

BPER ID

Identity Card

AUGUST 2023

BPER:
Gruppo



Results as at 30 June 2023



- 1H23 CONSOLIDATED NET PROFIT OF € 704.6 MLN
- CORE REVENUES OF € 2,540.6 MLN: SIGNIFICANT GROWTH IN NET INTEREST INCOME TO € 1,545.0 MLN; NET COMMISSION INCOME OF € 995.6 MLN
- IMPROVED OPERATIONAL EFFICIENCY, COST INCOME RATIO OF 51.3%, DOWN FROM 64.3% IN JUNE 2022
- CREDIT QUALITY WITH NPE RATIO OF 2.7% GROSS AND 1.1% NET; TOTAL NPE COVERAGE INCREASED TO 59.6% VS. 57.1% AT END-2022
- PRO-FORMA CET1 RATIO OF 14.0% WELL ABOVE SREP REQUIREMENT (8.5%); HIGH LIQUIDITY POSITION WITH LCR AT 157.1% AND NSFR AT 126.1%

The macroeconomic environment in the half-year just ended was characterised by economic activity returning to growth in the first quarter and remaining broadly stable in the second quarter with inflation slowing down, though still quite high. Against this backdrop, our first half results, posting a net profit for the period of € 704.6 million, are a source of particular satisfaction for the Group: the commercial and organisational effort expended has made it possible for us to deliver positive operating income and excellent profitability. Operating income totalling € 2,652.3 million reflected superior performance up 48.4% as compared to the first half of 2022, primarily on the back of a steep acceleration in net interest income and a solid resilience of net commissions.

Credit quality is further improving, with still very low default rates and the NPE ratio settling at 2.7% gross (1.1% net), down since the end of 2022, and non-performing loan coverage settling at approximately 60%. The positive trend in the Bank's derisking process continued, with two UTP portfolio disposals completed in April and May for an overall gross claimed amount of approximately € 900 million, allowing for a further reduction of non-performing loans. Financial results are matched by excellent capitalisation levels: the Bank's capital and liquidity profiles continue to be strong thanks to the organic generation of capital which drives the pro-forma CET1 ratio to 14.0%, well above the 8.5% current minimum SREP requirement. The same applies to the Bank's liquidity position, with regulatory ratios being broadly in excess of the minimum thresholds required.

The better-than-expected improvement in the macroeconomic outlook and interest rates, combined with our excellent business performance, allow us to upgrade our KPI guidance for 2023, with an expected net recurring profits of approximately € 1.1 billion. Ongoing progress is being made in incorporating ESG issues into the Bank's core business. Of major importance is the effort made by the Bank to contribute to the ecological transition and the creation of a more sustainable, equitable and inclusive society. The pursuit of the challenging objectives of the Business Plan was a source of great satisfaction with reduced environmental impact and management of diversities. I would finally like to recall that the Bank showed utmost attention and closeness to the families and businesses hard hit by the bad weather in Emilia-Romagna with extraordinary assistance and funding, and with the launch of a fundraising campaign, open to all of the Bank's customers and employees, in favour of the Italian Red Cross engaged in managing the emergency caused by the heavy floods.

Aware of the uncertainties of a complex macroeconomic environment, we face the rest of the year with confidence, firm in the belief that we will be able to consolidate the profitability levels achieved so far to the benefit of all stakeholders, thanks to the progress made in revenue generation, sound capital and liquidity position and robust credit quality".

Piero Luigi Montani Chief Executive Officer

HIGHLIGHTS
AT 30.06.2023

Income Statement (€/mln)	2Q23	1Q23	Chg. %	Balance Sheet (€/bn)	2Q23	1Q23	Chg. %
Net Interest Income	818,9	726,0	+12,8%	Net Customer Loans	89,1	91,2	-2,3%
Net commission income	489,5	506,1	-3,3%	Total Assets	143,1	152,3	-6,0%
Operating income	1.333,9	1.318,4	+1,2%	Direct Deposits	113,7	114,8	-1,0%
Net operating income	649,8	642,6	+1,1%	Indirect Deposits	166,0	163,2	+1,7%
Profit before tax	533,3	387,6	+37,6%	Net Equity	8,5	7,9	+6,9%
Profitability Ratios	30.06.23	Capital and Liquidity Ratios	30.06.23	Asset Quality Ratios	30.06.23		
Cost to income ratio ¹	51,3%	CET1 Ratio - Fully Phased ²	14,0%	Gross NPE ratio	2,7%		
ROTE ³	20,0%	Liquidity Coverage Ratio (LCR)	157,1%	Net NPE ratio	1,1%		
ROE ⁴	19,9%	Net Stable Fund Ratio (NSFR)	126,1%	Cost of risk annualised	61 bps		

¹ The Cost to income ratio is calculated on the basis of the reclassified income statement (operating costs/operating income); when calculated on the basis of the schedules provided by the 8th update of Bank of Italy Circular no. 262, the Cost to income ratio is 55.05% (69.33% at 30 June 2022 as per the Consolidated interim report as at 30 June 2022).

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

³ ROTE is calculated as the ratio of annualised net profit for the period to the Group's average shareholders' equity (i) including net profit for the period, stripped of the portion allocated to dividends then annualised and (ii) excluding intangible assets and equity instruments.

⁴ ROA is calculated as the ratio of annualised net profit for the period (including net profit for the period pertaining to minority interests) and total assets.



Key events



FEBRUARY

- BPER finalises the sale to Banco Desio of two carve-outs consisting of branches owned by BPER Banca and Banco di Sardegna

MARCH

- Publication of the resolution approving the merger by absorption of BPER Credit Management S.C.p.A. into BPER Banca S.p.A.

APRIL

- Fitch upgrades BPER Banca's rating to "BBB-" Investment grade
- UTP portfolio disposal finalised for a total claimed amount of approx. € 470 mln

MAY

- UTP portfolio disposal finalised for a total claimed amount of approximately € 430 mln
- Plan for the merger by absorption of Optima S.p.A SIM into Banca Cesare Ponti S.p.A

JULY

- DBRS Morningstar confirms all ratings of BPER Banca

AUGUST

- After joining the NZBA, BPER Banca defined the first decarbonisation targets for its portfolios in some priority sectors



Structure of the Group as at 30 June 2023



COMMERCIAL BANKS	GROUP MAIN SUBSIDIARIES		STRATEGIC SHAREHOLDINGS
BPER Banca (Parent company)	Asset Management	Product factories	Arca Vita
Banco di Sardegna	Optima Sim	BPER Leasing	Alba Leasing
Banca Cesare Ponti	ARCA Fondi SGR	BPER Factor	OTHER RELEVANT SHAREHOLDINGS
BPER Bank Luxembourg S.A.*		Finalita Spa	
		Bibanca Spa	
			CR Savigliano
			CR Fossano

* Foreign Bank

BPER Banca Isin code IT0000066123



Bloomberg BPE IM



Reuters EMIL.MI



Swift BPMOIT22

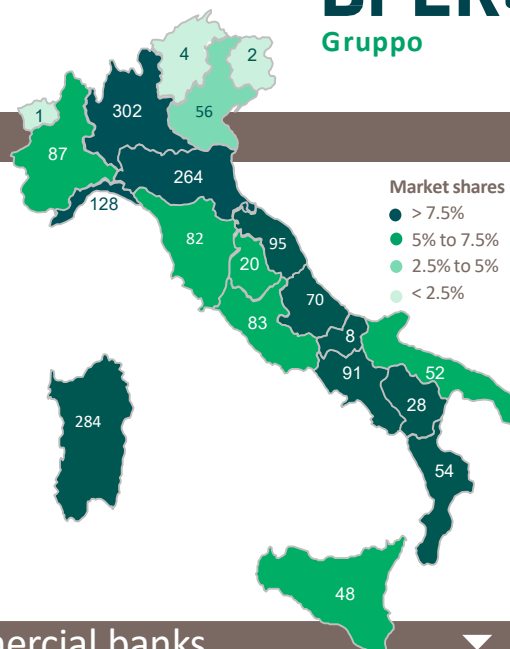
1

Geographic footprint as at 30 June 2023

BPER is present today in **all of Italy's 20 regions**, with a network of **1,759 branches** and **20,596 Group employees**

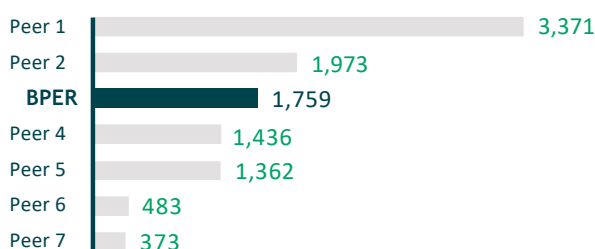
Commercial banks	# branches	Geographic areas	# branches
BPER Banca	1,467	North	861
Banco di Sardegna	290	Centre	341
Banca Cesare Ponti	2	South & Islands	557
Total	1,759	Total	1,759

Updated as at 30.06.23. Source: operational management data



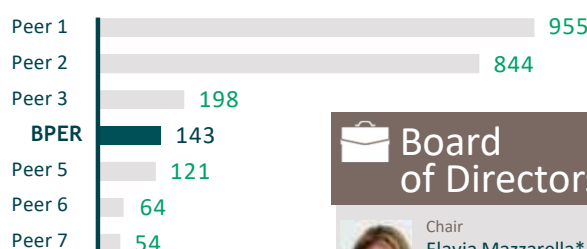
BPER benchmarking vs. main listed commercial banks

Number of Italian branches



Main listed commercial banks: IntesaSP, Unicredit, BancoBPM, Credem, MPS, BP Sondrio
Source: company data as at 30.06.23

Total assets (€/billion)



Ratings

Moody's

Long-term Deposits (Outlook) Baa2 (Negative)
Long-term Issuer Rating (Outlook) Ba1 (Negative)

FitchRatings

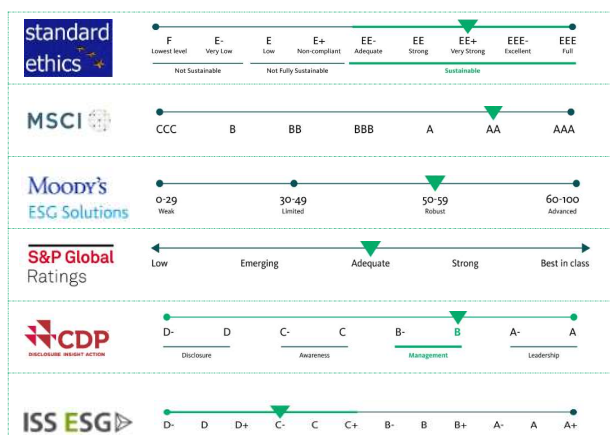
Long-term Deposit BBB
Long-term Issuer Default Rating (Outlook) BBB- (Stable)

MORNINGSTAR DBRS

Long-term Deposits BBB (high)
Long-term Issuer Rating (Outlook) BBB (Stable)

ESG Ratings

The ESG rating (or sustainability rating) is a synthetic evaluation that certifies the soundness of an issuer, a security or a fund in terms of environmental, social and governance performance. As evidence of the Group's commitment and continuous improvement in this area, the ratings of BPER Banca are provided on the right-hand side.



Discover more about our ESG commitment

Board of Directors

Chair
Flavia Mazzarella*

Chief Executive Officer
Piero Luigi Montani

Deputy Chair
Riccardo Barbieri

Directors
Elena Beccalli*
Monica Cacciapuoti
Silvia Elisabetta Candini*
Maria Elena Cappello*
Cristiano Cincotti*
Alessandro Robin Foti*
Roberto Gai
Gianni Franco Papa
Marisa Pappalardo*
Monica Pilloni*
Elisa Valeriani*

(*) Independent as per the Corporate Governance Code and Italian Consolidated Law on Banking

ESG Indices

- MIB ESG (Borsa Italiana)
- Standard Ethics Italian Banks Index
- Standard Ethics Italian Index

Investor Relations Dpt. email: investor.relations@bper.it | <https://istituzionale.bper.it/investor-relations>

BPER Banca S.p.A., Head Office in Via San Carlo 8/20, Modena - Tax Code and Modena Companies Register No. 01153230360 - Company belonging to the BPER BANCA GROUP VAT, VAT No. 03830780361 - Share capital Euro 2,104,315,691.40 - ABI Code 5387.6 - Register of Banks No. 4932 - Member of the Interbank Deposit Guarantee Fund and of the National Guarantee Fund - Parent Company of the BPER Banca S.p.A. Banking Group - Register of Banking Groups No. 5387.6 - Tel. +39 059.2021111 - Telefax +39 059.2022033 - e-mail: servizio.clienti@bper.it - Certified e-mail (PEC): bper@pec.gruppobper.it - bper.it - istituzionale.bper.it