

## **PRESS RELEASE**

### **CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2022**

- **9M22 CONSOLIDATED NET RECURRING PROFIT<sup>1</sup> OF € 425.1 MLN**
- **CONSOLIDATED NET ACCOUNTING PROFIT OF € 1,466.4 MLN**
- **3Q22 NET RECURRING PROFIT OF € 108.6 MLN AFTER PAYMENT OF € 123.3 MLN IN BANKING SYSTEM CONTRIBUTIONS**
- **NET INTEREST INCOME (+16.1%Q/Q) AND NET COMMISSION INCOME (+8.8%Q/Q) CONFIRM THE STRONG REVENUE GROWTH WITH APPROXIMATELY 50% CONTRIBUTED BY NET COMMISSIONS**
- **SUPPORT TO HOUSEHOLDS AND BUSINESSES CONTINUES, WITH NEW LOANS IN 9M22 RISING TO € 12.6 BN**
- **CREDIT QUALITY FURTHER IMPROVING, WITH GROSS AND NET NPE RATIOS RESPECTIVELY DOWN TO 4.2% AND 1.7% Q/Q**
- **SOUND CAPITAL POSITION CONFIRMED, WITH FULLY PHASED PROFORMA<sup>2</sup> CET 1 RATIO OF APPROXIMATELY 13.2% WELL ABOVE SREP REQUIREMENT (8.47%)**

Modena – 7 November 2022. The Board of Directors of BPER Banca (the “**Bank**”) chaired by Flavia Mazzarella has today examined and approved the Bank separate and Group consolidated results as at 30 September 2022.

**Chief Executive Officer Piero Luigi Montani** commented: *“The excellent results achieved in the first nine months of the year confirm the Group’s strong revenue generation capacity. Further momentum will come from the integration with Banca Carige, which is scheduled for completion by the end of year. We will now focus on consolidating the positioning BPER has achieved at national level and on implementing the actions laid down in the new Business Plan, our aim being to improve operational efficiency and structurally increase the Group’s profitability to the benefit of all our stakeholders, even in a difficult external environment. BPER’s robust capital position, combined with its progress in credit quality, allows us to face the uncertainty of the evolving macro-scenario from a position of strength”.*

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## Consolidated income statement: key figures

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(Banca Carige has been consolidated line by line in the BPER Group's income statement since the third quarter of 2022).

**Net interest income** totalled € 1,260.4 mln (+12.6% y/y). NII in 3Q22 amounted to € 475.0 mln (+16.1% q/q), of which € 459.3 mln from the branch network. Other key contributors in the quarter include € 46.4 mln from the securities portfolio, € 6.2 mln in TLTRO-III funds, net of interest paid on liquidity deposited with the ECB, and the € 40.1 mln negative input of institutional funding.

Net of Banca Carige's contribution, totalling € 56.9 mln in the quarter, Net Interest Income was up 2.2% q/q.

**Net commission income** amounted to € 1,418.0 mln, up 20.9% y/y. The figure for the third quarter totalled € 504.0 mln, up 8.8% q/q. In particular, net commission income on traditional banking amounted to € 303.3 mln (+15.0% q/q), fees and commissions on indirect deposits and life bancassurance settled at € 178.0 mln (+2.8% q/q) and non-life bancassurance commissions totalled € 22.7 mln (-14.6% q/q).

Net of Banca Carige's contribution (€ 52.5 mln), net commission income was down 2.6% q/q, principally as a consequence of the negative financial market performance.

**Dividends** amounted to € 19.2 mln, of which € 3.3 mln in 3Q22.

**Net income from financial activities** amounted to a positive € 116.7 mln (€ 32.4 mln in 3Q22).

**Operating income** amounted to € 2,814.1 mln, up 13.0% y/y. The aggregate for the third quarter of 2022 totalled € 1,027.1 mln, up 13.7% q/q (+0.1% q/q net of Banca Carige's contribution of € 123.2 mln).

**Operating costs** amounted to € 1,802.5 mln (€ 654.2 mln recognised in 3Q22), of which:

- **Staff costs** totalled € 1,072.5 mln and included € 24.0 mln in one-off charges recognised in Q2 as cost adjustments for the workforce optimisation effort.  
In 3Q22, the aggregate amounted to € 360.9 mln, of which € 46.9 mln referring to Banca Carige. Net of Carige's input and the one-off charges mentioned above, staff costs for the quarter were down 6.4% q/q, benefitting from the typical seasonality of the period.
- **Other administrative expenses** amounted to € 575.3 mln and included € 23.7 mln worth of one-off charges in relation to Banca Carige's integration process.  
In 3Q22, the aggregate amounted to € 232.6 mln, of which € 42.3 mln referring to Banca Carige. Net of this input and the one-off charges, the aggregate was up 1.5% q/q.
- **Net adjustments to property, plant, equipment and intangible assets** amounted to € 154.7 mln. In 3Q22, the aggregate amounted to € 60.7 mln, of which € 11.7 mln contributed by Banca Carige. Net of this input, the aggregate was down 1.0% q/q.

**Net operating income** amounted to € 1,011.5 mln, of which € 372.9 mln in 3Q22, up 19.0% q/q (+11.9% net of Banca Carige's contribution).

**Net impairment losses for credit risk** amounted to € 335.5 mln and include € 19.5 mln in net impairment losses (classified in sub-caption "other financial assets") on on-balance sheet exposures to Russia. In Q3, the aggregate amounted to € 118.4 mln, of which € 11.4 mln referring to Banca Carige.

The annualised **cost of credit** settled at 48 bp<sup>3</sup>, in line with the previous quarter.

**Net provisions for risks and charges** total € 52.8 mln and include € 7.8 mln in off-balance-sheet credit exposures (endorsement loans) to counterparties resident in Russia. The aggregate for the third quarter of 2022 totalled € 11.8 mln.

**Contributions to the Banking System funds** amount to € 169.0 mln. More specifically:

- € 45.7 mln (recognised in the first half of 2022) in contributions to the Single Resolution Fund (“SRF”);
- € 123.3 mln (recognised in 3Q22) in estimated contributions to the **Deposit Guarantee Fund (“DGS”)**, up from last year’s amount primarily due to the expansion of the deposit base following the acquisition of Banca Carige.

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

**Gain on a bargain purchase (Badwill).** The provisional badwill arising from the Purchase Price Allocation (PPA) process required by IFRS 3 “Business Combinations”<sup>4</sup> with regard to Banca Carige’s acquisition, was posted to this caption for an amount of € 1,171.3 mln.

**Gains on investments** amounted to € 13.4 mln (€ 6.3 mln in 3Q22).

**Profit before tax from continuing operations** totalled € 1,638.9 mln. The aggregate for the third quarter of 2022 totalled € 108.6 mln.

**Income taxes** amounted to € 157.4 mln, of which € 69.5 mln on non-recurring items.

As a result, **profit for the period** totalled € 1,481.5 mln, inclusive of € 15.2 mln in profit for the period pertaining to minority interests.

The **profit for the period pertaining to the Parent Company** therefore amounted to € 1,466.4 mln. Excluding one-offs amounting to € 1,041.3 mln, profit totalled € 425.1 mln, of which € 108.6 mln booked in 3Q22.

## **Consolidated balance sheet: key figures**

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(Unless otherwise specified, percentage changes refer to figures being compared with data as at 31/12/21).

**Direct deposits from customers** (deposits from customers, debt securities in issue and financial liabilities designated at fair value) amounted to € 116.7 bn (o.w. € 14.3 bn contributed to by Banca Carige), up 15.1%. The key contributor to the aggregate amount was funding from retail/corporate customers, totalling € 107.2 bn and consisting mainly of current accounts and deposits for an amount of € 101.1 bn, up 10.0%.

**Indirect funding from customers**, totalling € 155.6 bn, was down 6.4% due to the financial markets negative performance year to date. More specifically:

- **Assets under management** totalled € 57.7 bn, of which € 1.7 bn traceable to Banca Carige net of the tranche pertaining to ARCA funds (€ 4.0 bn);
- **Life insurance premiums underwritten** amounted to € 23.7 bn, of which € 4.5 bn contributed to by Banca Carige.
- **Assets under custody** totalled € 74.2 bn, of which € 7.1 bn contributed to by Banca Carige.

**Gross loans to customers** amounted to € 93.9 bn (of which € 10.4 bn contributed to by Banca Carige), up 14.5%. As part of the aggregate, performing loans amounted to € 89.9 bn (+15.3%) and non-performing loans totalled € 4.0 bn (inclusive of € 150.9 mln from Banca Carige). The share of gross non-performing loans to total gross loans (**gross NPE Ratio**) is 4.2%, down further from 4.3% in the previous quarter, mainly as a result of a still very low default rate (0.8%).

As regards the breakdown of gross non-performing loans, **bad loans** amounted to € 2.0 bn, down 2.7%; **unlikely-to-pay (UTP) exposures** settled at € 1.9 bn (-0.6%); **past due exposures** amounted to € 144.6 mln (+13.2%).

**Net loans to customers** amounted to € 90.8 bn (of which € 10.3 bn from Banca Carige), up 14.8%. As part of this item, net performing loans totalled € 89.3 bn, up 15.2%.

Net non-performing loans amount to € 1.5 bn (of which € 150.9 mln from Banca Carige) and account for 1.7% of total net loans to customers (**net NPE ratio**), down from 1.8% in the previous quarter. The coverage ratio of total non-performing loans stands at 61.7%, up from 60.3% in the previous quarter.

With reference to the individual components of NPLs, **net bad loans** amounted to € 0.4 bn (-23.6%), with coverage rising to 77.9% from 75.6% in the previous quarter; **net UTP loans** amounted to € 1.0 bn (+5.6%) with coverage of 47.3%, likewise up from 46.6% in 2Q22; **net past due loans** amounted to € 102.9 mln (+8.7%) with coverage of 28.8% vs 27.7% in 2Q22.

Performing loan coverage settles at 0.68%, up from 0.66% in the previous quarter; in particular, Stage 2 loan coverage is 4.3% vs. 4.2% in 2Q22.

**Financial assets** total € 30.5 bn. Within the aggregate, debt securities amount to € 28.7 bn (94.3% of the total portfolio) with duration of approximately 2.1 years net of hedging and include € 15.1 bn worth of bonds issued by governments, including € 10.6 bn of Italian government bonds.

As regard the **liquidity position**, the Liquidity Coverage Ratio (LCR) as at 30 September 2022 is slightly below 200%, while the Net Stable Funding Ratio (NSFR) is estimated at over 100%. Refinancing operations of the BPER Group with the European Central Bank (ECB), entirely consisting in TLTRO III funds with a maturity of three years, totalled € 21.9 bn (of which € 3.5 bn from Banca Carige).

**Total shareholders' equity** amounts to € 8,031 mln, with minority interests accounting for € 174.6 mln. **Group consolidated shareholders' equity**, including net profit for the period, therefore amounts to € 7,857 mln.

## Capital Ratios

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Reported below are the pro-forma capital ratios as at 30 September 2022, calculated by factoring in the DTA benefits associated with the incentives for business combinations introduced by Law No. 178 of 30 December 2020 (the '2021 Budget Law'), in combination with the additional provisions introduced by Law No. 234 of 30 December 2021 (the '2022 Budget Law'), which BPER will take advantage of after the acquisition of Banca Carige last June:

- pro-forma Phased In Common Equity Tier 1 (CET1) ratio<sup>5</sup> of 13.6% (14.5% as at 31 December 2021). Calculated on a pro-forma Fully Phased<sup>6</sup> basis, the ratio is 13.2% (13.5% as at 31 December 2021);
- pro-forma Phased In Tier 1 ratio<sup>7</sup> of 13.9% (14.8% as at 31 December 2021);
- pro-forma Phased in Total Capital Ratio<sup>8</sup> of 16.7% (17.2% as at 31 December 2021).

## Structure highlights as at 30 September 2022

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The BPER Banca Group is present in nineteen regions of Italy with a network of 1,987 bank branches, in addition to the Luxembourg office of BPER Bank Luxembourg S.A..

Group employees total 21,025 as compared to a headcount of 18,128 at year-end 2021.

## Outlook for operations

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The macroeconomic outlook is still influenced by the heightened uncertainty depending on the developments and duration of the conflict. The latest economic indicators point to a slowdown in the euro area growth in the second half of the year, with the economy expected to continue stagnating in the first quarter of 2023.

Against this background, the Group's profitability will still be underpinned by the uptrend in revenues -continuing to benefit from both higher interest rates and resilient net commissions- as well as by actions designed to offset the inflationary impacts on costs.

Credit quality will continue to be characterised by sustained high coverage and conservative provisioning. The capital position is expected to remain robust.

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

*The document will soon be available at the Bank's head office, on the websites of the Bank and of the Group ([www.bper.it](http://www.bper.it) and <https://istituzionale.bper.it>), of Borsa Italiana S.p.A. and in the authorised storage device ([www.1info.it](http://www.1info.it)).*

*As a complement to the information provided in this press release, attached please find the consolidated Balance Sheet and Income Statement (quarterly breakdown and reclassified) as at 30 September 2022, in addition to a summary of key financial indicators.*

Modena, 7 November 2022

**The Chief Executive Officer  
Piero Luigi Montani**

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

Modena, 7 November 2022

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

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A conference call to illustrate the consolidated results of the BPER Group at 30 September 2022 will be held today at 6 p.m. (CET).

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

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

**ITALY: +39 02 8020911  
UK: +44 1 212818004  
USA: +1 718 7058796**

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

## Contacts:

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### Investor Relations

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

## Notes

<sup>1</sup> Summarised below are the main non-recurring items recognised in the first nine months of 2022:

- -€ 12.9 mln in "Other operating expense/income" in Q2;
- -€ 24.0 mln in "Staff costs" in Q2;
- -€ 23.7 mln in "Other Administrative Expenses", of which -€ 9 mln in Q2 and € -14.7 mln in Q3;
- +€ 1,171.3 mln in "Badwill", of which +€ 1,188.4 mln in Q2 and -€ 17.1 mln in Q3;
- -€ 69.5 mln in "Income taxes on current operations for the period".

<sup>2</sup> The pro-forma **Fully Phased** CET1 ratio is estimated by excluding the effects of transitional arrangements in force and including profit (loss) for the period for the portion not allocated to dividends, i.e. simulating in advance the effects of the ECB's authorisation to include these profits in Own Funds pursuant to art. 26, para. 2 of the CRR.

The calculation has additionally factored in the upside associated with the incentives for business combinations introduced by Law No. 178 of 30 December 2020 (the '2021 Budget Law'), in combination with the additional provisions introduced by Law No. 234 of 30 December 2021 (the '2022 Budget Law'), which BPER Banca will take advantage of after the acquisition of Banca Carige last June.

This upside specifically derives from the conversion into tax credits of DTAs for tax losses and ACE (Allowance for Corporate Equity), in an amount not exceeding 2% of the value of the assets

of the smaller combining entity, net of the payable fee. Net of this benefit, the Fully Phased CET1 ratio as at 30/09/2022 is 12.53%.

<sup>3</sup> The cost of credit is calculated by considering caption 130 a) "Net impairment losses to financial assets at amortised cost – loans to customers" for an amount of € 308.9 mln and € 19.5 mln worth of provisions for on-balance sheet credit exposures to Russia included in caption 130 a) "Impairment losses to financial assets at amortised cost – other financial assets".

<sup>4</sup> Under IFRS 3, Purchase Price Allocation adjustments can be made within a 12-month measurement period from the business combination date.

<sup>5</sup> The "pro-forma" regulatory ratios calculated on a phased-in basis include:

- profit (loss) for the period for the portion not allocated to dividends, i.e. simulating in advance the effects of the ECB's authorisation to include these profits in Own Funds pursuant to art. 26, para. 2 of the CRR.
- full benefit of Banca Carige's DTAs described in Note 2.

Excluding Banca Carige's DTA benefit, the capital ratios on a phased-in basis as at 30/09/2022 are as follows:

- CET1 ratio 12.95%
- Tier1 ratio 13.23%
- Total Capital Ratio 16.12%

<sup>6</sup> See Note 2.

<sup>7</sup> See Note 5.

<sup>8</sup> See Note 5.

## Reclassified financial statements as at 30 September 2022

For greater clarity in the presentation of the results for the period, the accounting schedules envisaged by the 7th update of Bank of Italy Circular no. 262/2005 have been reclassified as follows.

In the balance sheet:

- debt securities measured at amortised cost (caption 40 *"Financial assets measured at amortised cost"*) have been reclassified to the caption *"Financial assets"*;
- the caption *"Other assets"* includes captions 110 *"Tax assets"*, 120 *"Non-current assets and disposal groups classified as held for sale"* and 130 *"Other assets"*;
- the caption *"Other liabilities"* includes captions 60 *"Tax liabilities"*, 70 *"Liabilities associated with assets classified as held for sale"*, 80 *"Other liabilities"*, 90 *"Employee termination indemnities"* and 100 *"Provisions for risks and charges"*.

In the income statement:

- the caption *"Net commission income"* includes Euro 14.7 million related to commission on placement of Certificates, allocated for accounting purposes to caption 110 *"Net income on other financial assets and liabilities measured at fair value through profit or loss"* of the accounting schedule;
- the caption *"Net income from financial activities"* includes captions 80, 90, 100 and 110 of the accounting schedule, net of commission on placement of Certificates mentioned above;
- indirect tax recoveries, allocated for accounting purposes to caption 230 *"Other operating expense/income"* have been reclassified as a reduction in the related costs under *"Other administrative expenses"* (Euro 183.3 million at 30 September 2022 and Euro 171.6 million at 30 September 2021);
- the caption *"Net adjustments to property, plant, equipment and intangible assets"* includes captions 210 and 220 of the accounting schedule;
- the caption *"Gains (Losses) on investments"* includes captions 250, 260, 270 and 280 of the accounting schedule;
- the caption *"Contributions to the DGS, SRF and IDPF-VS funds"* has been shown separately from the specific accounting technical forms to give a better and clearer representation, as well as to leave the *"Other administrative expenses"* as a better reflection of the trend in the Group's operating costs. In particular, at 30 September 2022, this caption represents the component allocated for accounting purposes to administrative expenses in relation to:
  - the 2022 contribution to the SRF (European Single Resolution Fund) for Euro 45.7 million;
  - the 2022 contribution to the DGS (Deposit Guarantee Schemes) for Euro 123.3 million representative of the estimate of what will be required by the end of the year.



## Reclassified consolidated balance sheet as at 30 September 2022

Assets	(in thousands)			
	30.09.2022	31.12.2021	Change	% Change
Cash and cash equivalents	25,659,992	1,306,282	24,353,710	--
Financial assets	30,483,095	28,373,380	2,109,715	7.44
a) Financial assets held for trading	644,603	323,721	320,882	99.12
b) Financial assets designated at fair value	2,375	125,098	(122,723)	-98.10
c) Other financial assets mandatorily measured at fair value	732,116	714,759	17,357	2.43
d) Financial assets measured at fair value through other comprehensive income	8,279,456	6,631,897	1,647,559	24.84
e) Debt securities measured at amortised cost	20,824,545	20,577,905	246,640	1.20
- banks	6,263,929	5,795,622	468,307	8.08
- customers	14,560,616	14,782,283	(221,667)	-1.50
Loans	94,152,489	100,862,925	(6,710,436)	-6.65
a) Loans to banks	3,205,666	21,695,054	(18,489,388)	-85.22
b) Loans to customers	90,801,472	79,112,914	11,688,558	14.77
c) Financial assets measured at fair value	145,351	54,957	90,394	164.48
Hedging derivatives	1,766,702	178,108	1,588,594	891.93
Equity investments	370,927	240,534	130,393	54.21
Property, plant and equipment	2,612,725	1,946,456	666,269	34.23
Intangible assets	488,845	459,197	29,648	6.46
- of which: goodwill	204,392	204,392	-	-
Other assets	7,419,487	2,980,991	4,438,496	148.89
<b>Total assets</b>	<b>162,954,262</b>	<b>136,347,873</b>	<b>26,606,389</b>	<b>19.51</b>

Liabilities and shareholders' equity	(in thousands)			
	30.09.2022	31.12.2021	Change	% Change
Due to banks	29,173,060	23,633,494	5,539,566	23.44
Direct deposits	116,678,840	101,388,140	15,290,700	15.08
a) Due to customers	109,628,998	96,627,735	13,001,263	13.46
b) Debt securities issued	6,449,592	4,760,405	1,689,187	35.48
c) Financial liabilities designated at fair value	600,250	-	600,250	n.s.
Financial liabilities held for trading	467,251	123,957	343,294	276.95
Macro-hedging activity	314,059	249,178	64,881	26.04
a) Hedging derivatives	588,668	249,178	339,490	136.24
b) Change in value of macro-hedged financial liabilities (+/-)	(274,609)	-	(274,609)	n.s.
Other liabilities	8,289,556	4,094,295	4,195,261	102.47
Minority interests	174,567	162,497	12,070	7.43
Shareholders' equity pertaining to the Parent Company	7,856,929	6,696,312	1,160,617	17.33
a) Valuation reserves	(37,346)	196,370	(233,716)	-119.02
b) Reserves	2,959,997	2,493,508	466,489	18.71
c) Equity instruments	150,000	150,000	-	-
d) Share premium reserve	1,237,324	1,240,428	(3,104)	-0.25
e) Share capital	2,100,435	2,100,435	-	-
f) Treasury shares	(19,857)	(9,552)	(10,305)	107.88
g) Profit (Loss) for the period	1,466,376	525,123	941,253	179.24
<b>Total liabilities and shareholders' equity</b>	<b>162,954,262</b>	<b>136,347,873</b>	<b>26,606,389</b>	<b>19.51</b>

## Reclassified consolidated income statement as at 30 September 2022

Captions		(in thousands)							
		30.09.2022	30.09.2022 on a like-for- like basis	30.09.2022 Carige Group contribution	30.09.2021	Change 30.09.2022 - 30.09.2021	% Change 30.09.2022 - 30.09.2021	Change 30.09.2022 on a like-for- like basis - 30.09.2021	% Change 30.09.2022 on a like-for- like basis - 30.09.2021
10+20	Net interest income	1,260,430	1,203,501	56,929	1,119,419	141,011	12.60	84,082	7.51
40+50	Net commission income	1,418,014	1,365,501	52,513	1,172,409	245,605	20.95	193,092	16.47
70	Dividends	19,192	17,345	1,847	14,624	4,568	31.24	2,721	18.61
80+90+ 100+110	Net income from financial activities	116,747	106,341	10,406	172,610	(55,863)	-32.36	(66,269)	-38.39
230	Other operating expense/income	(329)	(1,823)	1,494	11,735	(12,064)	-102.80	(13,558)	-115.53
	<b>Operating income</b>	<b>2,814,054</b>	<b>2,690,865</b>	<b>123,189</b>	<b>2,490,797</b>	<b>323,257</b>	<b>12.98</b>	<b>200,068</b>	<b>8.03</b>
190 a)	Staff costs	(1,072,485)	(1,025,633)	(46,852)	(971,024)	(101,461)	10.45	(54,609)	5.62
190 b)	Other administrative expenses	(575,296)	(532,950)	(42,346)	(498,408)	(76,888)	15.43	(34,542)	6.93
210+220	Net adjustments to property, plant and equipment and intangible assets	(154,746)	(143,049)	(11,697)	(159,813)	5,067	-3.17	16,764	-10.49
	<b>Operating costs</b>	<b>(1,802,527)</b>	<b>(1,701,632)</b>	<b>(100,895)</b>	<b>(1,629,245)</b>	<b>(173,282)</b>	<b>10.64</b>	<b>(72,387)</b>	<b>4.44</b>
	<b>Net operating income</b>	<b>1,011,527</b>	<b>989,233</b>	<b>22,294</b>	<b>861,552</b>	<b>149,975</b>	<b>17.41</b>	<b>127,681</b>	<b>14.82</b>
130 a)	Net impairment losses to financial assets at amortised cost	(334,599)	(322,694)	(11,905)	(714,497)	379,898	-53.17	391,803	-54.84
	- loans to customers	(308,884)	(296,972)	(11,912)	(714,070)	405,186	-56.74	417,098	-58.41
	- other financial assets	(25,715)	(25,722)	7	(427)	(25,288)	--	(25,295)	--
130 b)	Net impairment losses to financial assets at fair value	(246)	(275)	29	1,461	(1,707)	-116.84	(1,736)	-118.82
140	Gains (Losses) from contractual modifications without derecognition	(625)	(1,096)	471	(2,165)	1,540	-71.13	1,069	-49.38
	<b>Net impairment losses for credit risk</b>	<b>(335,470)</b>	<b>(324,065)</b>	<b>(11,405)</b>	<b>(715,201)</b>	<b>379,731</b>	<b>-53.09</b>	<b>391,136</b>	<b>-54.69</b>
200	Net provisions for risks and charges	(52,824)	(51,507)	(1,317)	(55,033)	2,209	-4.01	3,526	-6.41
###	Contributions to SRF, DGS, IDPF - VS	(169,001)	(147,667)	(21,334)	(126,118)	(42,883)	34.00	(21,549)	17.09
250+260+ 270+280	Gains (Losses) on investments	13,351	11,987	1,364	(255,915)	269,266	-105.22	267,902	-104.68
275	Gain on a bargain purchase	1,171,322	1,171,322	-	1,127,847	43,475	3.85	43,475	3.85
290	<b>Profit (Loss) from current operations before tax</b>	<b>1,638,905</b>	<b>1,649,303</b>	<b>(10,398)</b>	<b>837,132</b>	<b>801,773</b>	<b>95.78</b>	<b>812,171</b>	<b>97.02</b>
300	Income taxes on current operations for the period	(157,370)	(164,235)	6,865	(226,049)	68,679	-30.38	61,814	-27.35
330	<b>Profit (Loss) for the period</b>	<b>1,481,535</b>	<b>1,485,068</b>	<b>(3,533)</b>	<b>611,083</b>	<b>870,452</b>	<b>142.44</b>	<b>873,985</b>	<b>143.02</b>
340	Profit (Loss) for the period pertaining to minority interests	(15,159)	(15,484)	325	(24,860)	9,701	-39.02	9,376	-37.72
350	<b>Profit (Loss) for the period pertaining to the Parent Company</b>	<b>1,466,376</b>	<b>1,469,584</b>	<b>(3,208)</b>	<b>586,223</b>	<b>880,153</b>	<b>150.14</b>	<b>883,361</b>	<b>150.69</b>

## Reclassified consolidated income statement by quarter as at 30 September 2022

Captions		(in thousands)								
		1st quarter 2022	2nd quarter 2022	3rd quarter 2022	3rd quarter 2022 on a like- for-like basis	3rd quarter 2022 Carige Group contribution	1st quarter 2021	2nd quarter 2021	3rd quarter 2021	4th quarter 2021
10+20	Net interest income	376,429	409,020	474,981	418,052	56,929	343,513	384,809	391,097	385,943
40+50	Net commission income	450,559	463,410	504,045	451,532	52,513	328,132	405,826	438,451	469,166
70	Dividends	286	15,597	3,309	1,462	1,847	1,678	12,269	677	5,460
80+90+ 100+110	Net income from financial activities	58,939	25,457	32,351	21,945	10,406	76,241	43,471	52,898	23,621
230	Other operating expense/income	(2,470)	(10,276)	12,417	10,923	1,494	8,119	(5,631)	9,247	13,291
	<b>Operating income</b>	<b>883,743</b>	<b>903,208</b>	<b>1,027,103</b>	<b>903,914</b>	<b>123,189</b>	<b>757,683</b>	<b>840,744</b>	<b>892,370</b>	<b>897,481</b>
190 a)	Staff costs	(352,154)	(359,388)	(360,943)	(314,091)	(46,852)	(302,142)	(355,061)	(313,821)	(557,216)
190 b)	Other administrative expenses	(160,690)	(181,965)	(232,641)	(190,295)	(42,346)	(189,880)	(157,403)	(151,125)	(180,750)
210+220	Net adjustments to property, plant and equipment and intangible assets	(45,584)	(48,498)	(60,664)	(48,967)	(11,697)	(54,454)	(52,510)	(52,849)	(120,304)
	<b>Operating costs</b>	<b>(558,428)</b>	<b>(589,851)</b>	<b>(654,248)</b>	<b>(553,353)</b>	<b>(100,895)</b>	<b>(546,476)</b>	<b>(564,974)</b>	<b>(517,795)</b>	<b>(858,270)</b>
	<b>Net operating income</b>	<b>325,315</b>	<b>313,357</b>	<b>372,855</b>	<b>350,561</b>	<b>22,294</b>	<b>211,207</b>	<b>275,770</b>	<b>374,575</b>	<b>39,211</b>
130 a)	Net impairment losses to financial assets at amortised cost	(111,925)	(103,692)	(118,982)	(107,077)	(11,905)	(419,004)	(157,291)	(138,202)	(122,697)
	- loans to customers	(96,109)	(97,604)	(115,171)	(103,259)	(11,912)	(417,667)	(159,229)	(137,174)	(124,998)
	- other financial assets	(15,816)	(6,088)	(3,811)	(3,818)	7	(1,337)	1,938	(1,028)	2,301
130 b)	Net impairment losses to financial assets at fair value	(16)	(230)	-	(29)	29	773	913	(225)	654
140	Gains (Losses) from contractual modifications without derecognition	(1,225)	27	573	102	471	(602)	(1,177)	(386)	(728)
	<b>Net impairment losses for credit risk</b>	<b>(113,166)</b>	<b>(103,895)</b>	<b>(118,409)</b>	<b>(107,004)</b>	<b>(11,405)</b>	<b>(418,833)</b>	<b>(157,555)</b>	<b>(138,813)</b>	<b>(122,771)</b>
200	Net provisions for risks and charges	(12,200)	(28,839)	(11,785)	(10,468)	(1,317)	(40,914)	(9,592)	(4,527)	(25,712)
###	Contributions to SRF, DGS, IDPF - VS	(45,666)	(55)	(123,280)	(101,946)	(21,334)	(31,055)	(15,106)	(79,957)	(7,581)
250+260 +270+280	Gains (Losses) on investments	4,026	2,988	6,337	4,973	1,364	(250,655)	(2,629)	(2,631)	(27,408)
275	Gain on a bargain purchase	-	1,188,433	(17,111)	(17,111)	-	1,077,869	72,053	(22,075)	-
<b>290</b>	<b>Profit (Loss) from current operations before tax</b>	<b>158,309</b>	<b>1,371,989</b>	<b>108,607</b>	<b>119,005</b>	<b>(10,398)</b>	<b>547,619</b>	<b>162,941</b>	<b>126,572</b>	<b>(144,261)</b>
300	Income taxes on current operations for the period	(39,579)	(95,745)	(22,046)	(28,911)	6,865	(140,830)	(50,902)	(34,317)	91,827
<b>330</b>	<b>Profit (Loss) for the period</b>	<b>118,730</b>	<b>1,276,244</b>	<b>86,561</b>	<b>90,094</b>	<b>(3,533)</b>	<b>406,789</b>	<b>112,039</b>	<b>92,255</b>	<b>(52,434)</b>
340	Profit (Loss) for the period pertaining to minority interests	(6,058)	(4,108)	(4,993)	(5,318)	325	(6,523)	(10,497)	(7,840)	(8,666)
<b>350</b>	<b>Profit (Loss) for the period pertaining to the Parent Company</b>	<b>112,672</b>	<b>1,272,136</b>	<b>81,568</b>	<b>84,776</b>	<b>(3,208)</b>	<b>400,266</b>	<b>101,542</b>	<b>84,415</b>	<b>(61,100)</b>

## Consolidated balance sheet as at 30 September 2022

		(in thousands)			
Assets	30.09.2022	31.12.2021	Change	% Change	
10. Cash and cash equivalents	25,659,992	1,306,282	24,353,710	--	
20. Financial assets measured at fair value through profit or loss	1,524,445	1,218,535	305,910	25.10	
a) financial assets held for trading	644,603	323,721	320,882	99.12	
b) financial assets designated at fair value	2,375	125,098	(122,723)	-98.10	
c) other financial assets mandatorily measured at fair value	877,467	769,716	107,751	14.00	
30. Financial assets measured at fair value through other comprehensive income	8,279,456	6,631,897	1,647,559	24.84	
40. Financial assets measured at amortised cost	114,831,683	121,294,912	(6,463,229)	-5.33	
a) loans to banks	9,469,595	27,490,676	(18,021,081)	-65.55	
b) loans to customers	105,362,088	93,804,236	11,557,852	12.32	
50. Hedging derivatives	1,766,702	178,108	1,588,594	891.93	
70. Equity investments	370,927	240,534	130,393	54.21	
90. Property, plant and equipment	2,612,725	1,945,000	667,725	34.33	
100. Intangible assets	488,845	459,197	29,648	6.46	
of which:					
- goodwill	204,392	204,392	-	-	
110. Tax assets	2,851,817	1,784,995	1,066,822	59.77	
a) current	643,076	410,514	232,562	56.65	
b) deferred	2,208,741	1,374,481	834,260	60.70	
120. Non-current assets and disposal groups classified as held for sale	1,323,139	97,730	1,225,409	--	
130. Other assets	3,244,531	1,190,683	2,053,848	172.49	
<b>Totale assets</b>	<b>162,954,262</b>	<b>136,347,873</b>	<b>26,606,389</b>	<b>19.51</b>	

Liabilities and shareholders' equity		30.09.2022	31.12.2021	(in thousands)	
				Change	% Change
10.	Financial liabilities measured at amortised cost	145,251,650	124,854,511	20,397,139	16.34
	a) due to banks	29,173,060	23,633,494	5,539,566	23.44
	b) due to customers	109,628,998	96,460,612	13,168,386	13.65
	c) debt securities issued	6,449,592	4,760,405	1,689,187	35.48
20.	Financial liabilities held for trading	467,251	123,957	343,294	276.95
30.	Financial liabilities designated at fair value	600,250	-	600,250	n.s.
40.	Hedging derivatives	588,668	249,178	339,490	136.24
50.	Change in value of macro-hedged financial liabilities (+/-)	(274,609)	-	(274,609)	n.s.
60.	Tax liabilities	84,355	68,502	15,853	23.14
	a) current	26,074	9,598	16,476	171.66
	b) deferred	58,281	58,904	(623)	-1.06
70.	Liabilities associated with assets classified as held for sale	1,520,101	173,662	1,346,439	775.32
80.	Other liabilities	5,469,437	2,961,320	2,508,117	84.70
90.	Employee termination indemnities	174,474	209,973	(35,499)	-16.91
100.	Provisions for risks and charges	1,041,189	847,961	193,228	22.79
	a) commitments and guarantees granted	136,536	97,219	39,317	40.44
	b) pension and similar obligations	118,702	140,255	(21,553)	-15.37
	c) other provisions for risks and charges	785,951	610,487	175,464	28.74
120.	Valuation reserves	(37,346)	196,370	(233,716)	-119.02
140.	Equity instruments	150,000	150,000	-	-
150.	Reserves	2,959,997	2,493,508	466,489	18.71
160.	Share premium reserve	1,237,324	1,240,428	(3,104)	-0.25
170.	Share capital	2,100,435	2,100,435	-	-
180.	Treasury shares (-)	(19,857)	(9,552)	(10,305)	107.88
190.	Minority interests (+/-)	174,567	162,497	12,070	7.43
200.	Profit (Loss) for the period (+/-)	1,466,376	525,123	941,253	179.24
<b>Total liabilities and shareholders' equity</b>		<b>162,954,262</b>	<b>136,347,873</b>	<b>26,606,389</b>	<b>19.51</b>

## Consolidated income statement as at 30 September 2022

Captions	30.09.2022	30.09.2021	(in thousands)	
			Change	% Change
10. Interest and similar income	1,514,772	1,309,831	204,941	15.65
of which: interest income calculated using the effective interest method	1,467,167	1,303,570	163,597	12.55
20. Interest and similar expense	(254,342)	(190,412)	(63,930)	33.57
<b>30. Net interest income</b>	<b>1,260,430</b>	<b>1,119,419</b>	<b>141,011</b>	<b>12.60</b>
40. Commission income	1,557,714	1,322,314	235,400	17.80
50. Commission expense	(154,398)	(149,905)	(4,493)	3.00
<b>60. Net commission income</b>	<b>1,403,316</b>	<b>1,172,409</b>	<b>230,907</b>	<b>19.70</b>
70. Dividends and similar income	19,192	14,624	4,568	31.24
80. Net income from trading activities	45,166	47,078	(1,912)	-4.06
90. Net income from hedging activities	2,298	(1,795)	4,093	-228.02
100. Gains (Losses) on disposal or repurchase of:	64,325	87,826	(23,501)	-26.76
a) financial assets measured at amortised cost	47,383	75,465	(28,082)	-37.21
b) financial assets measured at fair value through other comprehensive income	3,965	12,817	(8,852)	-69.06
c) financial liabilities	12,977	(456)	13,433	--
110. Net income on other financial assets and liabilities measured at fair value through profit or loss	19,656	39,501	(19,845)	-50.24
a) financial assets and liabilities designated at fair value	73,252	1,298	71,954	--
b) other financial assets mandatorily measured at fair value	(53,596)	38,203	(91,799)	-240.29
<b>120. Net interest and other banking income</b>	<b>2,814,383</b>	<b>2,479,062</b>	<b>335,321</b>	<b>13.53</b>
130. Net impairment losses for credit risk relating to:	(334,845)	(713,036)	378,191	-53.04
a) financial assets measured at amortised cost	(334,599)	(714,497)	379,898	-53.17
b) financial assets measured at fair value through other comprehensive income	(246)	1,461	(1,707)	-116.84
140. Gains (Losses) from contractual modifications without derecognition	(625)	(2,165)	1,540	-71.13
<b>150. Net income from financial activities</b>	<b>2,478,913</b>	<b>1,763,861</b>	<b>715,052</b>	<b>40.54</b>
<b>180. Net income from financial and insurance activities</b>	<b>2,478,913</b>	<b>1,763,861</b>	<b>715,052</b>	<b>40.54</b>
190. Administrative expenses:	(2,111,680)	(1,767,164)	(344,516)	19.50
a) staff costs	(1,072,485)	(971,024)	(101,461)	10.45
b) other administrative expenses	(1,039,195)	(796,140)	(243,055)	30.53
200. Net provisions for risks and charges	(52,824)	(35,190)	(17,634)	50.11
a) commitments and guarantees granted	(25,233)	(575)	(24,658)	--
b) other net provisions	(27,591)	(34,615)	7,024	-20.29
210. Net adjustments to property, plant and equipment	(105,737)	(101,793)	(3,944)	3.87
220. Net adjustments to intangible assets	(49,009)	(58,020)	9,011	-15.53
230. Other operating expense/income	183,020	163,506	19,514	11.93
<b>240. Operating costs</b>	<b>(2,136,230)</b>	<b>(1,798,661)</b>	<b>(337,569)</b>	<b>18.77</b>
250. Gains (Losses) of equity investments	14,815	1,009	13,806	--
260. Valuation differences on property, plant and equipment and intangible assets measured at fair value	(1,457)	(27,484)	26,027	-94.70
270. Impairment losses on goodwill	-	(230,366)	230,366	-100.00
275. Gain on a bargain purchase	1,171,322	1,127,847	43,475	3.85
280. Gains (Losses) on disposal of investments	(7)	926	(933)	-100.76
<b>290. Profit (Loss) from current operations before tax</b>	<b>1,527,356</b>	<b>837,132</b>	<b>690,224</b>	<b>82.45</b>
300. Income taxes on current operations for the period	(45,821)	(226,049)	180,228	-79.73
<b>310. Profit (Loss) from current operations after tax</b>	<b>1,481,535</b>	<b>611,083</b>	<b>870,452</b>	<b>142.44</b>
<b>330. Profit (Loss) for the period</b>	<b>1,481,535</b>	<b>611,083</b>	<b>870,452</b>	<b>142.44</b>
340. Profit (Loss) for the period pertaining to minority interests	(15,159)	(24,860)	9,701	-39.02
<b>350. Profit (Loss) for the period pertaining to the Parent Company</b>	<b>1,466,376</b>	<b>586,223</b>	<b>880,153</b>	<b>150.14</b>

## Performance ratios<sup>1</sup>

Financial ratios	30.09.2022	2021 (*)
<b>Structural ratios</b>		
Net loans to customers/total assets	55.72%	58.02%
Net loans to customers/direct deposits from customers	77.82%	78.03%
Financial assets/total assets	18.71%	20.81%
Gross non-performing loans/gross loans to customers	4.23%	4.91%
Net non-performing loans/net loans to customers	1.68%	2.02%
Texas ratio <sup>2</sup>	39.76%	45.58%
<b>Profitability ratios</b>		
ROE <sup>3</sup>	9.05%	8.66%
ROTE <sup>4</sup>	9.33%	9.57%
ROA <sup>5</sup>	0.36%	0.41%
Cost to income ratio <sup>6</sup>	64.05%	65.41%
Cost of credit risk <sup>7</sup>	0.34%	0.93%
Prudential supervision ratios	30.09.2022	2021 (*)
<b>Own Funds (Phased in)<sup>8</sup> (in thousands of Euro)</b>		
Common Equity Tier 1 (CET1)	6,986,499	6,576,227
Own Funds	8,695,146	7,781,971
Risk-weighted assets (RWA)	53,947,766	45,340,544
<b>Capital and liquidity ratios</b>		
Common Equity Tier 1 Ratio (CET1 Ratio) - Phased in pro-forma <sup>9</sup>	12.95%	14.50%
Tier 1 Ratio (T1 Ratio) - Phased in pro-forma <sup>10</sup>	13.23%	14.84%
Total Capital Ratio (TC Ratio) - Phased in pro-forma <sup>11</sup>	16.12%	17.16%
Common Equity Tier 1 Ratio (CET1 Ratio) - Fully Phased pro-forma <sup>12</sup>	12.53%	13.50%
Liquidity Coverage Ratio (LCR)	196.9%	215.1%
Net Stable Funding Ratio (NSFR) <sup>13</sup>	n.a.	142.5%

(\*) The comparative balance sheet ratios, together with ROE, ROTE and ROA, have been calculated on figures at 31 December 2021 as per the Consolidated financial statements as at 31 December 2021, while income statement ratios have been calculated on figures at 30 September 2021 as per the Consolidated interim report on operations as at 30 September 2021.

<sup>1</sup> To construct ratios, reference was made to the balance sheet and income statement captions of the reclassified statements providing an operational management view as per the present Press Release.

<sup>2</sup> The Texas ratio is calculated as total gross non-performing loans on net tangible equity plus impairment provisions for non-performing loans.

<sup>3</sup> ROE is calculated as the ratio of annualised net recurring profit for the period (Euro 425.1 million) to the Group's average shareholders' equity not including net profit.

<sup>4</sup> ROTE is calculated as the ratio of annualised net recurring profit for the period (Euro 425.1 million) to the Group's average shareholders' equity (i) including net recurring profit for the period (Euro 425.1 million), stripped of the portion allocated to dividends and then annualised and (ii) excluding intangible assets and equity instruments.

<sup>5</sup> ROA is calculated as the ratio of annualised net recurring profit for the period (Euro 440.2 million, including net profit for the period pertaining to minority interests) and total assets.

<sup>6</sup> The Cost to income ratio is calculated on the basis of the reclassified income statement (operating costs/operating income); when calculated on the basis of the schedules provided by the 7th update of Bank of Italy Circular no. 262, the Cost to income ratio is 75.90% (72.55% at 30 September 2021 as per the Consolidated interim report on operations as at 30 September 2021).

<sup>7</sup> The Cost of credit risk has been calculated as net impairment losses to loans to customers on net loans to customers. At 30 September 2022, the cost of credit rises to 0.36% (0.48% annualised as at 31 December 2022), if calculated by adding the net impairment losses on loans to Russian banks.

<sup>8</sup> Items have been calculated according to the provisions of Regulation (EU) 2395/2017, which amends the Regulation (EU) 575/2013 (CRR) relating to "Transitional provisions to mitigate the impact of IFRS 9 on Own Funds". This Regulation introduced the transitional arrangement (or so-called "Phased In") giving banks a chance to spread the effect on Own Funds over a period of 5 years (from March 2018 to December 2022), sterilizing the impact on CET1 by applying decreasing percentages over time. The BPER Banca Group chose to adopt the so-called "static approach" to be applied to the impact from comparing the IAS 39 adjustments at 31 December 2017 and the IFRS 9 adjustments at 1 January 2018.

<sup>9</sup> The pro-forma capital ratios have been calculated including the result for the period, net of the pro-quota dividends, thus simulating, in advance, the effects of the authorisation issued by the ECB for the inclusion of these profits in Own Funds pursuant to art. 26, para. 2 of the CRR.

<sup>10</sup> See previous note.

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

<sup>12</sup> See previous note. Additionally, this ratio will be equal to 13.2%, if it is calculated factoring in the upside associated with the incentives for business combinations introduced by Law No. 178 of 30 December 2020 (the '2021 Budget Law'), in combination with the additional provisions introduced by Law No. 234 of 30 December 2021 (the '2022 Budget Law'), which BPER Banca will take advantage of after the acquisition of Banca Carige last June. This upside, resulting specifically from the conversion into tax credits of DTAs for tax losses and ACE (Allowance for Corporate Equity), in an amount not exceeding 2% of the value of the assets of the smaller combining entity, will be recognised to an extent of: 25% on the merger effective date and 75% from the first day of the following financial year.

<sup>13</sup> The NSFR, not yet available, is in any case estimated to exceed 100%.