

# BPER:

## Gruppo

## 1Q21 consolidated results

Piero Luigi Montani, CEO

7 May 2021

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The Manager responsible for preparing the Company’s financial reports, Marco Bonfatti, declares, in accordance with art. 154-bis, para. 2, of the “Consolidated Financial Services Act” (Legislative Order No. 58/1998), that the accounting information contained in this document corresponds to documentary records, ledgers and accounting entries.

Marco Bonfatti

Manager responsible for preparing the Company's financial reports

# Important methodological note

## Change in the scope of consolidation and Purchase Price Allocation

### Change in the scope of consolidation

Q121 saw the completion of the integration in BPER Banca of the UBI Banca business unit<sup>1</sup> (consisting of 455 bank branches and 132 operational units) acquired from Intesa Sanpaolo Group. The transaction took effect on 22 February 2021 for legal and accounting purposes, thereby the assets and liabilities of these units have been included in the scope of consolidation with an economic contribution to the P&L starting from the same date.

As a result, the accounting figures at 31 March 2021 are not comparable with the previous periods.

### Provisional Purchase Price Allocation (PPA)

Q121 results included the impact of PPA carried out following the first provisional accounting for the acquisition of UBI going concern, in accordance with IFRS 3 "Business Combinations". The difference between the net equity and the purchase price attributable to the business unit acquired ("Badwill" or "Bargain Purchase") amounted to 928.5 €mIn. The allocation process through the measurement at fair value of the assets and liabilities acquired as at the initial recognition date, led to the following PPA adjustments:

- -337.5 €mIn on non-performing loans;
- +220.1 €mIn on performing loans;
- -19.9 €mIn on real estates;
- -10.0 €mIn on provisions for Risk and Charges.

The outcome of the provisional PPA was a Bargain Purchase booked in the Q121 P&L for 781.5 €mIn.

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1. Includes the going concern business operations of UBISS (consortium company controlled by UBI Banca).

# Agenda

## BPER GROUP CONSOLIDATED RESULTS

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Balance sheet structure

Profit and loss

Liquidity and Capital adequacy

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# Executive summary

## Significant dimensional growth

- **Successful integration of 587 UBI branches acquired from ISP**, which allowed to strengthen the Bank's competitive position in strong economic areas, previously only partially covered
- **Customer base reached 4.1mln clients (+50% YTD)**
- **Significant volumes growth** driven by UBI going concern acquisition and positive commercial performance:
  - **Total funding up to 255 €bn (+38% YTD), of which indirect deposits<sup>1</sup> 161 €bn (+32% YTD)**
  - **Net customer loans increase to 75 €bn (+42% YTD)**

## Increase in the profitability

- **Net profit increased to 400.3 €mln**, reflecting the contribution of UBI going concern and one-off items<sup>2</sup>, among which: badwill<sup>3</sup> (+781.5 €mln), goodwill impairments (-230.4 €mln), integration costs (-83.4 €mln) and additional LLPs (-260.0 €mln)
- **Strong operating income growth to 757.7 €mln**
- **Cost of risk annualized equal to 222bps (84bps excluding additional LLPs)**

## Steady improvement in the asset quality

- **Gross and net pro forma NPE ratios<sup>4</sup> significantly reduced respectively to 5.9% and 3.1%** (vs 7.8% and 4.0% in Dec.'20), the lowest level since 2007 financial crisis, thanks to the going concern acquisition and NPE disposal
- **NPE cash coverage equal to 49.5%, kept at high level** including NPE disposals and PPA effect
- **Annualized default rate furtherly reduced to 0.7%** from 1.0% in Dec. '20
- **Texas ratio at 54.7%** down from 55.4% in Dec.'20

## Capital solidity and robust liquidity

- **CET1 ratio Fully Phased pro-forma<sup>5</sup> at 13.4%** with a wide buffer vs. SREP (8.125%)
- **LCR >200%** well above the 100% regulatory threshold and liquidity buffer for nearly 28.7 €bn

## Continuous commitment in supporting clients

- **Moratoria on loans payment:** total amount granted in terms of residual debt, equal to 16 €bn (of which 5 €bn UBI going concern). Moratoria still in place equal to 8.1 €bn
- **State-guaranteed loans** increased to 6.1 €bn (of which 1.9 €bn UBI going concern) from 3.5 €bn at end of 2020

1. Including life insurance premiums.

2. See slide 17.

3. Excluding recovery of badwill taxation (296.4 €mln) as per contractual provisions with Intesa Sanpaolo.

4. Including UTP disposal finalized in April 2021. The ratio does not include the UTP disposal for a GBV of 52 €mln still in the process of finalization.

5. The CET1 ratio Fully Phased pro-forma has been estimated excluding the effects of the transitional provisions in force and including the result of the period, thus simulating, in advance, the effects of the authorization issued by the ECB for the inclusion of these profits in Own Funds pursuant to art. 26, para. 2 of the CRR.

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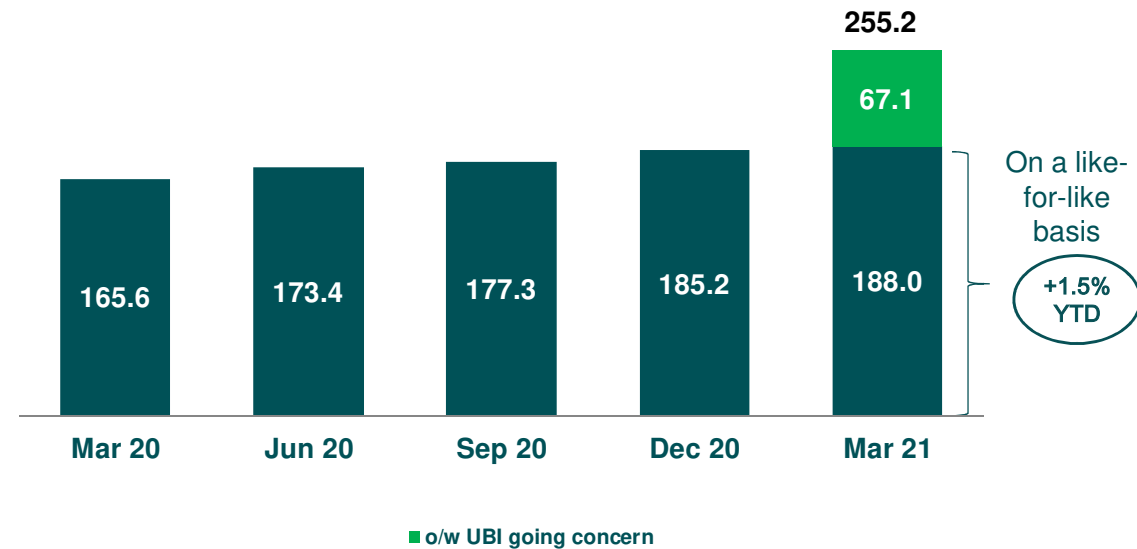
# Total funding

Total Funding up to 255.2 €bn, thanks to the integration of UBI going concern and a positive commercial activity

## Total Funding breakdown (€mln; %)

Total Funding	Dec 20	Mar 21	Chg (%)
Direct Deposits	63.141	94.442	+49,6%
Indirect Deposits <sup>1</sup>	122.077	160.747	+31,7%
<b>Total Funding</b>	<b>185.218</b>	<b>255.188</b>	<b>+37,8%</b>
o/w ARCA Holding	17.445	17.666	+1,3%

## Total Funding, quarterly trend (€bn)



- Total funding on a like-for-like basis increased by 1.5% YTD driven by positive commercial actions
- UBI going concern contribution equal to 67.1 €bn

1. Includes life-insurance products  
Note: figures in this page may not add exactly due to rounding differences

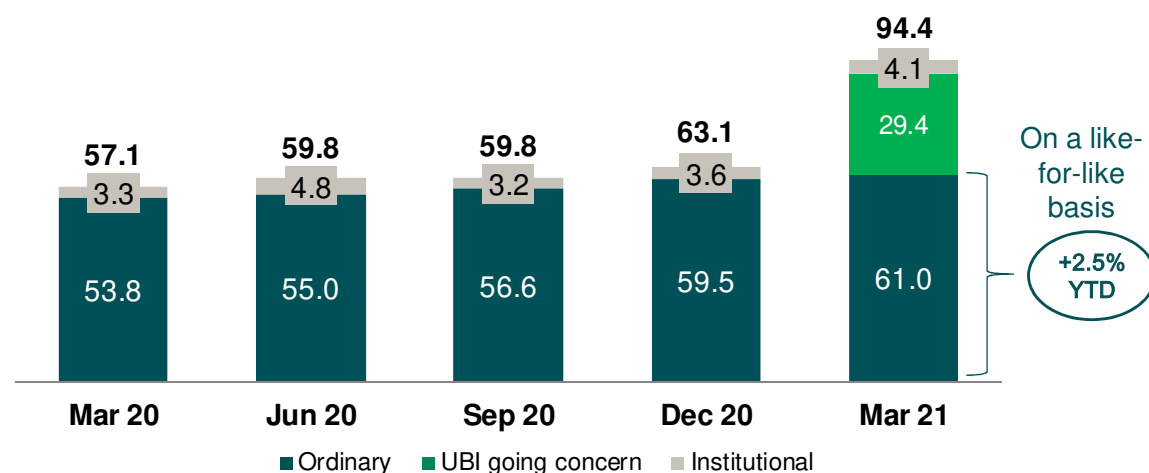
# Direct funding

Direct funding increased to 94.4 €bn, of which 29.4 €bn from UBI going concern

Direct Funding breakdown (€mln; %)

€/mln	Dec 20	Mar 21	Chg (%)
<b>Direct Customer Deposits</b>	<b>59,505</b>	<b>90,343</b>	<b>+51.8%</b>
o/w Current accounts and sight deposits	55,116	85,788	+55.7%
o/w Bonds	820	761	-7.2%
o/w Other	3,569	3,793	+6.3%
<b>Institutional Direct funding</b>	<b>3,635</b>	<b>4,099</b>	<b>+12.8%</b>
o/w bonds	3,565	4,067	+14.1%
o/w repos	70	32	-54.5%
<b>Total Direct Deposits</b>	<b>63,141</b>	<b>94,442</b>	<b>+49.6%</b>

Direct Funding, quarterly trend (€bn)



- Significant increase in the current accounts and sight deposits component (+55.7% YTD) following the UBI going concern integration
- Increase in the direct customer deposits also confirmed on a like-for-like basis (+2.5% YTD)
- Incidence of Households clients in the sight deposits up to 62% from 59% at the end of Dec. 20
- Institutional funding up by 12.8%, following the inaugural social bond issuance for a nominal amount of 500 €mln

Note: figures in this page may not add exactly due to rounding differences



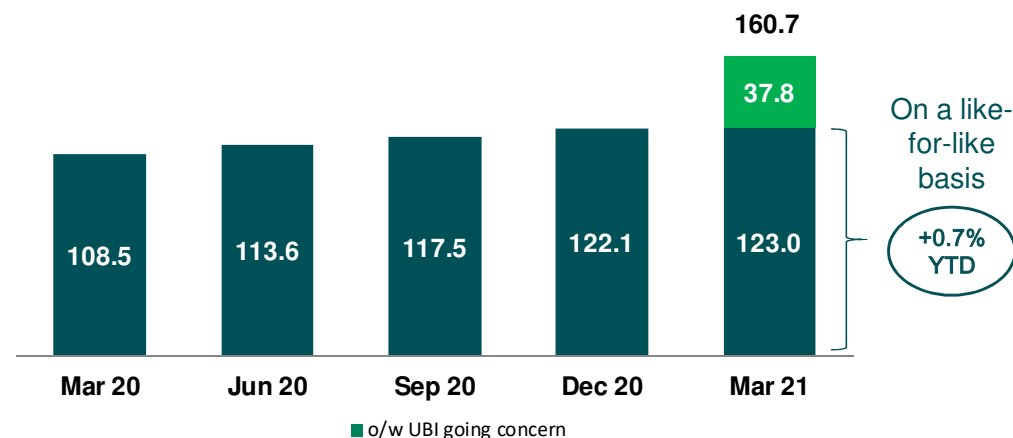
# Indirect deposits

Stock increased to 160.7 €bn, of which 37.8 €bn from UBI going concern

## Indirect Deposits<sup>1</sup> (€mln;%)

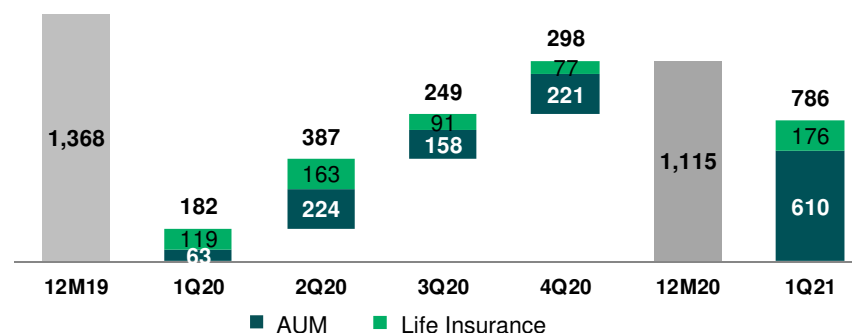
€/mln	Dec 20	Mar 21	Chg (%)
Assets under custody	72,057	82,646	+14.7%
Assets under management	25,274	42,759	+69.2%
Life Insurance	7,301	17,675	+142.1%
Assets under management - Arca Holding	17,445	17,666	+1.3%
<b>Total indirect deposits</b>	<b>122,077</b>	<b>160,747</b>	<b>+31.7%</b>

## Indirect Deposits quarterly trend (€bn)



- UBI going concern contribution equal to 37.8 €bn with a high share of life insurance component, in details: 16.6 €bn AUM, 10.2 €bn life insurance and 11.0 €bn AUC
- On a like-for-like basis the stock increased by 0.7% driven by a positive commercial activity
- Weight of AUM and life insurance component up to 48.6% from 41.0% in 1Q 21
- Positive performance of net inflows which reached 786 €mln in Q1 21 (including UBI going concern), of which: 610 €mln AUM and 176 €mln life Insurance

## Net inflows<sup>2</sup> of AuM and Life Insurance products (€mln)



1. Indirect deposits include life insurance premiums

2. Figures from data management system. AUM include ARCA captive inflows on BPER network

Note: figures in this page may not add exactly due to rounding differences

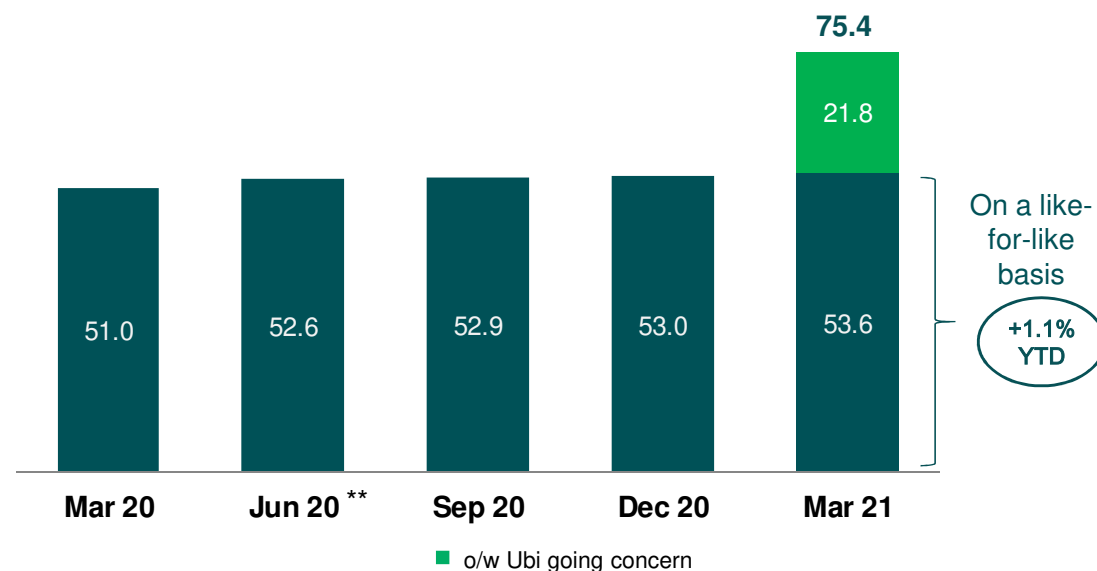
# Customer loans

Net customer loans at 75.4 €bn of which 21.8 €bn from UBI going concern

Net customer loans breakdown (€mln;%)

€/mln	Dec 20	Mar 21	Chg (%)
Current Account	3,669	4,897	+33.5%
Mortgage loans	35,355	52,647	+48.9%
Other	13,982	17,823	+27.5%
<b>Net customer loans</b>	<b>53,006</b>	<b>75,367</b>	<b>+42.2%</b>
<i>o/w Performing</i>	<i>50,876</i>	<i>72,956</i>	<i>+43.4%</i>
<i>o/w Non-Performing</i>	<i>2,130</i>	<i>2,412</i>	<i>+13.2%</i>

Net customer loans, quarterly trend (€bn)



- UBI going concern contribution equal to 21.8 €bn (post PPA), of which: 21.2 €bn performing loans and 0.6 €bn non-performing loans
- Client segment breakdown unchanged vs. end 2020: 43% for Households and 57% for Corporates
- New originations in the quarter equal to 1.9 €bn\* underpinned by the health emergency measures granted to support clients and the economy of the local territories

Note: customer loans excluding customer debt securities. See dedicated table in the Annexes.

Note: figures in this page may not add exactly due to rounding differences.

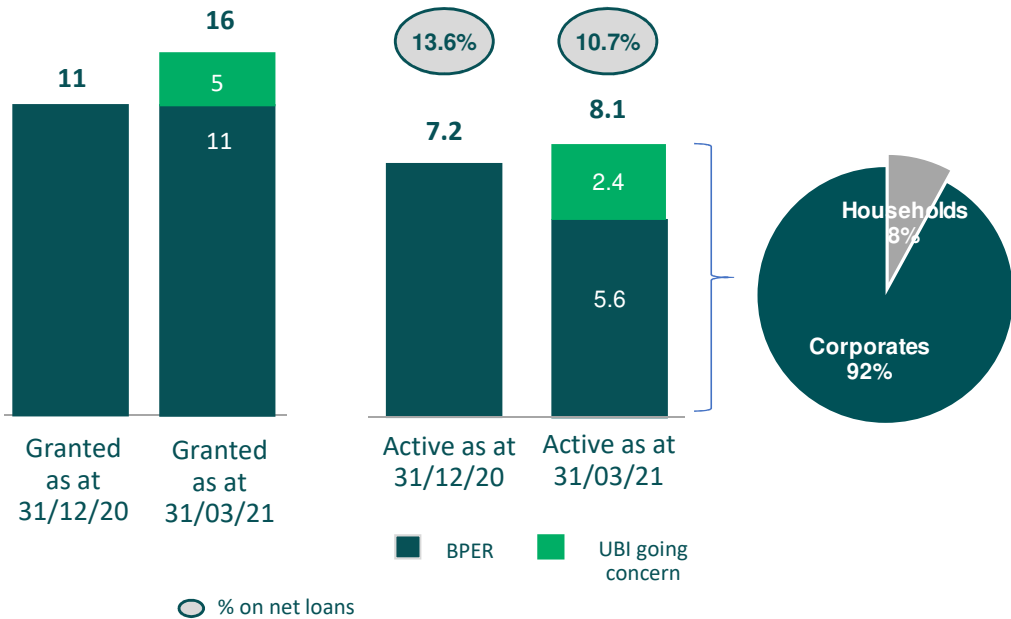
\*Managerial internal data

\*\* Pro-forma including the effects of the "Spring" securitisation of bad loans

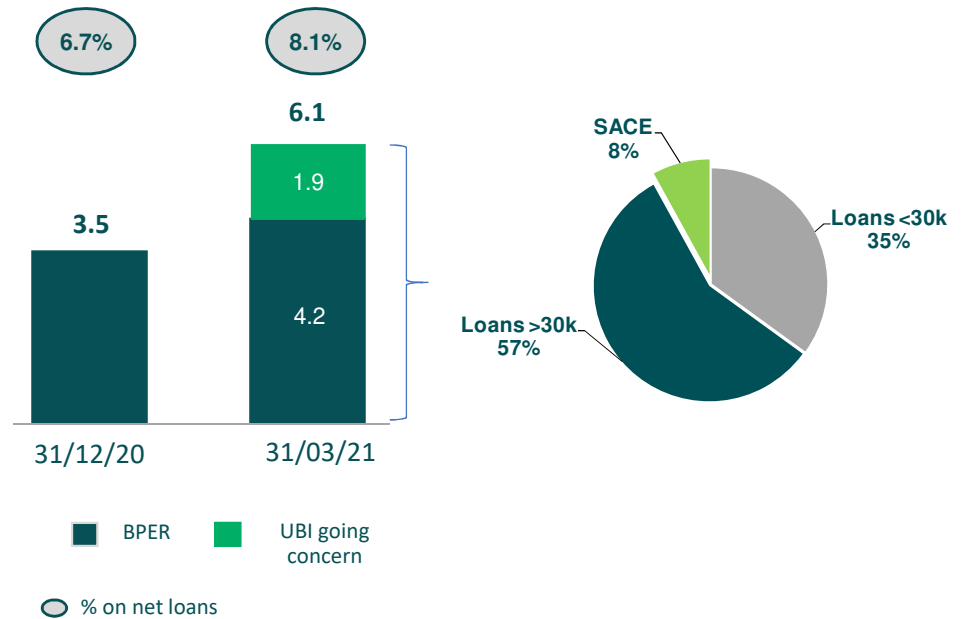
# Moratoria on payments and State guaranteed loans

Strong commitment of BPER Group in supporting clients and local territories to face the economic impact of the pandemic crisis. Total moratoria granted equal to 16 €bn (of which 5 €bn UBI going concern) with 8.1 €bn still in place. State guaranteed loans equal to 6.1 €bn (of which 1.9 €bn Ubi going concern).

Moratoria on loan payments – (€bn; %)



State guaranteed loans – (€bn; %)



# Asset Quality (1/3)

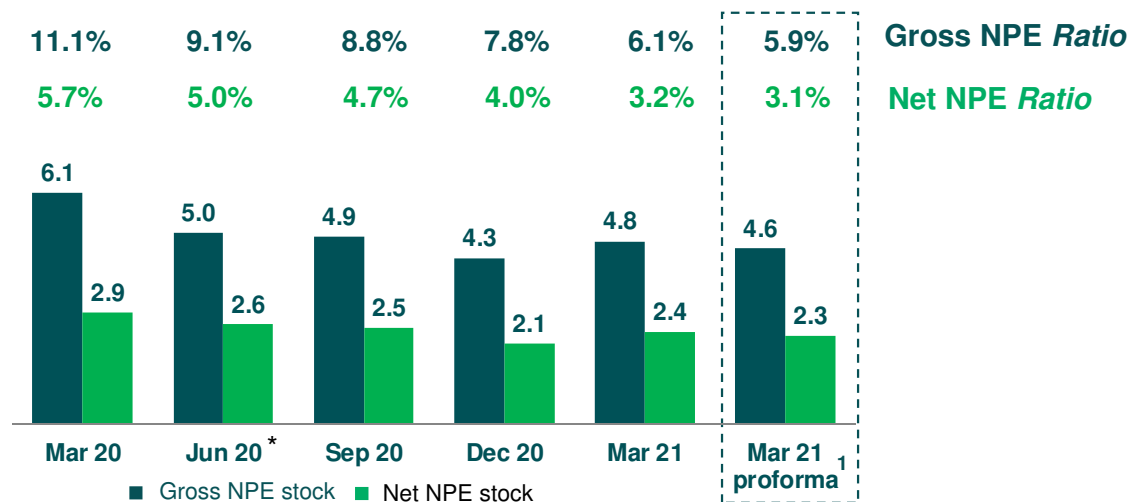
Balance sheet structure

Further improvement in the asset quality. NPE ratio<sup>1</sup> gross and net significantly reduced to 5.9% and 3.1% respectively, while keeping at the same time high coverage ratios

Breakdown of NPE stock and coverage (€mln; %)

	Dec 20	Mar 21			Δ stand alone
		BPER standalone	UBI going concern	Total	
<b>Bad Loans</b>					
Gross	2,076	2,033	336	2,369	-2.1%
Net	727	687	311	998	-5.4%
Coverage	65.0%	66.2%	7.3%	57.8%	
<b>UTPs</b>					
Gross	2,125	1,943	337	2,280	-8.6%
Net	1,294	1,066	251	1,317	-17.6%
Coverage	39.1%	45.1%	25.4%	42.2%	
<b>Past Due</b>					
Gross	141	116	13	130	-17.6%
Net	110	85	10	96	-22.1%
Coverage	22.4%	26.7%	20.5%	26.1%	
<b>Total NPE</b>					
Gross	4,343	4,092	686	4,778	-5.8%
Net	2,130	1,839	573	2,412	-13.7%
Coverage	51.0%	55.1%	16.4%	49.5%	
<b>Performing loans</b>					
Coverage	0.3%	0.5%	0.6%	0.5%	
<b>NPE ratio gross</b>	7.8%	7.3%	3.1%	6.1%	-0.5%
<b>NPE ratio net</b>	4.0%	3.4%	2.6%	3.2%	-0.6%

Evolution of NPE stock and NPE ratios (€bn; %)



- NPE ratio<sup>1</sup> gross and net significantly reduced to 5.9% and 3.1% thanks to effectiveness of the derisking strategy and UBI going concern contribution
- Finalised disposals of UTP loans secured for a GBV of 0.4 €bn (of which 0.2 €bn in Q1 21 and 0.2 €bn in Q2 21)
- NPE coverage ratio at 49.5% (including PPA impact on UBI going concern NPE equal to -337.5 €mln), in particular: Bad Loans at 57.8% and UTP at 42.2%
- Performing loan coverage up to 0.5% vs. 0.3% end 2020

1. Proforma including UTP disposals finalised in April 2021 (0.2 €bn)

Note: customer loans excluding customer debt securities. See dedicated table in the Annexes.

Note: figures in this page may not add exactly due to rounding differences.

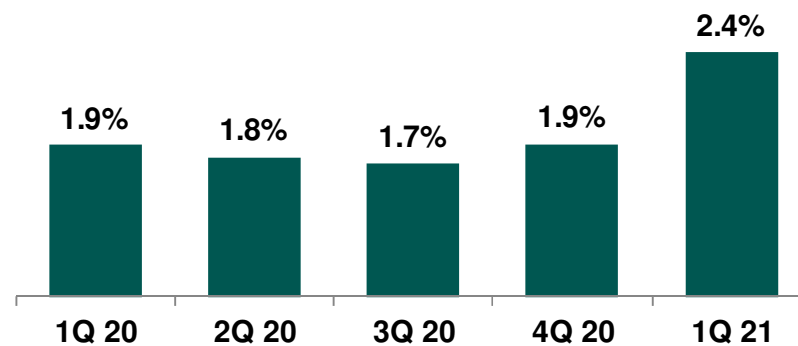
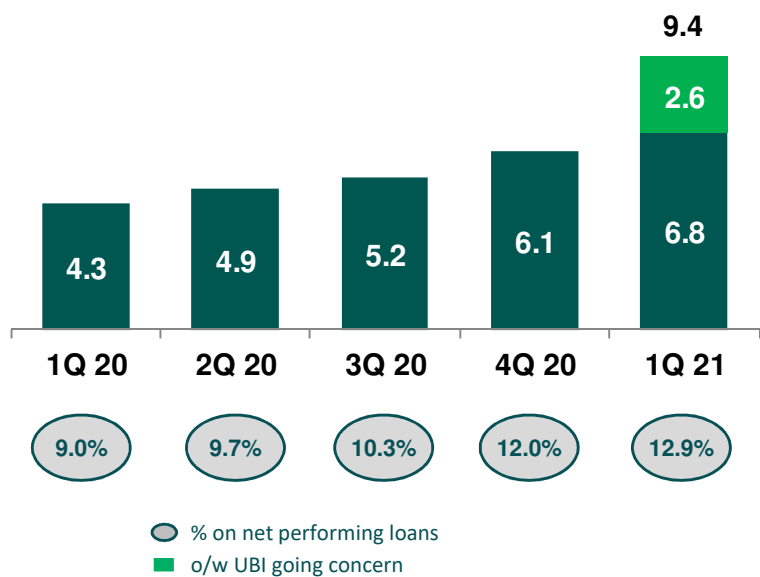
\* Pro-forma including the effects of the "Spring" securitisation of bad loans

# Asset Quality (2/3)

Stage 2 net loans stock equal to 9.4 €bn (12.9% of performing loans) with a coverage at 2.4%

Stock stage 2 net loans, quarterly trend (€bn)

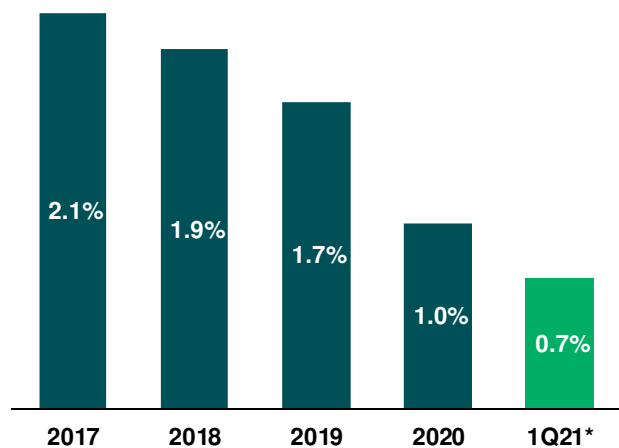
Coverage stage 2 net loans, quarterly trend (%)



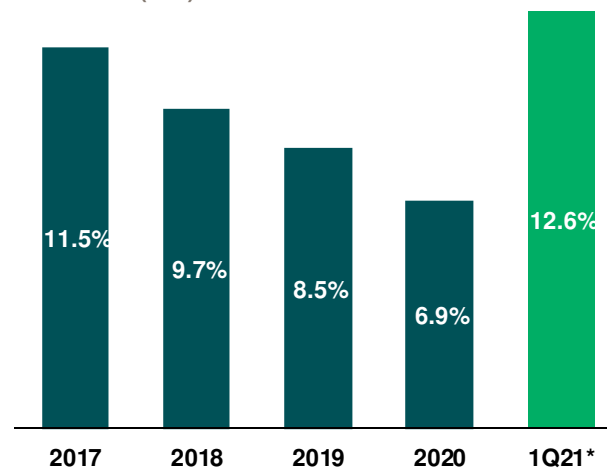
# Asset quality (3/3)

Default rate at 0.7% from 1.0% in Dec.'20. Recovery rate continues to show positive trend

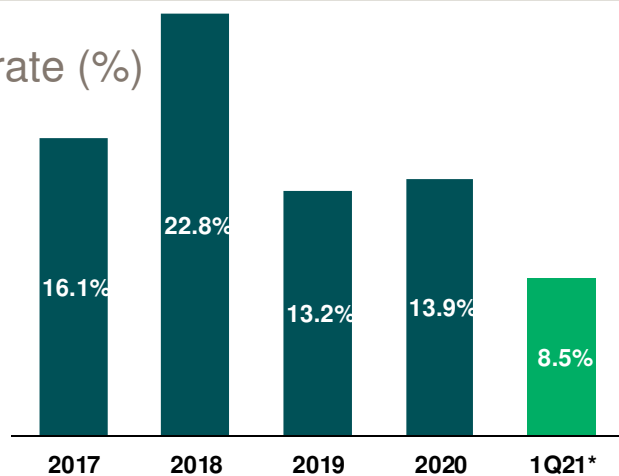
Default rate (%)



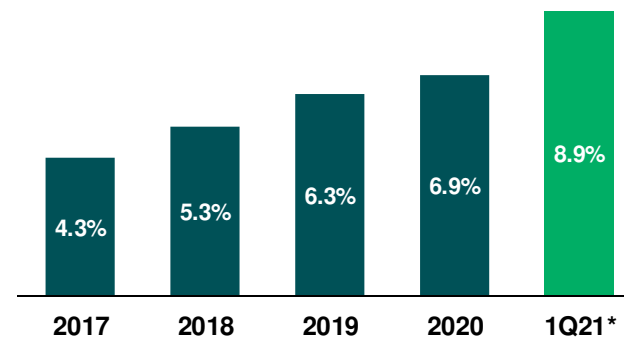
Cure rate (%)



Danger rate (%)



Bad loans average recovery rate<sup>1</sup> (%)  
(Bper Credit Management)



1. Source: management data.

Note: Default rate = 1Q21 NPE inflows / performing loans stock at 31 Dec'20; Danger rate = 1Q21 inflows to bad loans from other NPE stock for the period / (UtP + PD loans) stock at 31 Dec'20; Cure rate = 1Q21 (UtP + PD loans) outflows back to performing loans / (UtP + PD loans) stock at 31 Dec'20. All ratios are calculated on gross exposures.

\* Annualized

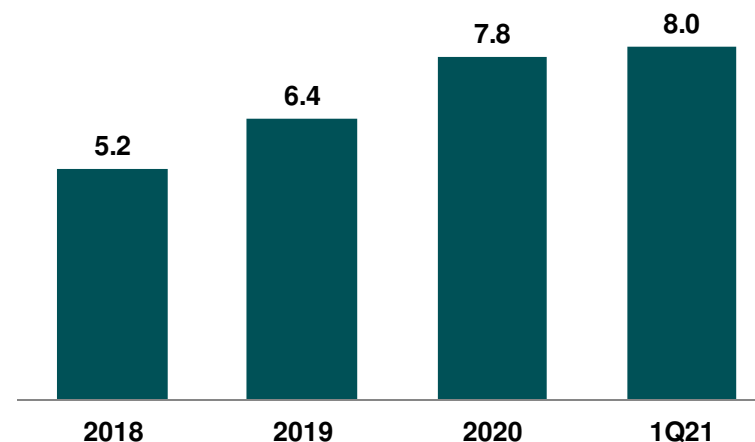
# Financial assets portfolio

Financial assets portfolio at 26.4 €bn up by 1.7 €bn YTD

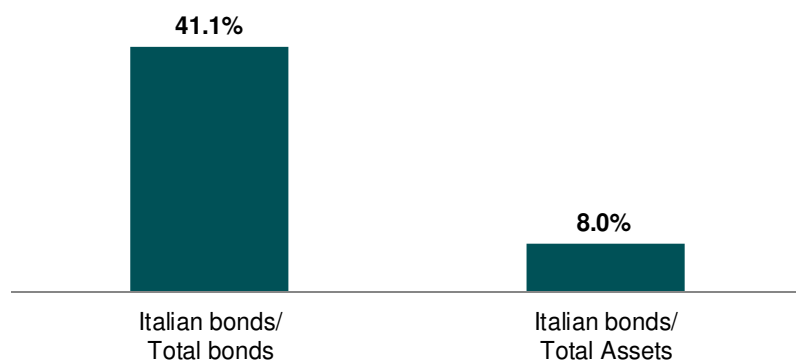
## Financial Assets breakdown (€mln; %)

€/mn	FVTPL	FVOCI	AC	Total	% on total
Bonds	378	6,084	18,821	25,283	95.7%
<i>o.w. Italian gov<sup>1</sup></i>	191	422	7,386	7,999	30.3%
Equity	153	249		401	1.5%
Funds and Sicav	544			544	2.1%
Other*	180			180	0.7%
<b>Total as of 31.03.2021</b>	<b>1,255</b>	<b>6,333</b>	<b>18,821</b>	<b>26,408</b>	<b>100.0%</b>
<b>Total as of 31.12.2020</b>	<b>1,172</b>	<b>6,270</b>	<b>17,220</b>	<b>24,662</b>	
Chg vs Dec.'20 (%)	+7.0%	+1.0%	+9.3%	+7.1%	

## Italian Government bonds<sup>1</sup> (€bn)



## Total Italian bonds exposure / Total Bond ptf. (%)<sup>1</sup>



- Financial assets portfolio increased by 1.7 €bn YTD
- Italian government bonds at 8.0 €bn (vs. 7.8 €bn Dec.'20)
- Italian Bond portfolio weighs:
  - 41.1% of Total Bond portfolio
  - 8.0% of Total Assets
- Total bonds and Italian government bonds portfolios duration<sup>2</sup> respectively 2.6 ys and 3.3 ys

1. Source: management data.

2. Duration in years taking into account hedging.

Note: figures in this page may not add exactly due to rounding differences.

\* Mainly derivatives.

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# Profit & Loss

Profit and loss

Q121 results equal to 400.3 €mIn impacted by several one-offs

	2020	2021
(€/mIn)	1Q	1Q
Net interest income	302.3	343.5
Net commission income	273.3	328.1
<b>Core Income</b>	<b>575.6</b>	<b>671.6</b>
Dividends	0.8	1.7
Net income from financial activities	5.6	76.2
Other operating expenses/revenues	14.6	8.1
<b>Operating Income</b>	<b>596.6</b>	<b>757.7</b>
Staff costs	-255.6	-302.1
Other administrative expenses	-114.5	-189.9
Depreciations & Amortizations	-39.9	-54.5
<b>Operating costs</b>	<b>-410.0</b>	<b>-546.5</b>
<b>Net Operating Income</b>	<b>186.6</b>	<b>211.2</b>
<b>Net impairment losses for credit risk</b>	<b>-139.6</b>	<b>-418.8</b>
<b>Operating Income net of impairment losses for credit risk</b>	<b>47.0</b>	<b>-207.6</b>
Net provisions for risks and charges	2.3	-40.9
Contribution to Funds (SRF, DGS, FITD-SV)	-32.0	-31.1
Gain (Losses) on Investments	0.1	-250.7
Gain on a bargain purchase	0	1,077.9
<b>Profit (loss) before taxes</b>	<b>17.3</b>	<b>547.6</b>
Taxes	-6.6	-140.8
<b>Profit (Loss) for the period</b>	<b>10.7</b>	<b>406.8</b>
Minority Interests	-4.3	-6.5
<b>Profit (loss) for the period pertaining to the Parent Company</b>	<b>6.4</b>	<b>400.3</b>

## Comments:

- 1 -17.5 €mIn related to UBI going concern integration process
- 2 -65.9 €mIn related to UBI going concern integration process
- 3 -8.9 €mIn mainly related to RE amortization costs due to the change in the accounting evaluations
- 4 -260.0 €mIn additional LLPs aimed at accelerating the derisking process
- 5 -30.5 €mIn mainly related to the profit sharing CARIFE
- 6 -252.9 €mIn of which: -230.4 €mIn goodwill impairment and -22.5 €mIn due to change in the RE assets accounting valuation
- 7 +1,077.9 €mIn of which: +781.5 €mIn badwill generated from the UBI going concern acquisition and +296.4 €mIn related to the recovery of badwill taxation<sup>1</sup>

**Profit before tax excluding one-off items equal to 105.5 €mIn**

1. As per contractual provisions with Intesa Sanpaolo. The item has a neutral impact on the net result as it has been offset by -€296mIn booked in the item Taxes

Note:

- For a more consistent representation of the Group's Accounting Policies, 1Q20 figures have been restated to take into account the reclassification of 5,7 €mIn from the item "Net Interest Income" to the item "Net commission income"
- Figures in this page may not add exactly due to rounding differences.
- Comparable figures at 31 March 2020 shown in the present section/chapter schedule have been restated to show the effects of the retrospective application of change in accounting method used to measure property, plant and equipment held for investment.

# Net Interest Income

Profit and loss

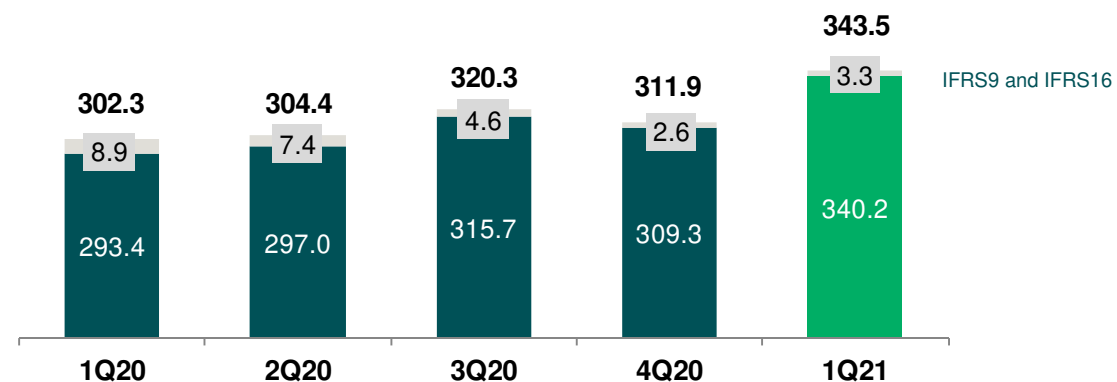
1Q21 NII at 343.5 €mln of which 291.7 €mln from the commercial activity with customers

## Net Interest Income<sup>1</sup> Breakdown (€mln)

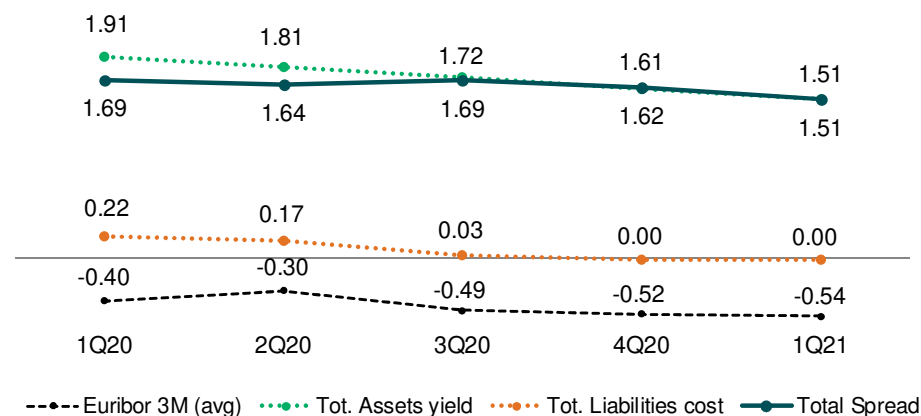
€/mln	Mar 20	Mar 21	Chg %
Commercial NII	257.0	291.7	13.5%
Securities portfolio	36.7	29.0	-21.1%
TLTRO-II / TLTRO-III <sup>2</sup>	9.7	31.8	227.1%
Other Institutional funding	-10.0	-12.2	22.0%
<b>Ordinary NII</b>	<b>293.4</b>	<b>340.2</b>	<b>16.0%</b>
IFRS 9 and IFRS 16	8.9	3.3	-62.8%
<b>Total NII</b>	<b>302.3</b>	<b>343.5</b>	<b>13.6%</b>

- Spread reduction in 1Q 21 due to the lower contribution from securities portfolio and excess liquidity held at ECB
- IFRS9 and IFRS 16 contribution equal to 3.3 €mln (-63% y/y) due to the Bad loan disposals carried out last year
- Net TLTRO contribution up to 31.8 €mln from 9.7 €mln last year following the increase of the take-up to 18.4 €bn

## Net Interest Income quarterly trend<sup>1</sup> (€mln)



## Spread contribution<sup>3</sup> (%)

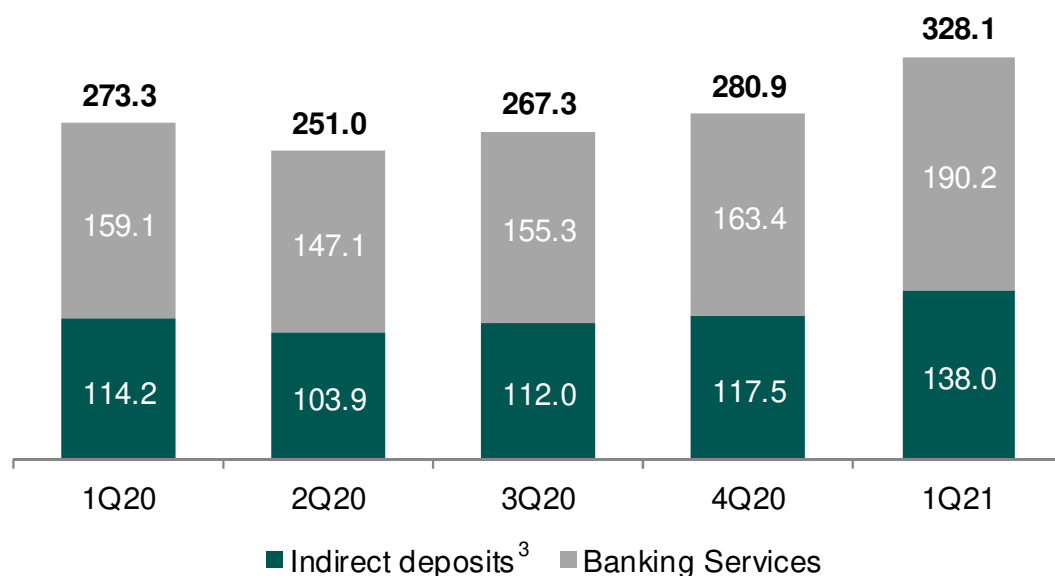


1. For a more consistent representation of the Group's Accounting Policies, 2020 quarterly figures have been restated to take into account reclassifications made between NII and Net commission income. In particular the NII has been adjusted as follows: -5.7 €mln in 1Q20, -5.9 €mln in 2Q20, -5.2 €mln in 3Q20, +16.8mln in 4Q 20  
 2. Net of interest expenses related to excess liquidity held at the ECB's deposit facility  
 3. Managerial internal data. Spread calculated taken into account the ECB funding and deposits  
 Note: figures in this page may not add exactly due to rounding differences.

# Net commission income

1Q21 Net commission income at 328.1 €mIn, of which 138.0 €mIn from indirect deposits and life insurance

Net Commissions Income evolution<sup>1</sup> (€mIn)



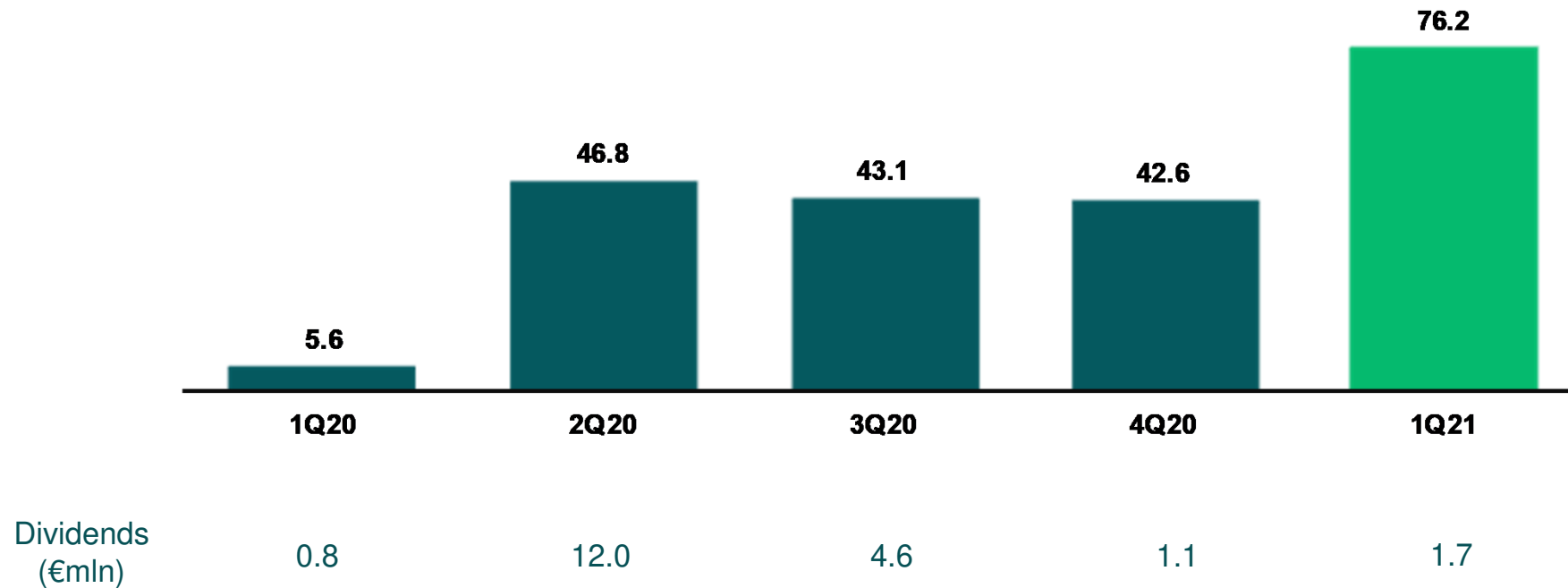
- Strong incidence of Indirect deposits and life insurance fees in 1Q 21 thanks to UBI going concern contribution
- Up-front fees in 1Q 21 equal to 8.9 €mIn up vs. 7.0 €mIn booked in 1Q20
- Banking services, although still impacted by pandemic crisis, confirmed the recovery trend started in 3Q20
- Incidence of commissions on core revenues<sup>2</sup> grew to 49% in 1Q21 from 41% in 1Q19

1. For a more consistent representation of the Group's Accounting Policies, 2020 quarterly figures have been restated to take into account reclassifications made between NII and Net commission income. In particular the Net commission income has been adjusted as follows: +5.7 €mIn in 1Q20, +5.9 €mIn in 2Q20, +5.2 €mIn in 3Q20, -16.8mIn in 4Q 20  
 2. NII + Net Commissions  
 3. Includes Life-Insurance premium

# Trading income and Dividends

Trading income came in very strong reaching 76 €mln in 1Q21 benefitting from positive market performance in the quarter

Trading income evolution (€mln)



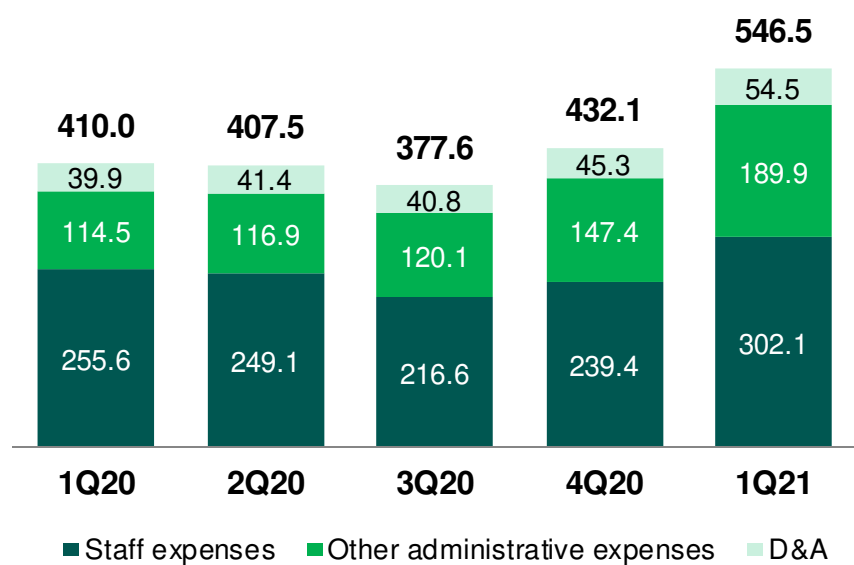
# Operating costs

1Q21 operating costs at 546.5 €mIn impacted by 92.3 €mIn extraordinary expenses mainly related to UBI going concern integration process

Operating costs breakdown (€mIn)

	Mar 20	Mar 21	Chg %
<b>Staff expenses</b>	<b>255.6</b>	<b>302.1</b>	<b>+18.2%</b>
o/w Extraordinary	0	17.5	
o/w Ordinary	255.6	284.6	+11.4%
<b>Other administrative expenses</b>	<b>114.5</b>	<b>189.9</b>	<b>+65.8%</b>
o/w Extraordinary	0	65.9	
o/w Ordinary	114.5	124.0	+8.2%
<b>D&amp;A</b>	<b>39.9</b>	<b>54.5</b>	<b>+36.5%</b>
o/w Extraordinary	0	8.9	
o/w Ordinary	39.9	45.6	+14.2%
<b>Total Operating Costs</b>	<b>410.0</b>	<b>546.5</b>	<b>+33.3%</b>
o/w extraordinary	0	92.3	
o/w ordinary	410.0	454.2	+10.8%

Operating costs evolution<sup>1</sup> (€mIn)



- Extraordinary costs equal to 92.3 €mIn of which 83.4 €mIn due to the UBI going concern integration process (17.5 €mIn Staff expenses and 65.9 €mIn Other administrative expenses). Ordinary administrative expenses also includes 1.7 €mIn related to the health emergency
- Cost/Income UBI going concern in the range 50-55%\*
- Estimated saving on staff costs related to the redundancy plan equal to 14.7\* €mIn for 1Q21

1. The 2020 quarterly data of Operating Costs have been restated following the adoption in Q1 21 of a different accounting methodology for the evaluation of real estate assets, which impacted on the item "D&A".

\*Managerial internal data.

Note: figures in this page may not add exactly due to rounding differences.

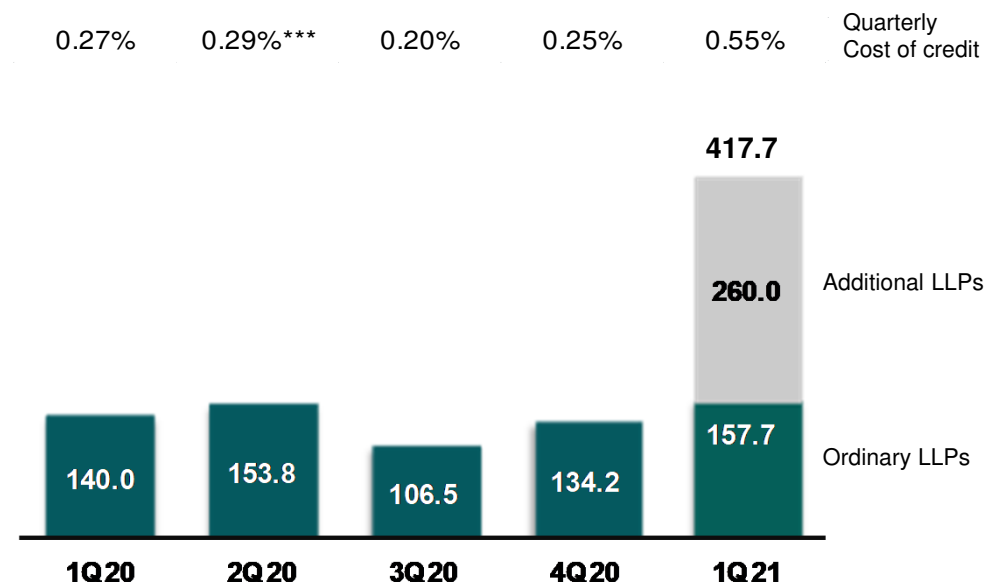
# Provisions and other items

## Cost of credit impacted by additional LLPs

### Provisions and other items (€mln)

	Mar 20	Mar 21	Chg %
Total Provisions	139.6	418.8	+199.9%
o/w LLPs**	140.0	417.7	+198.4%
Net Provisions for Risks and Charges	-2.3	40.9	n.s.
Contributions to SRF, DGS e FITD-SV	32.0	31.1	-2.9%
Gain (Losses) on equity investments, disposal investments and impairment losses on goodwill	-0.1	250.7	n.s.
Badwill	0	-1,077.9	n.s.

### LLPs (€mln) and Cost of credit\* (%) evolution



- Cost of credit annualized equal to 222 bps including additional 260 €mln LLPs. **Annualized ordinary cost of credit equal to 84 bps**
- Ordinary contribution to SRF booked in Q1 21 equal to 31.1 €mln on the basis of volumes as at 31/12/2019
- Badwill item includes 296 €mln related to the recovery of taxation from Intesa Sanpaolo, as per contractual provisions

# Agenda

## BPER GROUP CONSOLIDATED RESULTS

Executive summary

Balance sheet structure

Profit and loss

**Liquidity and Capital adequacy**

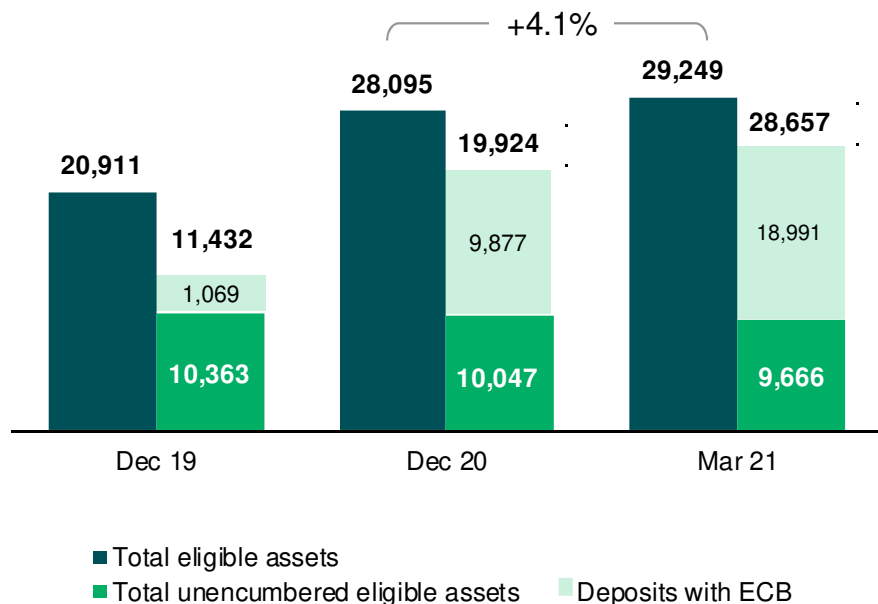
Final remarks

## ANNEXES

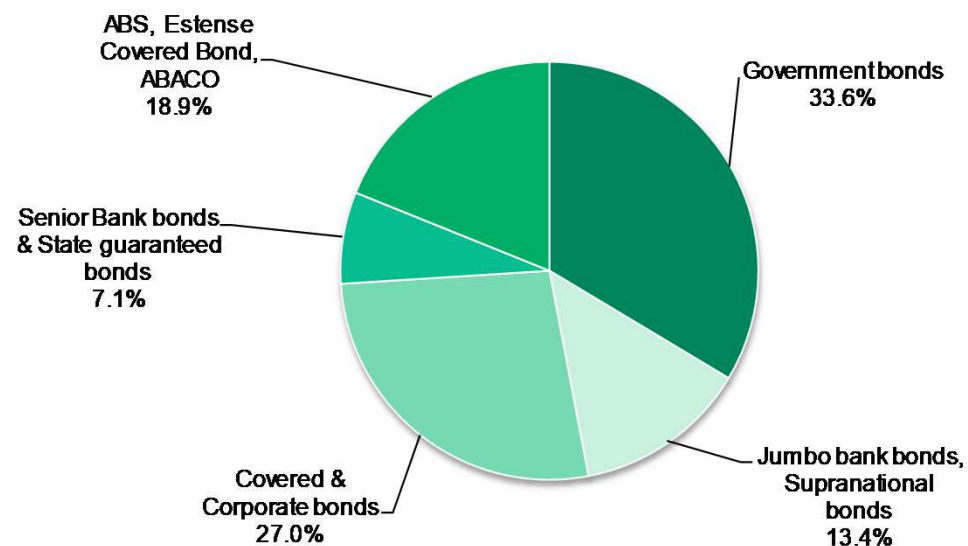
# Liquidity

High level of liquidity with an LCR >200% and a liquidity buffer close to 28.7 €bn

Total eligible Assets evolution\* (€mln)



Eligible Assets Pool Composition (%)



- ECB exposure equal to 18.4 €bn fully made up of TLTRO3 funds, up from 16.7 €bn in Dec. '20 following an additional take up of 1.7 €bn in the auction of March 2021
- LCR >200% well above the regulatory threshold and NSFR ratio stands well above 100%

Note: figures in this page may not add exactly due to rounding differences.

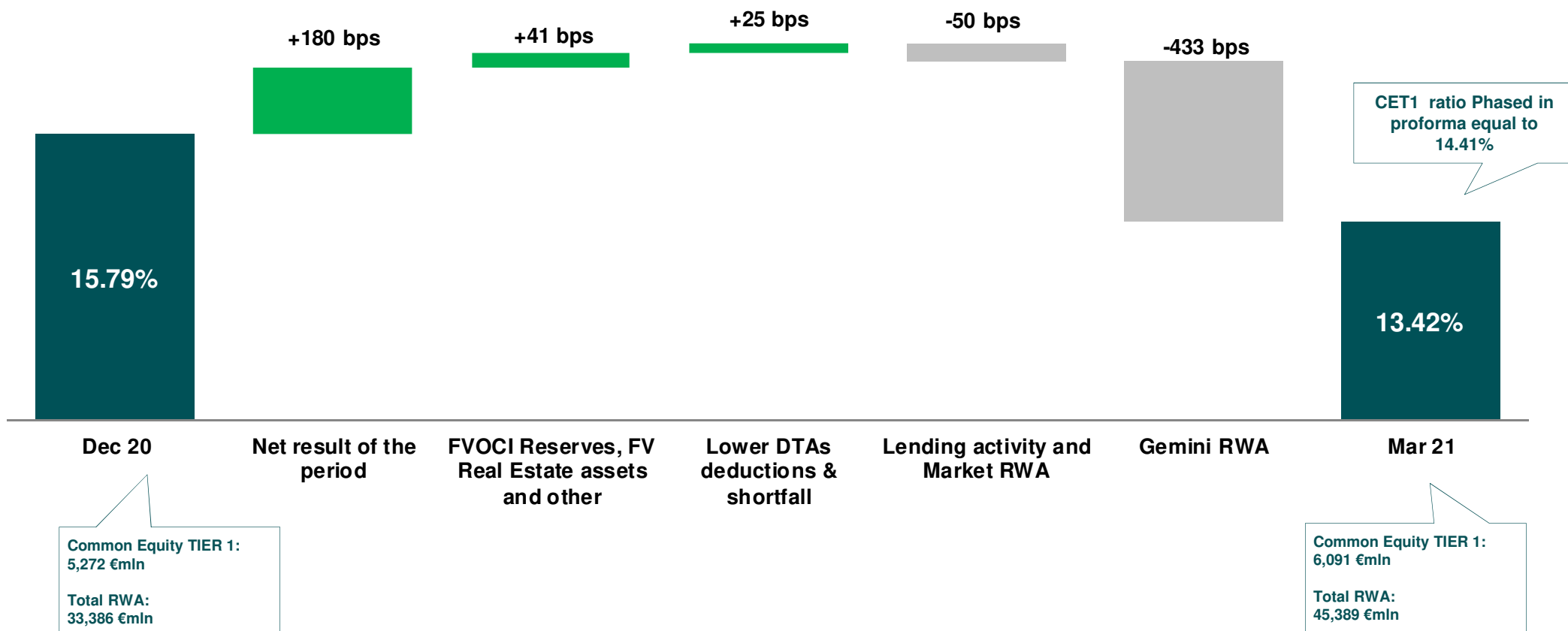
\* Net of ECB haircut.



# Capital

CET1 Fully Phased proforma at 13.42% showing a wide buffer vs. SREP requirement (8.125%)

CET1 Fully Phased proforma (%)



Note: The CET1 ratios Fully Phased and Phased in proforma have been estimated excluding the effects of the transitional provisions in force and including the result of the period, thus simulating, in advance, the effects of the authorization issued by the ECB for the inclusion of these profits in Own Funds pursuant to art. 26, para. 2 of the CRR.

# Agenda

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## ANNEXES

# Final remarks

## STRONG RESULTS DESPITE STILL DIFFICULT EXTERNAL SCENARIO

Despite the difficult external scenario strongly impacted by the pandemic, Q1 21 results show a remarkable increase in the operating profitability underpinned by the integration of the UBI going concern, that contributed to further strengthen the client base and the competitive position of BPER in the strong economic area of the Country.

## MORE FOCUSED ON OUR GROWTH FROM A STRONGER COMPETITIVE POSITION

The completion of the integration process will allow BPER, hopefully within a context of gradual removal of restrictions, to focus on the commercial activity aimed at further increasing revenues and, at the same time, to reduce the cost base, while maintaining a strong commitment on the asset quality improvement.

## SUPPORTING THE ITALIAN ECONOMY IN A NEW PHASE OF GROWTH

Getting bigger and stronger, ready to walk along our clients in a new pathway of growth of the Country.

# Agenda

## **BPER GROUP CONSOLIDATED RESULTS**

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## **ANNEXES**

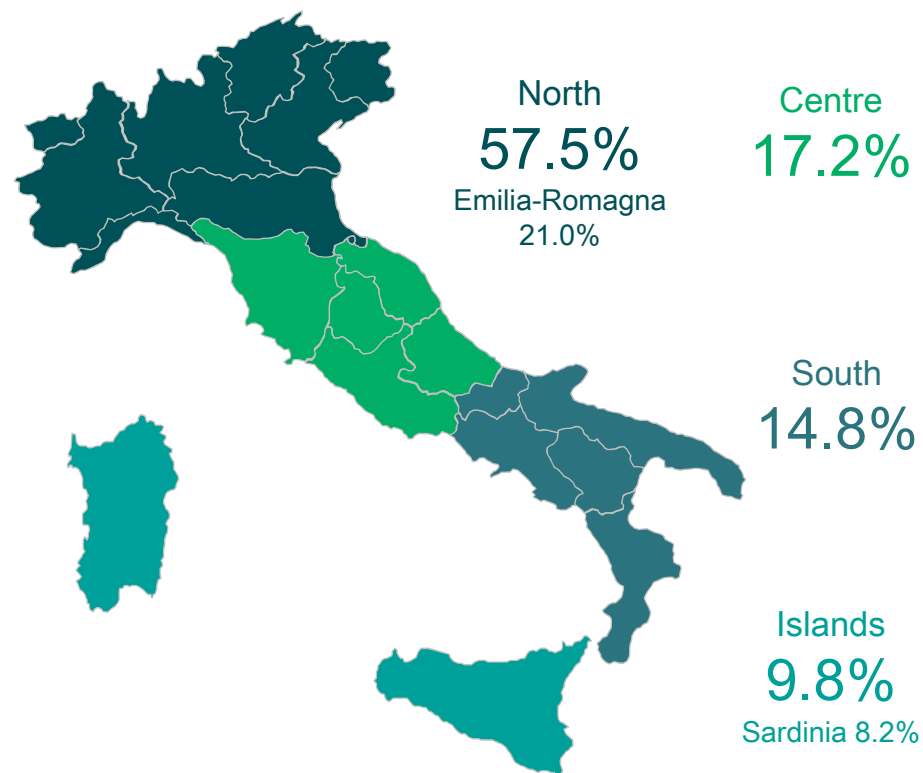
# Customer loans

## Portfolio composition

Net customer loans breakdown by sector (€mln; %)

Business sector	Mar 21	% on Total Customer Loans	Δ % vs Dec 20
Manufacturing	11,251	14.9%	+46.7%
Wholesale and retail services, recoveries and repairs	6,299	8.4%	+42.0%
Construction	3,238	4.3%	+50.2%
Real Estate	4,449	5.9%	+42.7%
HORECA*	1,925	2.6%	+29.1%
Agriculture, forestry and fishing	998	1.3%	+26.1%
Other	8,449	11.2%	+42.9%
<b>Total loans to non-financial businesses</b>	<b>36,608</b>	<b>48.6%</b>	<b>+43.2%</b>
Households	32,602	43.3%	+48.9%
Total loans to financial businesses	6,157	8.2%	+11.3%
<b>Total Customer Loans</b>	<b>75,367</b>	<b>100.0%</b>	<b>+42.2%</b>
Debt Securities	13,658	18.1%	+7.3%

Customer loans breakdown by geographical distribution<sup>1</sup>(%)



\* Hotel, Restaurant & Café (HORECA). Note: figures as per ATECO business sector definitions (ISTAT).  
1. Commercial banks + Sarda Leasing, excluding non resident loans. Figures from data management system.  
Note: figures in this page may not add exactly due to rounding differences.

# Asset quality

Annexes

## Asset quality breakdown (excl. customer debt securities)

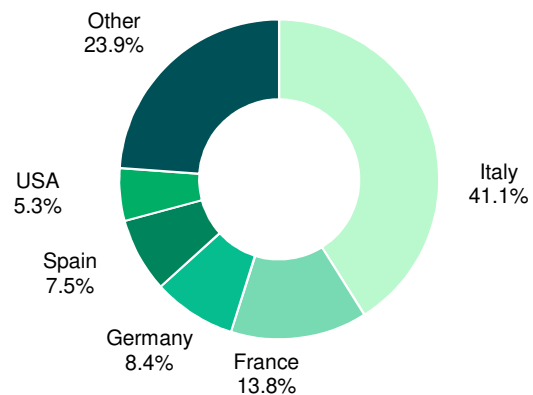
Gross exposures (€/mln)	Mar 20		Jun 20		Sep 20		Dec 20		Mar 21		Chg YTD		Chg Y/Y	
	%		%		%		%		%		Abs.	Chg (%)	Abs.	Chg (%)
Non Performing Exposures (NPEs)	6,056	11.1%	5,008	9.1%	4,896	8.8%	4,343	7.8%	4,778	6.1%	435	+10.0%	-1,278	-21.1%
Bad loans	3,434	6.3%	2,374	4.3%	2,358	4.3%	2,076	3.7%	2,368	3.0%	292	+14.1%	-1,066	-31.0%
Unlikely to pay loans	2,463	4.5%	2,405	4.4%	2,356	4.2%	2,125	3.8%	2,280	2.9%	155	+7.3%	-183	-7.4%
Past due loans	159	0.3%	228	0.4%	183	0.3%	141	0.3%	130	0.2%	-11	-8.3%	-29	-18.7%
Gross performing loans	48,263	88.9%	50,082	90.9%	50,571	91.2%	51,048	92.2%	73,339	93.9%	22,291	+43.7%	25,076	+52.0%
<b>Total gross exposures</b>	<b>54,319</b>	<b>100.0%</b>	<b>55,089</b>	<b>100.0%</b>	<b>55,467</b>	<b>100.0%</b>	<b>55,391</b>	<b>100.0%</b>	<b>78,117</b>	<b>100.0%</b>	<b>22,726</b>	<b>+41.0%</b>	<b>23,798</b>	<b>+43.8%</b>
<b>Adjustments to loans (€/mln)</b>	<b>Mar 20</b>		<b>Jun 20</b>		<b>Sep 20</b>		<b>Dec 20</b>		<b>Mar 21</b>		<b>Chg YTD</b>		<b>Chg Y/Y</b>	
	coverage (%)		coverage (%)		coverage (%)		coverage (%)		coverage (%)		Abs.	Chg (%)	Abs.	Chg (%)
Adjustments to NPEs	3,142	51.9%	2,374	47.4%	2,413	49.3%	2,213	51.0%	2,366	49.5%	153	+6.9%	-776	-24.7%
Bad loans	2,277	66.3%	1,491	62.8%	1,508	63.9%	1,349	65.0%	1,370	57.8%	21	+1.5%	-907	-39.8%
Unlikely to pay loans	836	34.0%	841	35.0%	868	36.8%	831	39.1%	963	42.2%	132	+15.8%	127	+15.1%
Past due loans	29	18.4%	42	18.2%	37	20.2%	33	22.4%	34	26.1%	1	+6.6%	5	+15.4%
Adjustments to performing loans	143	0.3%	161	0.3%	165	0.3%	172	0.3%	383	0.5%	211	+122.4%	240	+167.9%
<b>Total adjustments</b>	<b>3,285</b>	<b>6.0%</b>	<b>2,535</b>	<b>4.6%</b>	<b>2,578</b>	<b>4.6%</b>	<b>2,385</b>	<b>4.3%</b>	<b>2,750</b>	<b>3.5%</b>	<b>365</b>	<b>+15.3%</b>	<b>-535</b>	<b>-16.3%</b>
<b>Net exposures (€/mln)</b>	<b>Mar 20</b>		<b>Jun 20</b>		<b>Sep 20</b>		<b>Dec 20</b>		<b>Mar 21</b>		<b>Chg YTD</b>		<b>Chg Y/Y</b>	
	%		%		%		%		%		Abs.	Chg (%)	Abs.	Chg (%)
Non Performing Exposures (NPEs)	2,914	5.7%	2,634	5.0%	2,483	4.7%	2,130	4.0%	2,412	3.2%	282	+13.2%	-502	-17.2%
Bad loans	1,157	2.3%	883	1.7%	850	1.6%	727	1.4%	998	1.3%	271	+37.4%	-159	-13.7%
Unlikely to pay loans	1,627	3.2%	1,564	3.0%	1,487	2.8%	1,294	2.4%	1,317	1.7%	23	+1.8%	-310	-19.0%
Past due loans	130	0.3%	187	0.4%	146	0.3%	109	0.2%	96	0.1%	-13	-12.6%	-34	-26.3%
Net performing loans	48,120	94.3%	49,921	95.0%	50,406	95.3%	50,876	96.0%	72,956	96.8%	22,080	+43.4%	24,836	+51.6%
<b>Total net exposures</b>	<b>51,034</b>	<b>100.0%</b>	<b>52,554</b>	<b>100.0%</b>	<b>52,889</b>	<b>100.0%</b>	<b>53,006</b>	<b>100.0%</b>	<b>75,367</b>	<b>100.0%</b>	<b>22,361</b>	<b>+42.2%</b>	<b>24,333</b>	<b>+47.7%</b>

Note: figures in this page may not add exactly due to rounding differences.

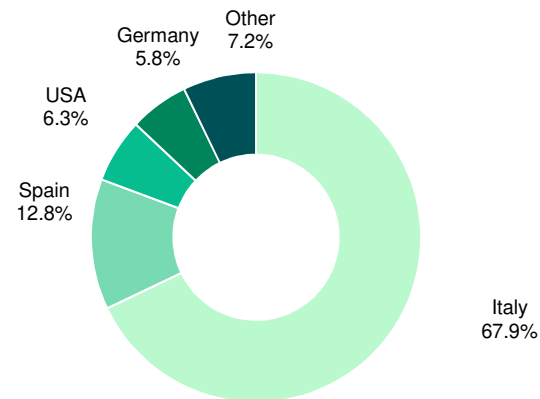
Note: Pro-forma data at 30/06/2020 including the effects of the "Spring" securitisation of bad loans.

# Financial Assets details

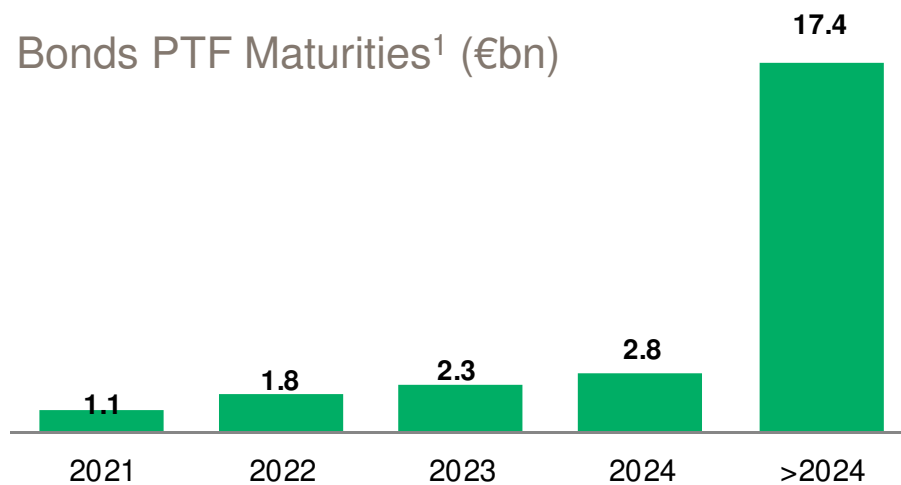
Bond PTF by Geographical breakdown (%)



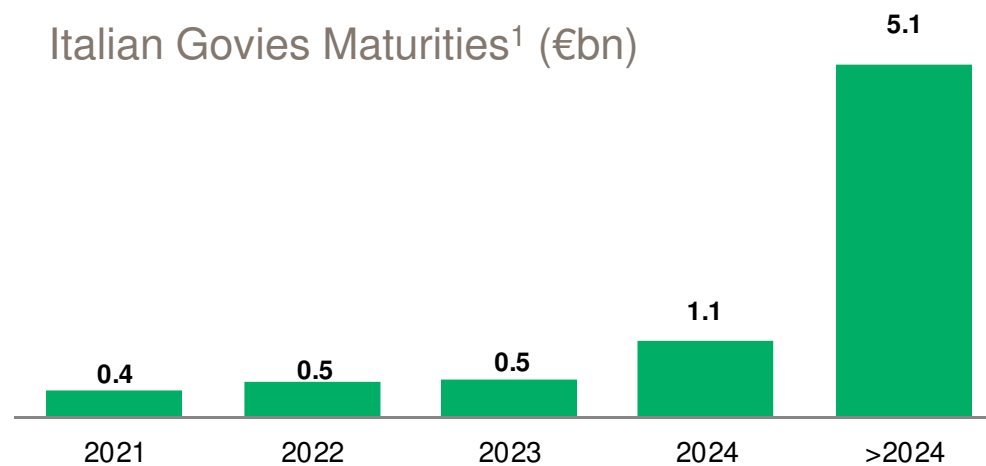
Govies PTF Geographical breakdown (%)



Bonds PTF Maturities<sup>1</sup> (€bn)



Italian Govies Maturities<sup>1</sup> (€bn)



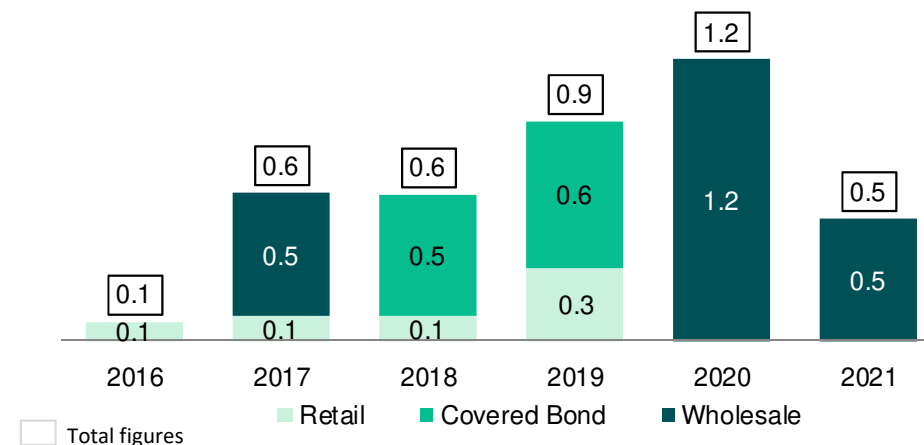
1. Figures are shown as per nominal values.  
Note: figures from data management system.

# Bonds maturities and issues details

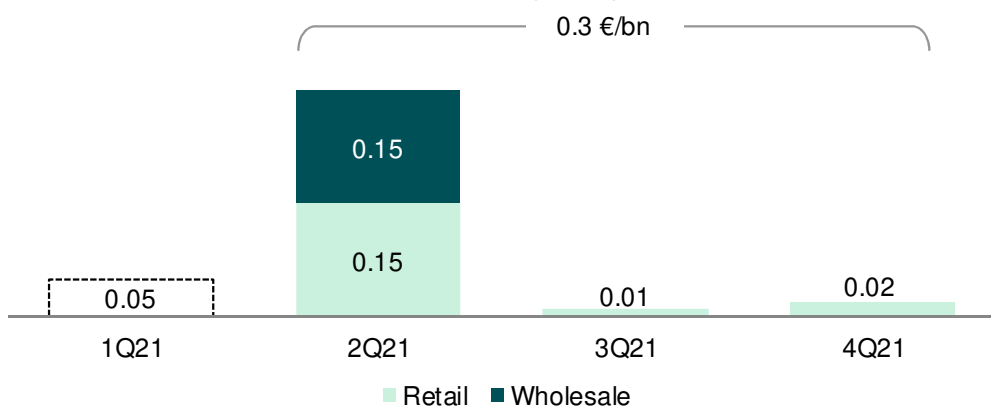
Outstanding bonds<sup>1</sup> (€bn)

	Dec 20	Mar 21
Wholesale bonds	3.5	4.0
<i>o/w covered bonds</i>	1.9	1.9
<i>o/w subordinated bonds</i>	0.9	0.9
Retail bonds	1.0	0.9
<i>o/w subordinated bonds</i>	0.1	0.1
<b>Total bonds</b>	<b>4.5</b>	<b>4.9</b>

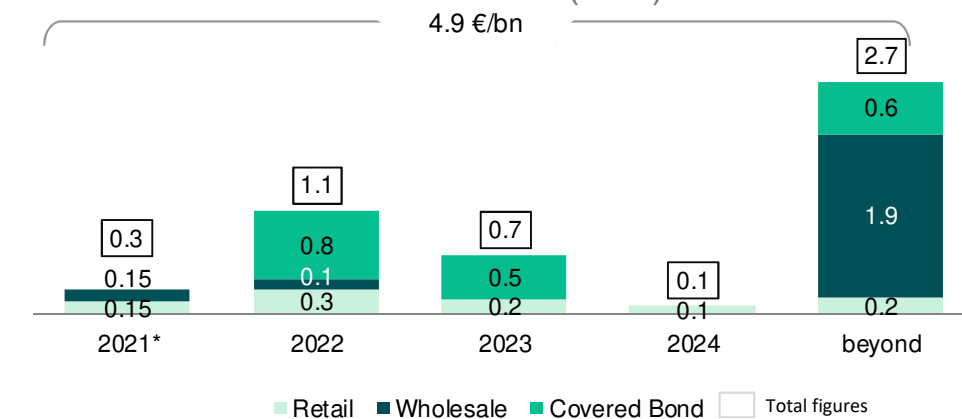
Bonds issued (€bn)



2021 Bonds maturities (€bn)



Bonds maturities breakdown (€bn)



\* Remaining 3 quarters

1. including Unipol Banca bonds.

Note: figures in this page: 1) are shown as per nominal values and 2) may not add exactly due to rounding differences.



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