PUBLIC DISCLOSURE AS AT 30 JUNE 2021

PILLAR 3

The present document is the English translation of the Italian Public Disclosure – Pillar 3 prepared for and used in Italy, and has been translated only for the convenience of international readers.

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Register of Banks no. 4932
Parent Company of the BPER Banca S.p.A. Banking Group
Registered in the Register of Banking Groups with ABI code 5387.6
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Company belonging to the BPER Banca VAT Group, VAT no. 03830780361
Tax Code and Modena Companies Register no. 01153230360
Modena Chamber of Commerce 222528 Share capital as at 28 October 2020 € 2,100,435,182.40
Member of the Interbank Deposit Protection Fund and of the National Guarantee Fund
Ordinary shares listed on the MTA market

Contents

Introduction

Prudential rules for banks and investment companies contained in Regulation (EU) no. 575/2013 of 26 June 2013 (Capital Requirements Regulation, CRR) as later amended and in the 2013/36/EU Directive (Capital Requirements Directive, CRD IV) entered into force on 1 January 2014; these rules transpose the standards defined by the Basel Committee for Banking Supervision (so-called Basel 3 framework) into the European Union.

On 7 June 2019 the Official Journal of the European Union published Regulation (EU) no. 2019/876 of 20 May 2013, (also known as Capital Requirements Regulation II, CRR II) which amended Regulation (EU) no. 575/2013 (CRR). Subject to certain exceptions, the CRR II Regulation applies from 28 June 2021. The main changes introduced relate to the change in the frequency of disclosure and the quantitative information to be incorporated in the submission. With regard to the formal policy that the institution must adopt, clarification has been provided in Article 431:

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

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

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

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

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

- CRR, Part Eight "Disclosure by Institutions" and Part Ten (Article 473 bis), Title I, Chapter 3 "Transitional provisions for disclosure of own funds" as amended by Regulation (EU) 2019/876 (CRR II);
- European Commission Regulations containing Regulatory and Implementing Technical Standards to regulate:

- the transitional arrangements for mitigating the impact of the introduction of IFRS 9 on Own Funds (Regulation (EU) no. 2395/2017). The standard templates to be adopted are included in the EBA GL/2018/01 Guidelines;
- standard templates for the disclosure of the indicator values used to identify systemically important institutions (Regulation (EU) no. 1030/2014)[1];

On 2 June 2020, the EBA (European Banking Authority) published Guidelines on reporting and disclosure of exposures subject to measures applied in response to the Covid-19 crisis (EBA/GL/2020/07). These Guidelines require the provision of information about:

- loans subject to "moratoria" that fall within the scope of application of the EBA Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the Covid-19 crisis (EBA/GL/2020/02[2]);
- loans subject to forbearance measures applied in response to the Covid-19 crisis;
- new loans guaranteed by the State or another Public Entity in response to the Covid-19 crisis.

On 26 June 2020, Regulation (EU) no. 873/2020 of 24 June 2020 (CRR "quick fix") was published on the website of the Official Journal of the European Union. This regulation, amending Regulation (EU) no. 575/2013 and Regulation (EU) no. 876/2019), introduces rapid solutions in response to the Covid-19 pandemic. The main changes concerned:

- the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income in light of the Covid-19 pandemic;
- extension of the IFRS 9 transition period for a further two years and the possibility for banks that previously decided to apply or not apply the transitional arrangements to reverse that decision at any time during the new transitional period;
- favourable prudential treatment of non-performing exposures deriving from Covid-19 that are covered by public guarantees given by Member States;
- modification of the offsetting mechanism to temporarily exclude certain exposures of to central banks from the calculation of the bank's leverage ratio;
- in the context of the standardised approach, favourable prudential treatment of exposures deriving from loans against the transfer of one-fifth of the borrowers' salary or pension, loans to SMEs, loans to parties that manage infrastructure projects;
- deferral to 1 January 2023 of the date of application for the leverage ratio buffer requirement (envisaged for G-SIIs).

With respect to the principal amendments introduced by Reg. (EU) 2020/873, as at 30 June 2021 the BPER Banca Group:

- has not applied the extension of the IFRS 9 transitional arrangements;
- not being a G-SII, is not affected by the deferral of the leverage ratio buffer requirement;
- in the context of the standardised approach for calculating the capital requirement, has adopted the new methodology for calculating the SME supporting factor;
- has recognised that State guarantees mitigate the risk relating to new exposures that benefit from them, to the extent of the tranches covered.

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[1] This Regulation does not apply to the BPER Banca Group as art. 441 of Regulation (EU) no. 575/2013 is not applicable to it.
[2] These Guidelines were later amended by EBA/GL/2020/08 issued on 25 June 2020, which extended to 30 September the deadline by which the moratoria must be announced and applied (i.e. payment should be rescheduled).

On 11 August 2020 EBA published Guidelines (EBA\GL\2020\12) amending Guidelines EBA/GL/2018/01 on uniform disclosures under Article 473 bis of Regulation (EU) No 575/2013 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS 9 on Own Funds to ensure compliance with the CRR 'quick fix' in response to the COVID-19 pandemic. For the purpose of calculating Own Funds at 30 June 2021, the BPER Banca Group decided not to make use of these transitional provisions.

On 15 March 2021 the Official Journal of the European Union published Regulation (EU) 2021/637 laying down implementing technical standards with regard to public disclosure by institutions of the information referred to in Part Eight of the CRR as later amended, repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295. The disclosure formats, templates and tables take into account the principle of proportionality depending on the differences in size and complexity between institutions. For the purposes of current legislation, the BPER Banca Group is considered a significant institution[3].

On 23 April 2021 the Official Journal of the European Union published Regulation (EU) n. 2021/763[4] laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities.

On 28 May 2021 the European Banking Authority (EBA) launched a public consultation on draft implementing technical standards (ITS) on qualitative and quantitative disclosures to be published pursuant to art. 448 of CRR II (regarding exposures to interest rate risk on positions not held in the trading book, IRRBB). The latter, applicable from June 2021, was not reflected in Regulation (EU) 2021/637.
As at 30 June 2021, the BPER Banca Group publishes the required disclosures on interest rate risk exposures on positions not held in the trading book in line with the content proposed in the EBA consultation paper (EBA/CP/2021/20 of 28 May 2021).

This document, entitled "Public Disclosure as at 30 June 2021 – Pillar 3", has been prepared by BPER Banca, Parent Company, on a consolidated basis with reference to the scope of consolidation used for supervisory purposes.
As required by art. 433 CRR, it is made available in conjunction with -or as soon as possible after- the date of publication of the Consolidated half-year report as at 30 June 2021 by publication in the institutional area of the Banks' website, as allowed by the relevant regulations.

Based on Article 433 of the CRR, institutions shall publish the information required under Titles II and III in the manner set out in Article 433 bis and using the templates set out in Regulation (EU) No 2021/637.

The "Public Disclosure as at 30 June 2021 – Pillar 3" document is prepared on a collaborative basis by the various bodies and internal organisations involved in the governance and performance of processes, consistent with the duties assigned to them in the internal regulations of the BPER Banca Group.

[3] *With total consolidated assets exceeding Euro 30 billion.*
[4] *Title II "Public disclosure by institutions" art. 10 will enter into force on 1 January 2024.*

The document is accompanied by the:

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

It should be noted that articles 441 (Indicators of global systemic importance), 454 (Use of the advanced measurement approaches to operational risk) and 455 (Use of Internal Market Risk models) of Regulation (EU) 575/2013 (CRR) as later amended do not apply.

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

Reference to the regulatory requirements of CRR Part VIII

The following table summarises how to find the information provided to the market on a quarterly or half-yearly basis in accordance with European regulatory requirements including, in particular, CRR Part 8 as later amended, in force as at 30 June 2021.

articles CRR	chapter Pillar 3
art. 431, 432	Introduction
art. 437	2. Own Funds
art. 438	1. General disclosure requirements 3. Capital requirements 9. Credit risk: disclosure of the IRB approach 10. Exposure to counterparty credit risk 12. Market risk 14. Operational risk
art. 439	10. Exposure to counterparty credit risk
art. 440	3. Capital requirements
art. 441	Not applicable
art. 442	6. Credit risk: credit quality
art. 444	8. Credit risk: disclosure of the Standardised (STD) approach 10. Exposure to counterparty credit risk
art. 445	12.Market risk
art. 446	14. Operational risk
art. 447	1. General disclosure requirements
art. 448	13. Exposures to interest rate risk on positions not held in the trading book
art. 449	11. Exposures to securitisation positions
art. 451	4. Leverage
art. 451 bis	5. Liquidity risk
art. 452	9. Credit risk: disclosure of the IRB approach 10. Exposure to counterparty credit risk
art. 453	7. Credit risk mitigation techniques 8. Credit risk: disclosure of the Standardised (STD) approach
art. 454	Not applicable
art. 455	Not applicable
art. 473 bis	1. General disclosure requirements

The following table shows the location of the quarterly or half-yearly disclosure requirements laid down in Regulation (EU) 2021/637 within the scope of the Pillar 3 Disclosure document as at 30 June 2021.

code	title	chapter Pillar 3
EU KM1	Key metrics template	1. General disclosure requirements
EU OV1	Overview of total risk exposure amounts	1. General disclosure requirements
EU CC1	Composition of regulatory own funds	2. Own funds
EU CC2	Reconciliation of regulatory own funds to balance sheet in the audited financial statements	2. Own funds
EU CCYB1	Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	3. Capital requirements
EU CCYB2	Amount of institution-specific countercyclical capital buffer	3. Capital requirements
EU LR1	LRSum: Summary reconciliation of accounting assets and leverage ratio exposures	4. Leverage
EU LR2	LRCom: Leverage ratio common disclosure	4. Leverage
EU LR3	LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	4. Leverage
EU LIQ1	Quantitative information of LCR	5. Liquidity risk
EU LIQB	On qualitative information on LCR, which complements template EU LIQ1	5. Liquidity risk
EU LIQ2	Net Stable Funding Ratio	5. Liquidity risk
EU CR1-A	Maturity of exposures	6. Credit risk: credit quality
EU CR1	Performing and non-performing exposures and related provisions	6. Credit risk: credit quality
EU CQ1	Credit quality of forborne exposures	6. Credit risk: credit quality
EU CQ7	Collateral obtained by taking possession and execution processes	6. Credit risk: credit quality
EU CQ6	Collateral valuation - loans and advances	6. Credit risk: credit quality
EU CR2	Changes in the stock of non-performing loans and advances	6. Credit risk: credit quality
EU CQ2	Quality of forbearance	6. Credit risk: credit quality

(continued)

code	title	chapter Pillar 3
EU CR2a	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	6. Credit risk: credit quality
EU CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	6. Credit risk: credit quality
EU CQ4	Quality of non-performing exposures by geography	6. Credit risk: credit quality
EU CQ5	Credit quality of loans and advances to non-financial corporations by industry	6. Credit risk: credit quality
EU CR3	CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	7. Credit risk mitigation techniques
EU CR4	Standardised approach – Credit risk exposure and CRM effects	8. Credit risk: disclosure of the Standardised (STD) approach
EU CR5	Standardised approach	8. Credit risk: disclosure of the Standardised (STD) approach
EU CR7-A	IRB approach – Disclosure of the extent of the use of CRM techniques	9. Credit risk: disclosure of the IRB approach
EU CR8	RWEA flow statements of credit risk exposures under the IRB approach	9. Credit risk: disclosure of the IRB approach
EU CR6	IRB approach – Credit risk exposures by exposure class and PD range	9. Credit risk: disclosure of the IRB approach
EU CR7	IRB approach – Effect on the Risk Weighted Exposure amounts of credit derivatives used as CRM techniques	9. Credit risk: disclosure of the IRB approach
EU CR10	Specialised lending and equity exposures under the simple riskweighted approach	9. Credit risk: disclosure of the IRB approach
EU CCR1	Analysis of CCR exposure by approach	10. Exposure to counterparty credit risk
EU CCR2	Transactions subject to own funds requirements for CVA risk	10. Exposure to counterparty credit risk
EU CCR3	Standardised approach – CCR exposures by regulatory exposure class and risk weights	10. Exposure to counterparty credit risk
EU CCR4	IRB approach – CCR exposures by exposure class and PD scale	10. Exposure to counterparty credit risk
EU CCR5	Composition of collateral for CCR exposures	10. Exposure to counterparty credit risk
EU CCR6	Credit derivatives exposures	10. Exposure to counterparty credit risk

(continued)

code	title	chapter Pillar 3
EU CCR7(*)	RWEA flow statements of CCR exposures under the IMM	10. Exposure to counterparty credit risk
EU CCR8	Exposures to CCPs	10. Exposure to counterparty credit risk
EU SEC1	Securitisation exposures in the non-trading book	11. Exposures to securitisation positions
EU SEC2	Securitisation exposures in the trading book	11. Exposures to securitisation positions
EU SEC3	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor	11. Exposures to securitisation positions
EU SEC4	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor	11. Exposures to securitisation positions
EU SEC5	Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	11. Exposures to securitisation positions
EU MR1	Market risk under the standardised approach	12. Market risk
EU MR2-A (*)	Market risk under the internal Model Approach (IMA)	12. Market risk
EU MR2-B (*)	RWEA flow statements of market risk exposures under the IMA	12. Market risk
EU MR3 (*)	IMA values for trading portfolios	12. Market risk
EU MR4 (*)	Comparison of VaR estimates with gains/losses	12. Market risk
EU OR1	Operational risk own funds requirements and risk-weighted exposure amounts	14. Operational risk

(*) Not applicable.

Other disclosure requirements not governed, as at 30 June 2021, directly by Regulation (EU) 2021/637, but by other regulatory sources, are detailed below:

- in chapter 1 “General disclosure requirements”, template IFRS 9/Article 468-FL: Annex I - Comparison of institutions’ own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the temporary treatment in accordance with Article 468 of the CRR”, whose content is governed by the EBA/GL/2020/12;
- in chapter 6 “Credit risk: credit quality”, template 1 “Information on loans and advances subject to legislative and non-legislative moratoria”, template 2 “Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria” and template 3 “Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis”, whose content is governed by the EBA/GL/2020/07;
- in chapter 13 “Exposures to interest rate risk on positions not held in the trading book”, template EU IRRBB1 “Interest rate risks of non-trading book activities”, whose content is governed by the EBA CP/2021/20.

1. General disclosure requirements

For further details on the BPER Banca Group's risk management objectives and policies, governance, approach to capital adequacy and liquidity assessment processes, please refer to Chapter 1 of the Pillar 3 Public Disclosure as at 31 December 2020.

1.1 Key metrics of the BPER Banca Group

Template EU KM1 - Key metrics

		a	b	c	d	e
		30.06.2021	31.03.2021	31.12.2020	30.09.2020	30.06.2020
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	6,625,653	6,558,745	5,928,350	4,803,225	4,773,562
2	Tier 1 capital	6,776,254	6,709,330	6,078,973	4,954,365	4,925,356
3	Total capital	7,837,843	7,738,411	7,094,229	5,786,627	5,758,897
Risk-weighted exposure amounts						
4	Total risk exposure amount	45,619,802	45,519,474	33,501,647	33,618,188	33,820,055
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	14.52%	14.41%	17.70%	14.29%	14.11%
6	Tier 1 ratio (%)	14.85%	14.74%	18.15%	14.74%	14.56%
7	Total capital ratio (%)	17.18%	17.00%	21.18%	17.21%	17.03%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.00%	2.00%	2.00%	2.00%	2.00%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.13%	1.13%	1.13%	1.13%	1.13%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.50%	1.50%	1.50%	1.50%	1.50%
EU 7d	Total SREP own funds requirements (%)	10.00%	10.00%	10.00%	10.00%	10.00%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.003%	0.004%	0.003%	0.003%	0.003%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-	-	-
11	Combined buffer requirement (%)	2.503%	2.504%	2.503%	2.503%	2.503%
EU 11a	Overall capital requirements (%)	12.50%	12.50%	12.50%	12.50%	12.50%
12	CET1 available after meeting the total SREP own funds requirements (%)	2,347,117	2,289,478	2,786,600	1,650,552	1,601,921

continued: Template EU KM1 - Key metrics template

		a	b	c	d	e
		30.06.2021	31.03.2021	31.12.2020	30.09.2020	30.06.2020
Leverage ratio						
13	Total exposure measure	139,611,596	134,751,653	88,490,504	93,226,411	88,107,072
14	Leverage ratio (%)	4.85%	4.98%	6.87%	5.31%	5.59%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	34,073,452	29,784,918	19,461,058	16,398,346	14,771,565
EU 16a	Cash outflows - Total weighted value	18,563,823	17,625,762	11,557,321	11,295,978	11,186,550
EU 16b	Cash inflows - Total weighted value	2,780,092	2,855,855	1,833,133	1,967,828	2,057,080
16	Total net cash outflows (adjusted value)	15,783,731	14,769,906	9,724,188	9,328,149	9,129,470
17	Liquidity coverage ratio (%)	215.88%	201.66%	200.13%	175.79%	161.80%
Net Stable Funding Ratio						
18	Total available stable funding	103,362,871	104,998,420	75,760,182	73,040,932	69,163,645
19	Total required stable funding	74,572,674	79,776,637	61,255,028	60,543,634	58,214,022
20	NSFR ratio (%)	138.61%	131.62%	123.68%	120.64%	118.81%

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

Template EU OV1 – Overview of total risk exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		30.06.2021	31.03.2021	30.06.2021
1	Credit risk (excluding CCR)	38,465,719	38,533,808	3,077,258
2	*Of which the standardised approach*	*19,178,226*	*19,422,747*	*1,534,258*
3	*Of which the Foundation IRB (F-IRB) approach*	*2,576,142*	*2,127,809*	*206,091*
4	*Of which slotting approach*	*233,416*	*277,738*	*18,673*
EU 4a	*Of which equities under the simple riskweighted approach*	-	-	-
5	*Of which the Advanced IRB (A-IRB) approach*	*16,477,935*	*16,705,514*	*1,318,235*
6	Counterparty credit risk - CCR	497,385	346,201	39,791
7	*Of which the standardised approach*	*229,661*	*153,950*	*18,373*
8	*Of which internal model method (IMM)*	-	-	-
EU 8a	*Of which exposures to a CCP*	*255*	*35*	*20*
EU 8b	*Of which credit valuation adjustment - CVA*	*138,323*	*91,402*	*11,066*
9	*Of which other CCR*	*129,146*	*100,814*	*10,332*
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	139,045	210,782	11,124
17	*Of which SEC-IRBA approach*	-	-	-
18	*Of which SEC-ERBA (including IAA)*	*12,115*	*12,851*	*969*
19	*Of which SEC-SA approach*	*54,688*	*124,925*	*4,375*
EU 19a	*Of which 1250% / deduction*	*72,242*	*73,006*	*5,779*
20	Position, foreign exchange and commodities risks (Market risk)	775,730	793,189	62,058
21	*Of which the standardised approach*	*775,730*	*793,189*	*62,058*
22	*Of which IMA*	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	5,723,603	5,615,175	457,888
EU 23a	*Of which basic indicator approach*	-	-	-
EU 23b	*Of which standardised approach*	*5,723,603*	*5,615,175*	*457,888*
EU 23c	*Of which advanced measurement approach*	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	1,850,445	1,851,931	148,036
29	Total	45,601,482	45,499,155	3,648,119

Figures as at 31 March 2021 were restated to reflect the ECB's latest guidance.
Figures in column c) are 8% of the amounts posted in each row of column a).

Deductions relating to significant and non-significant investments in a financial sector entity and deferred tax assets that are dependent on future profitability and arise from temporary differences only apply to amounts above certain CET1 thresholds; amounts below the thresholds for deduction are subject to a 250% risk weight.
As at 30 June 2021, the BPER Banca Group does not exceed the threshold exemptions from deduction from Common Equity Tier 1 items under Article 48 of the CRR.

As at 30 June 2021, total risk-weighted exposures amount to Euro 45.6 billion, slightly up from the previous quarter (Euro +102 million). The main changes between March and June are due to the following factors:

- credit risk: the increase in exposure due to the acquisition of former Intesa Sanpaolo branches is offset by a decrease in exposures to corporate and retail customers and a decrease in exposures classified as equity instruments. in terms of RWAs, this aggregate is also impacted by the new prudential treatment provided for by Regulation (EU) 2019/876 (CRR II) for units or shares in CIUs (collective investment undertakings) held in the Banking Book. Overall, the Risk Weighted Exposure Amount (RWEA) for credit risk decreased by Euro 68 million;

- counterparty credit risk: the increase is mainly due to the application of the new framework introduced by CRR II, which applies a new method to calculate the value of derivatives exposure (Standardised Approach - CCR). The impact of the application of the new approach is quantifiable in an Euro 80 million increase in the Risk Weighted Amount (RWA) for Counterparty Credit Risk and a Euro 47 million increase in the RWA for the risk of Credit Valuation Adjustment (CVA);
- securitisation exposures: decrease largely due to the State guarantee granted on the Senior tranche of the Summer transaction (Euro -72 million as compared to the previous quarter);
- operational risk: increase due to the acquisition of former Intesa Sanpaolo branches (Euro 108 million from the previous quarter).

1.2 Transitional provisions aimed at mitigating the impact of the introduction of IFRS 9 on Own Funds (art. 473 bis CRR)

On 30 January 2018, the Group formally communicated to the Supervisory Authority its decision to use the transitional regime to phase in the impact of provisions arising from the application of IFRS 9 in regulatory capital.
The BPER Banca Group elected to apply the "static approach" to the impact arising from a reconciliation of impairment losses under IAS 39 as at 31 December 2017 to impairment losses under IFRS 9 as at 1 January 2018.

Below we provide information on: available capital, RWAs, capital ratios and financial leverage ratio with and without application of the transitional provisions on IFRS 9 and analogous expected credit losses, as provided for by the EBA Guidelines issued on 11 August 2020 (EBA/GL/2020/12). The latter modify the EBA/GL/2018/01 guidelines implemented in the Bank of Italy's Circular 285/2013.

The BPER Banca Group has chosen not to apply the temporary treatment referred to in Article 468 of Regulation (EU) no. 575/2013, as amended by Regulation (EU) no. 876/2019 (CRR II) and by Regulation (EU) no. 873/2020 (on quick fixes in response to the Covid-19 pandemic). Therefore, Own Funds and capital and leverage ratios fully take into account the impact of unrealised gains and losses measured at fair value through other comprehensive income.

Template IFRS 9/Article 468-FL: Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the temporary treatment in accordance with Article 468 of the CRR

		30.06.2021	31.03.2021	31.12.2020	30.09.2020	30.06.2020
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1) capital	6,625,653	6,558,745	5,928,350	4,803,225	4,773,562
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	6,157,501	6,090,594	5,272,201	4,147,076	4,117,413
3	Tier 1 capital	6,776,254	6,709,330	6,078,973	4,954,365	4,925,356
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	6,308,102	6,241,178	5,422,824	4,298,216	4,269,207
5	Total capital	7,837,843	7,738,411	7,094,229	5,786,627	5,758,897
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7,369,691	7,270,255	6,437,793	5,130,191	5,102,578
	Risk-weighted assets (amounts)					
7	Total risk-weighted assets	45,619,802	45,519,474	33,501,647	33,618,188	33,820,055
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	45,542,971	45,388,928	33,385,525	33,500,193	33,698,035
	Capital ratios					
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	14.52%	14.41%	17.70%	14.29%	14.11%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.52%	13.42%	15.79%	12.38%	12.22%
11	Tier 1 (as a percentage of risk exposure amount)	14.85%	14.74%	18.15%	14.74%	14.56%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.85%	13.75%	16.24%	12.83%	12.67%
13	Total capital (as a percentage of risk exposure amount)	17.18%	17.00%	21.18%	17.21%	17.03%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16.18%	16.02%	19.28%	15.31%	15.14%
	Leverage ratio					
15	Leverage ratio total exposure measure	139,611,596	134,751,653	88,490,504	93,226,411	88,107,072
16	Leverage ratio	4.854%	4.979%	6.870%	5.314%	5.590%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4.520%	4.636%	6.136%	4.616%	4.852%

2. Own Funds

Template EU CC1 - Composition of regulatory own funds

		(a)	(a)	(b)
		Amounts 30.06.2021	Amounts 31.12.2020	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	3,341,306	3,341,632	A
	of which ordinary shares	*3,341,306*	*3,341,632*	*A*
2	Retained earnings	1,929,239	1,770,432	B
3	Accumulated other comprehensive income (and other reserves)	809,658	693,357	C
EU-3a	Funds for general banking risk	-	-	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	-	
5	Minority interests (amount allowed in consolidated CET1)	3,627	3,802	D
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	445,278	189,120	E
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**6,529,108**	**5,998,343**	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(8,452)	(8,391)	F
8	Intangible assets (net of related tax liability) (negative amount)	(337,978)	(614,478)	G
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(7)	(54,054)	H
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	1,893	1,572	I
12	Negative amounts resulting from the calculation of expected loss amounts	-	(29,977)	
13	Any increase in equity that results from securitised assets (negative amount)	-	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(13)	3	L
15	Defined-benefit pension fund assets (negative amount)	-	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	(14,604)	(15,115)	M
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-	
EU-20b	*of which: qualifying holdings outside the financial sector (negative amount)*	-	-	
EU-20c	*of which: securitisation positions (negative amount)*	-	-	
EU-20d	*of which: free deliveries (negative amount)*	-	-	

continued: Template EU CC1 - Composition of regulatory own funds

		(a)	(a)	(b)
		Amounts 30.06.2021	Amounts 31.12.2020	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	segue: Common Equity Tier 1 (CET1) capital: regulatory adjustments			
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	-	
22	Amount exceeding the 17.65% threshold (negative amount)	-	-	
23	*of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*	-	-	
25	*of which: deferred tax assets arising from temporary differences*	-	-	
EU-25a	Losses for the current financial year (negative amount)	-	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	-	
27a	Other regulatory regulatory adjustments	455,706	650,447	N
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**96,545**	**(69,993)**	
29	**Common Equity Tier 1 (CET1) capital**	**6,625,653**	**5,928,350**	
	Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	150,000	150,000	O
31	*of which: classified as equity under applicable accounting standards*	*150,000*	*150,000*	*O*
32	*of which: classified as liabilities under applicable accounting standards*	-	-	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	601	623	P
35	*of which: instruments issued by subsidiaries subject to phase out*	-	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**150,601**	**150,623**	
	Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	-	
42a	Other regulatory adjustments to AT1 capital	-	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	-	-	
44	**Additional Tier 1 (AT1) capital**	**150,601**	**150,623**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**6,776,254**	**6,078,973**	

(*) Principally includes adjustments due to the transitional arrangements for IFRS 9 totalling Euro 468,151 thousand.

continued: Template EU CC1 - Composition of regulatory own funds

		(a)	(a)	(b)
		Amounts	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		30.06.2021	31.12.2020	
	Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	912,000	912,000	Q
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	287	
EU-47a	Amount of qualify ingitems referred to in Article 494a(2) CRR subject to phase out from T2	-	-	
EU-47b	Amount of qualify ingitems referred to in Article 494b(2) CRR subject to phase out from T2	-	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	33,967	34,471	R
49	*of which: instruments issued by subsidiaries subject to phase out*	-	-	
50	Credit risk adjustments	115,725	68,498	S
51	**Tier 2 (T2) capital before regulatory adjustments**	**1,061,692**	**1,015,256**	
	Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(103)	-	T
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	-	
EU-56b	Other regulatory adjustments to T2 capital	-	-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**(103)**	**-**	
58	**Tier 2 (T2) capital**	**1,061,589**	**1,015,256**	
59	**Total capital (TC = T1 + T2)**	**7,837,843**	**7,094,229**	
60	**Total Risk exposure amount**	**45,619,802**	**33,501,647**	
	Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	14.52%	17.70%	
62	Tier 1 capital	14.85%	18.15%	
63	Total capital	17.18%	21.18%	
64	Institution CET1 overall capital requirements	8.128%	8.128%	
65	*of which: capital conservation buffer requirement*	*2.50%*	*2.50%*	
66	*of which: countercyclical capital buffer requirement*	*0.003%*	*0.003%*	
67	*of which: systemic risk buffer requirement*	-	-	
EU-67a	*of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement*	-	-	
EU-67b	*of which: additional own funds requirements to address the risks other than the risk of excessive leverage*	*1.125%*	*1.125%*	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**5.15%**	**9.57%**	

continued: Template EU CC1Composition of regulatory own funds

		(a)	(a)	(b)
		Amounts 30.06.2021	Amounts 31.12.2020	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	180,997	191,554	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	353,444	355,100	
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	386,734	432,646	
	Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	-	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	579,937	92,968	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	115,725	68,498	
	Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	287	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	71	

The elements of Own Funds are:

- Common Equity Tier 1 - CET1;
- Additional Tier 1 - AT1;
- Tier 2 - T2.

CET1 and AT1 constitute Total Tier 1 Capital, which added to T2 leads to the determination of Own Funds.

Common Equity Tier 1 - CET1

Common Equity Tier 1 capital (CET1) is made up of positive and negative elements:

- Share capital and related share premiums;
- reserves from profits;
- positive and negative valuation reserves (from OCI);
- other reserves;
- minority interests;
- prudential filters;

- deductions.

Prudential filters are positive or negative adjustments of CET1, their purpose being to stabilise the balance sheet aggregate of reference as much as possible, reducing potential volatility. The prudential filters exclude from CET1 the valuation reserve generated by cash flow hedges and gains/losses arising from changes in the bank's own creditworthiness. CET1 also takes account of valuation adjustments on positions measured at fair value that should be considered in the context of prudent valuation.

Deductions are negative elements of CET1 such as primarily goodwill, intangible assets, except for prudently valued software assets the value of which is not negatively affected by resolution, insolvency or liquidation of the institution, deferred tax assets that rely on future profitability but do not arise from temporary differences, significant and non-significant investments in a financial sector entity and deferred tax assets that are dependent on future profitability and arise from temporary differences for amounts above certain CET1 thresholds; the excess of expected credit losses over total provisions on an aggregate basis (shortfall) for portfolios under the IRB approaches, the institution's direct, indirect and synthetic holdings of own Common Equity Tier 1 instruments, the applicable amount of insufficient coverage for non-performing exposures as required by Regulation (EU) 2019/630; and other accounting items deducted directly from CET1.

On a fully phased basis, the equity instruments listed above have to meet clearly defined requirements (art. 28 CRR):

- the instruments must be fully paid up;
- they must be classified as equity instruments for accounting purposes;
- they must have a perpetual duration, i.e. not have any maturity;
- they must not be subject to obligations in terms of remuneration;
- they must not be subject to distribution caps;
- any cancellation of distributions must not result in any kind of restriction on the issuer;
- they must be the first to absorb business losses as soon as they occur;
- they are the most subordinated instruments in the event of bankruptcy or liquidation of the entity in question;
- they must not enjoy any form of guarantee or contractual clause that can raise their level of seniority.

To date, only ordinary shares are included in the calculation of Common Equity.

Additional Tier 1 capital (AT1)

Additional Tier 1 Capital (AT1) consists of the following positive and negative elements:

- equity instruments and related share premiums;
- instruments issued by affiliates and included in AT1;
- deductions.

On a fully phased basis, the equity instruments listed above have to meet clearly defined requirements (art. 52 CRR):

- the instruments must be issued and fully paid up;
- the purchase of instruments cannot be funded by the entity, neither directly or indirectly;

- the capital receivable for these instruments is fully subordinated to the receivables of all unsubordinated creditors;
- the instruments are not hedged or covered by a guarantee that allows the receivable's ranking to be increased by the entity or its subsidiaries, parent company and any company that has close links with the entity;
- the instruments are not subject to any provision that allows the receivable's ranking to be increased in any other way;
- the instruments are perpetual;
- the provisions governing the instruments must not contain any incentive that encourages the entity to reimburse or repay the principal amount prior to maturity;
- if the instruments include one or more call or early repayment options, these may be exercised at the sole discretion of the issuer;
- the instruments cannot be repaid or repurchased or repaid in advance earlier than five years from the date of issue or assignment;
- the provisions governing the instruments must not indicate, expressly or implicitly, that they shall or may be redeemed, repurchased or repaid in advance by the entity in cases other than those of insolvency or liquidation;
- the provisions governing the instruments must not give the holder the right to accelerate future scheduled payments of interest or principal, except in the event of insolvency or liquidation;
- the level of payments of interest or dividends due on these instruments cannot be changed on the basis of the creditworthiness of the entity or its parent company.

At 30 June 2021, the AT1 category includes the convertible bond issued by BPER Banca with a nominal value of Euro 150,000,000, as well as certain instruments issued by affiliates where there are minority interests.

Tier 2 - T2

Tier 2 capital (T2) consists of the following positive and negative elements:

- equity instruments, subordinated loans and related share premiums;
- T2 instruments subject to transitional provisions ("grandfathering");
- instruments issued by affiliates and included in T2;
- general adjustments;
- deductions.

On a fully phased basis, the equity instruments listed above have to meet clearly defined requirements (art. 63 CRR):

- the instruments must be issued and fully paid up;
- the assignment of the instrument cannot be financed by the entity, neither directly nor indirectly;
- the claim on the principal amount of the instruments must rank below any claim from eligible liabilities instruments;
- the instruments cannot be hedged, nor subject to any form of guarantee;
- these instruments should not be subject to any provision that increases their credit ranking;
- the instruments must have an original maturity of at least five years;
- the provisions governing these instruments must not contain any kind of incentives that encourage the entity to reimburse or repay the principal prior to maturity;

- in the event that the instruments include in their rules one or more call or early repayment options, they can only be exercised at the discretion of the issuer;
- the provisions do not give the holder the right to accelerate future scheduled payments, except in the event of the entity's insolvency or liquidation;
- these instruments can be reimbursed, also in advance, but only in the event that the entity asks for prior authorisation from the competent authority, and not earlier than five years from the date of issue, except in the following cases:
  - the entity of reference replaces the above instruments with other instruments of Own Funds of equal or higher quality, at conditions that are sustainable considering its earning capacity,
  - the entity can demonstrate that it complies with the minimum capital requirements imposed by the regulations to the satisfaction of the competent authority.

Having reached maturity, the Group's subordinated debt subject to grandfathering is no longer included in T2 instruments as at 30 June 2021.
The following issuances were included in the Group's Tier 2 instruments: "BPER Banca Tier II 4.60% 15/12/2016-15/12/2026 Callable", "BPER Banca EMTN Tier II 5.125% 31/05/2017 - 31/05/2027 Callable" and "BPER Banca EMTN Tier II 3.625% 30/11/2020 - 30/11/2030 Callable".

Transitional arrangements
The regulatory provisions also provided for a transitional regime ("Phased In") which allowed a gradual inclusion of the provisions presented in Bank of Italy Circular no. 285/2013 Section II. Of these in 2021 there remains only the application of the grandfathering rules, which will end during the year.
According to Regulation (EU) no. 876/2019 (CRR II), the new grandfathering regime is also applicable until 28 June 2025 to Additional Tier 1 and Tier 2 instruments issued before 27 June 2019 that do not comply with the new conditions of computability (the BPER Banca Group does not have any case of this type).
On 12 December 2017, the European Parliament and the Council issued Regulation (EU) no. 2395/2017 "Transitional provisions to mitigate the impact of introducing IFRS 9 on Own Funds" which updates Regulation (EU) no. 575/2013 CRR, inserting a new article 473 *bis* "Introduction of IFRS 9", which offers banks the possibility to mitigate the impact on Own Funds in a transitional period of 5 years (from March 2018 to December 2022) by sterilizing the effect in CET1 of the change following the first application of IFRS 9 with the application of decreasing percentages over time.

The BPER Banca Group elected to apply the "static approach" to the impact arising from a reconciliation of impairment losses under IAS 39 as at 31 December 2017 to impairment losses under IFRS 9 as at 1 January 2018. On 30 January 2018, the Group formally communicated to the Supervisory Authority its decision to use the transitional regime to phase in the impact of provisions arising from the application of IFRS 9 in regulatory capital.
From 2018, the banks that elected to apply the transitional arrangements, such as the BPER Banca Group, have in any case provided information to the market about: available capital, RWAs, capital ratios and financial leverage ratio with and without application of the transitional provisions on IFRS 9 and analogous expected credit losses, as provided for by the EBA Guidelines issued on 16 January 2018.
Regulation (EU) no. 873/2020 which amended Regulations (EU) no. 575/2013 and no. 876/2019 as regards certain adjustments in response to the Covid-19 pandemic, changed the transitional formulas in art. 473 bis and also extended the transition period for a further two years. The BPER Banca Group has not made this election.

Conditions for the inclusion of interim or year-end earnings

With reference to Regulation (EU) no. 575/2013 (CRR), on 4 February 2015 the ECB issued a "Decision" published in the Official Journal of the European Union on 25 April 2015, that laid down the procedures to be followed by banks under its direct supervision (Regulation (EU) no. 468/2014) with regard to the inclusion in CET1 of interim or year-end earnings before a formal decision is taken confirming the result.
They can only be included (art. 26 CRR) with the prior approval of the competent Authority, which in this case is the ECB, and it will only give approval if the following conditions are met:

- earnings must be checked and certified by the Independent Auditors;
- the Bank must provide a specific declaration about the earnings, with particular reference to the accounting standards applied and the inclusion of foreseeable charges and dividends.

The "Decision" also provides a standard letter and certification form that the Banks have to use when asking for approval.

With regard to the above, the CET1 amount takes into account the interim profits for the period that can be included in equity, i.e. Euro 445.3 million, as determined in accordance with the process envisaged in art. 3 of ECB Decision (EU) 656/2015 dated 4 February 2015 and art. 26, para. 2, of Regulation (EU) 575/2013 (CRR).
BPER Banca received the authorisation from the ECB on 11 August 2021.

Template EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements

			a = b (*)	c
			Balance sheet as in published financial statements and under regulatory scope of consolidation	Reference to template EU CC1 - Composition of regulatory own funds
			As at period end	
		Assets – Breakdown by asset classes according to the balance sheet in the published financial statements		
1	10.	Cash and cash equivalents	664,507	
2	20.	Financial assets measured at fair value through profit or loss	1,172,039	
	a)	financial assets held for trading	317,324	
	b)	financial assets designated at fair value	125,822	
	c)	other financial assets mandatorily measured at fair value	728,893	
3	30.	Financial assets measured at fair value through other comprehensive income	6,463,827	
4	40.	Financial assets measured at amortised cost	120,120,146	
	a)	loans to banks	29,858,919	
	b)	loans to customers	90,261,227	
5	50.	Hedging derivatives	121,425	
6	70.	Equity investments	228,451	
		- goodwill included in the valuation of significant investments	22	G
7	90.	Property, plant and equipment	2,063,260	
8	100.	Intangible assets	473,051	G
		- of which: goodwill	204,392	G
9	110.	Tax assets	1,734,135	
	a)	Current	277,732	
	b)	Deferred	1,456,403	
		- DTA that rely on future profitability and do not arise from temporary differences	7	H
10	120.	Non-current assets and disposal groups classified as held for sale	99,527	
11	130.	Other assets	1,661,255	
		Total Assets	**134,801,623**	
		Liabilities – Breakdown by liability classes according to the balance sheet in the published financial statements		
12	10.	Financial liabilities at amortised cost	121,052,368	
	a)	due to banks	22,710,245	
	b)	due to customers	93,612,623	
	c)	debt securities issued	4,729,500	
		- Subordinated liabilities	912,000	Q
13	20.	Financial liabilities held for trading	138,979	
14	40.	Hedging derivatives	327,519	
15	60.	Tax liabilities	197,530	
	a)	current	116,092	
	b)	deferred	81,438	
16	70.	Liabilities associated with assets classified as held for sale	161,932	
17	80.	Other liabilities	5,218,004	
18	90.	Employee termination indemnities	204,951	
19	100.	Provisions for risks and charges	625,636	
	a)	commitments and guarantees granted	82,233	
	b)	pension and similar obligations	141,528	
	c)	other provisions for risks and charges	401,875	
		Total Liabilities	**127,926,919**	

(cont.)

			a = b (*)	c
			Balance sheet as in published financial statements and under regulatory scope of consolidation	Reference to template EU CC1 - Composition of regulatory own funds
			As at period end	
		Shareholders' equity		
20	120.	Valuation reserves	234,009	
		- Equity instruments measured at fair value through other comprehensive income	88,119	C
		- Hedging of equity instruments designated at fair value through other comprehensive income	(890)	C
		- Financial assets (other than equities) measured at fair value through other comprehensive income	29,835	C
		- Property, plant and equipment	82,469	C
		- Cash-flow hedges	(1,893)	C - I
		- Actuarial gains (losses) on defined-benefit pension plans	(146,229)	C
		- Share of the valuation reserves of equity investments carried at equity	3,228	
		- Special revaluation laws	179,370	C
22	140.	Equity instruments	150,000	O
23	150.	Reserves	2,508,116	
		- from profits	1,929,239	B
		- others	578,877	C
24	160.	Share premium reserve	1,240,871	A
25	170.	Share capital	2,100,435	A
26	180.	Treasury shares	(6,889)	M
27	190.	Minority interests	146,354	
28	200.	Profit (Loss) for the period	501,808	E
		Total Shareholders' equity	**6,874,704**	
		Other items		
29		Profit not included for dividends	(56,530)	E
30		Additional adjustments	(8,452)	F
31		Exception to the deduction of intangible assets from CET1	(135,095)	G
32		Other prudential filters	-	
33		Further adjustments on own instruments held by the institution	(7,715)	M
34		Other regulatory adjustments	455,706	N
35		Further adjustments to own instruments held by the institution	(103)	T
36		Excess	115,725	S
37		Gains or losses for change in own credit risk related to the institution's liabilities measured at fair value	(13)	L
38		Instruments issued by affiliates included in CET1	3,627	D
39		Instruments issued by affiliates included in AT1	601	P
40		Instruments issued by affiliates included in T2	33,967	R
		Total Other items	**401,718**	
		Total Own Funds	**7,837,843**	

(*) The BPER Banca Group has decided to adopt the consolidation method envisaged for prudential regulatory purposes. This approach has also been applied when determining the financial disclosures to be made, bringing the two scopes of consolidation ("for accounting purposes" and "for regulatory purposes") into line.

3. Capital requirements

3.1 Specific regulatory requirements

The Supervisory rules introduced by Bank of Italy Circular no. 285/2013 require Italian banks belonging to banking groups to fully comply with the following minimum ratios for 2021:

- CET1 ratio of 4.5%;
- Tier 1 ratio of 6%;
- Total Capital ratio of 8%.

In addition to the mandatory requirements prescribed in Regulation (EU) no. 575/2013[5], the following reserves have been added:

- Capital Conservation Buffer (CCB): this consists of Common Equity Tier 1 capital, acting as an additional requirement of 2.5% from 1 January 2021 to 31 December 2021;
- Countercyclical Capital Buffer: this is also made up of Tier 1 capital and must be accumulated in periods of economic growth against possible future losses on the basis of a specific coefficient established on a national basis. On 26 March 2021, the Bank of Italy, in its capacity as the designated authority for the adoption of macroprudential measures for the banking sector, published a document with which it set the Countercyclical Capital Buffer (CCyB) also for the second quarter of 2021 (relating to exposures to Italian counterparts) at 0%;
- Additional Reserves for so-called Global & Other Systemically Important Institutions (G-SII & O-SII): both consist of Tier 1 capital and make direct reference to entities of particular importance at a global or national level. The buffer for G-SII can vary between a minimum level of 1% and a maximum of 3.5%, whereas the one for O-SII only provides for a non-binding maximum threshold of 2%;
- Capital reserve for systemic risk: it is at least 1% of the related risk exposures and is established by each Member State; it is essentially used to mitigate the risk of non-cyclical macro-prudential long-term risk, i.e. to deal with the negative effects related to unexpected crises in the banking system.

The prudential requirements to be complied with on a consolidated basis as at 1 January 2021 are confirmed as resulting from the SREP Decision of 2020 (referred to in the ECB letter of 17 November 2020). In relation to the supervisory review and evaluation process, the ECB confirmed current capital requirements for the BPER Banca Group. Also taking into account the regulatory amendment introduced starting from 12 March 2020[6], the regulatory requirements on a consolidated basis for 2021 are as follows:

- Common Equity Tier 1 Ratio: of 8.125%, being the sum of the minimum requirement pursuant to art.92 of Regulation (EU) no. 575/2013 (4.50%), plus the additional Pillar 2 requirement in accordance with art. 16 of Regulation (EU) no. 1024/2013 (P2R component equal to 1.125%[7]), plus the capital conservation buffer in accordance with art. 129 of Directive 2013/36/EU as transposed into national law (2.50%);

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[5] *The Group does not use capital ratios calculated differently from the CRR provisions.*

[6] *In order to support supervised banks in their lending to the real economy under the extraordinary circumstances linked to the spread of the coronavirus (Covid-19), the ECB informed BPER Banca on 8 April 2020, with effect from 12 March 2020, about a new method for holding the Pillar 2 additional own funds requirement of 2%, having to be at least 56.25% of CET1 and 75% of T1.*

[7] *See previous note.*

- Total Capital Ratio: of 12.50%, being the sum of the minimum requirement pursuant to art. 92 of Regulation (EU) 575/2013 (8.00%), plus the additional Pillar 2 requirement in accordance with art. 16 of Regulation (EU) no. 1024/2013 (P2R component of 2%), plus the capital conservation buffer in accordance with art. 129 of Directive 2013/36/EU as transposed into national law (2.50%).

The Common Equity Tier 1 Ratio requirement is also influenced by the additional Countercyclical Capital Buffer requirement specified for the BPER Banca Group of 0.003% at 30 June 2021, raising the overall minimum requirement to 8.128%
In accordance with regulations for the prudential supervision of banks, failure to comply with the CET1 Ratio and Total Capital Ratio minimum requirements leads to limitations on the distribution of earnings and the need to adopt a plan for the conservation of capital.
The ECB has confirmed that the Italian Group banks and the Luxembourg bank must constantly meet the requirements for Own Funds and liquidity on the basis of Regulation (EU) no. 575/2013, of national legislation enabling Directive 2013/36/EU, and of any applicable national liquidity requirement, in compliance with Article 412 paragraph 5 of EU Regulation (EU) no. 575/2013.
Please refer to chapter 1 “General disclosure requirements” for a description of the BPER Banca Group’s key metrics and chapter 2 “Own funds” for information on their key features.

3.2 Institution specific countercyclical capital buffer

Below is the disclosure relating to the “Countercyclical Capital Buffer”, prepared on the basis of the applicable ratios at 30 June 2021 and of the Commission Implementing Regulation (EU) no. 2021/637 which supplements Regulation (EU) no. 575/2013 of the European Parliament and of the Council (the Capital Requirements Regulation or CRR) as regards the regulatory technical standards for the publication of information on the compliance of banks that are obliged to hold a countercyclical capital buffer pursuant to art. 440 of the CRR.

As set out in article 140 paragraph 1 of Directive 2013/36/EU (CRD IV), the bank's specific countercyclical buffer consists of the weighted average of the countercyclical ratios that apply in the countries where the relevant credit exposures are located. The CRD IV obliges the designated national authorities to activate an operational framework for defining the countercyclical capital buffer ratio (CCyB) from 1 January 2016.

The coefficient is subject to revision every three months. The European legislation was implemented in Italy with the Bank of Italy's Circular no. 285 which contains specific rules on CCyB. The Bank of Italy decided to maintain the countercyclical ratio (for exposures to Italian counterparties) at 0% during the second quarter of 2021. Relevant credit exposures include all exposure classes other than those referred to in art. 112, letter from a) to f), Regulation (EU) no. 575/2013. The following portfolios are *de facto* excluded: exposures to central governments or central banks; exposures to regional governments or local authorities; exposures to public sector entities; exposures to multilateral development banks; exposures to international organisations; exposures to institutions.

Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer

		a
1	Total risk exposure amount	45,619,802
2	Institution specific countercyclical capital buffer rate	0.003%
3	Institution specific countercyclical capital buffer requirement	1,460

The requirement is calculated on amounts not rounded to the nearest thousand.

With reference to 30 June 2021:
- the countercyclical capital ratios at individual country level have been set, using the methods explained above, generally at 0%, with the exception of the following countries: Norway (1%), Hong Kong (1%), the Czech Republic (0.5%), the Slovak Republic (1%), Bulgaria (0.5%) and Luxembourg (0.5%);
- at a consolidated level, BPER Banca's specific countercyclical ratio is 0.003%.

Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

		a	b	c	d	e	f
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non- trading book	Total exposure value
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models		
010	**Breakdown by country:**						
	Italy	23,196,608	61,043,824	54,193	-	915,766	85,210,391
	France	1,596,064	4,625	4,545	-	-	1,605,234
	Netherlands	654,455	1,230	11,052	-	34,138	700,875
	Germany	634,593	4,665	4,536	-	-	643,794
	United States of America	466,944	9,421	7,809	-	-	484,174
	Austria	363,435	657	-	-	-	364,092
	Canary Islands	325,132	1,440	935	-	1,895	329,402
	United Kingdom	206,583	14,818	2,282	-	-	223,683
	Sweden	218,070	179	523	-	-	218,772
	Luxembourg	193,888	8,828	1,663	-	-	204,379
	Finland	80,332	175	-	-	-	80,507
	Swiss	53,485	18,560	1,916	-	-	73,961
	Malta	69,952	138	-	-	-	70,090
	San Marino	372	60,021	-	-	-	60,393
	Denmark	55,992	268	506	-	-	56,766
	Jersey	1,814	-	47,198	-	-	49,012
	Ireland	46,293	878	244	-	-	47,415
	Belgium	41,824	3,818	830	-	-	46,472
	Japan	45,822	141	-	-	-	45,963
	Russia	33,131	2,466	-	-	-	35,597
	Poland	32,998	532	-	-	-	33,530
	Slovak Rep	31,172	209	-	-	-	31,381
	Portugal	19,621	427	-	-	104	20,152
	British Virgin Islands	17,092	-	-	-	-	17,092
	Pakistan	16,297	-	-	-	-	16,297
	Czech republic	12,662	1,015	-	-	-	13,677
	Croatia	124	11,581	-	-	-	11,705
	Belarus	10,407	-	-	-	-	10,407
	Egypt	10,092	135	-	-	-	10,227
	South Korea	9,285	18	-	-	-	9,303
	New Zealand	8,508	4	-	-	-	8,512
	Norway	7,285	162	-	-	-	7,447
	Cuba	6,272	107	-	-	-	6,379
	Uruguay	5,856	-	-	-	-	5,856
	Bangladesh	5,788	2	-	-	-	5,790

(continued)

	g	h	i	j	k	l	m
	Own fund requirements			Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book				
Italy	2,475,297	11,010	10,726	2,497,033	31,212,911	91.532%	0.0000%
France	33,354	-	-	33,354	416,930	1.239%	0.0000%
Netherlands	31,930	-	510	32,440	405,506	1.225%	0.0000%
Germany	18,571	-	-	18,571	232,139	0.694%	0.0000%
United States of America	38,445	-	-	38,445	480,560	1.436%	0.0000%
Austria	4,790	-	-	4,790	59,874	0.176%	0.0000%
Canary Islands	10,493	-	205	10,698	133,729	0.396%	0.0000%
United Kingdom	16,186	-	-	16,186	202,321	0.601%	0.0000%
Sweden	4,572	-	-	4,572	57,153	0.170%	0.0000%
Luxembourg	14,339	-	-	14,339	179,235	0.532%	0.5000%
Finland	1,287	-	-	1,287	16,087	0.047%	0.0000%
Swiss	4,809	-	-	4,809	60,108	0.182%	0.0000%
Malta	5,594	-	-	5,594	69,929	0.206%	0.0000%
San Marino	1,909	-	-	1,909	23,865	0.070%	0.0000%
Denmark	1,147	-	-	1,147	14,343	0.044%	0.0000%
Jersey	189	-	-	189	2,362	0.146%	0.0000%
Ireland	3,369	-	-	3,369	42,118	0.125%	0.0000%
Belgium	742	-	-	742	9,269	0.030%	0.0000%
Japan	4,214	-	-	4,214	52,678	0.155%	0.0000%
Russia	2,708	-	-	2,708	33,848	0.100%	0.0000%
Poland	1,171	-	-	1,171	14,640	0.043%	0.0000%
Slovak Rep	532	-	-	532	6,650	0.020%	1.0000%
Portugal	890	-	3	893	11,157	0.033%	0.0000%
British Virgin Islands	1,367	-	-	1,367	17,092	0.050%	0.0000%
Pakistan	1,210	-	-	1,210	15,123	0.045%	0.0000%
Czech republic	819	-	-	819	10,241	0.030%	0.5000%
Croatia	65	-	-	65	811	0.002%	0.0000%
Belarus	6	-	-	6	77	0.000%	0.0000%
Egypt	587	-	-	587	7,335	0.022%	0.0000%
South Korea	786	-	-	786	9,831	0.029%	0.0000%
New Zealand	688	-	-	688	8,599	0.025%	0.0000%
Norway	641	-	-	641	8,012	0.024%	1.0000%
Cuba	1	-	-	1	12	0.000%	0.0000%
Uruguay	469	-	-	469	5,856	0.017%	0.0000%
Bangladesh	145	-	-	145	1,811	0.005%	0.0000%

(continued)

		a	b	c	d	e	f
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non- trading book	Total exposure value
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models		
010	**Breakdown by country:**						
	Tunisia	5,294	201	-	-	-	5,495
	Turkey	5,047	185	-	-	-	5,232
	Cayman Islands	5,199	-	19	-	-	5,218
	Canada	2,244	2,118	455	-	-	4,817
	Dubai	4,072	-	-	-	-	4,072
	Slovenia	3,679	333	-	-	-	4,012
	Morocco	3,712	2	-	-	-	3,714
	Romania	2,087	1,565	-	-	-	3,652
	Australia	2,974	510	-	-	-	3,484
	Algeria	3,348	2	-	-	-	3,350
	China Rep. Pop.	530	2,114	-	-	-	2,644
	Israel	2,025	237	8	-	-	2,270
	Indonesia	2,216	11	-	-	-	2,227
	Vietnam	2,156	-	-	-	-	2,156
	Mexico	1,836	138	175	-	-	2,149
	Chile	2,000	101	-	-	-	2,101
	The principality of Monaco	-	1,828	-	-	-	1,828
	Taiwan	1,821	-	-	-	-	1,821
	Colombia	1,458	329	-	-	-	1,787
	Greece	1,664	6	-	-	-	1,670
	Argentina	691	940	-	-	-	1,631
	Qatar	1,209	386	-	-	-	1,595
	Ukraine	1,576	1	-	-	-	1,577
	Peru'	1,403	163	-	-	-	1,566
	Hong Kong	452	919	-	-	-	1,371
	Bulgaria	701	379	-	-	-	1,080
	Haiti	1,519	-	-	-	-	1,519
	Bosnia Herzegovina	1,286	-	-	-	-	1,286
	Panama	1,216	9	-	-	-	1,225
	Brazil	549	665	-	-	-	1,214
	Hungary	798	258	-	-	-	1,056
	India	958	9	-	-	-	967
	Macedonia	950	4	-	-	-	954
	Sri Lanka	847	-	-	-	-	847
	Other countries	81,673	3,985	-	-	-	85,658
020	**Total**	**28,627,438**	**61,207,742**	**138,889**	**0**	**951,903**	**90,925,972**

(continued)

	g	h	i	j	k	l	m
	Own fund requirements						
	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Tunisia	433	-	-	433	5,413	0.016%	0.0000%
Turkey	408	-	-	408	5,096	0.015%	0.0000%
Cayman Islands	502	-	-	502	6,274	0.019%	0.0000%
Canada	252	-	-	252	3,151	0.011%	0.0000%
Dubai	326	-	-	326	4,072	0.012%	0.0000%
Slovenia	200	-	-	200	2,500	0.007%	0.0000%
Morocco	297	-	-	297	3,714	0.011%	0.0000%
Romania	138	-	-	138	1,728	0.005%	0.0000%
Australia	348	-	-	348	4,356	0.013%	0.0000%
Algeria	268	-	-	268	3,350	0.010%	0.0000%
China Rep. Pop.	65	-	-	65	813	0.002%	0.0000%
Israel	170	-	-	170	2,126	0.006%	0.0000%
Indonesia	178	-	-	178	2,220	0.007%	0.0000%
Vietnam	172	-	-	172	2,156	0.006%	0.0000%
Mexico	148	-	-	148	1,852	0.006%	0.0000%
Chile	160	-	-	160	2,004	0.006%	0.0000%
The principality of Monaco	86	-	-	86	1,075	0.003%	0.0000%
Taiwan	151	-	-	151	1,887	0.006%	0.0000%
Colombia	121	-	-	121	1,517	0.005%	0.0000%
Greece	118	-	-	118	1,470	0.004%	0.0000%
Argentina	90	-	-	90	1,124	0.003%	0.0000%
Qatar	104	-	-	104	1,299	0.004%	0.0000%
Ukraine	112	-	-	112	1,400	0.004%	0.0000%
Peru'	114	-	-	114	1,429	0.004%	0.0000%
Hong Kong	73	-	-	73	912	0.003%	1.0000%
Bulgaria	58	-	-	58	722	0.002%	0.5000%
Haiti	122	-	-	122	1,519	0.005%	0.0000%
Bosnia Herzegovina	103	-	-	103	1,286	0.004%	0.0000%
Panama	98	-	-	98	1,220	0.004%	0.0000%
Brazil	61	-	-	61	763	0.002%	0.0000%
Hungary	50	-	-	50	626	0.002%	0.0000%
India	78	-	-	78	973	0.003%	0.0000%
Macedonia	76	-	-	76	951	0.003%	0.0000%
Sri Lanka	68	-	-	68	847	0.003%	0.0000%
Other countries	9,242	-	-	9,242	115,520	0.340%	0.0000%
Total	**2,698,312**	**11,010**	**11,444**	**2,720,766**	**34,009,577**	**100.000%**	

The individual percentages shown in the above table may not agree with the total because of roundings.

The BPER Banca Group's countercyclical capital buffer rate of 0.003% only includes exposures to countries with a non-zero countercyclical capital buffer rate; the scope of Template EU CCyB1 is limited to credit exposures relevant for the calculation of CCyB in accordance with Article 140(4) of Directive (EU) 2013/36 ("CRD").

4. Leverage

The Basel 3 prudential regulation (BCBS) introduced the leverage ratio from 1 January 2015, in order to contain the accumulation of financial leverage within the banking system, with a view to preventing the destabilisation of deleveraging processes and strengthening capital requirements with a simple supplementary parameter not based on risk.

Financial leverage ratio:

- defined as the ratio of Tier 1 capital to the total exposure of the banking group (total exposure to all assets and off-balance sheet elements not deducted from Tier 1 capital);
- expressed as a percentage, with a regulatory Pillar 1 minimum of 3% (approved by the European Parliament on 15 April 2019);
- calculated quarterly;
- monitored at both separate and banking group level.

Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		a
		Applicable amount
		30.06.2021
1	Total assets as per published financial statements	134,801,623
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	12,207
9	Adjustment for securities financing transactions (SFTs)	131,162
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	6,202,946
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	(8,452)
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	(1,527,890)
13	**Total exposure measure**	**139,611,596**

Template EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		a	b
		30.06.2021	31.03.2021
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	132,975,386	127,677,032
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(346,671)	(347,113)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**132,628,715**	**127,329,919**
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	161,567	128,405
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	133,447	107,618
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach		
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivatives exposures**	**295,014**	**236,023**
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	353,759	75,543
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	131,162	109,978
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	**484,921**	**185,521**
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	37,480,442	38,227,689
20	(Adjustments for conversion to credit equivalent amounts)	(31,277,496)	(31,227,499)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	-	-
22	**Off-balance sheet exposures**	**6,202,946**	**7,000,190**
	Excluded exposures		
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	**(Total exempted exposures)**	**-**	**-**

continued: Template EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		a	b
		30.06.2021	31.03.2021
	Capital and total exposure measure		
23	**Tier 1 capital**	**6,776,254**	**6,709,330**
24	**Total exposure measure**	**139,611,596**	**134,751,653**
	Leverage ratio		
25	Leverage ratio (%)	4.85%	4.98%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	4.85%	4.98%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	4.85%	4.98%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-
EU-26b	of which: to be made up of CET1 capital	-	-
27	Leverage ratio buffer requirement (%)	-	-
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
	Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Transitional	Transitional
	Disclosure of mean values		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	298,282	119,243
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	353,759	75,543
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	139,556,120	134,795,353
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	139,556,120	134,795,353
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.86%	4.98%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.86%	4.98%

Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		a
		CRR leverage ratio exposures
		30.06.2021
EU - 1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**132,975,386**
EU - 2	Trading book exposures	155,942
EU - 3	Banking book exposures, of which:	132,819,444
EU - 4	Covered bonds	3,444,063
EU - 5	Exposures treated as sovereigns	50,960,190
EU - 6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	619,760
EU - 7	Institutions	5,621,011
EU - 8	Secured by mortgages of immovable properties	28,449,347
EU - 9	Retail exposures	12,594,791
EU -	Corporates	22,364,713
EU - 11	Exposures in default	2,066,812
EU -	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	6,698,757

5. Liquidity risk

Liquidity Coverage Ratio (LCR)

Quantitative information on the BPER Banca Group's Liquidity Coverage Ratio (LCR), disclosed in compliance with the European regulatory framework, is provided below.
Values are calculated as the unweighted average of end-of-month observations in the twelve months preceding the end of each quarter. In the below tables the figures are shown in million euros.

Template EU LIQ1 - Quantitative information of LCR

Scope of consolidation: (solo/consolidated)		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (30 June 2021)	30.06.2021	31.03.2021	31.12.2020	30.09.2020	30.06.2021	31.03.2021	31.12.2020	30.09.2020
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	**Total high-quality liquid assets (HQLA)**					**23,664**	**19,182**	**15,877**	**14,521**
CASH OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	47,020	39,956	34,837	33,709	3,209	2,735	2,384	2,310
3	*Stable deposits*	*36,519*	*31,161*	*27,233*	*26,333*	*1,826*	*1,558*	*1,361*	*1,316*
4	*Less stable deposits*	*10,501*	*8,795*	*7,604*	*7,376*	*1,383*	*1,177*	*1,023*	*994*
5	Unsecured wholesale funding	20,261	17,905	15,972	15,566	9,768	8,637	7,564	7,327
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	*510*	*510*	*781*	*1,010*	*126*	*128*	*194*	*250*
7	*Non-operational deposits (all counterparties)*	*19,736*	*17,318*	*15,121*	*14,465*	*9,627*	*8,432*	*7,300*	*6,986*
8	*Unsecured debt*	*15*	*77*	*70*	*91*	*15*	*77*	*70*	*91*
9	Secured wholesale funding					133	102	115	148
10	Additional requirements	3,559	3,747	3,208	2,806	507	518	483	461
11	*Outflows related to derivative exposures and other collateral requirements*	*741*	*767*	*766*	*763*	*314*	*317*	*316*	*314*
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	*2,818*	*2,980*	*2,442*	*2,043*	*193*	*201*	*167*	*147*
14	Other contractual funding obligations	324	305	280	303	324	305	279	303
15	Other contingent funding obligations	24,631	21,635	20,423	21,057	749	668	640	661
16	TOTAL CASH OUTFLOWS					**14,690**	**12,965**	**11,465**	**11,210**

(continued)

Scope of consolidation: (solo/consolidated)		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (30 June 2021)	30.06.2021	31.03.2021	31.12.2020	30.09.2020	30.06.2021	31.03.2021	31.12.2020	30.09.2020
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	141	122	126	225	2	2	2	3
18	*Inflows from fully performing exposures*	*1,342*	*1,217*	*1,197*	*1,271*	*850*	*784*	*787*	*840*
19	Other cash inflows	6,623	6,496	6,604	7,013	1,393	1,347	1,351	1,443
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	8,106	7,835	7,927	8,509	2,245	2,133	2,140	2,286
EU-20a	***Fully exempt inflows***	-	-	-	-	-	-	-	-
EU-20b	***Inflows subject to 90% cap***	-	-	-	-	-	-	-	-
EU-20c	***Inflows subject to 75% cap***	*8,106*	*7,835*	*7,927*	*8,509*	*2,245*	*2,133*	*2,140*	*2,286*
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					23,664	19,182	15,877	14,521
22	TOTAL NET CASH OUTFLOWS					12,445	10,832	9,325	8,924
23	LIQUIDITY COVERAGE RATIO					188.106%	176.271%	169.659%	162.708%

Over the last 12 months, the BPER Banca Group has maintained an average LCR of 188.1%, which is significantly greater than the current minimum regulatory requirement (100%).

The average stock of total high-quality liquid assets that can be immediately converted into cash amounts to Euro 23.66 billion and consists mainly of excess central bank reserves and government bonds, which together account for 95% of the total liquidity buffer.

Net cash outflows are obtained by applying to liabilities and assets the coefficients set out in the regulatory framework or in Delegated Regulation (EU) 2015/61, reflecting the potential liquidity inflows and outflows in a combined market and idiosyncratic stress scenario.

More specifically, the main component of cash outflows includes retail deposits, wholesale funding and contingent funding obligations resulting from the use of revocable credit facilities.

The LCR trend during the quarter is primarily attributable to the upside arising from the positive commercial dynamics, especially in funding, and the contribution of the branches acquired by the Group during the first half of 2021.

Qualitative information on LCR, which complements template EU LIQ1[8]

Concentration of funding sources

Funding concentration risk may arise when sources of funding are concentrated on a limited number of counterparties, the significance of which may give rise to liquidity problems in the event of deposit withdrawal.

The BPER Banca Group operates with the objective of maintaining a diversified funding profile in terms of borrowers, products, maturities and currencies. The Group's liquidity and funding risk management provides for the regular monitoring of operational and regulatory funding concentration metrics, by type of counterparty and product.

Derivative exposures and potential collateral calls

The BPER Banca Group engages in derivative contracts with both central counterparties and third parties (OTC). The risk factors underlying these contracts may, depending on changes in market conditions, affect the Group's future derivative exposures, thereby impacting the Group's liquidity position following collateral calls in the form of cash or other liquid collateral.

The method of calculation of potential liquidity absorption, corresponding to additional collateral needs resulting from the impact of an adverse market scenario, is based on the Historical Look Back Approach, which focuses on net collateral outflows.

Currency mismatch in the LCR

Under the EU regulatory framework, an institution shall monitor and report currencies when they are material, i.e. if the foreign currency-denominated liabilities are equal to or higher than 5% of the institution's total liabilities.

The BPER Banca Group's liabilities are mainly denominated in euro, and at 30 June 2021 the Group had no exposures in foreign currencies defined as material according to EU regulatory guidelines.

Other items considered relevant for the liquidity profile

Intraday liquidity risk arises when a bank does not have sufficient funds to meet its payment and settlement obligations on a timely basis during the business day.

Intraday liquidity management therefore aims to ensure the Group's ability to meet its expected or unexpected payment and settlement obligations on an ongoing basis during its opening hours. Maintaining a sustainable funding gap between cash inflows and outflows during the day is an essential condition for the pursuit of business as usual in the banking industry.

The BPER Banca Group's intraday liquidity risk is monitored using the tools defined by the Basel Committee on Banking Supervision (BCBS - Monitoring tools for intraday liquidity management", April 2013).

To cover intraday liquidity risk, an immediately available buffer of unencumbered assets is held for the Group to meet expected and unexpected payment and settlement obligations on a timely basis.

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[8] *Information reported as per table EU LIQB, in application of Article 451a bis, paragraph (2) of CRR.*

Net Stable Funding Ratio

Quantitative information on the BPER Banca Group's Net Stable Funding Ratio (NSFR), disclosed in compliance with the European regulatory framework, is provided below.

Template EU LIQ2: Net Stable Funding Ratio

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	6,665	-	-	1,062	7,727
2	*Own funds*	*6,665*	-	-	*1,062*	*7,727*
3	*Other capital instruments*		-	-	-	-
4	Retail deposits	-	64,629	231	447	61,311
5	*Stable deposits*		*49,794*	-	-	*47,304*
6	*Less stable deposits*		*14,835*	*231*	*447*	*14,007*
7	Wholesale funding:	-	29,624	1,066	22,809	34,136
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		*29,624*	*1,066*	*22,809*	*34,136*
10	Interdependent liabilities	-	-	-	-	-
11	Other liabilities:	-	6,327	-	190	190
12	*NSFR derivative liabilities*	-				
13	*All other liabilities and capital instruments not included in the above categories*		*6,327*	-	*190*	*190*
14	**Total available stable funding (ASF)**					103,363

(continued)

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					7,170
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		216	309	10,117	9,046
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		14,837	5,074	46,032	46,133
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		*278*	*71*	*-*	*35*
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*1,591*	*119*	*43*	*262*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*9,800*	*1,232*	*11,710*	*16,816*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*11*	*35*	*426*	*701*
22	*Performing residential mortgages, of which:*		*2,933*	*3,281*	*29,186*	*24,010*
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*919*	*1,147*	*19,527*	*13,726*
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*235*	*371*	*5,093*	*5,009*
25	Interdependent assets		-	-	-	-
26	Other assets:	-	1,051	105	11,222	11,962
27	*Physical traded commodities*				*-*	*-*
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		*580*			*493*
29	*NSFR derivative assets*		*146*			*146*
30	*NSFR derivative liabilities before deduction of variation margin posted*		*255*			*13*
31	*All other assets not included in the above categories*		*70*	*105*	*11,222*	*11,310*
32	Off-balance sheet items		194	997	2,594	262
33	**Total RSF**					**74,573**
34	**Net Stable Funding Ratio (%)**					**138.607 %**

The Net Stable Funding Ratio (NSFR) is measured with a view to reporting 3 mismatches between the Company's liquid assets and liabilities. At 30 June 2021, the NSFR was 138.6% (vs. 123.7% as at 31 December 2020), broadly in excess of the regulatory threshold of 100%.

The NSFR level is mainly driven by the high share of retail deposits, which are a significantly stable source of funding, and TLTRO III operations with the ECB in the medium term.

The NSFR trend during the first half of 2021 is primarily attributable to the positive developments in funding from retail and corporate customers and the contribution of the former UBI and ISP branches acquired from the Intesa Sanpaolo Group.
As of 30 June 2021, the Net Stable Funding Ratio is calculated according to the guidance provided in Regulation (EU) 2019/876 (CRR II).

6. Credit risk: credit quality

Template EU CR1: Performing and non-performing exposures and related provisions

		a	b	c	d	e	f
		Gross carrying amount/nominal amount					
		Performing exposures			Non-performing exposures		
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3
005	Cash balances at central banks and other demand deposits	23,324,428	23,324,428	-	-	-	-
010	**Loans and advances**	**75,669,044**	**65,785,292**	**9,516,470**	**4,466,341**	**-**	**2,722,121**
020	Central banks	46,728	46,728	-	-	-	-
030	General governments	2,527,463	2,414,023	113,439	16,234	-	16,229
040	Credit institutions	1,072,601	1,071,300	1,301	-	-	-
050	Other financial corporations	3,888,184	3,738,524	118,849	171,390	-	77,290
060	Non-financial corporations	34,590,712	29,677,629	4,706,588	3,295,998	-	2,057,301
070	*of which SMEs*	20,642,713	17,369,425	3,119,853	2,909,137	-	1,882,341
080	Households	33,543,356	28,837,088	4,576,293	982,719	-	571,301
090	**Debt securities**	**25,940,746**	**25,557,153**	**151,522**	**26**	**-**	**26**
100	Central banks	-	-	-	-	-	-
110	General governments	12,837,813	12,714,655	-	-	-	-
120	Credit institutions	9,019,406	8,955,675	31,998	-	-	-
130	Other financial corporations	2,859,177	2,678,255	104,910	-	-	-
140	Non-financial corporations	1,224,350	1,208,568	14,614	26	-	26
150	**Off-balance-sheet-exposures**	**37,772,470**	**30,433,350**	**2,851,355**	**385,735**	**-**	**312,488**
160	Central banks	-	-	-	-	-	-
170	General governments	1,157,615	1,046,080	92,215	1,617	-	1,617
180	Credit institutions	1,284,974	1,083,252	-	-	-	-
190	Other financial corporations	1,472,688	1,297,898	35,248	11,409	-	11,409
200	Non-financial corporations	29,486,019	23,093,151	2,401,222	357,465	-	287,143
210	Households	4,371,174	3,912,969	322,670	15,244	-	12,319
220	**Total**	**162,706,688**	**145,100,223**	**12,519,347**	**4,852,102**	**-**	**3,034,635**

Under “Off-balance sheet exposures”, the breakdown values by stages only refer to exposures measured under IFRS9.

continued. - Template EU CR1: Performing and non-performing exposures and related provisions

		g	h	i	j	k	l	m	n	o
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	8,268	8,268	-	-	-	-	-	-	-
010	**Loans and advances**	**445,890**	**152,551**	**285,931**	**2,315,238**	**-**	**1,593,243**	**367,192**	**51,857,886**	**1,890,949**
020	Central banks	16	16	-	-	-	-	-	-	-
030	General governments	10,052	2,652	7,401	7,142	-	7,140	-	36,288	6,391
040	Credit institutions	1,538	1,535	3	-	-	-	-	8,773	-
050	Other financial corporations	12,999	6,874	5,891	129,171	-	58,947	1,885	1,063,602	32,955
060	Non-financial corporations	279,425	90,932	183,864	1,761,040	-	1,256,225	354,031	21,790,440	1,374,111
070	*of which SMEs*	180,576	57,466	119,134	1,544,203	-	1,152,047	344,139	16,375,626	1,243,869
080	Households	141,860	50,542	88,772	417,885	-	270,931	11,276	28,958,783	477,492
090	**Debt securities**	**9,730**	**9,187**	**543**	**8**	**-**	**8**	**-**	**-**	**-**
100	Central banks	-	-	-	-	-	-	-	-	-
110	General governments	3,323	3,323	-	-	-	-	-	-	-
120	Credit institutions	2,323	2,212	111	-	-	-	-	-	-
130	Other financial corporations	3,090	2,700	390	-	-	-	-	-	-
140	Non-financial corporations	994	952	42	8	-	8	-	-	-
150	**Off-balance-sheet-exposures**	**33,974**	**13,614**	**4,891**	**48,258**	**-**	**37,520**		**5,640,254**	**65,696**
160	Central banks	-	-	-	-	-	-		-	-
170	General governments	167	117	10	-	-	-		876	-
180	Credit institutions	81	-	-	-	-	-		71,555	-
190	Other financial corporations	718	556	28	711	-	711		204,307	39
200	Non-financial corporations	22,104	3,938	3,140	45,417	-	34,998		4,906,129	61,858
210	Households	10,904	9,003	1,713	2,130	-	1,811		457,387	3,799
220	**Total**	**497,862**	**183,620**	**291,365**	**2,363,504**	**-**	**1,630,771**	**367,192**	**57,498,140**	**1,956,645**

Under "Off-balance sheet exposures", the breakdown values by stages only refer to exposures measured under IFRS9.

Template EU CR1-A - Maturity of exposures

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	9,574,479	5,904,669	16,858,348	44,124,035	912,726	77,374,257
2	Debt securities	12,072	1,809,374	10,460,297	13,649,291	-	25,931,034
3	**Total**	**9,586,551**	**7,714,043**	**27,318,645**	**57,773,326**	**912,726**	**103,305,291**

Template EU CR2 - Changes in the stock of non-performing loans and advances

		a
		GROSS CARRYING AMOUNT
010	**Initial stock of non-performing loans and advances**	**4,339,126**
020	Inflows to non-performing portfolios	1,437,182
030	Outflows from non-performing portfolios	(1,309,967)
040	Outflows due to write-offs	(86,183)
050	Outflow due to other situations	(1,223,784)
060	**Final stock of non-performing loans and advances**	**4,466,341**

Outflows due to other situations mainly comprise outflows related to collections on positions other than those sold (Euro 613 million), outflows related to the disposal of UTPs (Euro 450 million) and outflows due to reclassifications (Euro 148 million).
There are no significant differences between the values reported in the template and the values that would be reported if the definition of default according to Article 178 of the CRR was applied.

Template EU CR2a - Changes in the stock of non-performing loans and advances and related net accumulated recoveries

		a	b
		GROSS CARRYING AMOUNT	RELATED NET ACCUMULATED RECOVERIES
010	**Initial stock of non-performing loans and advances**	**4,339,126**	
020	Inflows to non-performing portfolios	1,437,182	
030	Outflows from non-performing portfolios	(1,309,967)	
040	Outflow to performing portfolio	(147,876)	
050	Outflow due to loan repayment, partial or total	(612,608)	
060	Outflow due to collateral liquidations	(10,274)	3,934
070	Outflow due to taking possession of collateral	-	-
080	Outflow due to sale of instruments	(450,320)	128,911
090	Outflow due to risk transfers	-	-
100	Outflows due to write-offs	(86,183)	
110	Outflow due to other situations	(2,706)	
120	Outflow due to reclassification as held for sale	-	
130	**Final stock of non-performing loans and advances**	**4,466,341**	

There are no significant differences between the values reported in the template and the values that would be reported if the definition of default according to Article 178 of the CRR was applied.

Template EU CQ1: Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand	-	-	-	-	-	-	-	-
010	Loans and advances	1,734,883	1,412,279	1,412,279	1,412,279	(67,688)	(651,191)	2,233,903	715,401
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	*5,938*	*761*	*761*	*761*	*(111)*	*(339)*	*422*	*422*
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	*20,095*	*96,647*	*96,647*	*96,647*	*(930)*	*(68,626)*	*39,112*	*21,318*
060	*Non-financial corporations*	*1,186,405*	*1,056,310*	*1,056,310*	*1,056,310*	*(55,816)*	*(474,655)*	*1,572,391*	*548,788*
070	*Households*	*522,445*	*258,561*	*258,561*	*258,561*	*(10,831)*	*(107,571)*	*621,978*	*144,873*
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	28,372	41,345	41,345	41,345	(46)	-	11,585	2,601
100	**Total**	**1,763,255**	**1,453,624**	**1,453,624**	**1,453,624**	**(67,734)**	**(651,191)**	**2,245,488**	**718,002**

Template EU CQ2: quality of forbearance

		a
		Gross carrying amount of forborne exposures
010	Loans and advances that have been forborne more than twice	380,141
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	291,707

Template EU CQ4: Quality of non-performing exposures by geography

		a	b	c	d	e	f	g
		Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
010	**On-balance-sheet exposures**	**106,076,157**	**4,466,367**	**4,466,367**	**105,787,091**	**2,770,866**		**-**
020	Italy	89,731,325	4,380,387	4,380,387	89,493,491	2,698,951		-
030	France	3,770,639	240	240	3,740,900	796		-
040	Germany	2,227,716	310	310	2,227,716	801		-
050	Spain	1,940,509	122	122	1,938,614	684		-
060	United States of America	1,370,357	541	541	1,355,114	543		-
070	Other countries	7,035,611	84,767	84,767	7,031,256	69,091		-
080	**Off-balance-sheet exposures**	**38,158,205**	**385,735**	**385,735**			**82,232**	
090	Italy	36,893,202	380,240	380,240			81,816	
100	China	223,807	-	-			3	
110	Malta	123,767	-	-			150	
120	Russian Federation	66,536	-	-			8	
130	Turkey	65,728	-	-			10	
140	Other countries	785,165	5,495	5,495			245	
150	**TOTAL**	**144,234,362**	**4,852,102**	**4,852,102**	**105,787,091**	**2,770,866**	**82,232**	**-**

Template EU CQ5 - Credit quality of loans and advances by industry

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing	1,056,671	60,968	60,968	1,056,671	31,360	-
020	Mining and quarrying	60,405	4,284	4,284	60,405	2,260	-
030	Manufacturing	11,671,535	580,345	580,345	11,644,239	383,024	-
040	Electricity, gas, steam and air conditioning supply	823,486	49,693	49,693	823,486	35,749	-
050	Water supply	577,516	21,593	21,593	577,516	16,833	-
060	Construction	3,756,307	954,771	954,771	3,756,307	563,603	-
070	Wholesale and retail trade	6,650,265	344,571	344,571	6,647,228	238,570	-
080	Transport and storage	1,179,422	78,027	78,027	1,179,422	49,897	-
090	Accommodation and food service activities	2,040,041	276,061	276,061	2,040,041	133,457	-
100	Information and communication	532,252	18,083	18,083	532,252	12,120	-
110	Financial and insurance activities	-	-	-	-	-	-
120	Real estate activities	4,771,480	656,466	656,466	4,771,480	396,533	-
130	Professional, scientific and technical activities	1,527,121	79,920	79,920	1,527,121	59,486	-
140	Administrative and support service activities	1,909,932	64,085	64,085	1,909,932	40,561	-
150	Public administration and defense, compulsory social security	5,269	24	24	5,269	148	-
160	Education	97,336	5,166	5,166	97,336	3,782	-
170	Human health services and social work activities	578,435	51,464	51,464	578,435	45,306	-
180	Arts, entertainment and recreation	227,415	22,430	22,430	227,415	10,398	-
190	Other services	421,822	28,047	28,047	421,822	17,377	-
200	**Total**	**37,886,710**	**3,295,998**	**3,295,998**	**37,856,377**	**2,040,464**	**-**

Template EU CQ6 - Collateral valuation - loans and advances

		a	b	c	d	e
			Loans and advances			
			Performing		Non-performing	
				Of which past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days
010	Gross carrying amount	80,135,385	75,669,044	449,912	4,466,341	1,316,686
020	*of which secured*	58,355,173	54,899,198	398,478	3,455,975	1,136,360
030	*of which secured with immovable property*	35,333,342	33,167,926	148,645	2,165,416	561,581
040	*of which instruments with LTV higher than 60% and lower or equal to 80%*	4,188,537	3,942,952		245,585	58,457
050	*of which instruments with LTV higher than 80% and lower or equal to 100%*	1,039,307	897,060		142,247	22,295
060	*of which instruments with LTV higher than 100%*	1,391,086	848,607		542,479	104,785
070	Accumulated impairment for secured assets	1,882,350	351,860	4,207	1,530,490	493,750
080	Collateral					
090	*of which value capped at the value of exposure*	39,888,295	38,323,641	156,808	1,564,654	525,807
100	*of which immovable property*	33,660,981	32,419,990	142,901	1,240,991	340,967
110	*of which value above the cap*	71,576,465	66,553,112	236,767	5,023,353	1,523,842
120	*of which immovable property*	61,326,633	57,468,173	213,234	3,858,460	1,210,258
130	Financial guarantees received	13,860,541	13,534,245	19,106	326,296	102,009
140	Accumulated partial write-off	367,192	-	-	367,192	4,340

continued: Template EU CQ6 - Collateral valuation - loans and advances

		f	g	h	i	j	k	l
		Loans and advances						
		Non-performing						
		Past due > 90 days						
			Of which past due > 90 days ≤ 180 days	Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 years ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years
010	Gross carrying amount	3,149,655	250,530	297,116	589,635	813,431	273,960	924,983
020	*of which secured*	2,319,615	192,901	235,159	461,366	580,976	198,179	651,034
030	*of which secured with immovable property*	1,603,835	130,640	174,092	312,567	360,892	133,500	492,144
040	*of which instruments with LTV higher than 60% and lower or equal to 80%*	187,128						
050	*of which instruments with LTV higher than 80% and lower or equal to 100%*	119,952						
060	*of which instruments with LTV higher than 100%*	437,694						
070	Accumulated impairment for secured assets	1,036,740	65,970	82,299	202,166	247,151	98,410	340,744
080	Collateral							
090	*of which value capped at the value of exposure*	1,038,847	99,107	133,985	214,434	269,728	82,684	238,909
100	*of which immovable property*	900,024	82,373	115,830	176,271	221,710	74,277	229,563
110	*of which value above the cap*	3,499,511	372,236	501,318	694,409	828,491	306,106	796,951
120	*of which immovable property*	2,648,202	314,188	388,112	575,049	605,873	198,847	566,133
130	Financial guarantees received	224,287	24,007	17,839	39,072	58,955	16,726	67,688
140	Accumulated partial write-off	362,852	3,317	6,694	57,381	88,097	45,319	162,044

Template EU CQ7: Collateral obtained by taking possession and execution processes

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	-	-
020	Other than PP&E	74,913	(27,960)
030	Residential immovable property	-	-
040	Commercial Immovable property	74,913	(27,960)
050	Movable property (auto, shipping, etc.)	-	-
060	Equity and debt instruments	-	-
070	Other collateral	-	-
080	**Total**	**74,913**	**(27,960)**

Template EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown

		a	b	c	d	e	f
		Debt balance reduction		Total collateral obtained by taking possession			
						Foreclosed ≤ 2 years	
		Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010	Collateral obtained by taking possession classified as PP&E	-	-	-	-		
020	Collateral obtained by taking possession other than that classified as PP&E	74,913	(27,960)	74,913	(27,960)	74,913	(27,960)
030	Residential immovable property	-	-	-	-	-	-
040	Commercial immovable property	74,913	(27,960)	74,913	(27,960)	74,913	(27,960)
050	Movable property (auto, shipping, etc.)	-	-	-	-	-	-
060	Equity and debt instruments	-	-	-	-	-	-
070	Other collateral	-	-	-	-	-	-
080	**Total**	**74,913**	**(27,960)**	**74,913**	**(27,960)**	**74,913**	**(27,960)**

continued: Template EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown

		g	h	i	j	k	l
		Total collateral obtained by taking possession					
		Foreclosed > 2 years ≤ 5 years		Foreclosed > 5 years		Of which non-current assets held-for-sale	
		Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010	Collateral obtained by taking possession classified as PP&E						
020	Collateral obtained by taking possession other than that classified as PP&E	-	-	-	-	-	-
030	Residential immovable property	-	-	-	-	-	-
040	Commercial immovable property	-	-	-	-	-	-
050	Movable property (auto, shipping, etc.)	-	-	-	-	-	-
060	Equity and debt instruments	-	-	-	-	-	-
070	Other collateral	-	-	-	-	-	-
080	**Total**	**-**	**-**	**-**	**-**	**-**	**-**

The change in the general and sectoral macroeconomic situation starting in the second quarter of 2020 has required banks to update their measurements of credit risk. This parameter has, in fact, been heavily affected by uncertainties linked to the spread of the Covid-19 pandemic and the related containment measures, as well as by the scale and duration of public support measures.

The emergency has also required the BPER Banca Group to govern the impacts on credit risk and on the balance sheet assessments connected to it.

In this regard, the Parent Company has carried out analyses to identify the best methods of intervention on the credit risk measurement and forecasting systems, aligning them with the current context and trying to avoid being excessively pro-cyclical in the definition of collective provisions, as indicated by the Regulators, among others (especially ESMA and ECB).

The BPER Banca Group has implemented the various instructions issued by the Italian government (including the suspension of loan instalment payments - the "Covid-19 moratoria") and affirmed its commitment to supporting business and retail customers, at the same time identifying the best methods of recognition and presentation of these measures in the financial statements, in accordance with its accounting policies and instructions from the Regulators.

With regard to the information on legislative and non-legislative moratoria relating to loan repayments applied in light of the Covid-19 crisis, the information required by the EBA Guidelines 2020/07 is provided below.

Template 1: Information on loans and advances subject to legislative and non-legislative moratoria

	Gross carrying amount						
		Performing			Non performing		
			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days
Loans and advances subject to moratorium	**398,417**	**394,187**	**21,869**	**201,912**	**4,230**	**2,473**	**4,192**
of which: Households	*193,041*	*190,469*	*12,334*	*116,270*	*2,572*	*1,063*	*2,534*
- of which: Collateralised by residential immovable property	*168,385*	*166,170*	*11,403*	*106,148*	*2,215*	*999*	*2,181*
of which: Non-financial corporations	*204,779*	*203,223*	*9,535*	*85,202*	*1,556*	*1,409*	*1,556*
- of which: Small and Medium-sized Enterprises	*184,861*	*183,305*	*4,024*	*77,913*	*1,556*	*1,409*	*1,556*
- of which: Collateralised by commercial immovable property	*142,041*	*141,672*	*2,364*	*61,023*	*369*	*369*	*369*

(continued)

	Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
		Performing			Non performing			
			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
Loans and advances subject to moratorium	**(6,857)**	**(5,304)**	**(486)**	**(4,693)**	**(1,553)**	**(931)**	**(1,519)**	**777**
of which: Households	*(3,315)*	*(2,387)*	*(196)*	*(2,214)*	*(928)*	*(389)*	*(894)*	*610*
- of which: Collateralised by residential immovable property	*(2,938)*	*(2,105)*	*(179)*	*(1,982)*	*(833)*	*(372)*	*(800)*	*385*
of which: Non-financial corporations	*(3,488)*	*(2,904)*	*(290)*	*(2,467)*	*(584)*	*(542)*	*(584)*	*167*
- of which: Small and Medium-sized Enterprises	*(3,290)*	*(2,706)*	*(171)*	*(2,294)*	*(584)*	*(542)*	*(584)*	*167*
- of which: Collateralised by commercial immovable property	*(2,165)*	*(1,921)*	*(76)*	*(1,648)*	*(244)*	*(244)*	*(244)*	-

Template 2: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

	Number of obligors	Gross carrying amount							
			Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
					<= 3 months	> 3 months	> 6 months	> 9 months	> 1 year
Loans and advances for which moratorium was offered	84,848	15,008,492							
Loans and advances subject to moratorium (granted)	84,475	14,950,126	13,229,912	14,551,709	136,196	105,515	143,066	10,089	3,551
of which: Households		*5,600,227*	*4,335,070*	*5,407,186*	*109,581*	*58,336*	*24,192*	*868*	*64*
- *of which: Collateralised by residential immovable property*		*4,242,824*	*3,157,385*	*4,074,439*	*98,550*	*53,406*	*15,663*	*766*	-
of which: Non-financial corporations		*9,023,958*	*8,706,613*	*8,819,179*	*26,276*	*47,024*	*118,772*	*9,220*	*3,487*
- *of which: Small and Medium-sized Enterprises*		*6,979,039*	*6,696,576*	*6,794,178*	*20,692*	*45,882*	*105,679*	*9,121*	*3,487*
-*of which: Collateralised by commercial immovable property*		*4,045,126*	*3,804,228*	*3,903,085*	*14,372*	*34,810*	*82,947*	*8,073*	*1,839*

Template 3: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

	Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
		of which: forborne	Public guarantees received	Inflows to non-performing exposures
Newly originated loans and advances subject to public guarantee schemes	6,325,961	58,724	4,149,430	17,868
of which: Households	*1,095,336*			*2,486*
- *of which: Collateralised by residential immovable property*	*30*			-
of which: Non-financial corporations	*5,185,789*	*56,460*	*3,361,110*	*15,352*
- *of which: Small and Medium-sized Enterprises*	*3,954,040*			*10,673*
-*of which: Collateralised by commercial immovable property*	*504*			-

7. Credit risk mitigation techniques

Template EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	49,710,979	53,748,835	39,888,294	13,860,541	-
2	Debt securities	25,940,773	-	-	-	
3	**Total**	**75,651,752**	**53,748,835**	**39,888,294**	**13,860,541**	**-**
4	Of which non-performing exposures	*2,575,419*	*1,890,949*	*1,564,653*	*326,296*	-
EU-5	Of which defaulted	-	-			

A significant increase in loans and advances was registered compared to 31 December 2020, mainly as a result of the acquisition of the going concern from the Intesa Sanpaolo Group. Specifically, unsecured and secured loans were up 67.6% and 51.3%, respectively.

8. Credit risk: disclosure of the Standardised (STD) approach

Template EU CR4 – Standardised approach – Credit risk exposure and CRM effects

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	38,279,442	90	48,414,027	29,550	2,069,167	4.27%
2	Regional government or local authorities	808,353	564,587	833,889	125,556	86,269	8.99%
3	Public sector entities	557,701	558,719	564,208	119,809	394,059	57.61%
4	Multilateral development banks	1,222,908	-	1,292,507	2,509	2,451	0.19%
5	International organisations	409,800	-	409,800	-	-	-
6	Institutions	8,283,825	986,834	6,714,882	87,464	2,457,140	36.12%
7	Corporates	12,587,944	4,356,475	8,124,515	550,351	7,583,323	87.42%
8	Retail	5,335,347	2,850,409	1,951,818	91,863	1,325,841	64.88%
9	Secured by mortgages on immovable	3,798,737	4,648	3,798,737	2,252	1,568,951	41.28%
10	Exposures in default	769,000	48,547	687,065	16,258	789,253	112.22%
11	Exposures associated with particularly high risk	85,315	33,276	85,277	15,337	150,921	150.00%
12	Covered bonds	3,444,144	-	3,444,144	-	662,830	19.25%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	534,077	-	534,077	-	806,214	150.96%
15	Equity	362,999	-	362,999	-	601,604	165.73%
16	Other items	842,144	-	842,144	-	680,203	80.77%
17	**TOTAL**	**77,321,736**	**9,403,585**	**78,060,089**	**1,040,949**	**19,178,226**	**24.25%**

Template EU CR5 – standardised approach

	Exposure classes	Risk weight								
		0%	2%	4%	10%	20%	35%	50%	70%	75%
		a	b	c	d	e	f	g	h	i
1	Central governments or central banks	46,769,767	-	-	-	161,583	-	110,953	-	-
2	Regional government or local authorities	526,090	-	-	-	433,355	-	-	-	-
3	Public sector entities	257,833	-	-	-	32,883	-	9,614	-	-
4	Multilateral development banks	1,282,761	-	-	-	12,255	-	-	-	-
5	International	409,800	-	-	-	-	-	-	-	-
6	Institutions	-	2,973	-	-	5,681,801	-	176,826	-	-
7	Corporates	45,530	-	-	-	109,761	-	1,377,151	80,102	-
8	Retail exposures	-	-	-	-	-	-	-	-	2,043,681
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	2,141,324	1,369,370	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	2,454,867	257,651	-	731,626	-	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	47,247	-	-	-	26,962	-	3,485	-	1,799
15	Equity exposures	-	-	-	-	-	-	-	-	-
16	Other items	128,985	-	-	-	41,195	-	-	-	-
17	**TOTAL**	**49,468,013**	**2,973**	**-**	**2,454,867**	**6,757,446**	**2,141,324**	**3,779,025**	**80,102**	**2,045,480**

continued: Template EU CR5 – standardised approach

	Exposure classes	Risk weight 100%	150%	250%	370%	1250%	Others	Total	Of which unrated
		j	k	l	m	n	o	p	q
1	Central governments or central banks	1,014,539	-	386,735	-	-	-	48,443,577	34,657,082
2	Regional government or local authorities	-	-	-	-	-	-	959,445	541,361
3	Public sector entities	383,687	-	-	-	-	-	684,017	282,318
4	Multilateral development banks	-	-	-	-	-	-	1,295,016	143,637
5	International organisations	-	-	-	-	-	-	409,800	-
6	Institutions	746,372	-	194,374	-	-	-	6,802,346	4,342,087
7	Corporates	6,963,367	98,955	-	-	-	-	8,674,866	4,887,112
8	Retail exposures	-	-	-	-	-	-	2,043,681	2,025,956
9	Exposures secured by mortgages on immovable property	290,295	-	-	-	-	-	3,800,989	3,392,639
10	Exposures in default	531,464	171,859	-	-	-	-	703,323	675,380
11	Exposures associated with particularly high risk	-	100,614	-	-	-	-	100,614	75,781
12	Covered bonds	-	-	-	-	-	-	3,444,144	1,872,609
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	230,433	129,516	-	23,771	9,241	61,623	534,077	114,965
15	Equity exposures	203,929	-	159,070	-	-	-	362,999	291,755
16	Other items	671,964	-	-	-	-	-	842,144	841,533
17	TOTAL	11,036,050	500,944	740,179	23,771	9,241	61,623	79,101,038	54,144,215

Pursuant to Article 444(e), the exposure values deducted from Own Funds are presented in the EU CC1 template.

9. Credit risk: disclosure of the IRB approach

Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors
	a	b	c	d	e	f	g
Exposures to corporates - SME	0.00 to < 0.15	75,202	78,853	10.25%	83,385	0.09%	1,701
	0.00 to < 0.10	38,796	20,047	19.52%	42,778	0.07%	950
	0.10 to < 0.15	36,406	58,806	7.09%	40,607	0.12%	751
	0.15 to < 0.25	1,027,965	2,296,959	6.55%	1,178,480	0.16%	5,199
	0.25 to < 0.50	1,096,755	1,683,949	6.85%	1,212,152	0.39%	5,198
	0.50 to < 0.75	248,790	152,264	11.96%	267,071	0.72%	1,656
	0.75 to < 2.50	4,236,856	3,426,579	7.82%	4,504,947	1.52%	11,574
	0.75 to < 1.75	2,911,077	2,698,397	7.73%	3,119,702	1.14%	10,437
	1.75 to < 2.5	1,325,780	728,182	8.16%	1,385,245	2.38%	1,137
	2.50 to < 10.00	1,790,719	643,145	8.81%	1,847,423	5.34%	7,747
	2.5 to < 5	932,459	358,919	9.42%	966,318	3.76%	5,799
	5 to < 10	858,260	284,226	8.03%	881,105	7.08%	1,948
	10.00 to < 100.00	362,614	70,366	9.28%	369,161	18.81%	969
	10 to < 20	239,683	38,520	9.94%	243,520	13.48%	595
	20 to < 30	95,444	21,840	10.96%	97,842	23.60%	211
	30.00 to < 100.00	27,486	10,005	3.04%	27,799	48.57%	163
	100.00 (Default)	1,858,464	125,537	39.78%	1,908,413	100.00%	1,590
	Subtotal	**10,697,365**	**8,477,652**	**7.94%**	**11,371,032**	**2.59%**	**35,634**

A-IRB	PD range	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	h	i	j	k	l	m
Exposures to corporates - SME	0.00 to < 0.15	22.31%	2.89	11,234	13.47%	52	(28)
	0.00 to < 0.10	19.64%	3.32	4,866	11.38%	14	(11)
	0.10 to < 0.15	25.12%	2.44	6,368	15.68%	38	(16)
	0.15 to < 0.25	32.21%	1.97	273,605	23.22%	1,886	(513)
	0.25 to < 0.50	30.84%	2.17	406,706	33.55%	3,126	(858)
	0.50 to < 0.75	24.04%	3.29	89,705	33.59%	745	(354)
	0.75 to < 2.50	29.28%	2.48	1,955,525	43.41%	21,381	(18,926)
	0.75 to < 1.75	29.78%	2.30	1,295,041	41.51%	12,874	(7,831)
	1.75 to < 2.5	28.17%	2.90	660,484	47.68%	8,508	(11,094)
	2.50 to < 10.00	27.41%	3.04	952,618	51.57%	18,855	(41,594)
	2.5 to < 5	27.54%	2.89	482,756	49.96%	8,036	(13,631)
	5 to < 10	27.28%	3.20	469,862	53.33%	10,819	(27,963)
	10.00 to < 100.00	25.08%	3.23	233,543	63.26%	10,459	(27,388)
	10 to < 20	24.91%	3.15	137,398	56.42%	4,418	(17,452)
	20 to < 30	25.74%	3.34	74,151	75.79%	3,841	(8,548)
	30.00 to < 100.00	24.20%	3.44	21,993	79.11%	2,201	(1,388)
	100.00 (Default)	54.65%	1.79	285,904	14.98%	989,699	(1,226,090)
	Subtotal	**33.39%**	**2.42**	**4,208,840**	**37.01%**	**1,046,203**	**(1,315,751)**

continued Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors
	a	b	c	d	e	f	g
Exposures to corporates - Other	0.00 to < 0.15	982,398	4,116,658	11.95%	1,474,515	0.06%	710
	0.00 to < 0.10	975,550	4,106,568	11.96%	1,466,749	0.06%	592
	0.10 to < 0.15	6,848	10,089	9.04%	7,766	0.13%	118
	0.15 to < 0.25	1,696,118	3,637,142	11.06%	2,098,412	0.20%	1,179
	0.25 to < 0.50	238,297	374,034	10.43%	277,298	0.39%	596
	0.50 to < 0.75	1,853,418	2,549,697	10.73%	2,127,082	0.54%	727
	0.75 to < 2.50	2,718,608	2,278,038	11.04%	2,970,031	1.40%	1,858
	0.75 to < 1.75	2,308,078	2,081,792	10.87%	2,534,280	1.23%	1,711
	1.75 to < 2.5	410,530	196,247	12.85%	435,752	2.39%	147
	2.50 to < 10.00	1,441,621	1,327,091	10.78%	1,584,664	4.33%	1,439
	2.5 to < 5	918,423	823,824	10.69%	1,006,482	3.10%	1,025
	5 to < 10	523,198	503,268	10.92%	578,182	6.47%	414
	10.00 to < 100.00	232,364	219,277	11.76%	258,152	19.33%	286
	10 to < 20	179,260	168,511	13.68%	202,320	13.58%	159
	20 to < 30	6,749	2,390	19.96%	7,226	23.56%	24
	30.00 to < 100.00	46,355	48,376	4.65%	48,605	42.61%	103
	100.00 (Default)	357,634	137,909	22.28%	388,358	100.00%	228
	Subtotal	**9,520,458**	**14,639,846**	**11.33%**	**11,178,512**	**1.65%**	**7,023**

A-IRB	PD range	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	h	i	j	k	l	m
Exposures to corporates - Other	0.00 to < 0.15	35.21%	1.69	645,708	43.79%	3,023	(1,673)
	0.00 to < 0.10	35.27%	1.69	644,220	43.92%	3,020	(1,671)
	0.10 to < 0.15	22.23%	1.92	1,489	19.17%	4	(2)
	0.15 to < 0.25	35.59%	1.65	912,599	43.49%	3,766	(4,508)
	0.25 to < 0.50	33.61%	2.00	141,410	51.00%	602	(185)
	0.50 to < 0.75	34.90%	1.80	1,201,535	56.49%	5,206	(3,460)
	0.75 to < 2.50	33.19%	2.06	2,086,247	70.24%	12,806	(12,862)
	0.75 to < 1.75	33.84%	1.86	1,748,466	68.99%	10,245	(10,152)
	1.75 to < 2.5	29.39%	3.20	337,781	77.52%	2,561	(2,710)
	2.50 to < 10.00	31.94%	2.39	1,410,301	89.00%	16,100	(35,462)
	2.5 to < 5	32.94%	2.19	871,444	86.58%	8,326	(13,000)
	5 to < 10	30.19%	2.75	538,856	93.20%	7,773	(22,463)
	10.00 to < 100.00	30.97%	2.24	327,165	126.73%	11,236	(17,043)
	10 to < 20	30.01%	2.08	241,132	119.18%	5,810	(14,401)
	20 to < 30	36.64%	2.84	12,044	166.68%	378	(516)
	30.00 to < 100.00	34.17%	2.80	73,988	152.22%	5,048	(2,126)
	100.00 (Default)	53.87%	2.12	52,365	13.48%	196,925	(235,375)
	Subtotal	**34.73%**	**1.94**	**6,777,330**	**60.63%**	**249,664**	**(310,568)**

continued Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors
	a	b	c	d	e	f	g
Exposures to retail - secured by immovable property SME	0.00 to < 0.15	32,325	346	19.36%	32,392	0.10%	963
	0.00 to < 0.10	13,786	56	50.00%	13,814	0.07%	504
	0.10 to < 0.15	18,540	290	13.42%	18,579	0.12%	459
	0.15 to < 0.25	650,162	1,954	17.62%	650,506	0.24%	7,342
	0.25 to < 0.50	609,285	1,019	33.09%	609,622	0.45%	8,163
	0.50 to < 0.75	818,210	742	32.98%	818,455	0.66%	10,685
	0.75 to < 2.50	1,135,297	4,219	38.90%	1,136,938	1.42%	13,956
	0.75 to < 1.75	687,180	2,150	50.73%	688,270	1.07%	9,052
	1.75 to < 2.5	448,117	2,070	26.61%	448,668	1.96%	4,904
	2.50 to < 10.00	603,401	8,503	88.60%	610,935	4.63%	7,342
	2.5 to < 5	356,085	2,391	71.86%	357,803	3.35%	4,751
	5 to < 10	247,316	6,112	95.15%	253,132	6.44%	2,591
	10.00 to < 100.00	148,407	1,207	92.36%	149,521	17.93%	2,051
	10 to < 20	111,825	1,206	92.41%	112,939	12.66%	1,469
	20 to < 30	20,593	-	35.30%	20,593	24.83%	327
	30.00 to < 100.00	15,989	1	35.30%	15,989	46.33%	255
	100.00 (Default)	405,290	506	85.02%	405,720	100.00%	3,648
	Subtotal	**4,402,377**	**18,496**	**63.33%**	**4,414,089**	**2.02%**	**54,150**

A-IRB	PD range	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	h	i	j	k	l	m
Exposures to retail - secured by immovable property SME	0.00 to < 0.15	18.89%	-	3,043	9.39%	49	(13)
	0.00 to < 0.10	16.87%	-	1,071	7.75%	18	(5)
	0.10 to < 0.15	20.40%	-	1,972	10.61%	30	(7)
	0.15 to < 0.25	13.71%	-	73,778	11.34%	996	(370)
	0.25 to < 0.50	14.18%	-	74,625	12.24%	908	(565)
	0.50 to < 0.75	14.31%	-	143,059	17.48%	2,190	(2,153)
	0.75 to < 2.50	16.23%	-	248,875	21.89%	3,562	(4,241)
	0.75 to < 1.75	15.21%	-	135,172	19.64%	1,873	(1,829)
	1.75 to < 2.5	17.79%	-	113,703	25.34%	1,689	(2,412)
	2.50 to < 10.00	19.44%	-	195,646	32.02%	3,590	(10,148)
	2.5 to < 5	18.79%	-	106,746	29.83%	1,778	(3,556)
	5 to < 10	20.37%	-	88,900	35.12%	1,812	(6,592)
	10.00 to < 100.00	18.43%	-	75,346	50.39%	3,067	(8,631)
	10 to < 20	18.69%	-	51,524	45.62%	1,409	(5,363)
	20 to < 30	18.56%	-	13,800	67.01%	644	(1,685)
	30.00 to < 100.00	16.44%	-	10,021	62.67%	1,013	(1,582)
	100.00 (Default)	41.81%	-	90,534	22.31%	142,929	(220,959)
	Subtotal	**18.11%**	**-**	**904,906**	**20.50%**	**157,291**	**(247,080)**

continued Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors
	a	b	c	d	e	f	g
Exposures to retail - secured by immovable property non SME	0.00 to < 0.15	4,997,831	654	53.73%	4,998,182	0.09%	60,749
	0.00 to < 0.10	3,078,480	384	21.16%	3,078,561	0.06%	35,604
	0.10 to < 0.15	1,919,351	270	100.00%	1,919,621	0.13%	25,145
	0.15 to < 0.25	2,660,152	151	62.65%	2,660,246	0.23%	34,922
	0.25 to < 0.50	2,451,836	79	78.39%	2,451,898	0.39%	31,448
	0.50 to < 0.75	4,523,619	329	33.11%	4,523,728	0.71%	59,552
	0.75 to < 2.50	3,352,543	2,673	88.09%	3,354,898	1.39%	37,393
	0.75 to < 1.75	2,081,967	1,962	95.63%	2,083,844	1.09%	23,469
	1.75 to < 2.5	1,270,575	711	67.30%	1,271,054	1.88%	13,924
	2.50 to < 10.00	1,397,814	2,108	92.55%	1,399,765	4.14%	15,811
	2.5 to < 5	977,223	272	68.86%	977,410	3.37%	11,118
	5 to < 10	420,592	1,836	96.06%	422,355	5.93%	4,693
	10.00 to < 100.00	364,558	188	27.24%	364,610	16.24%	4,550
	10 to < 20	296,217	188	27.24%	296,268	11.80%	3,722
	20 to < 30	34,902	-	-	34,902	25.35%	421
	30.00 to < 100.00	33,439	-	-	33,439	46.11%	407
	100.00 (Default)	384,988	12	47.17%	384,993	100.00%	4,662
	Subtotal	**20,133,341**	**6,194**	**80.39%**	**20,138,320**	**1.09%**	**249,087**

A-IRB	PD range	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	h	i	j	k	l	m
Exposures to retail - secured by immovable property non SME	0.00 to < 0.15	12.58%	-	287,638	5.76%	2,485	(1,088)
	0.00 to < 0.10	12.63%	-	163,627	5.32%	1,463	(554)
	0.10 to < 0.15	12.51%	-	124,010	6.46%	1,022	(534)
	0.15 to < 0.25	12.70%	-	278,307	10.46%	2,638	(1,462)
	0.25 to < 0.50	12.35%	-	257,108	10.49%	2,095	(2,511)
	0.50 to < 0.75	11.97%	-	619,555	13.70%	5,469	(16,552)
	0.75 to < 2.50	11.69%	-	553,033	16.48%	5,685	(16,466)
	0.75 to < 1.75	11.89%	-	322,765	15.49%	3,304	(7,384)
	1.75 to < 2.5	11.37%	-	230,268	18.12%	2,381	(9,168)
	2.50 to < 10.00	11.34%	-	305,704	21.84%	3,772	(20,925)
	2.5 to < 5	11.52%	-	204,993	20.97%	2,394	(11,269)
	5 to < 10	10.91%	-	100,711	23.85%	1,378	(9,657)
	10.00 to < 100.00	11.57%	-	125,712	34.48%	3,339	(19,008)
	10 to < 20	11.63%	-	98,093	33.11%	1,939	(13,504)
	20 to < 30	11.18%	-	14,478	41.48%	523	(2,598)
	30.00 to < 100.00	11.47%	-	13,140	39.30%	878	(2,906)
	100.00 (Default)	18.72%	-	126,973	32.98%	74,499	(190,078)
	Subtotal	**12.30%**	**-**	**2,554,030**	**12.68%**	**99,982**	**(268,090)**

continued Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

Exposures to retail - Other SME

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors
	a	b	c	d	e	f	g
Exposures to retail - Other SME	0.00 to < 0.15	138,995	486,713	14.41%	209,436	0.11%	10,755
	0.00 to < 0.10	43,960	118,985	26.24%	75,406	0.08%	6,811
	0.10 to < 0.15	95,035	367,728	10.59%	134,030	0.12%	3,944
	0.15 to < 0.25	197,486	188,241	30.84%	256,443	0.24%	19,209
	0.25 to < 0.50	254,947	502,728	20.13%	357,289	0.44%	28,994
	0.50 to < 0.75	250,698	181,420	36.61%	318,734	0.66%	36,755
	0.75 to < 2.50	1,006,621	1,434,229	23.91%	1,353,035	1.40%	117,455
	0.75 to < 1.75	587,989	874,963	25.00%	809,288	1.04%	81,929
	1.75 to < 2.5	418,632	559,266	22.21%	543,747	1.92%	35,526
	2.50 to < 10.00	715,976	707,221	25.79%	899,841	4.50%	68,799
	2.5 to < 5	434,348	471,327	27.60%	565,458	3.33%	45,693
	5 to < 10	281,628	235,894	22.17%	334,384	6.48%	23,106
	10.00 to < 100.00	130,769	61,418	26.07%	147,572	17.90%	24,566
	10 to < 20	103,654	51,821	25.62%	117,387	13.27%	15,689
	20 to < 30	13,770	5,014	28.87%	15,356	24.98%	3,835
	30.00 to < 100.00	13,345	4,583	28.08%	14,829	47.18%	5,042
	100.00 (Default)	509,097	63,348	50.17%	541,832	100.00%	21,877
	Subtotal	**3,204,589**	**3,625,318**	**23.97%**	**4,084,182**	**2.55%**	**328,410**

A-IRB	PD range	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	h	i	j	k	l	m
Exposures to retail - Other SME	0.00 to < 0.15	34.11%	-	28,286	13.51%	502	(103)
	0.00 to < 0.10	33.70%	-	8,982	11.91%	166	(40)
	0.10 to < 0.15	34.35%	-	19,304	14.40%	336	(63)
	0.15 to < 0.25	22.64%	-	35,139	13.70%	578	(125)
	0.25 to < 0.50	28.85%	-	69,555	19.47%	1,084	(312)
	0.50 to < 0.75	25.04%	-	68,326	21.44%	1,123	(424)
	0.75 to < 2.50	29.66%	-	374,876	27.71%	7,554	(4,248)
	0.75 to < 1.75	29.64%	-	214,199	26.47%	3,991	(1,905)
	1.75 to < 2.5	29.69%	-	160,676	29.55%	3,564	(2,343)
	2.50 to < 10.00	30.86%	-	289,591	32.18%	9,649	(13,099)
	2.5 to < 5	30.90%	-	181,725	32.14%	5,167	(5,500)
	5 to < 10	30.79%	-	107,865	32.26%	4,482	(7,600)
	10.00 to < 100.00	30.34%	-	61,426	41.62%	5,822	(9,220)
	10 to < 20	30.06%	-	44,364	37.79%	3,096	(5,807)
	20 to < 30	31.33%	-	8,240	53.66%	934	(1,584)
	30.00 to < 100.00	31.54%	-	8,822	59.49%	1,792	(1,828)
	100.00 (Default)	70.58%	-	66,677	12.31%	381,531	(352,353)
	Subtotal	**34.73%**	**-**	**993,876**	**24.34%**	**407,843**	**(379,884)**

continued Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors
	a	b	c	d	e	f	g
Exposures to retail - Other non SME	0.00 to < 0.15	888,966	393,001	67.06%	1,163,276	0.09%	154,228
	0.00 to < 0.10	496,460	249,186	67.78%	671,297	0.06%	83,567
	0.10 to < 0.15	392,506	143,815	65.81%	491,979	0.13%	70,661
	0.15 to < 0.25	575,887	193,288	72.49%	721,467	0.23%	105,841
	0.25 to < 0.50	678,749	205,197	65.29%	818,776	0.39%	124,054
	0.50 to < 0.75	638,977	131,347	62.73%	729,259	0.71%	109,995
	0.75 to < 2.50	1,542,470	219,977	65.52%	1,674,441	1.41%	149,901
	0.75 to < 1.75	906,494	116,810	63.48%	984,312	1.07%	89,568
	1.75 to < 2.5	635,976	103,167	67.84%	709,034	1.89%	60,333
	2.50 to < 10.00	774,402	121,904	69.77%	862,799	4.33%	82,766
	2.5 to < 5	499,022	87,553	68.88%	561,518	3.35%	54,390
	5 to < 10	275,381	34,351	72.05%	301,281	6.16%	28,376
	10.00 to < 100.00	211,650	15,675	66.52%	223,919	22.18%	63,670
	10 to < 20	136,114	14,479	67.69%	146,922	11.96%	36,750
	20 to < 30	15,008	851	51.11%	15,598	25.24%	7,934
	30.00 to < 100.00	60,527	346	55.40%	61,400	45.86%	18,986
	100.00 (Default)	191,332	5,312	62.05%	195,610	100.00%	22,438
	Subtotal	**5,502,433**	**1,285,701**	**67.12%**	**6,389,547**	**1.96%**	**812,893**

A-IRB	PD range	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	h	i	j	k	l	m
Exposures to retail - Other non SME	0.00 to < 0.15	14.28%	-	89,146	7.66%	1,400	(349)
	0.00 to < 0.10	13.71%	-	46,525	6.93%	789	(157)
	0.10 to < 0.15	15.06%	-	42,621	8.66%	611	(192)
	0.15 to < 0.25	15.37%	-	91,754	12.72%	1,388	(488)
	0.25 to < 0.50	15.30%	-	120,504	14.72%	1,860	(873)
	0.50 to < 0.75	14.86%	-	131,562	18.04%	1,873	(1,189)
	0.75 to < 2.50	14.52%	-	329,413	19.67%	5,518	(8,210)
	0.75 to < 1.75	14.68%	-	187,304	19.03%	2,963	(3,439)
	1.75 to < 2.5	14.31%	-	142,110	20.04%	2,555	(4,772)
	2.50 to < 10.00	14.28%	-	178,641	20.71%	4,038	(12,487)
	2.5 to < 5	14.19%	-	115,637	20.59%	2,438	(5,828)
	5 to < 10	14.46%	-	63,005	20.91%	1,600	(6,660)
	10.00 to < 100.00	16.54%	-	69,450	31.02%	6,339	(9,711)
	10 to < 20	15.60%	-	35,116	23.90%	1,362	(6,490)
	20 to < 30	17.81%	-	4,506	28.89%	314	(1,312)
	30.00 to < 100.00	18.47%	-	29,828	48.58%	4,663	(1,910)
	100.00 (Default)	32.89%	-	28,483	14.56%	72,505	(93,977)
	Subtotal	**15.31%**	**-**	**1,038,953**	**16.26%**	**94,921**	**(127,284)**

continued Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

A-IRB	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors
	b	c	d	e	f	g
Total AIRB	53,460,563	28,053,207	14.54%	57,575,682		1,487,197

A-IRB	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	h	i	j	k	l	m
Total AIRB		2.18	16,477,935	28.62%	2,055,904	(2,648,657)

The part of the table relating to Exposures to retail – secured by immovable property SME, Exposures to corporates – Specialised lending, Exposures to institutions and Exposures to Central governments or central banks is not reported, as these itmes do not apply.
The % amounts reported in column k were calculated on amounts in thousand euros.

To ensure a like-for-like comparison between the data shown above and amounts for prior periods, as presented in the Public Disclosure as at 31 December 2020, the trends and main changes occurring in the half-year period for the BPER Banca Group are shown net of the exposures relating to the UBI Banca and Intesa Sanpaolo business units acquired, which contributed higher EAD (Euro 19.1 billion and Euro 1.2 billion, respectively) and RWAs (Euro 6.1 billion and Euro 0.3 billion, respectively).
Overall, exposures treated under the advanced approach reflect an increase in EAD (Euro 0.6 billion) and RWAs (Euro 0.3 billion) mainly due to the following dynamics:

- increase in Retail exposures (EAD Euro 1.1 billion) concentrated in the ‘secured by immovable property’ portfolio (EAD Euro 0.76 billion);
- drop in Corporate loans (EAD Euro -0.51 billion), including as a result of the bulk sale of non-performing loans completed in the first half of the year.

With reference to the risk profile of performing exposures, the average PD was substantially stable (1.70% to 1.69%), with values remaining in alignment even when including former UBI Banca and Intesa Sanpaolo portfolios in the measurement (average PD 1.73%).

Template EU CR7 – IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques

		Pre-credit derivatives risk weighted exposure amount	Actual risk weighted exposure amount
		a	b
1	**Exposures under F-IRB**	**-**	**-**
2	Central governments and central banks	-	-
3	Institutions	-	-
4	Corporates	-	-
4.1	of which Corporates - SMEs	-	-
4.2	of which Corporates - Specialised lending	-	-
5	**Exposures under A-IRB**	**16,711,338**	**16,711,351**
6	Central governments and central banks	-	-
7	Institutions	-	-
8	Corporates	11,219,586	11,219,586
8.1	of which Corporates - SMEs	*4,208,840*	*4,208,840*
8.2	of which Corporates - Specialised lending	*233,416*	*233,416*
9	Retail	5,491,752	5,491,765
9.1	of which Retail – SMEs - Secured by immovable property collateral	*904,906*	*904,906*
9.2	of which Retail – non-SMEs - Secured by immovable property collateral	*2,554,030*	*2,554,030*
9.3	of which Retail – Qualifying revolving	-	-
9.4	of which Retail – SMEs - Other	*993,876*	*993,876*
9.5	of which Retail – Non-SMEs- Other	*1,038,940*	*1,038,953*
10	**TOTAL (including F-IRB exposures and A-IRB exposures)**	**16,711,338**	**16,711,351**

Template EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques

A-IRB			Credit risk Mitigation techniques				
			Funded credit Protection (FCP)				
		Total exposures	Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)
		a	b	c	d	e	f
1	Central governments and central banks	-	-	-	-	-	-
2	Institutions	-	-	-	-	-	-
3	Corporates	22,711,250	1.53%	19.55%	19.55%	-	-
3.1	*of which Corporates – SMEs*	*11,371,032*	*1.65%*	*28.57%*	*28.57%*	-	-
3.2	*of which Corporates – Specialised lending*	*161,705*	-	-	-	-	-
3.3	*of which Corporates – Other*	*11,178,513*	*1.43%*	*10.66%*	*10.66%*	-	-
4	Retail	35,045,043	0.67%	61.26%	61.26%	-	-
4.1	*Of which Retail – Immovable property SMEs*	*4,414,090*	-	*92.57%*	*92.57%*	-	-
4.2	*Of which Retail – Immovable property non-SMEs*	*20,138,320*	-	*86.32%*	*86.32%*	-	-
4.3	*of which Retail – Qualifying revolving*	-	-	-	-	-	-
4.4	*of which Retail – Other SMEs*	*4,084,182*	*3.39%*	-	-	-	-
4.5	*of which Retail – Other non-SMEs*	*6,408,451*	*1.52%*	-	-	-	-
5	**Total**	**57,756,293**	**1.01%**	**44.86%**	**44.86%**	**-**	**-**

continued: Template EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques

A-IRB		Credit risk Mitigation techniques						Credit risk Mitigation methods in the calculation of RWEAs	
		Funded credit Protection (FCP)				Unfunded credit Protection (UFCP)			
		Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
		g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	-	-	-	-
2	Institutions	-	-	-	-	-	-	-	-
3	Corporates	-	-	-	-	-	-	11,733,295	11,219,586
3.1	of which Corporates – SMEs	-	-	-	-	-	-	4,587,753	4,208,840
3.2	*of which Corporates – Specialised lending*	-	-	-	-	-	-	*233,416*	*233,416*
3.3	of which Corporates – Other	-	-	-	-	-	-	6,912,126	6,777,330
4	Retail	-	-	-	-	-	-	6,172,543	5,491,765
4.1	*Of which Retail – Immovable property SMEs*	-	-	-	-	-	-	*940,818*	*904,906*
4.2	*Of which Retail – Immovable property non-SMEs*	-	-	-	-	-	-	*2,951,504*	*2,554,030*
4.3	*of which Retail – Qualifying revolving*	-	-	-	-	-	-	-	-
4.4	*of which Retail – Other SMEs*	-	-	-	-	-	-	*1,016,159*	*993,876*
4.5	*of which Retail – Other non-SMEs*	-	-	-	-	-	-	*1,264,062*	*1,038,953*
5	**Total**	**-**	**-**	**-**	**-**	**-**	**-**	**17,905,838**	**16,711,351**

The table above shows the application of Credit Risk Mitigation (CRM) techniques to exposures treated under the internal models (A-IRB approach). 56.5% of the total exposure treated under the A-IRB approach (EUR 57.76 billion) is covered by guarantees, most of which immovable property (44.9%).

More specifically, Retail exposures (approximately Euro 35 billion) are 61.3% covered by real estate guarantees concentrated on portfolios of exposures secured by immovable properties to individuals and SMEs (86.32% and 92.57% coverage, respectively).

Corporate exposures (Euro 22.7 billion) are 19.55% covered by real estate guarantees.

Credit Risk Mitigation techniques with substitution effects on the exposure (guarantees) apply to 10.63% of A-IRB exposures, respectively with a coverage of 13.16% and 6.72% for the Retail and Corporate portfolios and an overall positive impact of Euro -1.2 billion in RWAs.

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

		Quarter closing as at 30.06.2021
		Risk weighted exposure amount
		a
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**19,111,061**
2	Asset size (+/-)	108,743
3	Asset quality (+/-)	(193,439)
4	Model updates (+/-)	-
5	Methodology and policy (+/-)	-
6	Acquisitions and disposals (+/-)	261,128
7	Foreign exchange movements (+/-)	-
8	Other (+/-)	-
9	**Risk weighted exposure amount as at the end of the reporting period**	**19,287,493**

Template EU CR10 – Specialised lending and equity exposures under the simple riskweighted approach

Template EU CR10.1

Specialised lending : Project finance (Slotting approach)								
Regulatory categories	Remaining maturity	On-balancesheet exposure	Off-balancesheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		a	b	c	d	e	f
Category 1	Less than 2.5 years	-	-	50%	-	-	-
	Equal to or more than 2.5 years	-	-	70%	-	-	-
Category 2	Less than 2.5 years	-	-	70%	-	-	-
	Equal to or more than 2.5 years	-	-	90%	-	-	-
Category 3	Less than 2.5 years	-	2,817	115%	563	534	16
	Equal to or more than 2.5 years	40,338	6,979	115%	43,827	45,211	1,227
Category 4	Less than 2.5 years	2,632	3,359	250%	4,312	9,095	345
	Equal to or more than 2.5 years	69,936	403	250%	70,137	163,439	5,084
Category 5	Less than 2.5 years	1,655	300	-	1,955	-	926
	Equal to or more than 2.5 years	27,749	-	-	27,749	-	13,825
Total	**Less than 2.5 years**	**4,287**	**6,476**		**6,830**	**9,629**	**1,286**
	Equal to or more than 2.5 years	**138,023**	**7,382**		**141,713**	**208,650**	**20,136**

Template EU CR10.2

Specialised lending : Income-producing real estate and high volatility commercial real estate (Slotting approach)

Regulatory categories	Remaining maturity	On-balancesheet exposure	Off-balancesheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		a	b	c	d	e	f
Category 1	Less than 2.5 years	-	-	50%	-	-	-
	Equal to or more than 2.5 years	-	-	70%	-	-	-
Category 2	Less than 2.5 years	-	-	70%	-	-	-
	Equal to or more than 2.5 years	-	-	90%	-	-	-
Category 3	Less than 2.5 years	10,839	4,645	115%	13,162	15,136	369
	Equal to or more than 2.5 years	-	-	115%	-	-	-
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	-	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	**Less than 2.5 years**	**10,839**	**4,645**		**13,162**	**15,136**	**369**
	Equal to or more than 2.5 years	**-**	**-**		**-**	**-**	**-**

10. Exposure to counterparty credit risk

Template EU CCR1 - Analysis of CCR exposure by approach

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	65	2,657		1.4	3,811	3,811	3,811	3,811
1	SA-CCR (for derivatives)	117,003	90,780		1.4	290,907	290,907	290,907	229,661
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	*Of which securities financing transactions netting sets*			-		-	-	-	-
2b	*Of which derivatives and long settlement transactions netting sets*			-		-	-	-	-
2c	*Of which from contractual cross-product netting sets*			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					3,866,006	4,067,207	331,081	117,827
5	VaR for SFTs					-	-	-	-
6	**Total**					**4,160,723**	**4,361,925**	**625,798**	**351,298**

The amounts reported in the row referring to the simplified standardised approach (EU 2) are fully attributable to a subsidiary whose on- and off-balance sheet derivative business totalled less than EUR 1.3 million as at 30 June.

Template EU CCR2 – Transactions subject to own funds requirements for CVA risk

		a	b
		Exposure value	RWEA
1	Total transactions subject to the Advanced method	-	-
2	(i) VaR component (including the 3× multiplier)		-
3	(ii) stressed VaR component (including the 3× multiplier)		-
4	Transactions subject to the Standardised method	91,991	138,323
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5	**Total transactions subject to own funds requirements for CVA risk**	**91,991**	**138,323**

Template EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

	Exposure classes	Risk weight					
		a	b	c	d	e	f
		0%	2%	4%	10%	20%	50%
1	Central governments or central banks	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	-	6,522	-	-	319,699	44,751
7	Corporates	-	-	-	-	-	3,306
8	Retail	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
10	Other items	-	-	-	-	3,398	-
11	**Total exposure value**	**-**	**6,522**	**-**	**-**	**323,097**	**48,057**

continued: Template EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

	Exposure classes	Risk weight					
		g	h	i	j	k	l
		70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	-	-	321	-	-	371,293
7	Corporates	-	-	247,142	1,844	-	252,292
8	Retail	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
10	Other items	-	-	3,042	8,734	4,842	20,016
11	**Total exposure value**	**-**	**-**	**250,505**	**10,578**	**4,842**	**643,601**

Template EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale is not applicable to the BPER Banca Group as at 30 June 2021.

Template EU CCR5 – Composition of collateral for CCR exposures

		a	b	c	d	e	f	g	h
	Collateral type	Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	-	-	906,147	-	-	-	-
2	Cash – other currencies	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	347,791	-	20,157
4	Other sovereign debt	-	-	-	-	-	-	-	1,235,625
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	222,965
7	Equity securities	-	-	-	-	-	4,748	-	-
8	Other collateral	-	-	-	-	-	-	-	2,271,346
9	**Total**	**-**	**-**	**-**	**906,147**	**-**	**352,540**	**-**	**3,750,093**

Template EU CCR6 – Credit derivatives exposures

		a	b
		Protection bought	Protection sold
		30.06.2021	30.06.2021
	Notionals		
1	Single-name credit default swaps	-	-
2	Index credit default swaps	30,000	-
3	Total return swaps	-	-
4	Credit options	-	-
5	Other credit derivatives	-	-
6	**Total notionals**	**30,000**	**-**
	Fair values		
7	Positive fair value (asset)	-	-
8	Negative fair value (liability)	683	-

Template EU CCR8 - Exposures to CCPs

		a	b
		Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**255**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	6,522	130
3	*(i) OTC derivatives*	*297*	*6*
4	*(ii) Exchange-traded derivatives*	*-*	*-*
5	*(iii) SFTs*	*6,225*	*124*
6	*(iv) Netting sets where cross-product netting has been approved*	*-*	*-*
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	102	125
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**		**-**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	*(i) OTC derivatives*	*-*	*-*
14	*(ii) Exchange-traded derivatives*	*-*	*-*
15	*(iii) SFTs*	*-*	*-*
16	*(iv) Netting sets where cross-product netting has been approved*	*-*	*-*
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

11. Exposures to securitisation positions

Template EU-SEC1 - Securitisation exposures in the non-trading book

		a	b	c	d	e	f	g
		Institution acts as originator						
		Traditional				Synthetic		Sub-total
		STS		Non-STS				
			of which SRT		of which SRT		of which SRT	
1	**Total exposures**	**-**	**-**	**16,261**	**16,261**	**-**	**-**	**16,261**
2	**Retail (total)**	**-**	**-**	**16,261**	**16,261**	**-**	**-**	**16,261**
3	Residential mortgage	-	-	5,031	5,031	-	-	5,031
4	Credit card	-	-	-	-	-	-	-
5	Other retail exposures	-	-	11,230	11,230	-	-	11,230
6	Re-securitisation	-	-	-	-	-	-	-
7	**Wholesale (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8	Loans to corporates	-	-	-	-	-	-	-
9	Commercial mortgage	-	-	-	-	-	-	-
10	Lease and receivables	-	-	-	-	-	-	-
11	Other wholesale	-	-	-	-	-	-	-
12	Re-securitisation	-	-	-	-	-	-	-

continued: Template EU-SEC1 - Securitisation exposures in the non-trading book

		h	i	j	k	l	m	n	o
		Institution acts as sponsor				Institution acts as investor			
		Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS	Non-STS			STS	Non-STS		
1	**Total exposures**	**-**	**-**	**-**	**-**	**-**	**82,146**	**-**	**82,146**
2	**Retail (total)**	**-**	**-**	**-**	**-**	**-**	**82,146**	**-**	**82,146**
3	Residential mortgage	-	-	-	-	-	-	-	-
4	Credit card	-	-	-	-	-	-	-	-
5	Other retail exposures	-	-	-	-	-	82,146	-	82,146
6	Re-securitisation	-	-	-	-	-	-	-	-
7	**Wholesale (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8	Loans to corporates	-	-	-	-	-	-	-	-
9	Commercial mortgage	-	-	-	-	-	-	-	-
10	Lease and receivables	-	-	-	-	-	-	-	-
11	Other wholesale	-	-	-	-	-	-	-	-
12	Re-securitisation	-	-	-	-	-	-	-	-

As part of traditional securitisations, the BPER Banca Group has not planned any Asset Backed Commercial Paper (ABCP) programmes.

Template EU SEC2 – "Securitisation exposures in the non-trading book" is not applicable to the BPER Banca Group as at 30 June 2021.

Template EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

		a	b	c	d	e	f	g	h	i
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)			
		≤20 % RW	>20% TO 50% RW	>50% TO 100% RW	>100% TO <1250% RW	1250% RW/ DEDUCTIONS	SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW/ DEDUCTIONS
1	**Total exposures**	**-**	**167**	**8,550**	**1,765**	**5,779**	**-**	**993**	**9,489**	**5,779**
2	**Traditional transactions**	-	167	8,550	1,765	5,779	-	993	9,489	5,779
3	Securitisation	-	167	8,550	1,765	5,779	-	993	9,489	5,779
4	Retail underlying	-	167	8,550	1,765	5,779	-	993	9,489	5,779
5	*of which STS*	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-
7	*of which STS*	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-
9	**Synthetic transactions**	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-

continued:Template EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

		j	k	l	m	n	o	EU-p	EU-q
		RWEA (by regulatory approach)				Capital charge after cap			
		SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW/ DEDUCTIONS	SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW/ DEDUCTIONS
1	**Total exposures**	**-**	**2,950**	**14,600**	**72,242**	**-**	**236**	**848**	**5,779**
2	**Traditional transactions**	**-**	**2,950**	**14,600**	**72,242**	**-**	**236**	**848**	**5,779**
3	Securitisation	-	2,950	14,600	72,242	-	236	848	5,779
4	Retail underlying	-	2,950	14,600	72,242	-	236	848	5,779
5	*of which STS*	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-
7	*of which STS*	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-
9	**Synthetic transactions**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10	Securitisation	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-

Template EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

		a	b	c	d	e	f	g	h	i
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)			
		≤20 % RW	>20% TO 50% RW	>50% TO 100% RW	>100% TO <1250% RW	1250% RW/ DEDUCTIONS	SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW/ DEDUCTIONS
1	**Total exposures**	**14,736**	**19,957**	**-**	**46,402**	**1,050**	**-**	**36,588**	**45,557**	**-**
2	**Retail (total)**	**14,736**	**19,957**	**-**	**46,402**	**1,050**	**-**	**36,588**	**45,557**	**-**
3	Securitisation	14,736	19,957	-	46,402	1,050	-	36,588	45,557	-
4	Retail underlying	14,736	19,957	-	46,402	1,050	-	36,588	45,557	-
5	*Of which STS*	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-
7	*Of which STS*	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-
9	**Wholesale (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10	Securitisation	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-

continued: Template EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

		j	k	l	m	n	o	EU-p	EU-q
		RWEA (by regulatory approach)				Capital charge after cap			
		SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW/ DEDUCTIONS	SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW/ DEDUCTIONS
1	**Total exposures**	**-**	**9,165**	**366,884**	**-**	**-**	**733**	**3,527**	**-**
2	**Retail (total)**	**-**	**9,165**	**366,884**	**-**	**-**	**733**	**3,527**	**-**
3	Securitisation	-	9,165	366,884	-	-	733	3,527	-
4	Retail underlying	-	9,165	366,884	-	-	733	3,527	-
5	*Of which STS*	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-
7	*Of which STS*	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-
9	**Wholesale (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10	Securitisation	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-

Template EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
			Of which exposures in default	
1	**Total exposures**	**4,684,599**	**4,418,366**	**-**
2	**Retail (total)**	**4,684,599**	**4,418,366**	**-**
3	Residential mortgage	394,757	137,850	-
4	Credit card	-	-	-
5	Other retail exposures	4,289,842	4,280,516	-
6	Re-securitisation	-	-	-
7	**Wholesale (total)**	**-**	**-**	**-**
8	Loans to corporates	-	-	-
9	Commercial mortgage	-	-	-
10	Lease and receivables	-	-	-
11	Other wholesale	-	-	-
12	Re-securitisation	-	-	-

12. Market risk

Template EU MR1 - Market risk under the standardised approach

		a
		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	628,614
2	Equity risk (general and specific)	54,861
3	Foreign exchange risk	-
4	Commodity risk	263
	Options	
5	Simplified approach	-
6	Delta-plus approach	91,992
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	**Total**	**775,730**

13. Exposures to interest rate risk on positions not held in the trading book

Interest rate risk in the Banking Book represents the potential impact of unexpected changes in market rates on the economic value of shareholders' equity value and on the Group's earnings.

The table below illustrates the changes in the economic value of equity calculated under the six supervisory shock scenarios defined by the EBA (Parallel shock up, Parallel shock down, Steepener shock, Flattener shock, Short rates shock up and Short rates shock down) and displays the changes in net interest income as calculated under the two prudential shock scenarios (Parallel shock up and Parallel shock down).

Template EU IRRBB1 - Interest rate risks of non-trading book activities

(in millions)

		a	b	c	d
	Supervisory shock scenarios	Changes of the economic value of equity		Changes of the net interest income	
		30.06.2021	31.12.2020	30.06.2021	31.12.2020
1	Parallel up	76.70		106.84	
2	Parallel down	323.35		(0.44)	
3	Steepener	524.66			
4	Flattener	(596.09)			
5	Short rates up	(465.63)			
6	Short rates down	205.44			

The exposure to interest rate risk can be analysed into:

- refinancing or reinvestment risk;
- earnings risk.

Refinancing (or reinvestment) risk is presented as part of the *Analysis of changes in the economic value of equity* and arises when the six shock scenarios defined in the EBA Guidelines are applied[9]; it represents the risk of adverse changes in the value of all assets, liabilities and off-balance sheet items held by the Group as a result of unexpected changes in interest rates, with a consequent impact on the balance sheet.
This risk is measured using sensitivity analysis techniques, by calculating changes in the net present value of all assets and liabilities sensitive to a possible interest rate change; specifically, the present value is applied to all maturing and repricing cash flows (interest and/or principal) and by excluding commercial margins and/or liquidity spreads from the interest portion.

Earnings risk is presented as part of the *Analysis of changes in net interest income* and arises when the two scenarios defined in the EBA Guidelines are applied[10]; earnings risk is the risk of experiencing a reduction in net interest income as a result of an unexpected change in interest rates, i.e. reductions in the net flow of interest paid and received during the time horizon analysed.

[9] *EBA/GL/2018/02 of 19 July 2018.*
[10] *See previous note.*

This risk is measured using Maturity Gap techniques, through a modelling approach that uses an observation horizon of 1 year and applies assumptions in which volumes maturing or repricing during the year will be again originated at the same conditions as the maturing instruments (constant balance sheet).

As part of the two afore-mentioned interest rate risk scenarios, specific treatment is envisaged for maturing or repricing items that are not contractually fixed, which is consistent with the risk management model defined by the Group and in particular:

- credit and debit current and savings accounts and demand deposits are reported with a risk profile that is consistent with the behavioural maturity (a.k.a. the '*Demand Items Model*') resulting from the application of a statistical behavioural model that recognises the persistence of these items (and hence their specific liquidity profile) along with an 'empirical indexing' rule (and hence a specific elasticity of customer rates to changes in market rates);
- loans to customers are reported with a risk profile that is consistent with the behavioural maturity (a.k.a. the '*Prepayment Model*') resulting from the application of a statistical behavioural model to estimate the probability of survival / loan prepayment rate based on the analysis of financial incentives and the characteristics of individual borrowers;
- non-performing exposures are reported with a repricing profile that is consistent with the parameters obtained from the credit risk models. A maturity profile equal to the average recovery time for each vintage class is applied to bad loans. In the case of UTPs and past due positions, the original maturity profile is applied to the performing component (corresponding to the portion which the long-term cure rate is applied to), whereas the average recovery time for the relevant class is applied to the estimated non-performing component (corresponding to the portion, net of LGD, which the long-term danger rate is applied to);
- no modelling of equity is envisaged as part of the '*Economic Value of Equity' analysis*.

14. Operational risk

Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

		a	b	c	d	e
		RELEVANT INDICATOR				
	Banking activities	Year-3	Year-2	Last year	Own funds requirements	Risk exposure amount
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	3,509,322	3,446,624	3,396,616	457,888	5,723,603
3	Subject to TSA:	3,509,322	3,446,624	3,396,616		
4	Subject to ASA:	-	-	-		
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

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

The undersigned

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

of BPER Banca S.p.A.,

ATTEST

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

Modena, 13 September 2021

Chief Executive Officer
Piero Luigi Montani

Manager responsible for preparing the Company's financial report
Marco Bonfatti

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

The Manager responsible for preparing the Company's financial reports, Marco Bonfatti, certifies pursuant to para. 2 of art. 154-bis of Decree 58/1998 (Consolidated Financial Law) that the accounting information contained in this document "Public Disclosures as at 30 June 2021 – Pillar 3" agrees with the underlying accounting entries, records and documentation.

Modena, 13 September 2021

The Manager responsible for preparing the
Company's financial reports

Marco Bonfatti