second quarter and € 26.9 million in the fourth quarter of 2019) and impairment of equity investments of € 8.4 million (accounted for € 1.2 million in the second quarter and € 7.2 million in the fourth quarter of 2019).

[4] Reg. 2395/2017 "Transitional provisions for mitigating the impact of the introduction of IFRS 9 on own funds" introduced the transitional regime (the so-called "phased-in") for the impact of IFRS 9 on own funds, 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 in CET1 by applying decreasing percentages over time. The BPER Banca Group has chosen to adopt the so-called "static approach" to be applied to the impact resulting from comparison between the IAS 39 adjustments at 31/12/2017 and the IFRS 9 adjustments at 1/1/2018.
The Fully Phased and Phased In CET1 ratio values are calculated starting from the result for the year, which includes the badwill generated by the acquisition of Unipol Banca, taking into account the portion of profit not intended for dividends and the expected absorption of deferred tax assets relating to first-time adoption of IFRS 9. BPER will present its request to the ECB for the calculation of these quantities for prudential purposes once the results for the year have been approved.

[5] Since October 2019, the Bank has applied the latest European legislation on the New Definition of Default at consolidated level, which led to an increase in gross past due and unlikely to pay loans of € 155.6 million (€ 131.7 million, net). Management figures.

[6] By entering the share capital of Unipol Banca, the Group also acquired indirect control of Finitalia S.p.A.

[7] July 2019 saw completion of the extraordinary transactions announced in February, namely the acquisition of an additional shareholding in Arca Holding, the acquisition of the minority interests in Banco di Sardegna and the acquisition of 100% of Unipol Banca with the simultaneous sale to UnipolReC of bad loans for a gross carrying amount of around € 1 billion. These transactions took effect for accounting purposes from 1 July 2019 and Unipol Banca and ARCA Holding Spa were included in the scope of consolidation of the BPER Group from the same date; the balance sheet figures at 31 December 2019 include the assets and liabilities of the new companies forming part of the Group scope and their income statement figures have been included from the 3rd quarter onwards. It should also be noted that as a result of these transactions, the accounting figures at 31 December 2019 are not comparable with those of the previous year, which also included non-recurring gains realised on debt securities.

[8] Please refer to the reclassified income statement attached to this press release.

[9] See Note 3. For the sake of comparison, noted that the Phased In capital ratios at 30 September 2019 are shown inclusive of the provisional badwill as per the press release of 7 November 2019.

BPER:
Gruppo

Reclassified financial statement as at 31 December 2019

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"*, 120 "*Non current assets and disposal groups classified as held for sale*" and 130 "*Other assets*";
- "*Other liabilities"* include captions 60 "*Tax liabilities"*, 80 "*Other liabilities"*, and 90 "*Employee termination indemnities"* and 100 "*Provisions for risks and charges"*.

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 137,269 thousand at 31 December 2019 and Euro 126,014 thousand at 31 December 2018);
- *"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 SRF, DGS 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 December 2019, this caption represents the component allocated to administrative costs related to:
    - the 2019 ordinary contribution to the SRF (European Single Resolution Fund) for Euro 23,043 thousand;
    - the additional contribution required by SRF to the Italian Banks for the year 2017 equal to Euro 9,587 thousand;
    - the 2019 ordinary contribution to the DGS (Deposit Guarantee Scheme) for Euro 28,051 thousand.
- appropriate specifications *("of which")* have been included in "*Net interest income*", "*Other administrative expenses*" and "*Net adjustments to property, plant, equipment and intangible assets*" captions in order to highlight the impacts of IFRS 16 application (from 1 January 2019[1]) and in "*Net interest income*" caption in order to highlight the impacts of IFRS 9 application (from 1 January 2018).

[1] *The "of which interest expense lease liabilities IFRS 16" and "of which depreciation right of use IFRS 16" captions show a value at 31 December 2018 referred to the interests and depreciations of "Property, plant and equipment" recognized as financial leases.*

BPER:
Gruppo

Reclassified consolidated balance sheet as at 31 December 2019

(in thousands)

Assets	31.12.2019	30.09.2019	Change 31.12.2019 - 30.09.2019	% Change 31.12.2019 - 30.09.2019	31.12.2018	Change 31.12.2019 - 31.12.2018	% Change 31.12.2019 -31.12.2018
Cash and cash equivalents	566,930	493,538	73,392	14.87	459,782	107,148	23.30
Financial assets	18,956,906	18,777,522	179,384	0.96	17,152,084	1,804,822	10.52
a) Financial assets held for trading	270,374	328,291	(57,917)	(17.64)	247,219	23,155	9.37
b) Financial assets designated at fair value	130,955	131,594	(639)	(0.49)	218,662	(87,707)	-40.11
c) Other financial assets mandatorily measured at fair value	692,995	662,663	30,332	4.58	662,744	30,251	4.56
d) Financial assets measured at fair value through other comprehensive income	6,556,202	6,911,141	(354,939)	(5.14)	8,560,568	(2,004,366)	-23.41
e) Debt securities measured at amortised cost	11,306,380	10,743,833	562,547	5.24	7,462,891	3,843,489	51.50
- banks	2,744,570	2,641,906	102,664	3.89	1,766,169	978,401	55.40
- customers	8,561,810	8,101,927	459,883	5.68	5,696,722	2,865,088	50.29
Loans	54,353,634	56,244,776	(1,891,142)	(3.36)	48,594,875	5,758,759	11.85
a) Loans to banks	2,321,809	3,722,040	(1,400,231)	(37.62)	1,540,509	781,300	50.72
b) Loans to customers	52,006,038	52,496,061	(490,023)	(0.93)	47,050,942	4,955,096	10.53
c) Financial assets measured at fair value	25,787	26,675	(888)	(3.33)	3,424	22,363	653.13
Hedging derivatives	82,185	65,401	16,784	25.66	35,564	46,621	131.09
Equity investments	225,869	251,613	(25,744)	(10.23)	446,049	(220,180)	-49.36
Property, plant and equipment	1,369,724	1,356,757	12,967	0.96	1,063,273	306,451	28.82
Intangible assets	669,847	612,235	57,612	9.41	445,689	224,158	50.29
- of which: goodwill	434,758	434,758	-	-	264,740	170,018	64.22
Other assets	2,808,403	2,893,584	(85,181)	(2.94)	2,437,451	370,952	15.22
Total assets	**79,033,498**	**80,695,426**	**(1,661,928)**	**(2.06)**	**70,634,767**	**8,398,731**	**11.89**

(in thousands)

Liabilities and shareholders' equity	31.12.2019	30.09.2019	Change 31.12.2019 - 30.09.2019	% Change 31.12.2019 - 30.09.2019	31.12.2018	Change 31.12.2019 - 31.12.2018	% Change 31.12.2019 -31.12.2018
Due to banks	12,213,133	12,353,388	(140,255)	(1.14)	13,126,248	(913,115)	-6.96
Direct deposits	58,055,608	58,166,847	(111,239)	(0.19)	49,996,419	8,059,189	16.12
a) Due to customers	52,220,719	51,769,432	451,287	0.87	44,594,863	7,625,856	17.10
b) Debt securities issued	5,834,889	6,397,415	(562,526)	(8.79)	5,401,556	433,333	8.02
Financial liabilities held for trading	165,970	247,347	(81,377)	(32.90)	143,824	22,146	15.40
Hedging derivatives	294,114	419,671	(125,557)	(29.92)	92,374	201,740	218.39
Other liabilities	3,013,126	4,075,781	(1,062,655)	(26.07)	2,379,334	633,792	26.64
Minority interests	131,662	176,160	(44,498)	(25.26)	507,457	(375,795)	-74.05
Shareholders' equity pertaining to the Parent Company	5,159,885	5,256,232	(96,347)	(1.83)	4,389,111	770,774	17.56
a) Valuation reserves	37,750	(39,838)	77,588	(194.76)	949	36,801	--
b) Reserves	2,035,205	2,088,106	(52,901)	(2.53)	1,619,469	415,736	25.67
c) Equity instruments	150,000	150,000	-	-	-	150,000	n.s.
d) Share premium reserve	1,002,722	999,373	3,349	0.34	930,073	72,649	7.81
e) Share capital	1,561,884	1,542,925	18,959	1.23	1,443,925	117,959	8.17
f) Treasury shares	(7,259)	(7,259)	-	-	(7,258)	(1)	0.01
g) Profit (Loss) for the year	379,583	522,925	(143,342)	(27.41)	401,953	(22,370)	-5.57
Total liabilities and shareholders' equity	**79,033,498**	**80,695,426**	**(1,661,928)**	**(2.06)**	**70,634,767**	**8,398,731**	**11.89**

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Reclassified consolidated income statement as at 31 December 2019

(in thousands)

Captions		31.12.2019	31.12.2018	Change	% Change
10+20	Net interest income	1,164,539	1,122,437	42,102	3.75
	*of which IFRS 9 components**	*43,643*	*76,367*	*(32,724)*	*-42.85*
	of which interest expense lease liabilities IFRS 16	*(1,834)*	*(64)*	*(1,770)*	*--*
40+50	Net commission income	931,950	776,265	155,685	20.06
70	Dividends	14,101	34,339	(20,238)	-58.94
80+90+100+110	Net income from financial activities	113,993	104,022	9,971	9.59
230	Other operating expense/income	51,079	44,209	6,870	15.54
	Operating income	**2,275,662**	**2,081,272**	194,390	9.34
190 a)	Staff costs	(1,049,686)	(821,494)	(228,192)	27.78
190 b)	Other administrative expenses	(451,830)	(442,431)	(9,399)	2.12
	of which rental expenses	*(17,077)*	*(63,032)*	*45,955*	*-72.91*
210+220	Net adjustments to property, plant and equipment and intangible assets	(185,076)	(118,939)	(66,137)	55.61
	of which depreciation right of use IFRS 16	*(58,059)*	*(2,941)*	*(55,118)*	*--*
	Operating costs	**(1,686,592)**	**(1,382,864)**	(303,728)	21.96
	Net operating income	**589,070**	**698,408**	(109,338)	-15.66
130 a)	Net impairment losses to financial assets at amortised cost	(447,547)	(225,772)	(221,775)	98.23
130 b)	Net impairment losses to financial assets at fair value	1,256	2,066	(810)	-39.21
140	Gains (Losses) from contractual modifications without derecognition	(2,979)	(2,956)	(23)	0.78
	Net impairment losses for credit risk	**(449,270)**	**(226,662)**	(222,608)	98.21
200	Net provisions for risks and charges	(12,193)	(25,194)	13,001	-51.60
###	Contributions to SRF, DGS, IDPF - VS	(60,681)	(52,325)	(8,356)	15.97
250+270 +280	Gains (Losses) on equity investments, disposal investments and impairment losses on goodwill	6,611	(48,701)	55,312	-113.57
275	Gain on a bargain purchase	343,361	-	343,361	n.s.
290	**Profit (Loss) from current operations before tax**	**416,898**	**345,526**	71,372	20.66
300	Income taxes on current operations for the year	(22,446)	100,264	(122,710)	-122.39
330	**Profit (Loss) for the year**	**394,452**	**445,790**	(51,338)	-11.52
340	Profit (Loss) for the year pertaining to minority interests	(14,869)	(43,837)	28,968	-66.08
350	**Profit (Loss) for the year pertaining to the Parent Company**	**379,583**	**401,953**	(22,370)	-5.57

** 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.*

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Reclassified consolidated income statement by quarter as at 31 December 2019

(in thousands)

Captions		1st quarter 2019	2nd quarter 2019	3rd quarter 2019	4th quarter 2019	1st quarter 2018	2nd quarter 2018	3rd quarter 2018	4th quarter 2018
10+20	Net interest income	273,896	272,288	315,909	302,446	293,234	280,268	276,590	272,345
	*of which IFRS 9 components**	*13,352*	*15,083*	*11,748*	*3,460*	*25,637*	*20,757*	*17,576*	*12,397*
	of which interest expense lease liabilities IFRS 16	*(361)*	*(381)*	*(563)*	*(529)*	*(18)*	*(15)*	*(16)*	*(15)*
40+50	Net commission income	192,544	195,210	268,316	275,880	198,120	190,936	188,025	199,184
70	Dividends	539	9,687	3,424	451	584	12,877	325	20,553
80+90+100+110	Net income from financial activities	22,062	5,403	49,721	36,807	153,634	16,431	20,879	(86,922)
230	Other operating expense/income	6,337	8,923	19,511	16,308	11,485	8,174	10,998	13,552
	Operating income	**495,378**	**491,511**	**656,881**	**631,892**	**657,057**	**508,686**	**496,817**	**418,712**
190 a)	Staff costs	(213,631)	(213,109)	(230,936)	(392,010)	(207,534)	(212,900)	(194,553)	(206,507)
190 b)	Other administrative expenses	(90,930)	(96,204)	(118,223)	(146,473)	(102,285)	(109,981)	(104,323)	(125,842)
	of which rental expenses	*(4,692)*	*(4,007)*	*(4,825)*	*(3,553)*	*(15,615)*	*(15,540)*	*(15,883)*	*(15,994)*
210+220	Net adjustments to property, plant and equipment and intangible assets	(33,172)	(35,380)	(40,189)	(76,335)	(21,339)	(34,986)	(22,933)	(39,681)
	of which depreciation right of use IFRS 16	*(11,249)*	*(11,135)*	*(16,033)*	*(19,642)*	*(726)*	*(733)*	*(741)*	*(741)*
	Operating costs	**(337,733)**	**(344,693)**	**(389,348)**	**(614,818)**	**(331,158)**	**(357,867)**	**(321,809)**	**(372,030)**
	Net operating income	**157,645**	**146,818**	**267,533**	**17,074**	**325,899**	**150,819**	**175,008**	**46,682**
130 a)	Net impairment losses to financial assets at amortised cost	(72,485)	(74,551)	(160,985)	(139,526)	(26,141)	(58,793)	(70,272)	(70,566)
130 b)	Net impairment losses to financial assets at fair value	421	(392)	553	674	1,763	141	150	12
140	Gains (Losses) from contractual modifications without derecognition	(891)	(76)	(651)	(1,361)	-	(1,183)	(1,536)	(237)
	Net impairment losses for credit risk	**(72,955)**	**(75,019)**	**(161,083)**	**(140,213)**	**(24,378)**	**(59,835)**	**(71,658)**	**(70,791)**
200	Net provisions for risks and charges	(1,995)	(9,698)	2,491	(2,991)	(11,663)	(25,376)	(12,091)	23,936
###	Contributions to SRF, DGS, IDPF - VS	(23,184)	(9,459)	(25,771)	(2,267)	(20,282)	(8,670)	(23,448)	75
250+270+280	Gains (Losses) on equity investments, disposal investments and impairment losses on goodwill	3,809	4,586	415	(2,199)	2,827	2,591	3,535	(57,654)
275	Gain on a bargain purchase	-	-	353,805	(10,444)	-	-	-	-
290	**Profit (Loss) from current operations before tax**	**63,320**	**57,228**	**437,390**	**(141,040)**	**272,403**	**59,529**	**71,346**	**(57,752)**
300	Income taxes on current operations for the year	(12,266)	987	(8,666)	(2,501)	(6,918)	(2,850)	(14,206)	124,238
330	**Profit (Loss) for the year**	**51,054**	**58,215**	**428,724**	**(143,541)**	**265,485**	**56,679**	**57,140**	**66,486**
340	Profit (Loss) for the year pertaining to minority interests	(3,083)	(5,694)	(6,291)	199	(14,462)	183	(6,899)	(22,659)
350	**Profit (Loss) for the year pertaining to the Parent Company**	**47,971**	**52,521**	**422,433**	**(143,342)**	**251,023**	**56,862**	**50,241**	**43,827**

** 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.*

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Consolidated balance sheet as at 31 December 2019

(in thousands)

	Assets	31.12.2019	31.12.2018	Change	% Change
10.	Cash and cash equivalents	566,930	459,782	107,148	23.30
20.	Financial assets measured at fair value through profit or loss	1,120,111	1,128,625	(8,514)	(0.75)
	a) financial assets held for trading	270,374	247,219	23,155	9.37
	b) financial assets designated at fair value	130,955	218,662	(87,707)	(40.11)
	c) other financial assets mandatorily measured at fair value	718,782	662,744	56,038	8.46
30.	Financial assets measured at fair value through other comprehensive income	6,556,202	8,563,992	(2,007,790)	(23.44)
40.	Financial assets measured at amortised cost	65,634,227	56,054,342	9,579,885	17.09
	a) loans to banks	5,066,379	3,306,678	1,759,701	53.22
	b) loans to customers	60,567,848	52,747,664	7,820,184	14.83
50.	Hedging derivatives	82,185	35,564	46,621	131.09
70.	Equity investments	225,869	446,049	(220,180)	(49.36)
90.	Property, plant and equipment	1,369,724	1,063,273	306,451	28.82
100.	Intangible assets	669,847	445,689	224,158	50.29
	of which:				
	- goodwill	434,758	264,740	170,018	64.22
110.	Tax assets	2,024,579	1,885,616	138,963	7.37
	a) current	466,312	457,838	8,474	1.85
	b) deferred	1,558,267	1,427,778	130,489	9.14
120.	Non current assets and disposal groups classified as held for sale	3,128	2,800	328	11.71
130.	Other assets	780,696	549,035	231,661	42.19
	Total assets	**79,033,498**	**70,634,767**	**8,398,731**	**11.89**

(in thousands)

	Liabilities and shareholders' equity	31.12.2019	31.12.2018	Change	% Change
10.	Financial liabilities measured at amortised cost	70,268,741	63,122,667	7,146,074	11.32
	a) due to banks	12,213,133	13,126,248	(913,115)	-6.96
	b) due to customers	52,220,719	44,594,863	7,625,856	17.10
	c) debt securities issued	5,834,889	5,401,556	433,333	8.02
20.	Financial liabilities held for trading	165,970	143,824	22,146	15.40
40.	Hedging derivatives	294,114	92,374	201,740	218.39
60.	Tax liabilities	75,737	62,644	13,093	20.90
	a) current	5,405	3,966	1,439	36.28
	b) deferred	70,332	58,678	11,654	19.86
80.	Other liabilities	2,069,770	1,663,946	405,824	24.39
90.	Employee termination indemnities	191,296	182,793	8,503	4.65
100.	Provisions for risks and charges	676,323	469,951	206,372	43.91
	a) commitments and guarantees granted	56,004	63,059	(7,055)	-11.19
	b) pension and similar obligations	161,619	131,126	30,493	23.25
	c) other provisions for risks and charges	458,700	275,766	182,934	66.34
120.	Valuation reserves	37,750	949	36,801	--
140.	Equity instruments	150,000	-	150,000	n.s.
150.	Reserves	2,035,205	1,619,469	415,736	25.67
160.	Share premium reserve	1,002,722	930,073	72,649	7.81
170.	Share capital	1,561,884	1,443,925	117,959	8.17
180.	Treasury shares (-)	(7,259)	(7,258)	(1)	0.01
190.	Minority interests (+/-)	131,662	507,457	(375,795)	-74.05
200.	Profit (Loss) for the year pertaining to the Parent Company (+/-)	379,583	401,953	(22,370)	-5.57
	Total liabilities and shareholders' equity	**79,033,498**	**70,634,767**	**8,398,731**	**11.89**

BPER:
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Consolidated income statement as at 31 December 2019

(in thousands)

	Captions	31.12.2019	31.12.2018	Change	% Change
10.	Interest and similar income	1,419,767	1,375,925	43,842	3.19
	of which: interest income calculated using the effective interest method	1,395,908	1,358,857	37,051	2.73
20.	Interest and similar expense	(255,228)	(253,488)	(1,740)	0.69
30.	**Net interest income**	**1,164,539**	**1,122,437**	**42,102**	**3.75**
40.	Commission income	1,043,000	812,147	230,853	28.43
50.	Commission expense	(111,050)	(35,882)	(75,168)	209.49
60.	**Net commission income**	**931,950**	**776,265**	**155,685**	**20.06**
70.	Dividends and similar income	14,101	34,339	(20,238)	-58.94
80.	Net income from trading activities	180	1,812	(1,632)	-90.07
90.	Net income from hedging activities	(1,546)	1,621	(3,167)	-195.37
100.	Gains (Losses) on disposal or repurchase of:	116,600	91,925	24,675	26.84
	a) financial assets measured at amortised cost	38,710	(77,645)	116,355	-149.86
	b) financial assets measured at fair value through other comprehensive income	77,664	168,662	(90,998)	-53.95
	c) financial liabilities	226	908	(682)	-75.11
110.	Net income on financial assets and liabilities measured at fair value through profit or loss	(1,241)	8,664	(9,905)	-114.32
	a) financial assets and liabilities designated at fair value	(8,436)	(4,378)	(4,058)	92.69
	b) other financial assets mandatorily measured at fair value	7,195	13,042	(5,847)	-44.83
120.	**Net interest and other banking income**	**2,224,583**	**2,037,063**	**187,520**	**9.21**
130.	Net impairment losses for credit risk relating to:	(446,291)	(223,706)	(222,585)	99.50
	a) financial assets measured at amortised cost	(447,547)	(225,772)	(221,775)	98.23
	b) financial assets measured at fair value through other comprehensive income	1,256	2,066	(810)	-39.21
140.	Gains (Losses) from contractual modifications without derecognition	(2,979)	(2,956)	(23)	0.78
150.	**Net income from financial activities**	**1,775,313**	**1,810,401**	**(35,088)**	**-1.94**
180.	**Net income from financial and insurance activities**	**1,775,313**	**1,810,401**	**(35,088)**	**-1.94**
190.	Administrative expenses:	(1,699,466)	(1,442,264)	(257,202)	17.83
	a) staff costs	(1,049,686)	(821,494)	(228,192)	27.78
	b) other administrative expenses	(649,780)	(620,770)	(29,010)	4.67
200.	Net provisions for risks and charges	(12,193)	(7,794)	(4,399)	56.44
	a) commitments and guarantees granted	9,032	16,197	(7,165)	-44.24
	b) other net provisions	(21,225)	(23,991)	2,766	-11.53
210.	Net adjustments to property, plant and equipment	(125,524)	(70,405)	(55,119)	78.29
220.	Net adjustments to intangible assets	(59,552)	(48,534)	(11,018)	22.70
230.	Other operating expense/income	188,348	152,823	35,525	23.25
240.	**Operating costs**	**(1,708,387)**	**(1,416,174)**	**(292,213)**	**20.63**
250.	Gains (Losses) of equity investments	7,213	13,349	(6,136)	-45.97
270.	Impairment losses on goodwill	-	(62,344)	62,344	-100.00
275.	Gain on a bargain purchase	343,361	-	343,361	n.s.
280.	Gains (Losses) on disposal investments	(602)	294	(896)	-304.76
290.	**Profit (Loss) from current operations before tax**	**416,898**	**345,526**	**71,372**	**20.66**
300.	Income taxes on current operations for the year	(22,446)	100,264	(122,710)	-122.39
310.	**Profit (Loss) from current operations after tax**	**394,452**	**445,790**	**(51,338)**	**-11.52**
320.	Profit (Loss) of operating activities extended to net of taxes	-	-	-	n.s.
330.	**Profit (Loss) for the year**	**394,452**	**445,790**	**(51,338)**	**-11.52**
340.	Profit (Loss) for the year pertaining to minority interests	(14,869)	(43,837)	28,968	-66.08
350.	**Profit (Loss) for the year pertaining to the Parent Company**	**379,583**	**401,953**	**(22,370)**	**-5.57**

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Performance ratios [2]

Financial ratios	31.12.2019	2018 (*)
Structural ratios		
Net loans to customers/total assets	65.80%	66.61%
Net loans to customers/direct deposits from customers	89.58%	94.11%
Financial assets/total assets	23.99%	24.28%
Fixed assets/total assets	2.02%	2.14%
Goodwill/total assets	0.55%	0.37%
Direct deposits/total assets	88.91%	89.36%
Indirect deposits under management/indirect deposits	37.71%	53.32%
Financial assets[3]/tangible equity[4]	4.10	3.85
Total tangible assets[5]/tangible equity	16.96	15.77
Net interbank position (in thousands of Euro)	(9,891,324)	(11,585,739)
Number of employees[6]	13,805	11,615
Number of national bank branches	1,349	1,218
Profitability ratios		
ROE	8.66%	9.06%
ROTE	9.92%	10.15%
ROA (net profit/total assets)	0.50%	0.63%
Cost to income ratio[7]	74.11%	66.44%
Net impairment losses on loans to customers/net loans to customers	0.86%	0.47%
Basic EPS[8]	0.766	0.836
Diluted EPS[9]	0.743	0.836

(*) The comparative ratios have been calculated on figures at 31 December 2018 as per the Consolidated Financial Statements as at 31 December 2018.

[2] 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 Realease.
[3] Fixed assets include both Equity investments and Property, plant and equipment.
[4] Tangible equity: total shareholders' equity, including minority interests, net of intangible assets.
[5] Total tangible assets = total assets net of intangible assets.
[6] The number of employees (point figure) does not include the expectations.
[7] The cost/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 layouts provided by Circular no. 262 of the Bank of Italy the cost/income ratio is at 76.80% (69.52% at 31 December 2018 as per the Consolidated Financial Statements 31 December 2018).
[8] EPS has been calculated net of treasury shares in portfolio.
[9] See previous note.

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(cont.)

Financial ratios	31.12.2019	2018 (*)
Risk ratios		
Net non-performing loans/net loans to customers	5.77%	6.81%
Net bad loans/net loans to customers	2.25%	3.08%
Net unlikely to pay loans/net loans to customers	3.19%	3.60%
Net past due loans/net loans to customers	0.32%	0.13%
Impairment provisions for non-performing loans/gross non-performing loans	51.03%	54.52%
Impairment provisions for bad loans/gross bad loans	66.04%	66.62%
Impairment provisions for unlikely to pay loans/gross unlikely to pay loans	33.01%	35.73%
Impairment provisions for past due loans/gross past due loans	14.57%	12.33%
Impairment provisions for performing loans/gross performing loans	0.33%	0.37%
Texas ratio[10]	79.04%	84.97%
Own Funds (Phased in) (in thousands of Euro)[11]		
Common Equity Tier 1 (CET1)	4,828,807	4,367,711
Own Funds	5,839,914	5,278,852
Risk-weighted assets (RWA)	34,721,277	30,606,171
Capital and liquidity ratios		
Common Equity Tier 1 Ratio (CET1 Ratio) - Phased in	13.91%	14.27%
Tier 1 Ratio (T1 Ratio) - Phased in	14.35%	14.37%
Total Capital Ratio (TC Ratio) - Phased in	16.82%	17.25%
Common Equity Tier 1 Ratio (CET1 Ratio) - Fully Phased	12.01%	11.95%
Liquidity Coverage Ratio (LCR)	158.9%	154.3%
Net Stable Funding Ratio (NSFR)[12]	n.a.	106.8%

Non-financial ratios	31.12.2019	2018 (*)
Productivity ratios (in thousands of Euro)		
Direct deposits per employee	4,205.40	4,304.47
Loans to customers per employee	3,767.19	4,050.88
Assets managed per employee	3,021.68	1,664.31
Assets administered per employee	4,991.60	1,457.29
Core revenues[13] per employee	151.86	163.47
Net interest and other banking income per employee	161.14	175.38
Operating costs per employee	123.75	121.93

(*) The comparative ratios have been calculated on figures at 31 December 2018 as per the Consolidated Financial Statements as at 31 December 2018.

[10] *The texas ratio is calculated as the relationship between total gross non-performing loans and net tangible equity increased by impairment provisions for non-performing loans.*
[11] *Items have been calculated according to the provisions of Regulation (EU) 575/2013 (CRR), as amended by the Commission Delegated Regulation (EU) 2395/2017.*
[12] *The NSFR, not yet available, is in any case estimated to exceed 100% (117.4% as at 30 September 2019).*
[13] *Core revenues = net interest income + net commission income.*

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Balance sheet of the Parent Company as at 31 December 2019

(in thousands)

	Assets	31.12.2019	31.12.2018	Change	% Change
10.	Cash and cash equivalents	429,141	330,609	98,532	29.80
20.	Financial assets measured at fair value through profit or loss	939,799	1,004,056	(64,257)	(6.40)
	a) financial assets held for trading	311,681	287,085	24,596	8.57
	b) financial assets designated at fair value	126,947	202,989	(76,042)	(37.46)
	c) other financial assets mandatorily measured at fair value	501,171	513,982	(12,811)	(2.49)
30.	Financial assets measured at fair value through other comprehensive income	6,202,401	7,530,477	(1,328,076)	(17.64)
40.	Financial assets measured at amortised cost	56,133,805	45,851,401	10,282,404	22.43
	a) loans to banks	8,369,103	4,427,738	3,941,365	89.02
	b) loans to customers	47,764,702	41,423,663	6,341,039	15.31
50.	Hedging derivatives	81,869	34,916	46,953	134.47
70.	Equity investments	2,138,421	1,747,684	390,737	22.36
80.	Property, plant and equipment	802,101	448,124	353,977	78.99
90.	Intangible assets	438,239	239,139	199,100	83.26
	of which:				
	- goodwill	225,792	225,792	-	-
100.	Tax assets	1,644,103	1,546,559	97,544	6.31
	a) current	456,290	446,935	9,355	2.09
	b) deferred	1,187,813	1,099,624	88,189	8.02
110.	Non current assets and disposal groups classified as held for sale	3,128	2,800	328	11.71
120.	Other assets	534,741	372,662	162,079	43.49
	Total assets	**69,347,748**	**59,108,427**	**10,239,321**	**17.32**

(in thousands)

	Liabilities and shareholders' equity	31.12.2019	31.12.2018	Change	% Change
10.	Financial liabilities measured at amortised cost	61,608,916	52,728,319	8,880,597	16.84
	a) due to banks	15,749,542	16,436,039	(686,497)	(4.18)
	b) due to customers	40,300,602	31,509,116	8,791,486	27.90
	c) debt securities issued	5,558,772	4,783,164	775,608	16.22
20.	Financial liabilities held for trading	176,219	150,807	25,412	16.85
40.	Hedging derivatives	283,792	85,717	198,075	231.08
60.	Tax liabilities	43,633	31,417	12,216	38.88
	b) deferred	43,633	31,417	12,216	38.88
80.	Other liabilities	1,594,541	1,230,381	364,160	29.60
90.	Employee termination indemnities	123,302	114,024	9,278	8.14
100.	Provisions for risks and charges	520,564	379,712	140,852	37.09
	a) commitments and guarantees granted	46,068	49,872	(3,804)	(7.63)
	b) pension and similar obligations	159,720	129,931	29,789	22.93
	c) other provisions for risks and charges	314,776	199,909	114,867	57.46
110.	Valuation reserves	(135,730)	(82,514)	(53,216)	64.49
130.	Equity instruments	150,000	-	150,000	-
140.	Reserves	2,039,723	1,797,104	242,619	13.50
150.	Share premium reserve	1,002,722	930,073	72,649	7.81
160.	Share capital	1,561,884	1,443,925	117,959	8.17
170.	Treasury shares (-)	(7,253)	(7,253)	-	-
180.	Profit (Loss) for the year (+/-)	385,435	306,715	78,720	25.67
	Total liabilities and shareholders' equity	**69,347,748**	**59,108,427**	**10,239,321**	**17.32**

BPER:
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Income statement of the Parent Company as at 31 December 2019

(in thousands)

	Captions	31.12.2019	31.12.2018	Change	% Change
10.	Interest and similar income	1,040,034	1,012,068	27,966	2.76
	of which: interest income calculated using the effective interest method	1,017,060	995,610	21,450	2.15
20.	Interest and similar expense	(253,352)	(238,208)	(15,144)	6.36
30.	**Net interest income**	**786,682**	**773,860**	**12,822**	**1.66**
40.	Commission income	741,171	629,527	111,644	17.73
50.	Commission expense	(51,570)	(39,180)	(12,390)	31.62
60.	**Net commission income**	**689,601**	**590,347**	**99,254**	**16.81**
70.	Dividends and similar income	34,363	45,184	(10,821)	(23.95)
80.	Net income from trading activities	(2,899)	528	(3,427)	(649.05)
90.	Net income from hedging activities	(1,392)	1,467	(2,859)	(194.89)
100.	Gains (Losses) on disposal or repurchase of:	82,775	102,751	(19,976)	(19.44)
	a) financial assets measured at amortised cost	18,698	(57,679)	76,377	(132.42)
	b) financial assets measured at fair value through other comprehensive income	63,840	159,417	(95,577)	(59.95)
	c) financial liabilities	237	1,013	(776)	(76.60)
110.	Net income on financial assets and liabilities measured at fair value through profit or loss	4,113	9,709	(5,596)	(57.64)
	a) financial assets and liabilities designated at fair value	(8,436)	(4,378)	(4,058)	92.69
	b) other financial assets mandatorily measured at fair value	12,549	14,087	(1,538)	(10.92)
120.	**Net interest and other banking income**	**1,593,243**	**1,523,846**	**69,397**	**4.55**
130.	Net impairment losses for credit risk relating to:	(288,004)	(148,012)	(139,992)	94.58
	a) financial assets measured at amortised cost	(288,945)	(149,905)	(139,040)	92.75
	b) financial assets measured at fair value through other comprehensive income	941	1,893	(952)	(50.29)
140.	Gains (Losses) from contractual modifications without derecognition	(1,981)	(2,140)	159	(7.43)
150.	**Net income from financial activities**	**1,303,258**	**1,373,694**	**(70,436)**	**(5.13)**
160.	Administrative expenses:	(1,269,401)	(1,106,793)	(162,608)	14.69
	a) staff costs	(763,894)	(533,703)	(230,191)	43.13
	b) other administrative expenses	(505,507)	(573,090)	67,583	(11.79)
170.	Net provisions for risks and charges	(8,071)	(3,730)	(4,341)	116.38
	a) commitments and guarantees granted	5,766	11,909	(6,143)	(51.58)
	b) other net provisions	(13,837)	(15,639)	1,802	(11.52)
180.	Net adjustments to property, plant and equipment	(85,467)	(24,291)	(61,176)	251.85
190.	Net adjustments to intangible assets	(49,532)	(2,203)	(47,329)	--
200.	Other operating expense/income	194,968	119,328	75,640	63.39
210.	**Operating costs**	**(1,217,503)**	**(1,017,689)**	**(199,814)**	**19.63**
220.	Gains (Losses) of equity investments	(25,979)	(48,681)	22,702	(46.63)
240.	Impairment losses on goodwill	-	(54,444)	54,444	(100.00)
245.	Gain on a bargain purchase	329,433	-	329,433	n.s.
250.	Gains (Losses) on disposal investments	1,028	50	978	--
260.	**Profit (Loss) from current operations before tax**	**390,237**	**252,930**	**137,307**	**54.29**
270.	Income taxes on current operations for the year	(4,802)	53,785	(58,587)	(108.93)
280.	**Profit (Loss) from current operations after tax**	**385,435**	**306,715**	**78,720**	**25.67**
300.	**Profit (Loss) for the year**	**385,435**	**306,715**	**78,720**	**25.67**