

PRESS RELEASE

Draft Separate and Consolidated Financial Statements as at 31 December 2021 approved

- Preliminary separate and consolidated results for 2021 confirmed, as approved and communicated on 8 February 2022
- Proposal for a dividend of EUR 6 cent per share confirmed

Shareholders' Meeting convened for 20 April 2022

Modena – 10 March 2022. At its meeting today, the Board of Directors of BPER Banca reviewed and approved the draft separate financial statements of the Bank and the Consolidated Financial Statements of the Group as at 31 December 2021, confirming the preliminary results reviewed and approved on 8 February 2022.

The Board additionally approved the proposed pay-out of a cash dividend of EUR 0.06 for each of the 1,413,263,512 shares representing the share capital, net of the treasury shares held on the ex-dividend date (2,147,560 to date), for a total maximum amount of EUR 84,795,810.72.

The dividend, which will be submitted for approval to the Shareholders' Meeting convened for 20 April 2022, will be paid as of 25 May 2022 (payment date). The date of coupon detachment is Monday, 23 May 2022 (ex date) and the date of entitlement to payment under art. 83-*terdecies* of the Consolidated Law on Finance is Tuesday, 24 May 2022 (record date).

As a complement to the information provided in this press release, attached please find:

- the Group's consolidated Balance Sheet and Income Statement (quarterly breakdown and reclassified) as at 31 December 2021, in addition to a summary of key financial indicators;
- the Parent Company's separate Balance Sheet and Income Statement as at 31 December 2021.

As mentioned, the Board of Directors further resolved today to convene the Ordinary Shareholders' Meeting of BPER Banca S.p.A. on 20 April 2022 in one call, to discuss and approve the separate financial statement and proposed allocation of profit and dividend payout, as well as the remuneration of the members of the Board of Directors for financial years 2022 and 2023, the two sections of the Report on the Remuneration Policy and compensation paid, long- and short-term incentive plans based on financial instruments, authorisation to purchase and dispose of treasury shares and supplementary remuneration of the Independent Auditing Firm.

The notice of call, the explanatory reports concerning the items on the agenda and other documents relating to the Shareholders' Meeting, inclusive of the annual financial report (comprising BPER Banca's draft Financial

Statements and the BPER Group's consolidated financial statements), the reports of the independent auditing firm Deloitte & Touche S.p.A., the Statutory Auditors' report, the consolidated non-financial statement, the corporate governance and ownership structure report, the report on the remuneration policy and compensation paid and the information-sharing documents on incentive plans based on financial instruments, will be published according to the terms and deadlines set by regulations in force.

Proposed authorisation to purchase and dispose of treasury shares

With specific reference to the proposed authorisation to purchase and dispose of treasury shares, it is requested to service the 2022-2024 LTI Plan, the MBO incentive scheme for 2022 and beyond, in addition to any severance payments due, requiring portions of the variable component of remuneration to be paid by the assignment of ordinary shares of BPER Banca S.p.A.

In consideration of the above, transactions in treasury shares fall within the scope of Article 5 of Regulation (EU) No. 596/2014 on market abuse ("MAR") and the accepted market practices under its Article 13.

The request for authorisation refers to a maximum number of 13,667,067 ordinary shares, representing 0.97% of the Company's share capital as at 19 January 2022 (date of submission of the request for authorisation to the ECB) and in any event not exceeding a total amount of approximately 26 million Euro.

The authorisation to purchase is requested for a period of eighteen months from the date of the shareholders' approval resolution, subject to the necessary authorisations from the Supervisory Authority. The authorisation to dispose of the 2,147,560 treasury shares held to date (corresponding to 0.15% of the Company's share capital) and of those which will be purchased for the purposes described above is requested without time limits.

Purchases of treasury shares shall be made on the regulated markets pursuant to art. 132 of the Consolidated Law on Finance and art. 144-bis, para. 1 b) of the Issuers' Regulation in accordance with the operating procedures laid down in the regulations governing the markets' organisation and management, so as to ensure equal treatment of shareholders. With reference to the consideration for the purchase transactions, the price of each treasury share, inclusive of any ancillary purchase charges shall be, as a minimum, no lower than 5% and, as a maximum, no higher than 5% of the official stock price quoted on the *Euronext Milan* market on the day before the purchase. In any event, each purchase trade made shall not be executed at a price higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out.

For further information, please refer to the explanatory report of the Board of Directors to the Shareholders' Meeting on the relevant item on the agenda, which will be made available to the public according to the terms and deadlines set by regulations in force.

Modena, 10 March 2022

The Chief Executive Officer
Piero Luigi Montani

The Manager responsible for preparing the Company's financial reports, Marco Bonfatti, declares pursuant to art. 154-bis, paragraph 2, of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the underlying documentary evidence, books and accounting records.

Modena, 10 March 2022

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

Please note that following today's approval of the Draft Separate and Consolidated Financial Statements for 2021, no conference call will be arranged as it was held on 9 February 2022 after approval of the 2021 preliminary results.

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.

Contacts:

Investor Relations

investor.relations@bper.it

The Manager responsible for preparing

the company's financial reports

dppreif@bper.it

External Relations

relest@bper.it

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

Reclassified financial statements as at 31 December 2021

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

In the balance sheet:

- debt securities valued at amortised cost (caption 40 *“Financial assets measured at amortised cost”*) have been reclassified under caption *“Financial assets”*;
- the caption *“Other assets”* includes captions 110 *“Tax assets”* and 130 *“Other assets”*;
- the caption *“Other liabilities”* includes captions 60 *“Tax liabilities”*; 80 *“Other liabilities”*; 90 *“Employee termination indemnities”* and 100 *“Provisions for risks and charges”*;
- assets and liabilities classified as held for sale (asset caption 120 *“Non-current assets and disposal groups classified as held for sale”* and liability caption 70 *“Liabilities associated with assets classified as held for sale”*) are presented in their original portfolios in order to report the aggregates more clearly¹.

In the income statement:

- the caption *“Net income from financial activities”* includes captions 80, 90, 100 and 110 of the accounting schedule;
- 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 232.3 million at 31 December 2021 and Euro 140.0 million at 31 December 2020);
- the caption *“Net adjustments to property, plant, equipment and intangible assets”* includes captions 210 and 220 of the accounting schedule;
- the caption *“Net provisions for risks and charges”* includes Euro 18.6 million relating to the valuation of the profit-sharing clause in the contract for the acquisition of Nuova Carife, allocated to caption 230 *“Other operating charges/income”* of the accounting schedule;
- the caption *“Gains (Losses) on investments”* includes captions 250, 260, 270 and 280 of the accounting schedule;
- the caption *“Contributions to the DGS, SRF and IDPF-VS funds”* has been shown separately from the specific accounting technical forms to give a better and clearer representation, as well as to leave the *“Other administrative expenses”* as a better reflection of the trend in the Group’s operating costs. In particular, at 31 December 2021, this caption represents the component allocated for accounting purposes to administrative expenses in relation to:
 - the 2021 contribution to the SRF (European Single Resolution Fund) for Euro 34.9 million;
 - additional contribution requested by the SRF (European Single Resolution Fund) for 2019 from Italian banks for Euro 11.3 million;
 - the 2021 contribution to the DGS (Deposit Guarantee Schemes) for Euro 87.6 million.
- appropriate specification (*“of which”*) has been included in the caption *“Net interest income”* in order to highlight the impacts of IFRS 9 application.

Comparable figures at 31 December 2020 shown respectively in the following balance sheet and income statement schedules have been restated to show the effects of the retrospective application of the change in the measurement method of property, plant and equipment held for investment. It should be noted that such effects have been exposed in apposite column “of which: IAS 40 impact”. Comparable figures at 31 December 2020 have been further restated according to criteria consistent with the provisions of the 7th update of Bank of Italy Circular no. 262/2005; in particular, assets of cash equivalent nature pursuant to IAS 7 have been reclassified from asset caption 40 b) to asset caption 10 of the balance sheet accounting schedule.

¹ The balance sheet data include the amounts for 5 branches held for sale. These branches belong to the group of 10 Unipol Banca branches acquired by BPER Banca on 25 November 2019 and subsequently transferred to Banco di Sardegna. In that regard, the Italian competition authority (Autorità Garante della Concorrenza e del Mercato - AGCM) authorised the operation on condition that the 5 branches located in Sardinia would be sold subsequently. The disposal is intended to resolve the competition issue identified in the AGCM investigation, which found excessive concentration in the Municipalities of Sassari, Alghero, Iglesias, Nuoro and Terralba, which would create and/or strengthen a dominant position.

Reclassified consolidated balance sheet as at 31 December 2021

(in thousands)					
Assets	31.12.2021	31.12.2020	of which: IAS 40 impact	Change	% Change
Cash and cash equivalents	1,306,282	849,102		457,180	53.84
Financial assets	28,373,380	24,661,915		3,711,465	15.05
a) Financial assets held for trading	323,721	279,009		44,712	16.03
b) Financial assets designated at fair value	125,098	127,368		(2,270)	-1.78
c) Other financial assets mandatorily measured at fair value	714,759	765,917		(51,158)	-6.68
d) Financial assets measured at fair value through other comprehensive income	6,631,897	6,269,818		362,079	5.77
e) Debt securities measured at amortised cost	20,577,905	17,219,803		3,358,102	19.50
- banks	5,795,622	4,496,133		1,299,489	28.90
- customers	14,782,283	12,723,670		2,058,613	16.18
Loans	100,862,925	62,521,874		38,341,051	61.32
a) Loans to banks	21,695,054	9,489,688		12,205,366	128.62
b) Loans to customers	79,112,914	53,005,879		26,107,035	49.25
c) Financial assets measured at fair value	54,957	26,307		28,650	108.91
Hedging derivatives	178,108	57,776		120,332	208.27
Equity investments	240,534	225,558		14,976	6.64
Property, plant and equipment	1,946,456	1,366,915	14,225	579,541	42.40
Intangible assets	459,197	702,723		(243,526)	-34.65
- of which: goodwill	204,392	434,758		(230,366)	-52.99
Other assets	2,980,991	2,675,920	(3,280)	305,071	11.40
Total assets	136,347,873	93,061,783	10,945	43,286,090	46.51

(in thousands)					
Liabilities and shareholders' equity	31.12.2021	31.12.2020	of which: IAS 40 impact	Change	% Change
Due to banks	23,633,494	20,180,999		3,452,495	17.11
Direct deposits	101,388,140	63,140,669		38,247,471	60.58
a) Due to customers	96,627,735	58,458,479		38,169,256	65.29
b) Debt securities issued	4,760,405	4,682,190		78,215	1.67
Financial liabilities held for trading	123,957	170,094		(46,137)	-27.12
Hedging derivatives	249,178	469,240		(220,062)	-46.90
Other liabilities	4,094,295	2,766,652	7,570	1,327,643	47.99
Minority interests	162,497	133,983	48	28,514	21.28
Shareholders' equity pertaining to the Parent Company	6,696,312	6,200,146	3,327	496,166	8.00
a) Valuation reserves	196,370	118,105		78,265	66.27
b) Reserves	2,493,508	2,360,743	12,052	132,765	5.62
c) Equity instruments	150,000	150,000		-	-
d) Share premium reserve	1,240,428	1,241,197		(769)	-0.06
e) Share capital	2,100,435	2,100,435		-	-
f) Treasury shares	(9,552)	(7,259)		(2,293)	31.59
g) Profit (Loss) for the year	525,123	236,925	(8,725)	288,198	121.64
Total liabilities and shareholders' equity	136,347,873	93,061,783	10,945	43,286,090	46.51

Reclassified consolidated income statement as at 31 December 2021

Captions		(in thousands)				
		31.12.2021	31.12.2020	of which: IAS 40 impact	Change	% Change
10+20	Net interest income	1,505,362	1,238,876		266,486	21.51
	<i>of which IFRS 9 components*</i>	18,981	25,728		(6,747)	-26.22
40+50	Net commission income	1,641,575	1,072,514		569,061	53.06
70	Dividends	20,084	18,492		1,592	8.61
80+90+100+110	Net income from financial activities	196,231	138,165		58,066	42.03
230	Other operating expense/income	25,026	40,974		(15,948)	-38.92
	Operating income	3,388,278	2,509,021		879,257	35.04
190 a)	Staff costs	(1,528,240)	(960,719)		(567,521)	59.07
190 b)	Other administrative expenses	(679,158)	(499,040)		(180,118)	36.09
210+220	Net adjustments to property, plant and equipment and intangible assets	(280,117)	(167,421)	11,097	(112,696)	67.31
	Operating costs	(2,487,515)	(1,627,180)	11,097	(860,335)	52.87
	Net operating income	900,763	881,841	11,097	18,922	2.15
130 a)	Net impairment losses to financial assets at amortised cost	(837,194)	(541,877)		(295,317)	54.50
	<i>- loans to customers</i>	(839,068)	(534,605)		(304,463)	56.95
	<i>- other financial assets</i>	1,874	(7,272)		9,146	-125.77
130 b)	Net impairment losses to financial assets at fair value	2,115	(362)		2,477	-684.25
140	Gains (Losses) from contractual modifications without derecognition	(2,893)	(2,141)		(752)	35.12
	Net impairment losses for credit risk	(837,972)	(544,380)		(293,592)	53.93
200	Net provisions for risks and charges	(80,745)	(32,481)		(48,264)	148.59
###	Contributions to SRF, DGS, IDPF - VS	(133,699)	(88,182)		(45,517)	51.62
250+260+270						
+280	Gains (Losses) on investments	(283,323)	(20,063)	(17,984)	(263,260)	--
275	Gain on a bargain purchase	1,127,847	-		1,127,847	n.s.
290	Profit (Loss) from current operations before tax	692,871	196,735	(6,887)	496,136	252.18
300	Income taxes on current operations for the year	(134,222)	65,191	(1,854)	(199,413)	-305.89
330	Profit (Loss) for the year	558,649	261,926	(8,741)	296,723	113.29
340	Profit (Loss) for the year pertaining to minority interests	(33,526)	(25,001)	16	(8,525)	34.10
350	Profit (Loss) for the year pertaining to the Parent Company	525,123	236,925	(8,725)	288,198	121.64

* 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.

Reclassified consolidated income statement by quarter as at 31 December 2021

Captions		(in thousands)							
		1st quarter 2021	2nd quarter 2021	3rd quarter 2021	4th quarter 2021	1st quarter 2020	2nd quarter 2020	3rd quarter 2020	4th quarter 2020
10+20	Net interest income	343,513	384,809	391,097	385,943	307,971	310,280	325,492	295,133
	<i>of which IFRS 9 components*</i>	4,097	3,972	5,668	5,244	9,414	7,945	5,185	3,184
40+50	Net commission income	328,132	405,826	438,451	469,166	267,595	245,102	262,127	297,690
70	Dividends	1,678	12,269	677	5,460	809	12,034	4,550	1,099
80+90+100+110	Net income from financial activities	76,241	43,471	52,898	23,621	5,642	46,832	43,115	42,576
230	Other operating expense/income	8,119	(5,631)	9,247	13,291	14,607	9,724	7,638	9,005
	Operating income	757,683	840,744	892,370	897,481	596,624	623,972	642,922	645,503
190 a)	Staff costs	(302,142)	(355,061)	(313,821)	(557,216)	(255,576)	(249,088)	(216,638)	(239,417)
190 b)	Other administrative expenses	(189,880)	(157,403)	(151,125)	(180,750)	(114,546)	(116,917)	(120,137)	(147,440)
210+220	Net adjustments to property, plant and equipment and intangible assets	(54,454)	(52,510)	(52,849)	(120,304)	(39,905)	(41,448)	(40,786)	(45,282)
	Operating costs	(546,476)	(564,974)	(517,795)	(858,270)	(410,027)	(407,453)	(377,561)	(432,139)
	Net operating income	211,207	275,770	374,575	39,211	186,597	216,519	265,361	213,364
130 a)	Net impairment losses to financial assets at amortised cost	(419,004)	(157,291)	(138,202)	(122,697)	(139,553)	(157,769)	(107,870)	(136,685)
	- loans to customers	(417,667)	(159,229)	(137,174)	(124,998)	(139,991)	(153,846)	(106,524)	(134,244)
	- other financial assets	(1,337)	1,938	(1,028)	2,301	438	(3,923)	(1,346)	(2,441)
130 b)	Net impairment losses to financial assets at fair value	773	913	(225)	654	105	(963)	363	133
140	Gains (Losses) from contractual modifications without derecognition	(602)	(1,177)	(386)	(728)	(195)	(247)	(182)	(1,517)
	Net impairment losses for credit risk	(418,833)	(157,555)	(138,813)	(122,771)	(139,643)	(158,979)	(107,689)	(138,069)
200	Net provisions for risks and charges	(40,914)	(9,592)	(4,527)	(25,712)	2,276	(17,177)	(15,109)	(2,471)
###	Contributions to SRF, DGS, IDPF - VS	(31,055)	(15,106)	(79,957)	(7,581)	(31,978)	(2,185)	(30,490)	(23,529)
250+260+270	Gains (Losses) on investments	(250,655)	(2,629)	(2,631)	(27,408)	64	(10,151)	62	(10,038)
+280	Gain on a bargain purchase	1,077,869	72,053	(22,075)	-	-	-	-	-
275	Gain on a bargain purchase	1,077,869	72,053	(22,075)	-	-	-	-	-
290	Profit (Loss) from current operations before tax	547,619	162,941	126,572	(144,261)	17,316	28,027	112,135	39,257
300	Income taxes on current operations for the year	(140,830)	(50,902)	(34,317)	91,827	(6,582)	74,603	(7,049)	4,219
330	Profit (Loss) for the year	406,789	112,039	92,255	(52,434)	10,734	102,630	105,086	43,476
340	Profit (Loss) for the year pertaining to minority interests	(6,523)	(10,497)	(7,840)	(8,666)	(4,325)	(6,543)	(8,484)	(5,649)
350	Profit (Loss) for the year pertaining to the Parent Company	400,266	101,542	84,415	(61,100)	6,409	96,087	96,602	37,827

* 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.

Consolidated balance sheet as at 31 December 2021

(in thousands)					
Assets	31.12.2021	31.12.2020	of which: IAS 40 impact	Change	% Change
10. Cash and cash equivalents	1,306,282	849,102		457,180	53.84
20. Financial assets measured at fair value through profit or loss	1,218,535	1,198,601		19,934	1.66
a) financial assets held for trading	323,721	279,009		44,712	16.03
b) financial assets designated at fair value	125,098	127,368		(2,270)	-1.78
c) other financial assets mandatorily measured at fair value	769,716	792,224		(22,508)	-2.84
30. Financial assets measured at fair value through other comprehensive income	6,631,897	6,269,818		362,079	5.77
40. Financial assets measured at amortised cost	121,294,912	79,624,595		41,670,317	52.33
a) loans to banks	27,490,676	13,985,821		13,504,855	96.56
b) loans to customers	93,804,236	65,638,774		28,165,462	42.91
50. Hedging derivatives	178,108	57,776		120,332	208.27
70. Equity investments	240,534	225,558		14,976	6.64
90. Property, plant and equipment	1,945,000	1,365,705	14,225	579,295	42.42
100. Intangible assets	459,197	702,723		(243,526)	-34.65
of which:					
- goodwill	204,392	434,758		(230,366)	-52.99
110. Tax assets	1,784,995	2,003,040	(4,033)	(218,045)	-10.89
a) current	410,514	418,174		(7,660)	-1.83
b) deferred	1,374,481	1,584,866	(4,033)	(210,385)	-13.27
120. Non-current assets and disposal groups classified as held for sale	97,730	99,467	753	(1,737)	-1.75
130. Other assets	1,190,683	665,398		525,285	78.94
Total assets	136,347,873	93,061,783	10,945	43,286,090	46.51

		(in thousands)				
		31.12.2021	31.12.2020	of which: IAS 40 impact	Change	% Change
Liabilities and shareholders' equity						
10.	Financial liabilities measured at amortised cost	124,854,511	83,177,191		41,677,320	50.11
	a) due to banks	23,633,494	20,180,999		3,452,495	17.11
	b) due to customers	96,460,612	58,314,002		38,146,610	65.42
	c) debt securities issued	4,760,405	4,682,190		78,215	1.67
20.	Financial liabilities held for trading	123,957	170,094		(46,137)	-27.12
40.	Hedging derivatives	249,178	469,240		(220,062)	-46.90
60.	Tax liabilities	68,502	82,318	7,570	(13,816)	-16.78
	a) current	9,598	4,797		4,801	100.08
	b) deferred	58,904	77,521	7,570	(18,617)	-24.02
70.	Liabilities associated with assets classified as held for sale	173,662	144,809		28,853	19.92
80.	Other liabilities	2,961,320	1,945,822		1,015,498	52.19
90.	Employee termination indemnities	209,973	148,199		61,774	41.68
100.	Provisions for risks and charges	847,961	589,981		257,980	43.73
	a) commitments and guarantees granted	97,219	62,334		34,885	55.96
	b) pension and similar obligations	140,255	148,357		(8,102)	-5.46
	c) other provisions for risks and charges	610,487	379,290		231,197	60.96
120.	Valuation reserves	196,370	118,105		78,265	66.27
140.	Equity instruments	150,000	150,000		-	-
150.	Reserves	2,493,508	2,360,743	12,052	132,765	5.62
160.	Share premium reserve	1,240,428	1,241,197		(769)	-0.06
170.	Share capital	2,100,435	2,100,435		-	-
180.	Treasury shares (-)	(9,552)	(7,259)		(2,293)	31.59
190.	Minority interests (+/-)	162,497	133,983	48	28,514	21.28
200.	Profit (Loss) for the year (+/-)	525,123	236,925	(8,725)	288,198	121.64
Total liabilities and shareholders' equity		136,347,873	93,061,783	10,945	43,286,090	46.51

Consolidated income statement as at 31 December 2021

(in thousands)					
Captions	31.12.2021	31.12.2020	of which: IAS 40 impact	Change	% Change
10. Interest and similar income	1,762,746	1,431,109		331,637	23.17
of which: interest income calculated using the effective interest method	1,753,470	1,422,351		331,119	23.28
20. Interest and similar expense	(257,384)	(192,233)		(65,151)	33.89
30. Net interest income	1,505,362	1,238,876		266,486	21.51
40. Commission income	1,845,386	1,246,875		598,511	48.00
50. Commission expense	(203,811)	(174,361)		(29,450)	16.89
60. Net commission income	1,641,575	1,072,514		569,061	53.06
70. Dividends and similar income	20,084	18,492		1,592	8.61
80. Net income from trading activities	67,491	(14,220)		81,711	-574.62
90. Net income from hedging activities	(2,120)	(653)		(1,467)	224.66
100. Gains (Losses) on disposal or repurchase of:	100,733	141,182		(40,449)	-28.65
a) financial assets measured at amortised cost	85,712	130,513		(44,801)	-34.33
b) financial assets measured at fair value through other comprehensive income	15,488	10,356		5,132	49.56
c) financial liabilities	(467)	313		(780)	-249.20
110. Net income on financial assets and liabilities measured at fair value through profit or loss	30,127	11,856		18,271	154.11
a) financial assets and liabilities designated at fair value	1,576	(3,683)		5,259	-142.79
b) other financial assets mandatorily measured at fair value	28,551	15,539		13,012	83.74
120. Net interest and other banking income	3,363,252	2,468,047		895,205	36.27
130. Net impairment losses for credit risk relating to:	(835,079)	(542,239)		(292,840)	54.01
a) financial assets measured at amortised cost	(837,194)	(541,877)		(295,317)	54.50
b) financial assets measured at fair value through other comprehensive income	2,115	(362)		2,477	-684.25
140. Gains (Losses) from contractual modifications without derecognition	(2,893)	(2,141)		(752)	35.12
150. Net income from financial activities	2,525,280	1,923,667		601,613	31.27
180. Net income from financial and insurance activities	2,525,280	1,923,667		601,613	31.27
190. Administrative expenses:	(2,573,395)	(1,687,910)		(885,485)	52.46
a) staff costs	(1,528,240)	(960,719)		(567,521)	59.07
b) other administrative expenses	(1,045,155)	(727,191)		(317,964)	43.72
200. Net provisions for risks and charges	(62,148)	(21,029)		(41,119)	195.53
a) commitments and guarantees granted	(17,389)	(6,329)		(11,060)	174.75
b) other net provisions	(44,759)	(14,700)		(30,059)	204.48
210. Net adjustments to property, plant and equipment	(168,434)	(107,719)	11,097	(60,715)	56.36
220. Net adjustments to intangible assets	(111,683)	(59,702)		(51,981)	87.07
230. Other operating expense/income	238,727	169,491		69,236	40.85
240. Operating costs	(2,676,933)	(1,706,869)	11,097	(970,064)	56.83
250. Gains (Losses) of equity investments	10,802	(2,945)		13,747	-466.79
260. Valuation differences on property, plant and equipment and intangible assets measured at fair value	(64,455)	(17,069)	(17,069)	(47,386)	277.61
270. Impairment losses on goodwill	(230,366)	-		(230,366)	n.s.
275. Gain on a bargain purchase	1,127,847	-		1,127,847	n.s.
280. Gains (Losses) on disposal of investments	696	(49)	(915)	745	--
290. Profit (Loss) from current operations before tax	692,871	196,735	(6,887)	496,136	252.18
300. Income taxes on current operations for the year	(134,222)	65,191	(1,854)	(199,413)	-305.89
310. Profit (Loss) from current operations after tax	558,649	261,926	(8,741)	296,723	113.29
330. Profit (Loss) for the year	558,649	261,926	(8,741)	296,723	113.29
340. Profit (Loss) for the year pertaining to minority interests	(33,526)	(25,001)	16	(8,525)	34.10
350. Profit (Loss) for the year pertaining to the Parent Company	525,123	236,925	(8,725)	288,198	121.64

Performance ratios ²

Financial ratios	31.12.2021	2020 (*)
Structural ratios		
Net loans to customers/total assets	58.02%	56.96%
Net loans to customers/direct deposits from customers	78.03%	83.95%
Financial assets/total assets	20.81%	26.50%
Gross non-performing loans/gross loans to customers	4.91%	7.84%
Net non-performing loans/net loans to customers	2.02%	4.02%
Texas ratio ³	45.58%	55.37%
Profitability ratios		
ROE ⁴	8.66%	4.41%
ROTE ⁵	9.57%	5.06%
ROA ⁶	0.41%	0.28%
Cost to income ratio ⁷	73.42%	64.85%
Cost of credit risk ⁸	1.06%	1.01%
Prudential supervision ratios		
Own Funds (Phased in)⁹ (in thousands of Euro)		
Common Equity Tier 1 (CET1)	6,576,227	5,931,675
Own Funds	7,781,971	7,097,554
Risk-weighted assets (RWA)	45,340,544	33,487,963
Capital and liquidity ratios		
Common Equity Tier 1 Ratio (CET1 Ratio) - Phased in	14.50%	17.71%
Tier 1 Ratio (T1 Ratio) - Phased in	14.84%	18.16%
Total Capital Ratio (TC Ratio) - Phased in	17.16%	21.19%
Common Equity Tier 1 Ratio (CET1 Ratio) - Fully Phased	13.50%	15.81%
Liquidity Coverage Ratio (LCR)	215.1%	200.1%
Net Stable Funding Ratio (NSFR)	142.5%	123.7%

(*) The comparative balance sheet ratios have been calculated on figures at 31 December 2020 which take into account the effects of the retrospective application of the change in the measurement method of property, plant and equipment held for investment.

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

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

⁴ ROE has been calculated as net profit for the year on the Group's average shareholders' equity not including net profit.

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

⁶ ROA has been calculated as net profit for the year including net profit pertaining to minority interests on total assets.

⁷ The Cost to income ratio has been calculated on the basis of the layout of the reclassified income statement (operating costs/operating income); when calculated on the basis of the layout provided by the 7th update of Bank of Italy Circular no. 262, the Cost to income ratio is at 79.59% (69.16% at 31 December 2020 taking into account the effects of the retrospective application of the change in the measurement method of property, plant and equipment held for investment).

⁸ The Cost of credit risk has been calculated as net impairment losses to loans to customers on net loans to customers.

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

Balance sheet of the Parent Company as at 31 December 2021

		(in thousands)			
Assets	31.12.2021	31.12.2020	of which: IAS 40 impact	Change	% Change
10. Cash and cash equivalents	1,338,507	728,420		610,087	83.75
20. Financial assets measured at fair value through profit or loss	956,911	983,756		(26,845)	-2.73
a) financial assets held for trading	346,279	310,818		35,461	11.41
b) financial assets designated at fair value	125,098	123,370		1,728	1.40
c) other financial assets mandatorily measured at fair value	485,534	549,568		(64,034)	-11.65
30. Financial assets measured at fair value through other comprehensive income	6,424,261	6,051,222		373,039	6.16
40. Financial assets measured at amortised cost	112,582,971	70,978,133		41,604,838	58.62
a) loans to banks	30,015,877	16,055,613		13,960,264	86.95
b) loans to customers	82,567,094	54,922,520		27,644,574	50.33
50. Hedging derivatives	178,108	57,695		120,413	208.71
70. Equity investments	2,006,574	2,008,146		(1,572)	-0.08
80. Property, plant and equipment	1,356,461	804,062	(2,322)	552,399	68.70
90. Intangible assets	239,546	480,782		(241,236)	-50.18
of which:					
- goodwill	-	230,366		(230,366)	-100.00
100. Tax assets	1,473,022	1,687,226	(1,884)	(214,204)	-12.70
a) current	387,988	402,666		(14,678)	-3.65
b) deferred	1,085,034	1,284,560	(1,884)	(199,526)	-15.53
110. Non-current assets and disposal groups classified as held for sale	4,898	3,716	522	1,182	31.81
120. Other assets	880,466	444,330		436,136	98.16
Total assets	127,441,725	84,227,488	(3,684)	43,214,237	51.31

		(in thousands)				
		31.12.2021	31.12.2020	of which: IAS 40 impact	Change	% Change
Liabilities and shareholders' equity						
10.	Financial liabilities measured at amortised cost	117,296,407	75,566,875		41,729,532	55.22
	a) due to banks	28,355,383	24,095,097		4,260,286	17.68
	b) due to customers	84,129,452	46,793,064		37,336,388	79.79
	c) debt securities issued	4,811,572	4,678,714		132,858	2.84
20.	Financial liabilities held for trading	132,079	182,981		(50,902)	-27.82
40.	Hedging derivatives	241,370	456,447		(215,077)	-47.12
60.	Tax liabilities	37,811	49,648	2,512	(11,837)	-23.84
	a) current	1,955	-		1,955	n.s.
	b) deferred	35,856	49,648	2,512	(13,792)	-27.78
80.	Other liabilities	2,475,348	1,500,563		974,785	64.96
90.	Employee termination indemnities	174,110	107,416		66,694	62.09
100.	Provisions for risks and charges	671,817	454,186		217,631	47.92
	a) commitments and guarantees granted	81,381	49,251		32,130	65.24
	b) pension and similar obligations	139,744	147,829		(8,085)	-5.47
	c) other provisions for risks and charges	450,692	257,106		193,586	75.29
110.	Valuation reserves	(11,327)	(54,799)		43,472	-79.33
130.	Equity instruments	150,000	150,000		-	-
140.	Reserves	2,375,590	2,342,238	103	33,352	1.42
150.	Share premium reserve	1,240,428	1,241,197		(769)	-0.06
160.	Share capital	2,100,435	2,100,435		-	-
170.	Treasury shares (-)	(9,546)	(7,253)		(2,293)	31.61
180.	Profit (Loss) for the year (+/-)	567,203	137,554	(6,299)	429,649	312.35
Total liabilities and shareholders' equity		127,441,725	84,227,488	(3,684)	43,214,237	51.31

Income statement of the Parent Company as at 31 December 2021

Captions	31.12.2021	31.12.2020	of which: IAS 40 impact	Change	% Change
10. Interest and similar income	1,425,207	1,096,963		328,244	29.92
of which: interest income calculated using the effective interest method	1,415,691	1,088,007		327,684	30.12
20. Interest and similar expense	(257,918)	(195,450)		(62,468)	31.96
30. Net interest income	1,167,289	901,513		265,776	29.48
40. Commission income	1,352,548	817,034		535,514	65.54
50. Commission expense	(92,625)	(62,735)		(29,890)	47.64
60. Net commission income	1,259,923	754,299		505,624	67.03
70. Dividends and similar income	60,201	24,645		35,556	144.27
80. Net income from trading activities	65,619	(14,884)		80,503	-540.87
90. Net income from hedging activities	(2,255)	(577)		(1,678)	290.81
100. Gains (Losses) on disposal or repurchase of:	81,372	117,313		(35,941)	-30.64
a) financial assets measured at amortised cost	66,441	108,077		(41,636)	-38.52
b) financial assets measured at fair value through other comprehensive income	15,398	8,920		6,478	72.62
c) financial liabilities	(467)	316		(783)	-247.78
110. Net income on financial assets and liabilities measured at fair value through profit or loss	29,423	11,412		18,011	157.83
a) financial assets and liabilities designated at fair value	1,576	(3,684)		5,260	-142.78
b) other financial assets mandatorily measured at fair value	27,847	15,096		12,751	84.47
120. Net interest and other banking income	2,661,572	1,793,721		867,851	48.38
130. Net impairment losses for credit risk relating to:	(641,890)	(443,781)		(198,109)	44.64
a) financial assets measured at amortised cost	(643,997)	(443,433)		(200,564)	45.23
b) financial assets measured at fair value through other comprehensive income	2,107	(348)		2,455	-705.46
140. Gains (Losses) from contractual modifications without derecognition	(2,162)	(2,076)		(86)	4.14
150. Net income from financial activities	2,017,520	1,347,864		669,656	49.68
160. Administrative expenses:	(2,131,470)	(1,326,776)		(804,694)	60.65
a) staff costs	(1,258,751)	(751,764)		(506,987)	67.44
b) other administrative expenses	(872,719)	(575,012)		(297,707)	51.77
170. Net provisions for risks and charges	(52,469)	(13,061)		(39,408)	301.72
a) commitments and guarantees granted	(14,638)	(3,036)		(11,602)	382.15
b) other net provisions	(37,831)	(10,025)		(27,806)	277.37
180. Net adjustments to property, plant and equipment	(147,776)	(92,950)	6,166	(54,826)	58.98
190. Net adjustments to intangible assets	(106,275)	(54,446)		(51,829)	95.19
200. Other operating expense/income	243,546	176,513		67,033	37.98
210. Operating costs	(2,194,444)	(1,310,720)	6,166	(883,724)	67.42
220. Gains (Losses) of equity investments	(5,004)	(3,269)		(1,735)	53.07
230. Valuation differences on property, plant and equipment and intangible assets measured at fair value	(24,370)	(10,268)	(10,268)	(14,102)	137.34
240. Impairment losses on goodwill	(230,366)	-		(230,366)	n.s.
245. Gain on a bargain purchase	1,127,847	-		1,127,847	n.s.
250. Gains (Losses) on disposal of investments	533	145	(672)	388	267.59
260. Profit (Loss) from current operations before tax	691,716	23,752	(4,774)	667,964	--
270. Income taxes on current operations for the year	(124,513)	113,802	(1,525)	(238,315)	-209.41
280. Profit (Loss) from current operations after tax	567,203	137,554	(6,299)	429,649	312.35
300. Profit (Loss) for the year	567,203	137,554	(6,299)	429,649	312.35