

Public Disclosure as at
30 June 2023

Pillar 3

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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
C.C.I.A.A. Modena Chamber of Commerce 222528 Share capital Euro 2,104,315,691.40
Member of the Interbank Deposit Protection Fund and of the National Guarantee Fund
Ordinary shares listed on the regulated Euronext market

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Introduction

Prudential rules for banks and investment companies contained in Regulation (EU) no. 2013/575 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 2019, (also known as Capital Requirements Regulation II, CRR II) which amended Regulation (EU) no. 2013/575 (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 management report 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 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 disclosures by institutions (Pillar 3) are governed directly by:

- CRR, Part Eight "Disclosure by Institutions", as amended by Regulation (EU) 2019/876 (CRR II) applicable from 28 June 2021;
- European Commission Regulations containing Regulatory and Implementing Technical Standards to regulate the standard templates and tables for the public disclosure by institutions of the information referred to in Part Eight of the CRR and subsequent updates (Regulation (EU) 2021/637, Regulation (EU) 2022/631 and Regulation (EU) 2022/2453;

On 26 June 2020, Regulation (EU) 2020/873 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) 2013/575 and Regulation (EU) 2019/876, introduces rapid solutions in response to the Covid-19 pandemic.

The BPER Banca Group did not avail itself of the extension of the IFRS 9 transitional arrangements as provided for in Regulation (EU) 2020/873 and has chosen not to apply the temporary treatment referred to in Article 468 of Regulation (EU) 2013/575, as amended by Regulation (EU) 2019/876 (CRR II) and by Regulation (EU) 2020/873 (ending on 31 December 2022). Therefore, the Own Funds and capital and leverage ratios of the BPER Banca Group fully take into account the impact of unrealised gains and losses measured at fair value through other comprehensive income and the impact of the introduction of IFRS 9 (the IFRS 9 transition period pursuant to Article 473a of Regulation (EU) 2013/575 ended on 31 December 2022).

Not availing itself of the above-mentioned temporary treatment as at 30 June 2023, the BPER Banca Group is not obliged to give disclosure under Article 473a of Regulation (EU) 2013/575 (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.

On 21 April 2021 the Official Journal of the European Union published Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Part Eight of the CRR as later amended, repealing Commission Implementing Regulation (EU) 2013/1423, 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, as at 30 June 2023, the BPER Banca Group is considered a significant institution¹.

On 12 May 2021 the Official Journal of the European Union published Regulation (EU) 2021/763² of 23 April 2021 laying down implementing technical standards for the application of Regulation (EU) 2013/575 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 19 April 2022, Commission Implementing Regulation (EU) 2022/631 of 13 April 2022 was published in the Official Journal of the European Union to amend the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of exposures to interest rate risk on positions not held in the trading book. The Implementing Regulation introduces into Regulation (EU) 2021/637 Article 16a, governing the qualitative and quantitative disclosure requirements to be published in accordance with Article 448 of the CRR. The BPER Banca Group has published the required disclosures³ on interest rate risk exposures on positions not held in the trading book in line with the content proposed in the afore-mentioned consultation paper since the half-year disclosure for 2022.

On 19 December 2022, Commission Implementing Regulation (EU) 2022/2453 was published in the Official Journal of the European Union to amend the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of exposures to environmental, social and governance risks. On the basis of this Regulation, the applicable ESG templates were prepared for disclosure from 31 December 2022.

This document, entitled “Public Disclosure as at 30 June 2023 – 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, the Pillar 3 document 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 2023 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) 2021/637, Regulation (EU) 2022/631 and Regulation (EU) 2022/2453.

The “Public Disclosure as at 30 June 2023 – Pillar 3” document was 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.

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 of the Consolidated Law on Finance (TUF), and is subjected to the approval of the Board of Directors of BPER Banca;
- Joint Declaration 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 of the CRR.

It should be noted that articles 437 bis⁴ (disclosure of own funds and eligible liabilities), 441⁵ (Indicators of global systemic importance), 447 (disclosure of key metrics) letter h)⁶, 454 (Use of the advanced measurement approaches to operational risk) and 455 (Use of Internal Market Risk models) of Regulation (EU) 2013/575 (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.

The general and sectoral macroeconomic framework is still affected by significant uncertainty brought about by the Russia-Ukraine conflict and consequent international sanctions, and the awareness acquired at international level of climate risk and the associated measures to tackle it. It is, moreover, affected by the persistence of the rise in inflation and the subsequent increase in market interest rates. This high level of uncertainty leads the BPER Banca Group to maintain constant oversight and monitoring of the main risks, including credit risk.

¹ With total consolidated assets exceeding Euro 30 billion.

² Title II “Public disclosure by institutions” art. 10 will enter into force on 1 January 2024.

³ Disclosure already made as at 31 December 2021 in accordance with Implementing Technical Standards EBA/ITS/2021/07 of 10 November 2021.

⁴ The BPER Banca Group not being a G-SII.

⁵ The BPER Banca Group not being a G-SII.

⁶ The BPER Banca Group not being a G-SII.

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 and half-yearly basis in accordance with European regulatory requirements including, in particular, CRR Part 8 as later amended, in force as at 30 June 2023, along with requirements not applicable to the BPER Banca Group at the reporting date.

Articles CRR	chapter Pillar 3
art. 431, 432	Introduction
art. 437	2. Own Funds
art. 437 bis	Not applicable
art. 438 (*)	1. General disclosure requirements 9. Credit risk: disclosure of the IRB approach 10. Exposures to counterparty credit risk 12. Market risk
art. 439	10. Exposures to counterparty credit risk
art. 440	3. Capital requirements
art. 441	Not applicable
art. 442	6. Credit risk: credit quality
art. 444	2. Own Funds 8. Credit risk: disclosure of the use of the standardised approach 10. Exposures to counterparty credit risk
art. 445	12. Market 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. Securitisation exposures
art. 449 bis	14. ESG Risk
art. 451	4. Leverage
art. 451 bis	5. Liquidity risk
art. 452	9. Credit risk: disclosure of the IRB approach 10. Exposures to counterparty credit risk
art. 453	7. Credit risk mitigation techniques 8. Credit risk: disclosure of the use of the standardised approach 9. Credit risk: disclosure of the IRB approach
art. 454	Not applicable
art. 455	Not applicable

(*) Although Article 438 (d) of the CRR generally covers the different risk categories whose main results are shown quarterly in Template EU OV1, reference to this article has not been made explicit for operational risk as per the instructions for completion of the operational risk disclosure templates of Regulation (EU) 2021/637.

(**) Article 447 h), introduced by Regulation (EU) 2019/876 does not apply, as the BPER Banca Group is not a G-SII.

With regard to article 449a, Regulation (EU) 2019/876 of 20 May 2019 requires that from 28 June 2022 “large institutions which have issued securities that are admitted to trading on a regulated market of any Member State, as defined in point (21) of Article 4(1) of Directive 2014/65/EU, shall disclose information on ESG risks, including physical risks and transition risks, as defined in the report referred to in Article 98(8) of Directive 2013/36/EU”. On 19 December 2022, Commission Implementing Regulation (EU) 2022/2453 was published in the Official Journal to amend the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of exposures to environmental, social and governance risk, thereby adopting the content of EBA/ITS/2022/01 “Final Report - Final draft implementing technical standards on prudential disclosures on ESG risks in accordance with Article 449a CRR”. On the basis of this Regulation, the applicable ESG templates were prepared for disclosure relating to 31 December 2022.

Additionally, Commission Implementing Regulation (EU) 2021/763, laying down implementing technical standards for the application of Regulation (EU) 2013/575 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, shall apply from 1 January 2024, as the BPER Banca Group is not a G-SII.

The following table shows the location of the quarterly and half-yearly disclosure requirements envisaged by Regulation (EU) 2021/637 as later amended, within the scope of the Pillar 3 Disclosure document as at 30 June 2023. The reasons why individual templates are deemed not applicable to the BPER Banca Group are also reported, if applicable.

code	title	chapter Pillar 3
EU KM1	Key metrics template	01. General disclosure requirements
EU OV1	Overview of total risk exposure amounts	01. General disclosure requirements
EU CC1	Composition of regulatory own funds	02. Own Funds
EU CC2	reconciliation of regulatory own funds to balance sheet in the audited financial statements	02. Own Funds
EU CCYB1	Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	03. Capital requirements
EU CCYB2	Amount of institution-specific countercyclical capital buffer	03. Capital requirements
EU LR1	LRSum - Summary reconciliation of accounting assets and leverage ratio exposures	04. Leverage
EU LR2	LRCom - Leverage ratio common disclosure	04. Leverage
EU LR3	LR Spl - Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	04. Leverage
EU LIQ1	Quantitative information of LCR	05. Liquidity risk
EU LIQB	On qualitative information on LCR, which complements template EU LIQ1	05. Liquidity risk
EU LIQ2	Net Stable Funding Ratio	05. Liquidity risk
EU CR1-A	Maturity of exposures	06. Credit risk: credit quality
EU CR1	Performing and non-performing exposures and related provisions	06. Credit risk: credit quality
EU CQ1	Credit quality of forborne exposures	06. Credit risk: credit quality
EU CQ7	Collateral obtained by taking possession and execution processes	06. Credit risk: credit quality
EU CQ6 ⁽¹⁾	Collateral valuation - loans and advances	06. Credit risk: credit quality
EU CR2	Changes in the stock of non-performing loans and advances	06. Credit risk: credit quality
EU CQ2 ⁽¹⁾	Quality of forbearance	06. Credit risk: credit quality
EU CR2a ⁽¹⁾	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	06. Credit risk: credit quality
EU CQ8 ⁽¹⁾	Collateral obtained by taking possession and execution processes – vintage breakdown	06. Credit risk: credit quality
EU CQ4 ⁽¹⁾	Quality of non-performing exposures by geography	06. Credit risk: credit quality
EU CQ5 ⁽¹⁾	Credit quality of loans and advances by industry	06. Credit risk: credit quality
EU CR3	CRM techniques - Overview: Disclosure of the use of credit risk mitigation techniques	07. Credit risk mitigation techniques
EU CR4	Standardised approach – Credit risk exposure and CRM effects	08. Credit risk: disclosure of the use of the standardised approach
EU CR5	Standardised approach	08. Credit risk: disclosure of the use of the standardised approach
EU CR7-A ⁽²⁾	IRB approach – Disclosure of the extent of the use of CRM techniques	09. Credit risk: disclosure of the IRB approach
EU CR8	RWEA flow statements of credit risk exposures under the IRB approach	09. Credit risk: disclosure of the IRB approach
EU CR6 ⁽²⁾	IRB approach – Credit risk exposures by exposure class and PD range	09. Credit risk: disclosure of the IRB approach
EU CR7 ⁽²⁾	IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques	09. Credit risk: disclosure of the IRB approach
EU CR10 ⁽³⁾	Specialised lending and equity exposures under the simple riskweighted approach	09. Credit risk: disclosure of the IRB approach
EU CCR1	Analysis of CCR exposure by approach	10. Exposures to counterparty credit risk
EU CCR2	Transactions subject to own funds requirements for CVA risk	10. Exposures to counterparty credit risk

(continued)

code	title	chapter Pillar 3
EU CCR3	Standardised approach – CCR exposures by regulatory exposure class and risk weights	10. Exposures to counterparty credit risk
EU CCR4 ⁽⁴⁾	IRB approach – CCR exposures by exposure class and PD scale	10. Exposures to counterparty credit risk
EU CCR5	Composition of collateral for CCR exposures	10. Exposures to counterparty credit risk
EU CCR6 ⁽⁵⁾	Credit derivatives exposures	10. Exposures to counterparty credit risk
EU CCR7 ⁽⁶⁾	RWEA flow statements of CCR exposures under the IMM	10. Exposures to counterparty credit risk
EU CCR8	Exposures to CCPs	10. Exposures to counterparty credit risk
EU SEC1	Securitisation exposures in the non-trading book	11. Securitisation exposures
EU SEC2 ⁽⁷⁾	Securitisation exposures in the trading book	11. Securitisation exposures
EU SEC3	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor	11. Securitisation exposures
EU SEC4	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor	11. Securitisation exposures
EU SEC5	Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	11. Securitisation exposures
EU MR1	Market risk under the standardised approach	12. Market risk
EU MR2-A ⁽⁸⁾	Market risk under the internal Model Approach (IMA)	12. Market risk
EU MR2-B ⁽⁸⁾	RWEA flow statements of market risk exposures under the IMA	12. Market risk
EU MR3 ⁽⁹⁾	IMA values for trading portfolios	12. Market risk
EU MR4 ⁽⁹⁾	Comparison of VaR estimates with gains/losses	12. Market risk
EU IRRBB1	interest rate risks of non-trading book activities	13. Exposures to interest rate risk on positions not held in the trading book
Table 1	Qualitative information on environmental risk	14. ESG Risk
Table 2	Qualitative information on social risk	14. ESG Risk
Table 3	Qualitative information on governance risk	14. ESG Risk
Template 1	Banking book - Indicators of potential transition risk connected to climate change: Credit quality of exposures by sector, issues and residual duration	14. ESG Risk
Template 2	Banking book - Indicators of potential climate change transition risk: loans collateralised by immovable property - Energy efficiency of the collateral	14. ESG Risk
Template 3 ⁽⁹⁾	Banking book - Indicators of potential transition risk connected to climate change: alignment metrics	14. ESG Risk
Template 4	Banking book - Indicators of potential climate change transition risk: exposures to top 20 carbon-intensive firms	14. ESG Risk
Template 5	Banking book - Indicators of potential climate change physical risk: exposures subject to physical risk	14. ESG Risk
Template 6 ⁽¹⁰⁾	Summary of KPIs on taxonomy-aligned exposures	14. ESG Risk
Template 7 ⁽¹⁰⁾	Implementation actions: assets for calculation of the GAR	14. ESG Risk
Template 8 ⁽¹⁰⁾	GAR (%)	14. ESG Risk
Template 9.1 ⁽¹¹⁾	Implementation actions: assets for calculation of the BTAR	14. ESG Risk
Template 9.2 ⁽¹¹⁾	% of the BTAR	14. ESG Risk
Template 9.3 ⁽¹¹⁾	Summary table - % of the BTAR	14. ESG Risk
Template 10	Other climate change mitigating actions that are not covered in Regulation (EU) 2020/852	14. ESG Risk

(1) Supplementary templates (with supplementary columns) not published as the 5% threshold of the consolidated gross NPE ratio was not exceeded for the last three consecutive quarters during the four quarters prior to the reference date of the disclosure. For further details, please refer to chapter 6 “Credit risk: credit quality”.

(2) Please note that the template series has not been produced (or, in the case of template EU CR-7, the relevant lines have not been assigned a value) for the F-IRB approach as only the A-IRB approach is in use.

(3) Please note that only the models applicable to the type of financing/exposure present at the reference date have been produced.

(4) Only the standardised approach is used for counterparty risk.

(5) There are no credit derivative exposures.

(6) No internal models are applied to exposures subject to CCR.

(7) There are no securitisation exposures in the trading book

(8) No internal models are used for market risk.

(9) Model not presented as the first reference date for the disclosure is set for 30 June 2024.

(10) Models not presented as the first reference date for the disclosure is set for 31 December 2023, in line with the first reference date for the GAR disclosure pursuant to delegated regulation (EU) 2021/2178.

(11) Model not presented as the first reference date for the disclosure is set for 31 December 2024.

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 2022.

1.1 Key metrics of the BPER Banca Group

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. For further details, please refer to para. 3.1 "Specific regulatory requirements" of this document.

Template EU KM1 - Key metrics template

		a	b	c	d	e
		30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2022
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	7,451,222	7,138,834	6,613,149	6,986,499	7,114,211
2	Tier 1 capital	7,601,610	7,289,236	6,763,584	7,138,096	7,265,833
3	Total capital	9,386,687	9,070,756	8,525,562	8,695,146	8,424,861
Risk-weighted exposure amounts						
4	Total Risk exposure amount	53,138,340	53,518,498	53,025,476	53,947,766	53,664,192
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	14.02%	13.34%	12.47%	12.95%	13.26%
6	Tier 1 ratio (%)	14.31%	13.62%	12.76%	13.23%	13.54%
7	Total capital ratio (%)	17.67%	16.95%	16.08%	16.12%	15.70%
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 (%)	2.61%	2.61%	2.61%	2.61%	2.30%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.47%	1.47%	1.47%	1.47%	1.29%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.96%	1.96%	1.96%	1.96%	1.73%
EU 7d	Total SREP own funds requirements (%)	10.61%	10.61%	10.61%	10.61%	10.30%
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 (%)	0.034%	0.016%	0.017%	0.008%	0.004%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-	-	-
11	Combined buffer requirement (%)	2.534%	2.516%	2.517%	2.508%	2.504%
EU 11a	Overall capital requirements (%)	13.14%	13.13%	13.13%	13.12%	12.80%
12	CET1 available after meeting the total SREP own funds requirements (%)	6.35%	5.66%	4.80%	5.27%	5.40%

Continued: Template EU KM1 - Key metrics template

		a	b	c	d	e
		30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2022
Leverage ratio						
13	Total exposure measure	145,114,586	153,055,377	152,812,785	166,196,211	165,809,184
14	Leverage ratio (%)	5.24%	4.76%	4.43%	4.29%	4.38%
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)	32,542,771	33,329,120	32,765,323	32,718,317	32,598,669
EU 16a	Cash outflows - Total weighted value	19,668,649	19,669,695	19,120,738	18,888,096	18,457,710
EU 16b	Cash inflows - Total weighted value	3,571,128	3,534,791	3,427,712	3,294,397	3,041,629
16	Total net cash outflows (adjusted value)	16,097,521	16,134,904	15,693,026	15,593,699	15,416,081
17	Liquidity coverage ratio (%)	202.160%	206.760%	209.804%	210.948%	212.369%
Net Stable Funding Ratio						
18	Total available stable funding	100,288,781	99,847,712	106,217,055	112,872,792	114,798,917
19	Total required stable funding	79,543,399	78,951,554	83,429,926	85,846,439	87,526,944
20	NSFR ratio (%)	126.081%	126.467%	127.313%	131.482%	131.158%

It is specified that figures as of 31 March 2023 are stated on a Fully Phased basis, whereas the corresponding values for previous quarters are shown on a Phased-in basis.

The increase in Tier 1 Capital as at 30 June 2023 as compared to 31 March 2023, is primarily traceable to lower deductions from Tier 1 capital in relation to significant and non-significant investments in a financial sector entity, deferred tax assets that are dependent on future profitability and that may or may not arise from temporary differences, and other intangible assets for an amount of Euro 40 million.

The CET1 amount as at 30 June 2023 was calculated to include the portion of profit for the period that can be allocated to equity, totalling Euro 492 million (+ Euro 272 million compared to the previous quarter).

Template EU OV1 – Overview of total risk exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		30.06.2023	31.03.2023	30.06.2023
1	Credit risk (excluding CCR)	45,788,033	46,075,203	3,663,043
2	Of which standardised approach	21,534,054	22,830,043	1,722,724
3	Of which the Foundation IRB (F-IRB) approach	2,845,118	2,559,532	227,609
4	Of which slotting approach	148,131	114,542	11,850
EU 4a	Of which equities under the simple riskweighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	21,247,323	20,555,100	1,699,786
6	Counterparty credit risk - CCR	443,977	347,600	35,518
7	Of which standardised approach	143,840	176,354	11,507
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	5,961	19,826	477
EU 8b	Of which credit valuation adjustment - CVA	57,991	69,419	4,639
9	Of which other CCR	236,185	82,001	18,895
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	226,984	157,182	18,159
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	6,302	6,710	504
19	Of which SEC-SA approach	175,233	88,536	14,019
EU 19a	Of which 1250% / deduction	45,449	61,936	3,636
20	Position, foreign exchange and commodities risks (Market risk)	696,737	955,904	55,739
21	Of which standardised approach	696,737	955,904	55,739
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	5,982,609	5,982,609	478,609
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	5,982,609	5,982,609	478,609
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	2,794,604	2,677,442	223,568
29	Total	53,138,340	53,518,498	4,251,067

Figures in column c) are 8% of the amounts posted in each row of column a).

The above table includes the RWAs relating to “Other elements for the calculation”, amounting respectively to a total of Euro 13,407 thousand and Euro 15,986 thousand as at 30 June 2023 and 31 March 2023.

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 2023, the BPER Banca Group exceeds one of the two thresholds exemptions from deduction from Common Equity Tier 1 items under Article 48 of the CRR.

RWAs in 2Q 2023 were down by approximately Euro -380 million compared to the previous quarter. The key drivers of this trend include:

- Credit and Counterparty Risk (Euro -107 million): the extension of the scope of application of the AIRB portfolios (resulting in a decrease in the exposures treated under the Standardised Approach) leads to a decrease in RWAs. In addition, an improvement is observed in the risk profile composition of the IRB portfolio along with a decrease in non-performing loans and portfolio securities;
- Market Risk (Euro -259 million): decrease mainly due to the foreign exchange risk threshold being not exceeded.

2. Own Funds

Template EU CC1 - Composition of regulatory own funds

		a)	a)	b)
		Amount	Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		30.06.2023	31.12.2022	
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and related share premium accounts	3,340,918	3,341,592	A
	<i>of which ordinary shares</i>	<i>3,340,918</i>	<i>3,341,592</i>	<i>A</i>
2	Retained earnings	3,618,289	2,348,244	B
3	Accumulated other comprehensive income (and other reserves)	669,786	646,957	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)	2,696	3,092	D
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	492,174	1,279,073	E
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	8,123,863	7,618,958	
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	(12,876)	(13,315)	F
8	Intangible assets (net of related tax liability) (negative amount)	(390,098)	(410,420)	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)	(229,849)	(516,453)	H
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(163)	(7,118)	I
12	Negative amounts resulting from the calculation of expected loss amounts	-	-	
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	1,373	(3,295)	L
15	Defined-benefit pension fund assets (negative amount)	-	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	(9,936)	(13,306)	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	(459)	(448)	N
EU-20b	<i>of which: qualifying holdings outside the financial sector (negative amount)</i>	-	-	
EU-20c	<i>of which: securitisation positions (negative amount)</i>	<i>(459)</i>	<i>(448)</i>	<i>N</i>
EU-20d	<i>of which: free deliveries (negative amount)</i>	-	-	

continued: Template EU CC1 - Composition of regulatory own funds

		a)	a)	b)
		Amount	Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		30.06.2023	31.12.2022	
continued: Common Equity Tier 1 (CET1) capital: regulatory provisions				
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)	-	(133,692)	
22	Amount exceeding the 17,65% threshold (negative amount)	(17,004)	(131,750)	
23	<i>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</i>	(6,421)	(51,303)	O
25	<i>of which: deferred tax assets arising from temporary differences</i>	(10,583)	(80,447)	P
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 adjustments (*)	(13,629)	223,988	Q
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(672,641)	(1,005,809)	
29	Common Equity Tier 1 (CET1) capital	7,451,222	6,613,149	
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and related share premium accounts	150,000	150,000	R
31	<i>of which classified as equity under applicable accounting standards</i>	150,000	150,000	R
32	<i>of which: classified as equity under applicable accounting standards</i>	-	-	
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	388	435	S
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-	
36	Additional Tier 1 (AT1) capital before regulatory adjustments	150,388	150,435	
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 those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (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	150,388	150,435	
45	Tier 1 capital (T1 = CET1 + AT1)	7,601,610	6,763,584	

(*) The IFRS 9 transition period pursuant to Article 473a of Regulation (EU) 2013/575 ended on 31 December 2022, with an impact of Euro 233,154 thousand.

2. Own funds

continued: Template EU CC1 - Composition of regulatory own funds

		a)	a)	b)
		Amount	Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		30.06.2023	31.12.2022	
Tier 2 (T2) capital instruments				
46	Capital instruments and related share premium accounts	1,615,008	1,620,008	T
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 items in accordance with Article 486(4) of the CRR	-	-	
EU-47a	Amount of qualifying items referred to in Article 494 bis of the CRR subject to phase out from T2	-	-	
EU-47b	Amount of qualifying items referred to in Article 494 ter, para. 2 of the 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	25,030	30,046	U
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-	
50	Loan loss provisions	145,443	112,328	V
51	Tier 2 (T2) capital before regulatory adjustments	1,785,481	1,762,382	
Tier 2 (T2) capital: regulatory adjustments				
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(404)	(404)	W
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	(404)	(404)	
58	Tier 2 capital (T2)	1,785,077	1,761,978	
59	Total capital (TC = T1 + T2)	9,386,687	8,525,562	
60	Total Risk exposure amount	53,138,340	53,025,476	
Capital ratios and buffers				
61	Common equity Tier 1 capital	14.02%	12.47%	
62	Tier 1 capital	14.31%	12.76%	
63	Total capital	17.67%	16.08%	
64	Institution CET1 overall capital requirement	8.502%	8.485%	
65	<i>of which: capital conservation buffer requirement</i>	<i>2.50%</i>	<i>2.50%</i>	
66	<i>of which: countercyclical buffer requirement</i>	<i>0.034%</i>	<i>0.017%</i>	
67	<i>of which: systemic risk buffer requirement</i>	-	-	
EU-67a	<i>of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>	-	-	
EU-67b	<i>Additional own funds requirements to address risks other than the risk of excessive leverage</i>	<i>1.468%</i>	<i>1.468%</i>	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	6.35%	4.80%	

continued: Template EU CC1 - Composition of regulatory own funds

		a)	a)	b)
		Amount	Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		30.06.2023	31.12.2022	
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)	241,187	231,704	
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)	422,117	372,705	
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)	695,724	584,429	
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)	390,296	832,588	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	145,443	112,328	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 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	-	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	

Reported in column b) are the references to Template EU CC2: reconciliation of regulatory own funds to balance sheet in the audited financial statements.

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– CET 1

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

- Share capital and related share premiums;
- revenue reserves;
- 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 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 mainly 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.

As at 30 June 2023, 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 capital (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.

T2 instruments include the following debt issuances: "BPER Banca EMTN Tier II 3.625% 30/11/2020 – 30/11/2030 Callable", "BPER Banca EMTN Tier II 3.875% 25/01/2022 – 25/07/2032 Callable", "BPER Banca Subordinated Tier II – 5% 20/06/2022 – 20/12/2032 Callable", "BPER Banca EMTN Tier II 8.625% 20/09/2022 – 20/01/2033 Callable", "Banca Carige S.p.A. 2018 – 2028 Fixed rate Tier II", "Banca Carige S.p.A. 2019 – 2029 Fixed rate with Reset Tier II" and "Banca Monte Lucca S.p.A. 2020 – 2030 Fixed Rate with Reset Tier II Callable".

Transitional arrangements

The regulatory provisions provided for a transitional ("Phased In") regime, which allowed a gradual computability of the provisions presented in Bank of Italy Circular 2013/ 285 Section II.

According to Regulation (EU) 2019/876 (CRR II), the new grandfathering regime is 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 eligibility (the BPER Banca Group does not have any case of this type).

The IFRS 9 transition period pursuant to Article 473a of Regulation (EU) 2013/575 ended on 31 December 2022. It had been included in Regulation (EU) 2017/2395 "Transitional arrangements for mitigating the impact of the introduction of IFRS 9 on Own Funds" and offered banks the possibility to mitigate the impact on Own Funds in a transitional period of 5 years (from March 2018 to December 2022) by neutralising the impact on CET1 following the first application of IFRS 9 with the application of decreasing scaling factors over time.

Regulation (EU) 2020/873 amending Regulations (EU) 2013/575 and 2019/876 as regards certain adjustments in response to the Covid-19 pandemic, changed the transitional formulas in art. 473a 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) 2013/575 (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) 2014/468) 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 amount calculated for CET1 includes that portion of the profit for the year allocable to equity, Euro 492.2 million, as determined in accordance with the process envisaged in art. 3 of ECB Decision (EU) 2015/656 dated 4 February 2015 and art. 26, para. 2, of Regulation (EU) 2013/575 (CRR).

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			
10.	Cash and cash equivalents	8,378,474	
20.	Financial assets measured at fair value through profit or loss	1,584,741	
a)	Financial assets held for trading	723,448	
b)	Financial assets measured at fair value	1,945	
c)	Other financial assets mandatorily measured at fair value	859,348	
30.	Financial assets measured at fair value through other comprehensive income	7,264,042	
40.	Financial assets measured at amortised cost	112,730,326	
a)	Loans to banks	8,646,267	
b)	Loans to customers	104,084,059	
50.	Hedging derivatives	1,650,822	
60.	Change in value of macro-hedged financial assets	1,280	
70.	Equity investments	361,736	
	- goodwill included in the evaluation of significant investments	22	G
90.	Property, plant and equipment	2,495,369	
100.	Intangible assets	549,910	G
	- of which: goodwill	197,624	G
110.	Tax assets	2,779,849	
a)	Current	921,560	
b)	Deferred	1,858,289	
	- DTAs that rely on future profitability and do not arise from temporary differences	229,849	H
120.	Non-current assets and disposal groups classified as held for sale	50,046	
130.	Other assets	5,245,583	
Total assets		143,092,178	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements			
10.	Financial liabilities measured at amortised cost	124,755,409	
a)	Due to banks	12,507,921	
b)	Due to customers	103,410,428	
c)	Debt securities issued	8,837,060	
	- Subordinated liabilities	1,615,008	T
20.	Financial liabilities held for trading	439,184	
30.	Financial liabilities designated at fair value	1,425,321	
40.	Hedging derivatives	362,859	
50.	Change in value of macro-hedged financial liabilities (+/-)	(251,116)	
60.	Tax liabilities	65,200	
a)	Current	8,829	
b)	Deferred	56,371	
80.	Other liabilities	6,243,753	
90.	Employee termination indemnities	166,694	
100.	Provisions for risks and charges	1,212,332	
a)	Commitments and guarantees granted	142,997	
b)	Pensions and similar obligations	115,930	
c)	Other provisions for risk and charges	953,405	
Total liabilities		134,419,636	

2. Own funds

(continued)

		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			
120.	Valuation reserves	79,151	
	- Equity instruments measured at fair value through other comprehensive income	150,549	C
	- Hedging of equity instruments designated at fair value through other comprehensive income	(1,595)	C
	- Financial assets (other than equities) measured at fair value through other comprehensive income	(213,988)	C
	- Property, plant and equipment	96,274	C
	- Cash-flow hedges	163	C - I
	- Financial liabilities designated at fair value through profit or loss (variation due to changes in creditworthiness)	(1,373)	C - L
	- Actuarial gains (losses) on defined benefit plans	(138,236)	C
	- Share of valuation reserves of equity investments carried at equity	8,746	
	- Special revaluation laws	178,611	C
140.	Equity instruments	150,000	R
150.	Reserves	4,217,670	
	- from profits	3,618,289	B
	- other	599,381	C
160.	Share premium reserve	1,236,602	A
170.	Share capital	2,104,316	A
180.	Treasury shares (-)	(2,689)	M
190.	Minority interests (+/-)	182,941	
200.	Profit (Loss) for the period (+/-)	704,551	E
Total shareholders' equity		8,672,542	
Other items			
	Profit not included for dividends	(212,377)	E
	Additional adjustments	(12,876)	F
	Exception to the deduction of intangible assets from CET1	(159,834)	G
	Exposures to securitisations deducted instead of 1250% risk- weighted	(459)	N
	Further adjustments on own instruments held by the institution	(7,247)	M
	Other regulatory adjustments	(13,629)	Q
	Further adjustments on own instruments held by the institution	(404)	W
	Excess	145,443	V
	Instruments issued by affiliates and included in CET1;	2,696	D
	Instruments issued by affiliates and included in AT1	388	S
	Instruments issued by affiliates and included in T2	25,030	U
	DTAs that rely on future profitability and arise from temporary differences - 10% threshold:	-	
	DTAs that rely on future profitability and arise from temporary differences - 17.65% threshold:	(10,583)	P
	CET1 instruments of financial sector entities where the institution has a significant investment in those entities - 17.65% threshold	(6,421)	O
Total Other Items		(250,273)	
Total Own Funds		9,386,687	

(*) The BPER Banca Group has decided to adopt the methodology required for the purposes of prudential supervision also for producing financial information, thus standardising the two consolidation perimeters ('for accounting purposes' and 'for prudential purposes').

3. Capital requirements

3.1 Specific regulatory requirements

The Supervisory rules introduced by Bank of Italy Circular 2013/285 require Italian banks belonging to banking groups to fully comply with the following minimum ratios for 2023:

- 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) 2013/575⁷, the following reserves have been added:

- Capital Conservation Buffer (CCB): this consists of Common Equity Tier 1 capital, corresponding to an additional requirement of 2.5%;
- 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 24 March 2023, 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 2023 (relating to exposures to Italian counterparties) 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 institutions of particular importance at a global level (*G-SII*) or other systemically important institutions (*O-SII*). The buffer for G-SII can vary between a minimum level of 1% and a maximum of 3%, whereas the buffer for O-SII only provides for a maximum threshold of up to 3% of the overall risk exposure or, subject to prior authorisation by the European Commission, even higher than 3%;
- Capital reserve for systemic risk: it is at least 0.5% 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.

Subsequently, on 31 August 2022, the ECB notified BPER Banca of its updated decision on the SREP requirements applicable to the Group following the acquisition of Banca Carige Group. Based on the SREP outcome, the ECB decided that BPER Banca is required to maintain, on a consolidated basis, an additional Pillar 2 requirement⁸ of 2.61%. This requirement may be held in the form of at least 56.25% of CET1 instruments and 75% of Tier 1. Finally, on 9 December 2022, as a result of the “pragmatic approach for SREP 2022” adopted by the ECB following the acquisition of the Carige Group, BPER Banca received an additional letter which confirmed the validity of the content of the SREP decision of 24 January 2022 and the associated update of 31 August 2022, in particular with reference to the supervisory capital requirements to be complied with.

The regulatory requirements to be met on a consolidated basis are as follows:

- Common Equity Tier 1 Ratio: of 8.468%, being the sum of the minimum requirement pursuant to art.92 of Regulation (EU) 2013/575 (4.5%), plus the additional Pillar 2 requirement in accordance with art. 16 of Regulation (EU) 2013/1024 (P2R component equal to 1.468%), plus the capital conservation buffer in accordance with art. 129 of Directive 2013/36/EU as transposed into national law (2.5%);
- Total Capital Ratio: of 13.11%, being the sum of the minimum requirement pursuant to art. 92 of Regulation (EU) 2013/575 (8%), plus the additional Pillar 2 requirement in accordance with art. 16 of Regulation (EU) 2013/1024 (P2R component of 2.61%), plus the capital conservation buffer in accordance with art. 129 of Directive 2013/36/EU as transposed into national law (2.5%).

The Common Equity Tier 1 Ratio requirement is also influenced by the additional Countercyclical Capital Buffer requirement specified for the BPER Banca Group of 0.034% at 30 June 2023, raising the overall minimum requirement to 8.502%.

It was on the basis of these parameters that supervisory reporting was made as at 30 June 2023.

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) 2013/575, 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) 2013/575.

⁷ The Group does not use capital ratios calculated differently from the CRR provisions.

⁸ Regulation (EU) 2013/1027, art. 16, P2R component.

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 2023 and of the Commission Implementing Regulation (EU) 2021/637 which supplements Regulation (EU) 2013/575 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. Based on the analysis of reference indicators, the Bank of Italy decided to maintain the countercyclical ratio (for exposures to Italian counterparties) at 0% during the second quarter of 2023. Relevant credit exposures include all exposure classes other than those referred to in art. 112, letter from a) to f), Regulation (EU) 2013/575. 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	53,138,340
2 Institution specific countercyclical capital buffer rate	0.034%
3 Institution specific countercyclical capital buffer requirement	17,801

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

With reference to 30 June 2023:

- 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: Denmark (2.5%), Iceland (2%), Norway (2.5%), Hong Kong (1%), Czech Republic (2.5%), Slovak Republic (1%), Bulgaria (1.5%), Luxembourg (0.5%), Sweden (2%), Estonia (1%), Romania (0.5%), United Kingdom (1%), Croazia (0.5%), Germany (0.75%), France (0.5%), Ireland (0.5%), Netherlands (1%);
- at a consolidated level, BPER Banca’s specific countercyclical ratio is 0.0335%.

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				
	Exposure value under the Standardised Approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for Standardised Approach	Value of trading book exposures for internal models	Securitisation exposures - Exposure value for non-trading book	Total exposure value	
010	Breakdown by country						
	Italy	28,220,755	71,369,808	48,648	-	1,023,432	100,662,643
	France	1,877,917	184,254	6,676	-	-	2,068,847
	Netherlands	900,034	64,871	12,318	-	15,574	992,797
	Germany	650,569	144,886	2,097	-	-	797,552
	U.S.A.	143,260	370,784	6,866	-	-	520,910
	Austria	511,506	355	238	-	-	512,099
	Spain	372,291	25,162	396	-	1,913	399,762
	United Kingdom	281,254	78,674	1,933	-	-	361,861
	Luxembourg	259,543	79,787	3,077	-	-	342,407
	Sweden	223,828	26,063	378	-	-	250,269
	Finland	226,166	1	179	-	-	226,346
	Malta	101,563	9,235	-	-	-	110,798
	Denmark	82,345	27,829	146	-	-	110,320
	Switzerland	49,318	32,893	115	-	-	82,326
	Belgium	66,559	7,065	308	-	-	73,932
	San Marino	637	47,475	-	-	-	48,112
	Ireland	41,427	4,632	1,004	-	-	47,063
	Czech Republic	40,939	275	-	-	-	41,214
	Slovak Republic	29,879	45	-	-	-	29,924
	Poland	27,444	1,655	-	-	-	29,099

3. Capital requirements

(continued)

	g	h	i	j	k	l	m
OWN FUNDS 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 (%)
Italy	3,017,359	8,128	17,863	3,043,350	38,041,869	93.548%	0.0000%
France	28,254	-	-	28,254	353,179	0.869%	0.5000%
Netherlands	39,765	-	211	39,976	499,698	1.229%	1.0000%
Germany	17,667	-	-	17,667	220,834	0.543%	0.7500%
U.S.A.	16,403	-	-	16,403	205,043	0.504%	0.0000%
Austria	8,810	-	-	8,810	110,129	0.271%	0.0000%
Spain	13,829	-	85	13,914	173,924	0.428%	0.0000%
United Kingdom	14,751	-	-	14,751	184,386	0.453%	1.0000%
Luxembourg	17,990	-	-	17,990	224,880	0.553%	0.5000%
Sweden	4,024	-	-	4,024	50,302	0.124%	2.0000%
Finland	2,746	-	-	2,746	34,325	0.084%	0.0000%
Malta	9,451	-	-	9,451	118,141	0.291%	0.0000%
Denmark	1,267	-	-	1,267	15,832	0.039%	2.5000%
Switzerland	5,451	-	-	5,451	68,140	0.168%	0.0000%
Belgium	1,530	-	-	1,530	19,125	0.047%	0.0000%
San Marino	1,576	-	-	1,576	19,700	0.048%	0.0000%
Ireland	3,165	-	-	3,165	39,568	0.097%	0.5000%
Czech Republic	1,063	-	-	1,063	13,292	0.033%	2.5000%
Slovak Republic	533	-	-	533	6,666	0.016%	1.0000%
Poland	1,307	-	-	1,307	16,344	0.040%	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 Standardised Approach	Value of trading book exposures for internal models		
010	Breakdown by country					
	British Virgin Islands	567	26,225	-	-	26,792
	Jersey	1,172	-	22,205	-	23,377
	Japan	22,697	263	-	-	22,960
	Portugal	13,530	8,266	-	-	21,796
	Hong Kong	14,499	818	-	-	15,317
	Russia	11,279	1,518	-	-	12,797
	Singapore	11,660	438	-	-	12,098
	Turkey	11,429	40	-	-	11,469
	Ecuador	11,418	45	-	-	11,463
	Cayman Islands	766	10,269	-	-	11,035
	Algeria	10,476	2	-	-	10,478
	Kazakhstan	10,250	31	-	-	10,281
	Australia	2,801	5,735	-	-	8,536
	Norway	1,833	5,613	-	-	7,446
	Romania	5,101	1,634	-	-	6,735
	Croatia	3,800	3	-	-	3,803
	Bulgaria	1,376	456	-	-	1,832
	Estonia	733	-	-	-	733
	Iceland	164	1	-	-	165
	Other countries	173,414	18,382	3	-	191,799
020	Total	34,416,199	72,555,488	106,587	1,040,919	108,119,193

3. Capital requirements

(continued)

	g	h	i	j	k	l	m
OWN FUNDS 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 (%)
British Virgin Islands	175	-	-	175	2,192	0.005%	0.0000%
Jersey	158	-	-	158	1,970	0.005%	0.0000%
Japan	1,632	-	-	1,632	20,403	0.050%	0.0000%
Portugal	884	-	-	884	11,050	0.027%	0.0000%
Hong Kong	730	-	-	730	9,131	0.023%	1.0000%
Russia	804	-	-	804	10,055	0.025%	0.0000%
Singapore	221	-	-	221	2,765	0.007%	0.0000%
Turkey	907	-	-	907	11,343	0.028%	0.0000%
Ecuador	912	-	-	912	11,398	0.028%	0.0000%
Cayman Islands	140	-	-	140	1,753	0.004%	0.0000%
Algeria	636	-	-	636	7,946	0.020%	0.0000%
Kazakhstan	223	-	-	223	2,789	0.007%	0.0000%
Australia	371	-	-	371	4,633	0.011%	0.0000%
Norway	152	-	-	152	1,900	0.005%	2.5000%
Romania	380	-	-	380	4,751	0.012%	0.5000%
Croatia	209	-	-	209	2,614	0.006%	0.5000%
Bulgaria	90	-	-	90	1,125	0.003%	1.5000%
Estonia	44	-	-	44	555	0.001%	1.0000%
Iceland	13	-	-	13	165	0.000%	2.0000%
Other countries	11,325	-	-	11,325	141,562	0.348%	0.0000%
Total	3,226,947	8,128	18,159	3,253,234	40,665,477	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 0.0335%, 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 IV").

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 amounts
		30.06.2023
1	Total assets as per published financial statements	143,092,178
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory 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 bank (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429a(1)(i) 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	Adjustments for derivative financial instruments	(1,887,393)
9	Adjustments for securities financing transactions (SFTs)	92,174
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	6,225,248
11	(Adjustment for prudent valuation adjustments and general credit risk adjustments which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429a (1)(c) CRR)	-
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429a (1)(j) CRR)	-
12	Other adjustments	(2,407,621)
13	Total exposure measure	145,114,586

Template EU LR2 - LRCom: Leverage ratio common disclosure

		Leverage ratio exposure (CRR)	
		a	b
		30.06.2023	31.12.2022
On-balance sheet items (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	138,255,533	146,987,157
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)	(650,316)	(1,212,822)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	137,605,217	145,774,335
Derivative exposures			
8	Replacement cost associated with SA-CCR derivative transactions (i.e. net of eligible cash variation margin)	101,964	34,728
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	54	6,100
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	269,443	289,691
EU-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	4,628	3,914
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	376,089	334,433
Securities financing transaction exposures (SFTs)			
14	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	815,859	362,956
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	92,173	61,621
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared trade exposures on SFTs)	-	-
18	Total securities financing transaction exposures	908,032	424,577
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	35,680,508	35,831,226
20	(Adjustments for conversion to credit equivalent amounts)	(29,455,260)	(29,551,786)
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	Off-balance-sheet exposures	6,225,248	6,279,440
Excluded exposures			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with Article 429a(1)(c) CRR)	-	-
EU-22b	(Exposures exempted in accordance with Article 429a (1) (j) CRR (on and off-balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks - 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 Article 429a(o) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with Article 429a(1)(p) of the 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

		Leverage ratio exposure (CRR)	
		a	b
		30.06.2023	31.12.2022
Capital and total exposure measure			
23	Tier 1 capital	7,601,610	6,763,584
24	Total exposure measure	145,114,586	152,812,785
Leverage ratio			
25	Leverage ratio (%)	5.24%	4.43%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	5.24%	4.43%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	5.24%	4.43%
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 provision	Transitional provision
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	356,557	337,438
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	815,859	362,956
30	Total exposures (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)	144,655,285	152,787,267
30a	Total exposures (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)	144,655,285	152,787,267
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)	5.26%	4.43%
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)	5.26%	4.43%

The gap with respect to the previous six months is mainly due to lower liquidity being available after the TLTRO was repaid at the end of June 2023 and multiple lines of credit from Intesa Sanpaolo were paid off.

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

		a
		Leverage ratio exposure (CRR)
		30.06.2023
EU - 1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	138,255,533
EU - 2	Trading book exposures	111,011
EU - 3	Banking book exposures, of which:	138,144,522
EU - 4	Covered Bonds	4,264,085
EU - 5	Exposures treated as sovereigns	30,608,332
EU - 6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	645,381
EU - 7	Exposures to institutions	6,503,480
EU - 8	Exposures secured by mortgages on immovable property	34,401,510
EU - 9	Retail exposures	18,934,276
EU - 10	Exposure to corporates	31,466,904
EU - 11	Exposures in default	1,010,550
EU - 12	Other exposures (e.g. equity instruments, securitisations, and other non-credit obligation assets)	10,310,004

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

Template EU LIQ1 - Quantitative information of LCR

		a	b	c	d	e	f	g	h
Scope of consolidation: (solo/consolidated)		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2023	31.03.2023	31.12.2022	30.09.2022
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)					32,542,771	33,329,120	32,765,323	32,718,317
CASH OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	75,315,903	74,941,562	72,998,214	70,288,226	5,048,819	5,015,689	4,930,327	4,754,960
3	Stable deposits	58,538,928	57,905,335	56,152,127	53,944,627	2,926,947	2,883,808	2,807,606	2,697,232
4	Less stable deposits	16,776,975	17,036,227	16,846,087	16,343,599	2,121,872	2,131,881	2,122,721	2,057,728
5	Unsecured wholesale funding	25,652,856	25,528,818	24,663,153	24,470,102	11,767,807	11,778,945	11,471,654	11,593,855
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	538,637	562,697	559,417	556,991	134,545	143,654	139,717	139,133
7	Non-operational deposits (all counterparties)	25,008,824	24,905,328	24,056,403	23,821,424	11,527,867	11,563,251	11,284,604	11,363,035
8	Unsecured debt	105,395	60,793	47,333	91,687	105,395	72,040	47,333	91,687
9	Secured wholesale funding					356,836	388,996	350,951	324,263
10	Additional requirements	3,342,571	3,197,606	3,122,370	3,055,527	719,211	662,617	592,682	531,082
11	Outflows related to derivative exposures and other collateral requirements	472,649	415,367	420,897	465,189	471,432	415,485	360,605	310,561
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	2,869,922	2,782,239	2,701,473	2,590,338	247,779	247,132	232,077	220,521
14	Other contractual funding obligations	642,535	738,103	730,261	656,644	642,508	731,380	730,240	656,601
15	Other contingent funding obligations	36,491,551	35,046,158	33,817,002	33,267,102	1,133,468	1,092,068	1,044,884	1,027,335
16	TOTAL CASH OUTFLOWS					19,668,649	19,669,695	19,120,738	18,888,096

5. Liquidity risk

(continued)

Scope of consolidation: (solo/consolidated)		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
		30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2023	31.03.2023	31.12.2022	30.09.2022
EU 1a	Quarter ending on								
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)	320,362	188,011	75,468	64,660	21,641	16,154	13,095	4,465
18	Inflows from fully performing exposures	2,266,954	2,240,160	2,240,410	2,204,885	1,393,182	1,393,471	1,394,638	1,405,540
19	Other cash inflows (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)	9,874,624	9,709,141	9,269,520	8,762,706	2,156,305	2,125,166	2,019,979	1,884,392
EU-19a	(Excess inflows from a related specialised credit institution)					-	-	-	-
EU-19b						-	-	-	-
20	TOTAL CASH INFLOWS	12,461,940	12,137,312	11,585,398	11,032,251	3,571,128	3,534,791	3,427,712	3,294,397
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	12,461,940	12,137,312	11,585,398	11,032,251	3,571,128	3,534,791	3,427,712	3,294,397
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					32,542,771	33,329,120	32,765,323	32,718,317
22	TOTAL NET CASH OUTFLOWS					16,097,521	16,134,904	15,693,026	15,593,699
23	LIQUIDITY COVERAGE RATIO					202.160%	206.760%	209.804%	210.948%

The average value of the LCR was down to 202.2% in the second quarter (vs. 206.8% in the previous quarter). The delta is mainly accounted for by the Euro 9.7 billion worth of TLTRO repayment, only partially offset by other forms of secured funding.

Table EU LIQB: on qualitative information on LCR, which complements template EU LIQ1.

The following table shows the information required under Article 451a(2) of the CRR.

Row number	Qualitative Information
a)	<p>Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time</p> <p>As illustrated in template EU LIQ1, over the last 12 months, the BPER Banca Group has maintained an average LCR of 202.2%, which is significantly greater than the current minimum regulatory requirement (100%). Compared to the previous quarter, the indicator decline was mainly due to the repayment at maturity of the Euro 9.7 billion worth of TLTROs, only partially offset by other forms of secured funding. 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.</p>
b)	<p>Explanations on the changes in the LCR over time</p> <p>The BPER Banca Group's Liquidity Coverage Ratio (LCR) is calculated according to the European regulatory requirements in force and reported periodically to the relevant Supervisory Authority. In 2019, the 'additional outflows for other products and services' (referred to in row 15 of the EU LIQ1 template 'Other contingent funding obligations'), assessed on the basis of guidance provided in Delegated Regulation (EU) 2015/61 (Article 23), were revised to reflect the guidance received from the ECB at the end of May 2019.</p>
c)	<p>Explanations on the actual concentration of funding sources</p> <p>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.</p>
d)	<p>High-level description of the composition of the institution's liquidity buffer.</p> <p>The average level, over 12 months, of high-quality liquid assets that can be immediately converted into cash amounts to Euro 32.5 billion. As at 30 June 2023 (point-in-time figure) the liquidity buffer consists mainly of excess European Central Bank reserves and government bonds, which together account for 73% of the total liquidity buffer.</p>
e)	<p>Derivative exposures and potential collateral calls</p> <p>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 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.</p>
f)	<p>Currency mismatch in the LCR</p> <p>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 2023 the Group had no exposures in foreign currencies defined as material according to EU regulatory guidelines.</p>
g)	<p>Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile</p> <p>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.</p>

	<p>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).</p> <p>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.</p>
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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. In particular, as required by the instructions included in Regulation (EU) 2021/637, applicable from 28 June 2021, end quarter data is published in template EU LIQ2 for each quarter of the relevant reporting period.

Two series of data are therefore reported below, covering the first and second quarter of 2023.

- *EU LIQ2 data second quarter 2023*

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 < 1 yr	≥ 1 yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	8,113,927	-	-	1,935,870	10,049,797
2	Own funds	8,113,927	-	-	1,935,466	10,049,393
3	Other equity instruments		-	-	404	404
4	Retail deposits		71,303,196	593,593	2,376,626	69,876,888
5	Stable deposits		55,863,050	-	-	53,069,897
6	Less stable deposits		15,440,146	593,593	2,376,626	16,806,991
7	Wholesale funding:		33,856,480	3,341,000	7,248,209	20,150,899
8	Operational deposits		374,947	-	-	-
9	Other wholesale funding		33,481,533	3,341,000	7,248,209	20,150,899
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	210,770	7,631,607	-	211,197	211,197
12	NSFR derivative liabilities	210,770				
13	All other liabilities and capital instruments not included in the above categories		7,631,607	-	211,197	211,197
14	Total available stable funding (ASF)					100,288,781

(continued)

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					1,367,783
EU-15a	Assets encumbered for more than 12m in cover pool		-	-	3,270,072	2,779,562
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		20,661,978	5,689,245	62,115,553	58,494,131
18	<i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		829,554	-	-	-
19	<i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		1,914,836	59,158	169,147	375,209
20	<i>Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		13,744,501	1,643,101	16,259,427	21,327,601
21	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		49,369	62,500	939,152	666,383
22	<i>Performing residential mortgages, of which:</i>		3,950,915	3,777,311	40,327,766	31,950,504
23	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		1,889,975	2,092,706	31,699,396	22,743,617
24	<i>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</i>		222,172	209,675	5,359,213	4,840,817
25	Interdependent assets		-	-	-	-
26	Other assets:	-	425,009	40,513	16,439,400	16,594,953
27	<i>Physical traded commodities</i>				-	-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>			95,851		81,474
29	<i>NSFR derivative assets</i>			-		-
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>			246,123		12,306
31	<i>All other assets not included in the above categories</i>		83,035	40,513	16,439,400	16,501,173
32	Off-balance sheet items		313,137	1,231,385	3,088,487	306,970
33	Total RSF					79,543,399
34	Net Stable Funding Ratio (%)					126.081%

5. Liquidity risk

- *EU LIQ2 data first quarter 2023*

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 < 1 yr	≥ 1 yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	7,852,898	-	-	1,932,325	9,785,223
2	Own funds	7,852,898	-	-	1,931,921	9,784,819
3	Other equity instruments		-	-	404	404
4	Retail deposits		73,274,520	411,631	1,764,925	70,944,914
5	Stable deposits		57,249,056	-	-	54,386,603
6	Less stable deposits		16,025,464	411,631	1,764,925	16,558,311
7	Wholesale funding:		34,019,757	2,355,159	6,648,020	18,901,936
8	Operational deposits		538,224	-	-	-
9	Other wholesale funding		33,481,533	2,355,159	6,648,020	18,901,936
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	227,542	6,254,283	-	215,639	215,639
12	NSFR derivative liabilities	227,542				
13	All other liabilities and capital instruments not included in the above categories		6,254,283	-	215,639	215,639
14	Total available stable funding (ASF)					99,847,712

(continued)

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					930,033
EU-15a	Assets encumbered for more than 12m in cover pool		33,604	39,364	3,118,395	2,712,658
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		21,608,698	5,714,519	61,693,908	58,437,099
18	<i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		903,488	-	-	-
19	<i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		1,828,362	25,422	215,038	395,586
20	<i>Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		13,950,542	1,729,025	16,010,515	21,282,396
21	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		48,824	60,416	831,624	595,175
22	<i>Performing residential mortgages, of which:</i>		4,569,466	3,844,092	40,315,796	32,077,022
23	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		1,984,364	2,070,633	31,990,922	22,821,598
24	<i>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</i>		356,840	115,980	5,152,559	4,682,095
25	Interdependent assets		-	-	-	-
26	Other assets:	-	875,820	38,140	16,049,359	16,576,547
27	<i>Physical traded commodities</i>				-	-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>			542,078		460,766
29	<i>NSFR derivative assets</i>			-		-
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>			265,599		13,280
31	<i>All other assets not included in the above categories</i>		68,143	38,140	16,049,359	16,102,501
32	Off-balance sheet items		276,518	999,328	3,124,762	295,217
33	Total RSF					78,951,554
34	Net Stable Funding Ratio (%)					126.467%

The Net Stable Funding Ratio (NSFR) is measured with a view to reporting any mismatches between the Company's liquid assets and liabilities. As at 30 June 2023, the NSFR was 126.1%, stable compared to last half (vs. 127.3% as at 31 December 2022), broadly in excess of the regulatory threshold of 100%.

6. Credit risk: credit quality

With reference to templates EU CR2a, EU CQ2, EU CQ6, EU CQ8 (“additional templates”) and EU CQ4 and EU CQ5 (“templates with additional columns” - columns b and d), exceeding the threshold at consolidated level was verified (“Gross NPE Ratio”) pursuant to article 8, paragraph 3 et seq. of Regulation (EU) 2021/637. The 5% threshold has not been exceeded over the last three consecutive quarters during the four quarters preceding the reporting date and is expected to decrease further as a result of the NPE disposal plan and in line with the de-risking targets set out in the 2022-2025 Business Plan. The aforementioned information pursuant to art. 442, letters c) and f), of Regulation (EU) 2013/575 containing supplementary templates/templates with supplementary columns are therefore not published, in addition to the information included in the templates and columns pursuant to paragraph 2 of the aforementioned art. 8.

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	8,797,714	8,797,660	54	-	-	-
010 Loans and advances	89,696,938	79,221,766	9,928,778	2,503,716	-	1,823,727
020 Central Banks	-	-	-	-	-	-
030 Public administrations	2,801,939	2,700,091	101,847	9,043	-	8,967
040 Credit institutions	801,156	778,598	22,558	-	-	-
050 Other financial corporations	4,938,086	4,728,312	179,112	47,314	-	15,560
060 Non-financial corporations	40,276,345	34,507,470	5,403,382	1,768,811	-	1,284,649
070 of which SMEs	21,830,326	17,941,689	3,650,512	1,556,227	-	1,148,932
080 Households	40,879,412	36,507,295	4,221,879	678,548	-	514,551
090 Debt securities	28,506,552	28,121,146	319,417	-	-	-
100 Central Banks	-	-	-	-	-	-
110 Public administrations	15,068,899	15,068,899	-	-	-	-
120 Credit institutions	9,325,593	9,208,659	114,989	-	-	-
130 Other financial corporations	2,787,658	2,539,299	184,685	-	-	-
140 Non-financial corporations	1,324,402	1,304,289	19,743	-	-	-
150 Off-balance-sheet exposures	38,747,515	31,524,479	2,275,698	362,682	-	297,039
160 Central Banks	-	-	-	-	-	-
170 Public administrations	1,319,891	1,237,335	60,239	10,778	-	10,136
180 Credit institutions	2,007,808	1,611,084	69,555	-	-	-
190 Other financial corporations	1,558,176	1,357,410	87,287	225	-	133
200 Non-financial corporations	31,424,002	25,264,179	1,813,069	342,327	-	279,769
210 Households	2,437,638	2,054,471	245,548	9,352	-	7,001
220 Total	165,748,719	147,665,051	12,523,947	2,866,398	-	2,120,766

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							Collaterals 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			Accumulated partial write-off	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	(1,260)	(1,260)	-	-	-	-	-	-	-
010	Loans and advances	(741,690)	(214,576)	(502,289)	(1,491,096)	-	(1,057,878)	(32,536)	60,056,900	900,484
020	Central Banks	-	-	-	-	-	-	-	-	-
030	Public administrations	(11,229)	(9,801)	(1,428)	(4,062)	-	(3,986)	-	73,409	2,586
040	Credit institutions	(22,587)	(315)	(22,272)	-	-	-	-	302,746	-
050	Other financial corporations	(33,143)	(20,983)	(12,112)	(18,788)	-	(10,299)	-	1,281,988	27,723
060	Non-financial corporations	(384,901)	(110,424)	(255,824)	(1,175,342)	-	(836,117)	(31,960)	22,922,421	535,909
070	of which SMEs	(269,087)	(67,553)	(188,179)	(1,039,136)	-	(749,145)	(28,977)	16,673,120	484,034
080	Households	(289,830)	(73,053)	(210,653)	(292,904)	-	(207,476)	(576)	35,476,336	334,266
090	Debt securities	(16,369)	(10,271)	(6,098)	-	-	-	-	2,254,412	-
100	Central Banks	-	-	-	-	-	-	-	-	-
110	Public administrations	(4,404)	(4,404)	-	-	-	-	-	-	-
120	Credit institutions	(2,761)	(2,636)	(125)	-	-	-	-	1,182,178	-
130	Other financial corporations	(8,524)	(2,565)	(5,959)	-	-	-	-	1,006,763	-
140	Non-financial corporations	(680)	(666)	(14)	-	-	-	-	65,471	-
150	Off-balance-sheet exposures	(82,883)	(11,669)	(6,579)	(60,113)	-	(43,545)		5,537,832	66,473
160	Central Banks	-	-	-	-	-	-		-	-
170	Public administrations	(251)	(230)	(3)	(185)	-	-		276	-
180	Credit institutions	(5,563)	(33)	-	-	-	-		125,191	-
190	Other financial corporations	(690)	(310)	(57)	(61)	-	(54)		67,551	94
200	Non-financial corporations	(66,046)	(3,103)	(4,601)	(58,193)	-	(42,058)		4,944,031	63,987
210	Households	(10,333)	(7,993)	(1,918)	(1,674)	-	(1,433)		400,783	2,392
220	Total	(842,202)	(237,776)	(514,966)	(1,430,983)	-	(1,101,423)	(32,536)	67,849,144	966,957

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

The gap with respect to the previous six months is mainly due to the TLTRO repayment at the end of June and the paying off of multiple lines of credit from Intesa Sanpaolo. As for non-performing exposures, their decline is due to the bulk and single name disposals that have been carried out.

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	10,084,492	9,338,536	21,556,229	48,800,922	187,689	89,967,868
2	Debt securities	-	1,763,840	13,916,498	12,809,845	-	28,490,183
3	Total	10,084,492	11,102,376	35,472,727	61,610,767	187,689	118,458,051

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	2,991,536
020	Inflows to non-performing portfolios	1,073,215
030	Outflows from non-performing portfolios	(1,561,035)
040	Outflows due to write-offs	(35,794)
050	Outflow due to other situations	(1,525,241)
060	Final stock of non-performing loans and advances	2,503,716

Inflows to the non-performing portfolio primarily include reclassifications from forborne and non-forborne performing exposures (Euro 415 million).

Outflows from the non-performing portfolio mainly comprise outflows related to collections and reclassifications on positions other than those sold (Euro 547 million) and outflows related to the disposal of UTPs and bad loans (Euro 957 million).

For classification of non-performing exposures, the BPER Banca Group applies a policy of identification of “defaulted exposures” pursuant to the definition according to Article 178 of the CRR. No differences in the scope of consolidation are therefore observed.

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		Collaterals 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 deposits	-	-	-	-	-	-	-	-
010	Loans and advances	1,359,542	704,964	704,964	704,964	(110,743)	(344,986)	1,491,154	348,272
020	Central Banks	-	-	-	-	-	-	-	-
030	Public administrations	5,173	-	-	-	(108)	-	276	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	7,830	33,364	33,364	33,364	(536)	(10,335)	30,217	23,028
060	Non-financial corporations	953,354	510,855	510,855	510,855	(76,600)	(280,996)	1,016,478	221,382
070	Households	393,185	160,745	160,745	160,745	(33,499)	(53,655)	444,183	103,862
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments given	29,088	14,431	14,431	14,431	(25)	-	3,091	537
100	Total	1,388,630	719,395	719,395	719,395	(110,718)	(344,986)	1,494,245	348,809

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

		a	b	c	d	e	f	g
		Gross carrying amount/nominal amount						
			of which: non-performing		of which: subject to impairment	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: defaulted				
010	On-balance-sheet exposures	120,707,206		2,503,716		(2,249,155)		-
020	Italy	103,345,623		2,486,521		(2,207,277)		-
030	France	3,727,485		2,085		(2,434)		-
040	Germany	2,777,238		956		(575)		-
050	Spain	2,079,562		231		(2,283)		-
060	United States	1,429,736		1,572		(935)		-
070	Other countries	7,347,562		12,351		(35,651)		-
080	Off-balance-sheet exposures	39,110,197		362,682			(142,996)	
090	Italy	37,232,622		362,052			(137,277)	
100	China	212,729		-			(2)	
110	Turkey	114,699		-			(4)	
120	Saudi Arabia	111,636		-			(7)	
130	Malta	100,000		-			(169)	
140	Other countries	1,338,511		630			(5,537)	
150	Total	159,817,403		2,866,398		(2,249,155)	(142,996)	-

The template reports exposures to the top five countries in decreasing order of on and off-balance sheet exposures, which represent over 90% of the respective overall exposures. The total of balance sheet exposures, amounting to Euro 121 billion, includes approximately Euro 160 million worth of exposures not subject to impairment. The geographical distribution as at 30 June 2023 does not show significant differences compared to December 2022.

Compared to the previous six months, a decrease was observed in connection with the completion of bulk and single name disposals and the paying off of multiple lines of credit from Intesa Sanpaolo.

Template EU CQ5: Credit quality of loans and advances to non-financial corporations 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	1,055,631		41,837		(38,136)	-
020	Mining and quarrying	73,633		1,350		(1,490)	-
030	Manufacturing	13,805,401		349,272		(342,546)	-
040	Electricity, gas, steam and air-conditioning supply	819,179		51,070		(39,472)	-
050	Water supply	758,860		12,360		(13,729)	-
060	Construction	3,428,903		294,293		(268,191)	-
070	Wholesale and retail trade	7,590,188		244,902		(191,063)	-
080	Transport and storage	1,362,519		57,292		(66,828)	-
090	Accommodation and food service activities	2,011,259		175,068		(118,176)	-
100	Information and communication	1,031,652		24,924		(22,577)	-
110	Financial and insurance activities	233,851		80		(336)	-
120	Real estate activities	4,380,314		351,412		(303,724)	-
130	Professional, scientific and technical activities	1,979,558		55,520		(56,210)	-
140	Administrative and support service activities	1,976,537		31,241		(29,796)	-
150	Public administration and defence, compulsory social security	31,050		1,717		(6,078)	-
160	Education	51,294		2,191		(1,845)	-
170	Human health services and social work activities	653,625		29,449		(28,081)	-
180	Arts, entertainment and recreation	227,466		19,841		(14,520)	-
190	Other services	574,236		24,992		(17,445)	-
200	Total	42,045,156		1,768,811		(1,560,243)	-

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	200,463	(69,748)
030	<i>Residential immovable property</i>	99,306	(22,590)
040	<i>Commercial Immovable property</i>	101,157	(47,158)
050	<i>Movable property (auto, shipping, etc.)</i>	-	-
060	<i>Equity and debt instruments</i>	-	-
070	<i>Other collateral</i>	-	-
080	Total	200,463	(69,748)

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	37,806,939	60,957,384	45,858,759	15,098,625	-
2	Debt securities	26,252,140	2,254,412	-	2,254,412	
3	Total	64,059,079	63,211,796	45,858,759	17,353,037	-
4	of which: non-performing exposures	112,136	900,484	647,027	253,457	-
EU-5	of which: defaulted	112,136	900,484			

The gap with respect to the previous six months is mainly due to lower liquidity being available after the TLTRO was repaid at the end of June 2023.

8. Credit risk: disclosure of the standardised approach

The following tables show the distribution of exposures subject to credit and counterparty risk after the application of weighting factors, in accordance with the rules for preparing supervisory reports set forth by the prudential regulations.

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 RWA density	
	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWA density (%)
	a	b	c	d	e	f
1 Central governments or central banks	27,058,002	-	38,915,284	41,947	2,728,549	7.00%
2 Regional government or local authorities	1,014,803	663,074	1,041,370	134,247	110,760	9.42%
3 Public sector entities	566,422	560,684	572,939	108,101	285,293	41.89%
4 Multilateral development banks	1,118,155	-	1,302,233	1,482	2,681	0.21%
5 International organisations	447,872	-	447,872	-	-	-
6 Institutions	7,338,467	1,458,916	6,112,848	149,304	2,490,109	39.76%
7 Corporates	13,511,736	4,802,900	8,821,501	438,050	7,980,573	86.19%
8 Retail	7,366,127	999,798	2,176,243	84,895	1,452,577	64.24%
9 Secured by mortgages on immovable property	5,406,033	3,105	5,406,033	1,399	2,144,138	39.65%
10 Exposures in default	442,804	97,519	239,712	15,382	273,107	107.06%
11 Exposures associated with particularly high risk	127,488	4,836	125,439	2,279	191,577	150.00%
12 Covered Bonds	4,264,085	-	4,264,085	-	587,477	13.78%
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14 Collective investment undertakings	628,806	-	628,806	-	956,946	152.18%
15 Equity instruments	856,377	-	856,377	-	1,172,768	136.95%
16 Other items	1,168,522	-	1,168,522	-	1,157,499	99.06%
17 TOTAL	71,315,699	8,590,832	72,079,264	977,086	21,534,054	29.48%

The gap with respect to the previous six months is mainly due to the extension of the scope of application of the AIRB portfolios (resulting in a decrease in the exposures treated under the Standardised Approach) and the repayment of the TLTRO at the end of June.

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	37,066,848	-	-	-	180,814	-	121,541	-	-
2	Regional government or local authorities	620,923	-	-	-	554,694	-	-	-	-
3	Public sector entities	309,498	-	-	-	100,410	-	10,053	-	-
4	Multilateral development banks	1,290,308	-	-	-	13,407	-	-	-	-
5	International organisations	447,872	-	-	-	-	-	-	-	-
6	Institutions	-	119,492	-	-	3,788,455	-	1,881,924	-	-
7	Corporates	-	-	-	-	457,518	-	1,284,039	26,541	-
8	Retail	-	-	-	-	-	-	-	-	2,261,138
9	Secured by mortgages of immovable property	-	-	-	-	-	3,582,224	1,572,120	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-
12	Covered Bonds	-	-	-	2,673,208	1,584,275	-	6,602	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
14	Collective investment undertakings	64,083	-	-	-	10,612	-	37,482	-	933
15	Equity	-	-	-	-	-	-	-	-	-
16	Other items	3,460	-	-	-	9,454	-	-	-	-
17	TOTAL	39,802,992	119,492	-	2,673,208	6,699,639	3,582,224	4,913,761	26,541	2,262,071

continued: Template EU CR5 - standardised approach

	Exposure classes	Risk weight						Total	Of which unrated
		100%	150%	250%	370%	1250%	Other		
		j	k	l	m	n	o	p	q
1	Central governments or central banks	892,304	-	695,724	-	-	-	38,957,231	22,961,119
2	Regional government or local authorities	-	-	-	-	-	-	1,175,617	671,832
3	Public sector entities	261,079	-	-	-	-	-	681,040	318,081
4	Multilateral development banks	-	-	-	-	-	-	1,303,715	370,062
5	International organisations	-	-	-	-	-	-	447,872	-
6	Institutions	261,091	-	211,190	-	-	-	6,262,152	3,865,537
7	Corporates	7,415,721	75,732	-	-	-	-	9,259,551	5,075,270
8	Retail	-	-	-	-	-	-	2,261,138	2,217,692
9	Secured by mortgages of immovable property	253,088	-	-	-	-	-	5,407,432	4,942,054
10	Exposures in default	219,067	36,027	-	-	-	-	255,094	243,951
11	Exposures associated with particularly high risk	-	127,718	-	-	-	-	127,718	101,128
12	Covered Bonds	-	-	-	-	-	-	4,264,085	2,273,792
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-
14	Collective investment undertakings	267,261	135,257	-	7,257	10,807	95,114	628,806	186,450
15	Equity	645,450	-	210,927	-	-	-	856,377	583,656
16	Other items	1,155,608	-	-	-	-	-	1,168,522	1,107,712
17	TOTAL	11,370,669	374,734	1,117,841	7,257	10,807	95,114	73,056,350	44,918,336

The gap with respect to the previous six months is mainly due to the extension of the scope of application of the AIRB portfolios (resulting in a decrease in the exposures treated under the Standardised Approach) and the repayment of the TLTRO at the end of June. 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 scale	On-balance-sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposures post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors
	a	b	c	d	e	f	g
	0.00 to < 0.15	90,300	152,164	8.04%	103,432	0.14%	1,283
	0.00 to < 0.10	-	500	2.18%	11	0.04%	2
	0.10 to < 0.15	90,300	151,664	8.06%	103,421	0.14%	1,281
	0.15 to < 0.25	576,753	1,607,831	7.14%	692,553	0.16%	3,385
	0.25 to < 0.50	1,087,305	1,573,834	7.58%	1,207,727	0.38%	4,617
	0.50 to < 0.75	1,121,704	1,112,239	7.20%	1,202,883	0.73%	3,761
	0.75 to < 2.50	2,581,756	1,451,888	7.13%	2,686,270	1.66%	6,966
	0.75 to < 1.75	1,395,816	844,701	6.74%	1,453,268	1.26%	4,021
	1.75 to < 2.5	1,185,940	607,187	7.68%	1,233,002	2.13%	2,945
	2.50 to < 10.00	2,060,944	760,196	8.60%	2,127,585	5.03%	4,804
	2.5 to < 5	1,044,344	435,877	7.58%	1,078,177	3.47%	2,484
	5 to < 10	1,016,600	324,319	9.97%	1,049,408	6.66%	2,320
	10.00 to < 100.00	512,514	116,366	8.36%	522,352	18.14%	1,053
	10 to < 20	414,527	104,964	7.66%	422,652	14.50%	761
	20 to < 30	66,882	5,275	8.76%	67,351	24.02%	120
	30.00 to < 100.00	31,105	6,127	20.02%	32,349	53.39%	172
	100.0 (Default)	602,584	79,227	25.75%	647,888	100.00%	845
	Subtotal (exposure class)	8,633,860	6,853,745	7.67%	9,190,690	3.06%	26,714

Exposure to corporate - SMEs	PD scale	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
	0.00 to < 0.15	17.58%	2.78	10,525	10.18%	26	(26)
	0.00 to < 0.10	20.00%	1.00	-	3.98%	-	-
	0.10 to < 0.15	17.58%	2.78	10,525	10.18%	26	(26)
	0.15 to < 0.25	22.09%	2.10	87,014	12.56%	251	(266)
	0.25 to < 0.50	19.75%	2.22	216,719	17.94%	908	(627)
	0.50 to < 0.75	29.13%	2.11	419,748	34.90%	2,550	(1,756)
	0.75 to < 2.50	31.87%	2.34	1,392,086	51.82%	14,435	(11,149)
	0.75 to < 1.75	27.33%	2.37	597,355	41.10%	4,946	(3,744)
	1.75 to < 2.5	37.22%	2.29	794,731	64.45%	9,489	(7,405)
	2.50 to < 10.00	36.60%	2.73	1,801,739	84.68%	37,957	(45,559)
	2.5 to < 5	35.75%	2.80	796,300	73.86%	12,775	(15,275)
	5 to < 10	37.46%	2.66	1,005,439	95.81%	25,182	(30,284)
	10.00 to < 100.00	43.47%	2.97	791,922	151.61%	39,414	(67,235)
	10 to < 20	43.64%	3.04	630,637	149.21%	25,553	(41,369)
	20 to < 30	42.65%	2.53	118,215	175.52%	6,678	(14,373)
	30.00 to < 100.00	42.95%	3.00	43,070	133.14%	7,183	(11,493)
	100.0 (Default)	63.11%	2.14	238,407	36.80%	386,001	(448,404)
	Subtotal (exposure class)	32.97%	2.39	4,958,160	53.95%	481,542	(575,022)

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

A-IRB	PD scale	On-balance-sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposures post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors
	a	b	c	d	e	f	g
	0.00 to < 0.15	1,713,222	3,833,223	8.98%	2,057,783	0.04%	649
	0.00 to < 0.10	1,694,431	3,800,652	8.98%	2,035,967	0.04%	395
	0.10 to < 0.15	18,789	32,571	8.48%	21,816	0.14%	254
	0.15 to < 0.25	3,187,854	4,624,418	8.88%	3,599,674	0.17%	1,259
	0.25 to < 0.50	2,903,924	3,293,030	8.23%	3,175,245	0.47%	1,672
	0.50 to < 0.75	445,210	443,307	6.76%	475,345	0.73%	828
	0.75 to < 2.50	3,505,957	3,068,185	8.29%	3,761,216	1.66%	2,505
	0.75 to < 1.75	2,046,258	2,103,652	8.16%	2,218,421	1.18%	1,551
	1.75 to < 2.5	1,459,699	964,533	8.59%	1,542,795	2.36%	954
	2.50 to < 10.00	1,791,171	1,194,213	9.95%	1,915,036	5.31%	1,371
	2.5 to < 5	1,069,473	640,991	9.25%	1,129,999	3.96%	759
	5 to < 10	721,698	553,222	10.76%	785,037	7.24%	612
	10.00 to < 100.00	208,636	127,374	8.56%	219,766	16.70%	407
	10 to < 20	186,305	95,560	9.71%	195,759	14.28%	215
	20 to < 30	9,905	5,188	7.18%	10,281	23.78%	34
	30.00 to < 100.00	12,426	26,626	4.71%	13,726	45.82%	158
	100.0 (Default)	91,017	99,854	4.81%	97,692	100.00%	127
	Subtotal (exposure class)	13,846,991	16,683,604	8.66%	15,301,757	1.48%	8,818

Exposures to corporates - other companies	PD scale	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
	0.00 to < 0.15	24.65%	2.45	176,118	8.56%	179	(202)
	0.00 to < 0.10	24.68%	2.45	172,261	8.46%	173	(195)
	0.10 to < 0.15	21.96%	2.58	3,857	17.68%	6	(7)
	0.15 to < 0.25	24.50%	2.10	731,662	20.33%	1,459	(608)
	0.25 to < 0.50	33.22%	2.09	1,533,700	48.30%	4,958	(3,046)
	0.50 to < 0.75	30.88%	2.12	256,237	53.91%	1,053	(664)
	0.75 to < 2.50	36.06%	2.01	3,179,486	84.53%	23,038	(23,086)
	0.75 to < 1.75	32.52%	1.98	1,505,647	67.87%	8,393	(5,612)
	1.75 to < 2.5	41.15%	2.05	1,673,839	108.49%	14,645	(17,474)
	2.50 to < 10.00	42.07%	2.79	2,776,526	144.99%	41,711	(37,489)
	2.5 to < 5	40.64%	2.75	1,442,776	127.68%	17,676	(14,566)
	5 to < 10	44.13%	2.85	1,333,750	169.90%	24,035	(22,923)
	10.00 to < 100.00	50.36%	3.08	553,452	251.84%	17,759	(27,842)
	10 to < 20	50.67%	3.09	489,832	250.22%	13,827	(22,317)
	20 to < 30	50.58%	3.76	30,969	301.24%	1,182	(2,900)
	30.00 to < 100.00	45.84%	2.33	32,651	237.88%	2,750	(2,625)
	100.0 (Default)	47.81%	1.66	43,514	44.54%	41,904	(65,292)
	Subtotal (exposure class)	32.09%	2.22	9,250,695	60.46%	132,061	(158,229)

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

A-IRB	PD scale	On-balance-sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposures post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors
		a	b	c	d	e	f
	0.00 to < 0.15	183,133	1,665	6.71%	187,301	0.12%	2,173
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	183,133	1,665	6.71%	187,301	0.12%	2,173
	0.15 to < 0.25	180,075	-	-	184,565	0.16%	2,397
	0.25 to < 0.50	1,010,484	5,384	8.44%	1,017,326	0.35%	10,800
	0.50 to < 0.75	435,331	1,442	11.94%	444,024	0.61%	4,953
	0.75 to < 2.50	1,751,117	3,490	7.02%	1,751,466	1.45%	19,672
	0.75 to < 1.75	1,376,887	1,375	6.52%	1,377,070	1.21%	16,055
	1.75 to < 2.5	374,230	2,115	7.35%	374,396	2.30%	3,617
	2.50 to < 10.00	953,168	1,509	8.69%	953,370	4.67%	10,576
	2.5 to < 5	529,636	998	7.78%	529,738	3.24%	5,717
	5 to < 10	423,532	511	10.47%	423,632	6.47%	4,859
	10.00 to < 100.00	283,964	321	41.33%	284,126	21.34%	3,605
	10 to < 20	174,270	215	60.18%	174,418	13.43%	2,158
	20 to < 30	65,521	51	6.16%	65,531	23.68%	894
	30.00 to < 100.00	44,173	55	0.41%	44,177	49.11%	553
	100.0 (Default)	239,728	432	96.44%	241,696	100.00%	2,069
	Subtotal (exposure class)	5,037,000	14,243	11.68%	5,063,874	2.84%	56,245

Retail exposures - Secured by immovable property - SMEs	PD scale	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
	0.00 to < 0.15	7.22%	-	3,690	1.97%	17	(21)
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	7.22%	-	3,690	1.97%	17	(21)
	0.15 to < 0.25	6.58%	-	4,317	2.34%	20	(27)
	0.25 to < 0.50	7.99%	-	41,656	4.09%	286	(522)
	0.50 to < 0.75	9.53%	-	35,503	8.00%	265	(308)
	0.75 to < 2.50	13.86%	-	330,166	18.85%	3,510	(6,521)
	0.75 to < 1.75	12.95%	-	212,166	15.41%	2,122	(4,373)
	1.75 to < 2.5	17.20%	-	118,000	31.52%	1,388	(2,148)
	2.50 to < 10.00	20.05%	-	489,591	51.35%	8,650	(19,601)
	2.5 to < 5	19.77%	-	221,634	41.84%	3,278	(6,969)
	5 to < 10	20.40%	-	267,957	63.25%	5,372	(12,632)
	10.00 to < 100.00	23.99%	-	295,876	104.14%	14,502	(38,161)
	10 to < 20	23.13%	-	168,553	96.64%	5,219	(15,637)
	20 to < 30	24.90%	-	78,228	119.38%	3,731	(10,973)
	30.00 to < 100.00	26.04%	-	49,095	111.13%	5,552	(11,551)
	100.0 (Default)	45.65%	-	52,592	21.76%	105,235	(135,557)
	Subtotal (exposure class)	15.04%	-	1,253,391	24.75%	132,485	(200,718)

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

A-IRB	PD scale	On-balance-sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposures post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors
	a	b	c	d	e	f	g
	0.00 to < 0.15	3,510,891	650	21.56%	3,603,013	0.12%	40,425
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	3,510,891	650	21.56%	3,603,013	0.12%	40,425
	0.15 to < 0.25	3,838,121	287	19.61%	3,938,800	0.16%	50,019
	0.25 to < 0.50	3,422,316	387	24.31%	3,511,001	0.26%	46,806
	0.50 to < 0.75	3,693,717	52	55.79%	3,789,915	0.56%	45,794
	0.75 to < 2.50	5,581,538	936	0.66%	5,581,661	1.76%	66,637
	0.75 to < 1.75	3,137,787	338	1.29%	3,137,865	1.18%	37,196
	1.75 to < 2.5	2,443,751	598	0.30%	2,443,796	2.49%	29,441
	2.50 to < 10.00	2,096,602	417	3.42%	2,096,647	5.22%	23,785
	2.5 to < 5	972,040	276	0.71%	972,054	3.68%	10,872
	5 to < 10	1,124,562	141	8.74%	1,124,593	6.49%	12,913
	10.00 to < 100.00	593,438	24	-	593,461	18.38%	7,345
	10 to < 20	432,023	24	-	432,036	12.26%	5,260
	20 to < 30	94,926	-	-	94,935	24.34%	1,287
	30.00 to < 100.00	66,489	-	-	66,490	49.62%	798
	100.0 (Default)	231,333	4	49.02%	236,014	100.00%	2,834
	Subtotal (exposure class)	22,967,956	2,757	12.40%	23,350,512	1.54%	283,645

Retail exposures secured by immovable property - Non-SMEs	PD scale	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
	0.00 to < 0.15	6.68%	-	67,451	1.87%	277	(328)
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	6.68%	-	67,451	1.87%	277	(328)
	0.15 to < 0.25	6.92%	-	99,803	2.53%	446	(543)
	0.25 to < 0.50	7.22%	-	130,319	3.71%	659	(804)
	0.50 to < 0.75	7.34%	-	244,177	6.44%	1,530	(2,440)
	0.75 to < 2.50	13.03%	-	1,319,964	23.65%	12,379	(24,776)
	0.75 to < 1.75	13.21%	-	600,504	19.14%	4,813	(8,342)
	1.75 to < 2.5	12.81%	-	719,460	29.44%	7,566	(16,434)
	2.50 to < 10.00	16.60%	-	1,159,249	55.29%	17,375	(36,407)
	2.5 to < 5	13.79%	-	360,319	37.07%	4,463	(9,485)
	5 to < 10	19.04%	-	798,930	71.04%	12,912	(26,922)
	10.00 to < 100.00	18.81%	-	538,037	90.66%	17,558	(69,196)
	10 to < 20	18.99%	-	385,250	89.17%	8,876	(40,417)
	20 to < 30	18.01%	-	93,697	98.70%	3,586	(13,938)
	30.00 to < 100.00	18.74%	-	59,090	88.87%	5,096	(14,841)
	100.0 (Default)	21.02%	-	49,663	21.04%	39,439	(73,179)
	Subtotal (exposure class)	9.77%	-	3,608,663	15.45%	89,663	(207,673)

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

A-IRB	PD scale	On-balance-sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposures post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors
	a	b	c	d	e	f	g
	0.00 to < 0.15	150,198	645,591	12.36%	230,869	0.14%	7,453
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	150,198	645,591	12.36%	230,869	0.14%	7,453
	0.15 to < 0.25	29,214	56,947	17.87%	39,593	0.16%	2,074
	0.25 to < 0.50	825,680	1,362,033	35.13%	1,319,293	0.36%	78,267
	0.50 to < 0.75	292,355	515,906	15.78%	375,222	0.70%	10,890
	0.75 to < 2.50	1,221,218	1,059,176	26.05%	1,515,793	1.45%	107,966
	0.75 to < 1.75	947,469	748,147	30.98%	1,196,871	1.23%	96,920
	1.75 to < 2.5	273,749	311,029	14.20%	318,922	2.13%	11,046
	2.50 to < 10.00	960,666	749,106	26.51%	1,170,749	4.70%	84,098
	2.5 to < 5	538,168	497,217	24.73%	667,162	3.33%	43,966
	5 to < 10	422,498	251,889	30.03%	503,587	6.57%	40,132
	10.00 to < 100.00	223,962	88,958	27.53%	253,873	19.92%	35,431
	10 to < 20	158,518	68,679	26.62%	179,956	13.92%	18,999
	20 to < 30	36,617	9,241	38.15%	41,169	23.55%	8,370
	30.00 to < 100.00	28,827	11,038	24.30%	32,748	48.39%	8,062
	100.0 (Default)	274,489	65,185	50.92%	317,147	100.00%	23,214
	Subtotal (exposure class)	3,977,782	4,542,902	26.02%	5,222,539	2.74%	349,393

Retail exposures - other SMEs	PD scale	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
	0.00 to < 0.15	17.34%	-	10,599	4.59%	58	(45)
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	17.34%	-	10,599	4.59%	58	(45)
	0.15 to < 0.25	12.36%	-	1,523	3.85%	8	(6)
	0.25 to < 0.50	13.34%	-	83,991	6.37%	631	(458)
	0.50 to < 0.75	22.48%	-	59,686	15.91%	597	(365)
	0.75 to < 2.50	21.98%	-	312,697	20.63%	4,889	(3,780)
	0.75 to < 1.75	19.75%	-	209,624	17.51%	2,873	(2,524)
	1.75 to < 2.5	30.34%	-	103,073	32.32%	2,016	(1,256)
	2.50 to < 10.00	29.44%	-	407,567	34.81%	15,814	(17,065)
	2.5 to < 5	29.21%	-	222,106	33.29%	6,305	(5,949)
	5 to < 10	29.76%	-	185,461	36.83%	9,509	(11,116)
	10.00 to < 100.00	36.86%	-	156,686	61.72%	18,773	(25,970)
	10 to < 20	35.58%	-	98,798	54.90%	8,672	(12,118)
	20 to < 30	39.90%	-	31,443	76.38%	3,786	(5,538)
	30.00 to < 100.00	40.08%	-	26,445	80.75%	6,315	(8,314)
	100.0 (Default)	72.05%	-	144,193	45.47%	216,548	(241,003)
	Subtotal (exposure class)	24.99%	-	1,176,942	22.54%	257,318	(288,692)

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

A-IRB	PD scale	On-balance-sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposures post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors
	a	b	c	d	e	f	g
	0.00 to < 0.15	543,769	394,623	59.44%	800,319	0.12%	123,329
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	543,769	394,623	59.44%	800,319	0.12%	123,329
	0.15 to < 0.25	578,343	195,214	76.46%	755,346	0.16%	139,372
	0.25 to < 0.50	848,207	177,392	73.55%	1,007,552	0.26%	160,983
	0.50 to < 0.75	932,445	175,906	61.95%	1,066,067	0.56%	139,791
	0.75 to < 2.50	1,660,909	249,090	29.19%	1,762,193	1.78%	198,407
	0.75 to < 1.75	917,603	140,679	31.59%	980,248	1.18%	117,129
	1.75 to < 2.5	743,306	108,411	26.08%	781,945	2.41%	81,278
	2.50 to < 10.00	1,374,680	149,234	22.47%	1,420,489	4.95%	120,717
	2.5 to < 5	766,101	76,677	22.02%	788,622	3.61%	64,397
	5 to < 10	608,579	72,557	22.93%	631,867	6.63%	56,320
	10.00 to < 100.00	210,093	26,063	29.26%	222,676	17.87%	58,529
	10 to < 20	165,920	22,783	29.05%	175,163	12.72%	25,249
	20 to < 30	21,607	2,333	24.01%	22,746	24.15%	7,646
	30.00 to < 100.00	22,566	947	47.39%	24,767	48.48%	25,634
	100.0 (Default)	138,700	3,492	75.68%	146,573	100.00%	28,179
	Subtotal (exposure class)	6,287,146	1,371,014	53.96%	7,181,215	2.16%	969,307

Retail exposures - other Non-SMEs	PD scale	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
	0.00 to < 0.15	8.43%	-	19,765	2.47%	80	(71)
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	8.43%	-	19,765	2.47%	80	(71)
	0.15 to < 0.25	8.82%	-	24,937	3.30%	109	(97)
	0.25 to < 0.50	8.83%	-	44,968	4.46%	246	(243)
	0.50 to < 0.75	9.02%	-	76,081	7.14%	603	(623)
	0.75 to < 2.50	16.38%	-	344,605	19.56%	4,907	(6,266)
	0.75 to < 1.75	16.43%	-	175,200	17.87%	1,945	(2,463)
	1.75 to < 2.5	16.32%	-	169,405	21.66%	2,962	(3,803)
	2.50 to < 10.00	17.75%	-	357,725	25.18%	11,913	(19,691)
	2.5 to < 5	13.06%	-	134,265	17.03%	3,136	(4,859)
	5 to < 10	23.59%	-	223,460	35.37%	8,777	(14,832)
	10.00 to < 100.00	24.82%	-	101,377	45.53%	8,321	(20,396)
	10 to < 20	23.82%	-	69,951	39.94%	4,027	(11,777)
	20 to < 30	24.96%	-	12,402	54.52%	1,098	(3,221)
	30.00 to < 100.00	31.80%	-	19,024	76.81%	3,196	(5,398)
	100.0 (Default)	37.78%	-	30,014	20.48%	48,865	(78,930)
	Subtotal (exposure class)	13.51%	-	999,472	13.92%	75,044	(126,317)

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	Exposures post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors
	b	c	d	e	f	g
Total AIRB portfolio	60,750,735	29,468,265	13.21%	65,310,587		1,694,122

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 portfolio		2.29	21,247,323	32.53%	1,168,113	(1,556,651)

Please note that the template series has not been produced for the F-IRB approach as only the A-IRB method is in use.

The % amounts reported in column k were calculated on amounts rounded to the nearest thousand.

The part of the table relating to Retail Exposures - Qualifying revolving, Exposures to corporates – Specialised lending, exposures to institutions and exposures to Central governments and central banks is not reported, as these items do not apply.

Exposures to credit risk processed with the internal models according to the advanced approach showed a Euro 3.5 billion increase in EAD in the first half of 2023; in addition to the portfolio dynamics, the change is also attributable to the combined effect of the AIRB models update and the expansion of the application scope (in the first quarter, the former CR Saluzzo and UBI Banca exposure were also taken into consideration, starting from the second quarter the AIRB models were also applied to the former Unipol Banca exposures), together with an increase in loans to Corporate counterparties (Euro +0.5 billion) and an increase in loans to Retail counterparties in the portfolio of both exposures secured by immovable properties (Euro +1.8 billion) and "Retail, other" (Euro +1.2 billion).

With regard to performing exposures, the average PD is 1.99%, up compared to the previous half-year (when it was 1.44%) mainly as a result of the AIRB models update.

Template EU CR7 – IRB approach: effect on the Risk Weighted Exposure Amounts 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	21,395,454	21,395,454
6	Central governments and central banks	-	-
7	Institutions	-	-
8	Corporates	14,356,985	14,356,985
8.1	of which Corporates - SMEs	4,958,158	4,958,158
8.2	of which Corporates - Specialised lending	148,131	148,131
9	Retail	7,038,469	7,038,469
9.1	of which Retail – SMEs - Secured by immovable property collateral	1,253,391	1,253,391
9.2	of which Retail – non-SMEs - Secured by immovable property collateral	3,608,663	3,608,663
9.3	of which Retail – Qualifying revolving	-	-
9.4	of which Retail – SMEs - Other	1,176,943	1,176,943
9.5	of which Retail – Non-SMEs - Other	999,472	999,472
10	TOTAL (including F-IRB exposures and A-IRB exposures)	21,395,454	21,395,454

Please note that the template series has not been produced for the F-IRB approach as only the A-IRB method is in use.

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						
1	Central governments and central banks	-	-	-	-	-	-
2	Institutions	-	-	-	-	-	-
3	Corporates	24,646,793	1.13%	15.74%	15.74%	-	-
3.1	of which Corporates - SMEs	9,190,692	1.98%	26.74%	26.74%	-	-
3.2	of which Corporates - Specialised lending	154,345	-	-	-	-	-
3.3	of which Corporates - Other	15,301,756	0.64%	9.29%	9.29%	-	-
4	Retail	40,818,141	0.59%	63.65%	63.65%	-	-
4.1	of which Retail – SMEs - Secured by immovable property collateral	5,063,874	-	94.08%	94.08%	-	-
4.2	of which Retail – non-SMEs - Secured by immovable property collateral	23,350,511	-	90.86%	90.86%	-	-
4.3	of which Retail – Qualifying revolving	-	-	-	-	-	-
4.4	of which Retail – SMEs - Other	5,222,541	2.69%	-	-	-	-
4.5	of which Retail – Non-SMEs - Other	7,181,215	1.42%	-	-	-	-
5	Total	65,464,934	0.80%	45.61%	45.61%	-	-

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)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
		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 (%)		
		g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	-	-	-	-
2	Institutions	-	-	-	-	-	-	-	-
3	Corporates	-	-	-	-	5.16%	-	14,995,864	14,356,985
3.1	of which Corporates - SMEs	-	-	-	-	8.02%	-	5,282,583	4,958,158
3.2	of which Corporates - Specialised lending	-	-	-	-	-	-	148,131	148,131
3.3	of which Corporates - Other	-	-	-	-	3.49%	-	9,565,150	9,250,696
4	Retail	-	-	-	-	7.37%	-	7,909,543	7,038,469
4.1	of which Retail – SMEs - Secured by immovable property collateral	-	-	-	-	3.66%	-	1,332,440	1,253,391
4.2	of which Retail – non-SMEs - Secured by immovable property collateral	-	-	-	-	5.43%	-	4,102,972	3,608,664
4.3	of which Retail – Qualifying revolving	-	-	-	-	-	-	-	-
4.4	of which Retail – SMEs - Other	-	-	-	-	4.40%	-	1,219,090	1,176,943
4.5	of which Retail – Non-SMEs - Other	-	-	-	-	18.47%	-	1,255,041	999,471
5	Total	-	-	-	-	6.54%	-	22,905,407	21,395,454

Please note that the template series has not been produced for the F-IRB approach as only the A-IRB method is in use.

The table shows the application of Credit Risk Mitigation (CRM) techniques to exposures treated under the internal models (A-IRB approach). 53% of the total exposure treated under the A-IRB approach (Euro 65.5 billion) is covered by guarantees, most of which immovable property (45.6%).

More specifically, Retail exposures (Euro 40.8 billion) are 63.7% covered by real estate guarantees concentrated on portfolios of exposures secured by immovable properties to individuals and SMEs (90.9% and 94.1% coverage, respectively).

Corporate exposures (Euro 24.6 billion) are 15.7% covered by real estate guarantees.

Credit Risk Mitigation techniques with substitution effects on the exposure (use of guarantees) apply to 6.5% of A-IRB exposures, respectively with a coverage of 7.4% and 5.2% for the Retail and Corporate portfolios and an overall positive impact reducing by about Euro 1.5 billion the RWAs of the Group.

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

		Quarter closing as at 30.06.2023
		Risk weighted exposure amount
		a
1	Risk weighted exposure amount as at the end of the previous reporting period	23,229,174
2	Asset size (+/-)	2,012,064
3	Asset quality (+/-)	(716,686)
4	Model updates (+/-)	-
5	Methodology and policy (+/-)	-
6	Acquisitions and disposals (+/-)	(285,599)
7	Foreign exchange movements (+/-)	1,619
8	Other (+/-)	-
9	Risk weighted exposure amount as at the end of the reporting period	24,240,572

In the second quarter of 2023 risk weighted exposures in the context of the application of the advanced approach (A-IRB) amounted to Euro 24.24 billion, attributable for Euro 14.36 billion to exposures to Corporate counterparties, for Euro 7.04 billion to exposures to Retail counterparties and for Euro 2.84 billion to assets other than loans.

The quarterly change of Euro +1.01 billion is attributable to the following dynamics:

- Euro +1.49 billion for the increase in exposures to customers;
- Euro -0.72 billion for the improvement of the portfolio risk profile;
- Euro +0.53 billion as result of the expansion of the new AIRB models to the former Unipol Banca exposures.
- Euro -0.29 billion subsequent to the completion of the disposals of A-IRB transactions;
- Euro +0.002 billion due to foreign exchange rate movements.

Template EU CR10 – Specialised lending and equity exposures under the simple risk-weighted approach

Template EU CR10.1

Specialised lending: Project finance (Slotting approach)							
Regulatory categories	Remaining maturity	On-balance-sheet exposures	Off-balance-sheet exposures	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	2,981	3,454	115%	4,183	3,540	117
	Equal to or more than 2.5 years	58,595	52,503	115%	84,888	74,039	2,377
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	24,830	3,631	250%	26,645	39,384	2,132
Category 5	Less than 2.5 years	-	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	Less than 2.5 years	2,981	3,454		4,183	3,540	117
	Equal to or more than 2.5 years	83,425	56,134		111,533	113,423	4,509

Template EU CR10.2

Specialised lending: Income-producing real estate and high volatility commercial real estate (Slotting approach)							
Regulatory categories	Remaining maturity	On-balance-sheet exposures	Off-balance-sheet exposures	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	3,891	27,663	90%	17,723	12,605	142
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	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	-	-		-	-	-
	Equal to or more than 2.5 years	3,891	27,663		17,723	12,605	142

Template EU CR10.3

Specialised lending: Object finance (Slotting approach)							
Regulatory categories	Remaining maturity	On-balance-sheet exposures	Off-balance-sheet exposures	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	2,830	-	70%	2,830	1,530	11
	Equal to or more than 2.5 years	1,624	10,881	90%	7,065	6,358	57
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	Equal to or more than 2.5 years	11,012	-	115%	11,012	10,676	308
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	2,830	-		2,830	1,530	11
	Equal to or more than 2.5 years	12,636	10,881		18,077	17,034	365

Please note that, in relation to template EU CR10, only the templates applicable as a function of the type of loan/exposure were produced; the templates not present in this section are therefore to be considered not applicable as the case is not present.

10. Exposures 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)	Effective EPE (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)	39	3,305		1.4	4,682	4,682	4,682	4,682
1	SA-CCR (for derivatives)	26,805	98,984		1.4	176,104	171,778	171,778	143,840
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)					5,003,569	488,023	488,023	184,634
5	VaR for SFTs					-	-	-	-
6	Total					5,184,355	664,483	664,483	333,156

The amounts reported in the row referring to the simplified standardised approach are fully attributable to a subsidiary whose on- and off-balance sheet derivative business totalled Euro 2.65 million as at 30 June 2023.

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 approach	65,501	57,991
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	65,501	57,991

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

Exposure class	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	-	246,683	-	-	220,306	309,075
7 Corporates	-	-	-	-	-	1,992
8 Retail	-	-	-	-	-	-
9 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
10 Other items	-	-	-	-	1,244	93
11 Total exposure value	-	246,683	-	-	221,550	311,160

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

Exposure class	Risk weight					
	g	h	i	j	k	l
	70%	75%	100%	150%	Other	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	-	-	1,862	-	-	777,926
7 Corporates	-	-	123,780	-	-	125,772
8 Retail	-	2,697	-	-	-	2,697
9 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
10 Other items	-	-	46,659	4,781	-	52,777
11 Total exposure value	-	2,697	172,301	4,781	-	959,172

Template EU CCR4 “IRB approach – CCR exposures by exposure class and PD scale” is not reported because only the standardised approach is used for counterparty risk.

Template EU CCR5: Composition of collateral for CCR exposures

Collateral type	a	b	c	d	e	f	g	h
	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	-	1,754,993	-	148,656	-	-	-	-
2 Cash – other currencies	-	-	-	-	-	-	-	-
3 Domestic sovereign debt	-	-	-	-	-	513,317	-	2,509,136
4 Other sovereign debt	-	-	-	-	-	-	-	1,050,965
5 Government agency debt	-	-	-	-	-	-	-	-
6 Corporate bonds	-	-	-	-	-	-	-	797,226
7 Equity securities	-	-	-	-	-	-	-	-
8 Other collateral	-	-	-	-	-	300,000	-	2,386,353
9 Total	-	1,754,993	-	148,656	-	813,317	-	6,743,680

When compared with the previous half, on the collateral guarantees component as part of SFT transactions, a decrease on those received and an increase on those provided was simultaneously registered, relating to portfolio changes, with particular reference to transactions with central counterparties.

The EU CCR6 Model "Credit derivatives exposures" is not produced, as there are no credit derivatives exposures.

Template EU CCR7 “RWEA flow statements of CCR exposures under the IMM” is not published as no internal models are applied to CCR exposures.

Template EU CCR8 – Exposures to CCPs

		a	b
		Exposure value	RWEA
1	Exposures to QCCPs (total)		5,961
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which:	246,684	4,934
3	<i>i) OTC derivatives</i>	190,983	3,820
4	<i>ii) Exchange-traded derivatives</i>	-	-
5	<i>iii) SFTs</i>	55,701	1,114
6	<i>iv) Netting sets where cross-product netting has been approved</i>	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	174	1,027
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>i) OTC derivatives</i>	-	-
14	<i>ii) Exchange-traded derivatives</i>	-	-
15	<i>iii) SFTs</i>	-	-
16	<i>iv) Netting sets where cross-product netting has been approved</i>	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

11. Securitisation exposures

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

	a	b	c	d	e	f	g
	Institution acts as originator						
	Traditional			Synthetic			
	STS		Non-STS			of which SRT	Sub-total
		of which SRT		of which SRT			
1 Total exposures	-	-	122,790	122,790	-	-	122,790
2 Retail (total)	-	-	93,382	93,382	-	-	93,382
3 Residential mortgages	-	-	4,205	4,205	-	-	4,205
4 Credit cards	-	-	-	-	-	-	-
5 Other retail exposures	-	-	89,177	89,177	-	-	89,177
6 Re-securitisation	-	-	-	-	-	-	-
7 Wholesale (total)	-	-	29,408	29,408	-	-	29,408
8 Loans to corporates	-	-	29,408	29,408	-	-	29,408
9 Non-residential mortgages	-	-	-	-	-	-	-
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	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
1 Total exposures	-	-	-	-	-	45,255	-	45,255
2 Retail (total)	-	-	-	-	-	45,255	-	45,255
3 Residential mortgages	-	-	-	-	-	-	-	-
4 Credit cards	-	-	-	-	-	-	-	-
5 Other retail exposures	-	-	-	-	-	45,255	-	45,255
6 Re-securitisation	-	-	-	-	-	-	-	-
7 Wholesale (total)	-	-	-	-	-	-	-	-
8 Loans to corporates	-	-	-	-	-	-	-	-
9 Non-residential mortgages	-	-	-	-	-	-	-	-
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.

11. Securitisation exposures

Template EU-SEC"2 "Securitisation exposures in the trading book is not published as the Group has no securitisation exposures in the trading book.

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	-	421	85,096	33,179	4,094	-	776	117,920	4,094
2	Traditional transactions	-	421	85,096	33,179	4,094	-	776	117,920	4,094
3	Securitisation	-	421	85,096	33,179	4,094	-	776	117,920	4,094
4	Retail	-	421	85,096	3,771	4,094	-	776	88,512	4,094
5	of which STS	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	29,408	-	-	-	29,408	-
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	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW
1	Total exposures	-	2,537	278,174	45,450	-	203	11,889	3,636
2	Traditional transactions	-	2,537	278,174	45,450	-	203	11,889	3,636
3	Securitisation	-	2,537	278,174	45,450	-	203	11,889	3,636
4	Retail	-	2,537	107,480	45,450	-	203	8,360	3,636
5	<i>of which STS</i>	-	-	-	-	-	-	-	-
6	Wholesale	-	-	170,694	-	-	-	3,529	-
7	<i>of which STS</i>	-	-	-	-	-	-	-	-
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	15,573	216	1,913	25,453	2,100	-	17,702	27,553
2	Traditional securitisation	15,573	216	1,913	25,453	2,100	-	17,702	27,553
3	Securitisation	15,573	216	1,913	25,453	2,100	-	17,702	27,553
4	Retail underlying	15,573	216	1,913	25,453	2,100	-	17,702	27,553
5	<i>of which STS</i>	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-
7	<i>of which STS</i>	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-

11. Securitisation exposures

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	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW
1	Total exposures	-	3,764	223,965	-	-	301	2,129
2	Traditional securitisation	-	3,764	223,965	-	-	301	2,129
3	Securitisation	-	3,764	223,965	-	-	301	2,129
4	Retail underlying	-	3,764	223,965	-	-	301	2,129
5	of which STS	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-
7	of which STS	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-
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	6,370,890	6,169,239
2	Retail (total)	5,782,831	5,581,180
3	Residential mortgages	1,093,787	892,136
4	Credit cards	-	-
5	Other retail exposures	4,689,044	4,689,044
6	Re-securitisation	-	-
7	Wholesale (total)	588,059	588,059
8	Loans to corporates	100,719	100,719
9	Non-residential mortgages	487,340	487,340
10	Lease and receivables	-	-
11	Other wholesale	-	-
12	Re-securitisation	-	-

12. Market risk

Template EU MR1 - Market risk under the standardised approach

		a
		RWEA
Outright products		
1	Interest rate risk (general and specific)	549,959
2	Equity risk (general and specific)	26,677
3	Foreign exchange risk	-
4	Commodity risk	-
Options		
5	Simplified approach	-
6	Delta plus approach	120,101
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	Total	696,737

Please note that templates EU MR2-A “market risk under the Internal Models Approach (IMA)”, EU MR2-B “RWA flow statements of market risk exposures under the IMA”, EU MR3 “IMA values for trading portfolios” and EU MR4 “Comparison of VaR estimates with gains/losses” are not shown as no internal models are used for market risk.

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

As required by Implementing Regulation EBA/UE/631/2022 of 13 April 2022, the information referred to in Template EU IRRBB1 with reference to quantitative information on interest rate risks of non-trading book activities is provided below.

In particular, the template 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 down, Steepener, Flattener, Short rates up and Short rates down) and displays the changes in net interest income as calculated under the two prudential shock scenarios (Parallel up and Parallel down).

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

Supervisory shock scenarios		a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		30.06.2023	31.12.2022	30.06.2023	31.12.2022
1	Parallel up	101,632	40,816	158,499	161,429
2	Parallel down	(231,243)	(118,564)	(172,684)	(195,516)
3	Steepener	103,716	131,356		
4	Flattener	(175,192)	(253,020)		
5	Short rates up	(104,693)	(211,253)		
6	Short rates down	52,736	109,581		

The banking book of the BPER Banca Group is composed mainly of activities in Euro, which is the only relevant currency reported for the purposes of disclosures requested by template EU IRRBB1, also at the reference date of 30 June 2023. The breakdown of assets and liabilities by maturity ensures an increase in both the economic value and the net interest income in case of an interest rate increase scenario (Parallel up).

Variations in the risk measures compared to the prior period is mainly attributable to new production in lending, with the disbursement of medium-/long-term fixed-rate loans, partially compensated - on the funding side - by the placement of certificates and senior notes in the six-month period.

14. ESG Risk

This chapter provides the qualitative and quantitative information required by art. 449-bis of the CRR according to the information templates contained in Implementing Regulation (EU) 2022/2453 of the Commission of 30 November 2022 and subsequent updates which amend the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure on environmental, social and governance risks. In particular, the three qualitative tables envisaged in the aforementioned Regulation together with the quantitative templates applicable as at 30 June 2023 are shown hereunder.

Based on the regulatory provisions cited above, the Pillar 3 document requires entities to publish, on a six-monthly basis from 31 December 2022, three qualitative sections (hereinafter “Tables”) and - full requirement - a total of ten quantitative disclosure templates (hereinafter “Templates”), of which four dedicated to climate change transition risk, one dedicated to climate change physical risk and five with quantitative information on the actions that the institutions are taking to mitigate the risks related to climate change, including information on taxonomy-aligned actions (GAR and BTAR) and on any other mitigation actions. Regulation (EU) 2022/2453 actually makes provision for a phase-in period in relation to some more complex information in terms of data collection and the associated methodology for measuring risks such as, in particular, those relating to the reporting of emissions and alignment metrics or the disclosure on the Green Asset Ratio (GAR) and the Banking Taxonomy Alignment Ratio (BTAR). Therefore, said information will be included in the Pillar 3 document according to the time-scales defined by the aforementioned Regulation.

The qualitative disclosure describes the integration of environmental, social and governance (ESG) risks in the strategic and governance decisions, in business processes and in risk management.

The Strategy, Governance and Risk management themes are therefore specified for said risk types (E, S and G); where necessary, any references to the paragraphs of this document or to other documents that already comprehensively describe the required contents are also reported.

Table 1: Qualitative information on environmental risk

The following table shows the information required under Article 449 bis and Article 435 (1 and 2) of the CRR.

Row number	Qualitative Information
	Business strategy and processes
a)	<p>Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning</p> <p>In order to implement an effective climate strategy capable, on the one, hand of managing risks and, on the other, of multiplying the opportunities, the BPER Group has identified five cornerstones in its approach:</p> <ul style="list-style-type: none"> • enhancing the green offer; • redesigning the data governance model; • engaging the value chain (customers and suppliers); • reduction of direct impacts; • reviewing risk management processes. <p>These five cornerstones are augmented by the continuous evolution of the scenario analysis methodology and monitoring of the portfolio's carbon footprint, with the commitment to define decarbonisation targets in the current year towards alignment with the Paris Agreement (NZBA targets). Moreover, these analyses are an important support in the definition of credit policies (thanks to the assessment of exposure in relation to the different sectors in the portfolio) and commercial evaluations, especially with regard to the analysis of short- and long-term transition risk.</p> <p>The Group's climate strategy took concrete form in the ESG Infusion Programme, an integral and founding part of the new BPER e-volution 2022-2025 Business Plan, designed with the aim of creating long-term shared value by strengthening sustainability issues within the corporate business model. The aforementioned Strategic Plan also fully includes the Action Plan for managing climate and environmental risks, approved by the Parent Company's Board of Directors on 20 May 2021 and sent to the European Central Bank in response to the process of assessment of the positioning on climate and environmental risk management in which the ECB involved all supervised banks.</p> <p>In 2022, the BPER Group, via its Parent Company BPER Banca, also joined the Net-Zero Banking Alliance (NZBA), the initiative promoted by the United Nations with the goal of accelerating the sustainable transition of the banking sector through the commitment of the member banks to align their portfolios, loans and investments with the achievement of the net-zero emissions target by 2050.</p> <p>For insights please refer to paragraphs 2.2.2, 3.6 and 5.3 of the TCFD 2022 Report of the BPER Banca Group.</p> <p>The projects with an ESG impact integrated in the Business Plan are monitored quarterly and submitted to the Sustainability Committee. The actions and objectives related to environmental issues in the Business Plan include:</p>

	<ul style="list-style-type: none"> external transition: support for the green transition of companies and households by earmarking a ceiling amount of over Euro 7 billion for green loans (specific sectors/supply chains, NRRP, the 110% 'Superbonus' tax deduction for the energy and seismic upgrading of properties, green mortgages); internal transition: identification of a science-based emissions reduction target, aligned with the Paris Agreement (-50.2% by 2030) and set at -23% by 2025; energy efficiency activities are contained within an Energy Plan with its baseline in 2022 and expected closure by 2025. From 1 January 2023, the Group's electricity supply will be 100% from renewable energy; incorporating ESG targets in Management's long-term incentive system with KPIs weighing 15% of the total; redesigning the internal Organisational Model to define roles and responsibilities in ESG; dissemination of the "ESG Culture" and specific training activities: awareness raising and involvement of the entire company population on sustainability issues and upskilling and reskilling actions aimed at over 50% of employees; integration of ESG factors into risk, credit and investment processes; 25% expansion of the offering of ESG investment products and 25% increase in ESG-related assets under management compared to 31 December 2021 (Euro 12.7 billion); incorporating ESG criteria in the Bank's procurement choices (through supplier ESG assessment). <p>In relation to the integration of climate and environmental factors in risk management processes, the BPER Group has defined a progressive, multi-year adaptation plan with project milestones in line with prudential expectations and such as to ensure internal consistency with other actions defined in the ESG area, in order to support the construction of a coherent framework at Group level.</p> <p>The multi-year plan related to risk management is based on the initiatives currently underway to enrich the information databases and define an internal nomenclature, and defines integration measures on the basis of criteria of sequentiality, prerequisites and sound and prudent risk management. In this context, the following objectives were achieved in the first half of 2023:</p> <ul style="list-style-type: none"> analysis of climate and environmental risk factor transmission channels on the Group's risk identification and assessment system; Integration of the Group Risk Map; Integration of the Group Risk Appetite Framework and key metrics for materiality assessment, measurement and Group risk monitoring purposes; adjustment of Risk Governance processes; integration of internal capital adequacy and liquidity assessment processes. <p>These initiatives form an initial set of dedicated interventions that will be progressively developed synergistically and coherently with the initiatives defined in the "ESG Infusion" plan.</p> <p>Consistent with the Group's business model, the strategies pursued and its risk appetite framework, climate and environmental risk management underpins the development of the 2022-2025 Business Plan. In fact, the BPER Group has defined a risk-taking and management strategy with the aim of ensuring, under business-as-usual and stress conditions, a risk profile that is sustainable and consistent with its business model and the market context. Therefore, the strategy also considers activities aimed at achieving sustainability goals, with the understanding that the implications of ESG-related risks on individuals and corporate performance require careful and responsible corporate management. These factors are integrated while taking into account market requirements, regulatory changes, the expectations of the Supervisor and the various stakeholders in order to identify those short- and medium- to long-term management actions that can mitigate the risks arising from the pursuit of the defined sustainability objectives. For further details, please refer to Section 4 of the 2022 TCFD Report of the BPER Banca Group.</p> <p>In relation to the strategic planning processes, in the last quarter of 2022, the BPER Banca Group launched a project to develop said processes with the objective of including ESG drivers through dedicated measures and KPIs (e.g., transition risks and physical risks). The project envisages the inclusion of multiple functions within the BPER Banca Group, reshaping roles and responsibilities of the corporate functions involved in the Planning and Control processes and impacted by the identified ESG measures and KPIs. To this end, a workgroup was created to identify and formalise the information assets needed for the roll-out of the identified processes and that will allow the association of ESG factors with assessments on the Group's profitability and risk profile. The activities are scheduled to be completed by the end of the third quarter of 2023, after which the project will be evaluated and the timing of the planned implementation initiatives will be assessed based on the findings.</p> <p>The BPER Banca Group banks continued their activities during the year to comply with the SFDR and MiFID II regulations. The Group is implementing its advisory model in order to understand customer preferences on ESG issues, with the aim of making appropriate use of this information in the investment advisory process and related assessment of the suitability of customer proposals and portfolios.</p> <p>The catalogue of UCITS (Undertakings for Collective Investment in Transferable Securities) has seen a significant increase in the number of financial products promoting ESG characteristics or having sustainable investment as their objective, classified under Articles 8 and 9 of the SFDR.</p> <p>As at 30 June 2023, the catalogue contained 954 sustainable funds (articles 8 and 9 of SFDR). Assets Under Management relating to sustainable collective investment undertakings held in the customer portfolio exceeded Euro 16 billion.</p> <p>The BPER Banca Group companies, in their capacity as financial market participants providing the investment service of portfolio management, consider the Principal Adverse Impact ("PAI") that their investment decisions may have on sustainability factors, and, in June 2023, they published the "Consolidated statement on the principal adverse impact on sustainability factors on the Bank's asset management" for the period from 1 January 2022 to 31 December 2022.</p> <p>The BPER Banca Group companies consider the principal adverse impact by measuring and monitoring the aggregate negative impact on the sustainability factors of its investments, when it comes to portfolio management.</p>
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b)	<p>Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information about the design of business strategy and processes</p> <p>Net Zero Banking Alliance</p> <p>In March 2022, the BPER Banca Group joined the Net-Zero Banking Alliance (NZBA), with the goal of eliminating emissions by 2050. The initiative, promoted by the United Nations, is aimed at accelerating the sustainable transition of the banking sector through the commitment of the member banks to align their portfolios of loans and investments with the achievement of the net-zero emissions target by 2050.</p> <p>Reaching the final objective will involve various five-year intermediate steps starting in 2030, with reference to both the loan portfolio and the portfolio of investment in financial assets.</p> <p>The first Scope 3 emission reduction objectives have been published by the Bank on 3 August 2023, within 18 months of joining (March 2022). The remaining objectives will be disclosed within 36 months after the date of joining.</p> <p>Target setting is an important step for the BPER Banca Group towards the alignment of its business to the decarbonisation ambitions set out in the 2015 Paris Agreement and a further development in its commitment to sustainability and climate change mitigation.</p> <p>The first targets identified by the Bank refer to two carbon-intensive sectors included in its credit portfolio: power generation and extraction, processing and distribution of oil and gas.</p> <p>The targets were defined by the BPER Banca Group through a process for the quantification of its portfolio emissions (also known as ‘financed emissions’). The mechanism for the assignment of emissions to customers is based on the amount of loans disbursed with the Bank’s exposures being specifically analysed and aligned with the decarbonisation trajectories outlined by the Net Zero scenarios recommended by the NZBA.</p> <p>The calculation of the 2030 targets for the two sectors refers directly to the Net Zero 2050 scenario, set forth by the International Energy Agency (IEA) and is in line with the Alliance requirements.</p> <p>“Power generation” sector: 36% reduction in weighted emission intensity of counterparties in the portfolio, from a baseline of 256 kilograms of CO₂-equivalent per megawatt hour (256 kg CO₂e/MWh) in 2022 to an average value of 165 kilograms of CO₂-equivalent per megawatt hour (165 kg CO₂e/MWh) in 2030. The target set refers to financed emissions of 143 thousand CO₂-equivalent (143k tCO₂e) regarding power generation activities and considers Scope 1 emissions for the companies in the referenced sector.</p> <p>“Oil and gas” sector: 29% reduction in BPER Banca’s financed emissions by 2030, starting from a baseline of 464 thousand tons of CO₂-equivalent (464k tCO₂e) in 2022. The target includes extraction, refining and distribution of oil, gas and their derivatives and covers Scope 1, 2 and 3 emissions of counterparties.</p> <p>The BPER Banca Group has incorporated the pursuit of the targets across its entire business, from the evolution of its credit policies and processes to the structuring of lending solutions to help businesses achieve their sustainable transition pathways.</p> <p>In terms of disclosure, the Bank has also undertaken to annually report absolute emissions and emission intensity, within the 12 months following the publication of the first target (August 2023).</p> <p>Reporting activity allows the BPER Banca Group to provide a general overview to the various shareholders concerned by the composition of the investment portfolio and, in particular, to corporate counterparties belonging to carbon-intensive sectors in terms of emissions intensity and with respect to total portfolio exposures.</p> <p>Business plan</p> <p>Building on its international commitments as a signatory of the Net Zero Banking Alliance and the Principles for Responsible Banking, the BPER Banca Group intends to improve its leadership in the management of ESG issues in order</p>

	<p>to become more efficient, competitive and be a credible and reliable partner of its clients in creating a more sustainable, equitable and inclusive society.</p> <p>The BPER Banca Group has structured its own route to sustainability through the adoption of an integrated strategy, capable of combining business growth and financial strength with social and environmental sustainability, thereby creating long-term shared value. The sustainability perspective has been fully integrated in the new 2022-2025 Business Plan.</p> <p>In that sense, the Business Plan has identified concrete actions and objectives to be pursued along various lines, putting the focus on environmental risk in relation to the external transition and the internal transition.</p> <p>In relation to the external transition, the BPER Banca Group guarantees support for the ecological transition of both families and businesses, thanks to the definition of a cap of more than Euro 7 billion for green loans, such as, for example, Superbonus 110%, green mortgages, PNRR (National Recovery and Resilience Plan), etc.</p>
c)	<p>Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities</p> <p>The BPER Group has changed the way it manages its financial investments, attributing greater weight to the factors that favour sustainable growth, attentive to society and the environment, and has adopted a specific "ESG Investment Policy for the management of the Group's Proprietary Portfolio" as of December 2022. The resources allocated to investments in companies with the best social, environmental and governance practices will, therefore, increase. For further details, please refer to the Company's website https://istituzionale.bper.it/en/sustainability/our-commitment/policy. This decision is dictated by the goal of enhancing the value of corporate social responsibility and improving the management of financial and reputational risk. In this context, the BPER Group Banca pledges to contribute, firstly, to a sustainable economic development by giving priority, in its investment choices and in the management of its financial portfolio, to businesses that adopt virtuous practices focused on the use of environmentally friendly production methods, on the guarantee of inclusive working conditions that are respectful of human rights and on the implementation of the best corporate governance standards. Inappropriate business conduct can generate costs and risks not only for the individual businesses, but for the whole economic system, negatively impacting financial stability and economic growth, sometimes even in the short term. Conversely, as confirmed by extensive literature and empirical studies, businesses that are attentive to ESG factors are usually less exposed to operational, legal and reputational risks and are more oriented towards innovation and efficiency in allocating their resources; for this reason, they are considered to be more interesting by investors and benefit from a lower capital cost.</p> <p>As at 30 June 2023, the Group held an overall financial portfolio of Euro 29,849 million, of which 7.4% with ESG characteristics (6.8% as at 31 December 2022). More specifically, the "Portfolio with an ESG score" includes Social Bonds, Green Bonds, Sustainability Bonds, Sustainability-linked Bonds, equity funds of Etica Sgr and equity investments weighted for an "ESG score". BPER Banca and the Group's companies rely on external data providers to identify an ESG rating for each individual investment and to have a specific analysis for environmental, social and governance issues (e.g. ESG score from leading information providers). For further details, please refer to the BPER Banca Group's Consolidated Non-Financial Statement for the financial year 2022.</p>
d)	<p>Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks</p> <p>The BPER Banca Group develops and adopts an approach aimed at identifying and assessing potential ESG risks (climate-related and environmental, reputational, operational, etc.) arising from loans granted to companies operating in controversial sectors, involved in serious events that have resulted, or may result, in negative impacts on the borrowers assessment, with special attention to impacts on their credit scoring; at the same time, the Group intends to seize the opportunity of steering and supporting the path of transition, with the objective of improving the profile of its loan portfolio, including in terms of environmentally sustainable exposures in accordance with the EU Taxonomy, that are measured by the Green Asset Ratio (GAR) and Banking Book Taxonomy Alignment Ratio (BTAR).</p> <p>The BPER Banca Group has adopted a ESG Policy on credit granting which, in specifying the principles shown above, indicates:</p> <ul style="list-style-type: none"> • The general limitation and exclusion criteria for counterparty and/or project financeability, consistently with the "ESG Policy" of the BPER Banca Group and its voluntary commitments (Net-Zero Banking Alliance, Principles for Responsible Banking (PRB)); • detailed criteria applying to counterparties belonging to "risk-sensitive" sectors; • strategies to support transition and the increasing "alignment" of counterparties with the principles of the EU Taxonomy, including via dedicated products or services. <p>In anticipation of the broader objectives that will be declared in relation to the path envisaged following accession to the Net-Zero Banking Alliance, the Group has clarified the exclusion policies adopted on specific business sectors which, for various reasons, are exposed to high sustainability risks in environmental, social or governance terms (in particular, negative screening on coal and on specific unconventional oil & gas activities).</p> <p>The elements taken into account when evaluating counterparties and investment projects for sectors where exposure to transition may generate significant opportunities are also clarified (e.g., production, distribution and sale of electricity, land transport, shipping), in order to address the development of "green" loans.</p> <p>The credit granting application was also supplemented with specific alert messages aimed at highlighting the applicability of the ESG Policy on credit granting to the counterparty's sector. A red alert has been issued with regard to "coal", and a management strategy consistent with the Group's disengagement from this sector was established in 2023.</p> <p>In summary, the overall evolution of the credit policy framework developed as part of the Business Plan reinforces the traditional approach of dual top-down and bottom-up analysis that has long been adopted by the Group.</p>

	<p>The top-down analysis takes into consideration not only the macroeconomic outlooks, but any negative screening policies (as already indicated, managed from the perspective of a "Coal" sector phase-out), while the bottom-up analysis is conducted at counterparty level.</p> <p>The new approach adopted in credit policies will, from 2023 onwards, be accompanied by the identification of a specific strategy determined at the level of individual customers based on economic-financial parameters and, progressively, of additional ESG indicators aimed at measuring the positioning of the counterparty or credit proposal with respect to the ESG standards pursued by the Group.</p> <p>Involvement of corporate customers</p> <p>The BPER Banca Group began collaborating with CRIF S.p.A. in 2022 and 2023 for the purpose of administering ESG questionnaires to its customers through the Synesgy platform. With this collaboration, the Group has equipped itself with an innovative tool in the market with which to carry out ESG data collection campaigns to acquire single name information on counterparties. This will allow a gradual reduction in the use of sector proxies for the definition of ESG data useful for risk management and credit granting processes, also in accordance with the requirements of banking supervisory authorities.</p> <p>The questionnaire was first sent to a cluster of about 400 customers, and the gradual extension of the perimeter over time will be evaluated.</p> <p>In addition, in cooperation with the Catholic University of Piacenza and local trade associations (such as the Chambers of Commerce and Confindustria), the BPER Banca Group has planned ten events (two took place in 2022, three in the first half of 2023 and five are planned by the end of the year) of a national roadshow aimed at informing and educating SMEs on the topic of sustainability reporting and ecological transition. This initiative is designed to highlight the opportunities, in terms of competitiveness, arising from embarking on a virtuous path related to sustainability issues and clear, transparent reporting on ESG performance. In fact, the BPER Banca Group recognises the strategic and priority role of the banking system also with regard to the dissemination of useful information to start virtuous paths among SMEs and confirms its commitment to assisting its customers in the transition process with this initiative.</p> <p>For further details, please refer to section "4.6 ESG Products and Sustainable Finance" of the BPER Banca Group's 2022 CNFS.</p> <p>Involvement of the Supply Chain</p> <p>In order to strengthen the responsible approach in the supply chain, in cooperation with the ABC Consortium, from 2019 to 2021 the BPER Banca Group implemented a supplier engagement project in order to assign a Sustainability Rating to the Group's top 200 suppliers. The pilot project included an evaluation system carried out through a documentary audit, after which the individual supplier received an ESG rating free of charge.</p> <p>After the pilot engagement phase (2019-2021 Business Plan) was completed, the entire procurement process was revised in 2022 from an ESG perspective, with the aim of selecting both suppliers and purchased products. The Green Procurement project included in the 2022-2025 Business Plan, concerning the integration of ESG criteria in the procurement and supplier management processes, was developed starting from the need to realign corporate purchasing and consumption. To fulfil this objective, the BPER Banca Group aims to select and assess its suppliers by including ESG elements, such as the Italian and European Minimum Environmental Criteria, among its assessment standards.</p> <p>This project is designed to identify and collaborate with suppliers who share the same values as the Group, in order to generate a significant impact both for the business and for the achievement of sustainability goals throughout the value chain.</p> <p>For further details, please refer to the 2022 Non-Financial Statement of the BPER Banca Group.</p>
Governance	
e)	<p>Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels</p> <p>The BPER Banca Group's Board Governance over environmental issues is assigned to three corporate bodies: the Board of Directors (BoD), the Internal Board Sustainability Committee and the Control and Risk Committee. The BoD defines Group guidelines and strategies relating to sustainability and climate-related issues. The Board is responsible for approving the Consolidated Non-Financial Statement (or Sustainability Report), the Business Plan, the Risk Appetite Framework and the risk governance policies, incorporating ESG and climate elements over time. The Board of Directors includes individuals with strong ESG expertise, including a board member of the ESG Working Group for Climate Change of the World Economic Forum. The body meets to discuss sustainability and climate issues at least quarterly (for further information please refer to the Report on Corporate Governance and Ownership Structure published on the Company's website https://istituzionale.bper.it/en/governance/documents). The Board Sustainability Committee supports the Board of Directors' activities in the field of sustainability, with an impact on all the processes, structures and corporate controls through which the Bank ensures the pursuit of sustainable development, with particular reference to environmental, social and governance issues. More specifically, the Committee reviews and assesses:</p> <ul style="list-style-type: none"> the content of the Group's ESG policy and its ability to ensure the achievement of sustainable development objectives through ongoing dialogue with all stakeholders; ESG-related regulatory documents, final reports and disclosures - including the consolidated non-financial statement; any reports by the Chief Executive Officer on problems and critical issues concerning sustainability that may have arisen in the course of his work or of which he has otherwise become aware. <p>The Sustainability Committee also has a strategic role with regard to ESG and climate issues, and is responsible for assessing the Bank's positioning within sustainability metrics, indices and market benchmarks, and initiatives and programmes aimed at spreading a culture of sustainability and awareness of the need to pursue sustainable development throughout the Bank's organisational structures. The body meets to discuss sustainability and climate issues at least quarterly. The Internal Board Control and Risk Committee supports the Board of Directors in assessing the ESG elements</p>

	emphasised in the internal control system, risk objectives ("risk appetite"), tolerance thresholds ("risk tolerance") and strategies for capital and liquidity management, as well as for all relevant risks of the Bank and the BPER Banca Group. In addition, the Control and Risk Committee periodically assesses a number of possible scenarios, including stress scenarios, to determine how the ESG risk profile of the Bank and the BPER Group might react to external and internal events. The body meets to discuss sustainability and climate issues at least quarterly.
f)	<p>Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions</p> <p>The BPER Banca Group has structured its own route to sustainability through the adoption of an integrated strategy, capable of combining business growth and financial strength with social and environmental sustainability. In that regard, the approval of the "ESG Policy" in November 2022 was significant, which further strengthened governance of ESG issues for the pursuit of sustainable success.</p> <p>On 14 October 2021, the Board of Directors established the Board-internal Sustainability Committee, which was assigned a support role in the Board's sustainability activities and, therefore, in tackling Climate Change, with reverberations on all processes, structures and company controls through which the Bank guarantees the pursuit of sustainable development, with particular reference to environmental, social and governance themes, in compliance with Principle I of the Code of Corporate Governance and the principles drawn up by the competent international bodies.</p> <p>The main ESG roles and responsibilities applied in the various bodies are as follows:</p> <ul style="list-style-type: none"> • Sustainability Committee: performs support functions for the activities of the Board of Directors in the area of ESG and sustainability, with an impact on all the processes, branches and safeguards through which the Bank guarantees the pursuit of sustainable development, with particular reference to environmental, social and governance issues, in compliance with Article 1, Principle I, of Borsa Italiana's Corporate Governance Code and the principles drawn up by the relevant international bodies. In particular the Committee: <ul style="list-style-type: none"> - reviews and assesses, at least once a year, the content of the Group's ESG policy and its ability to ensure the achievement of sustainable development objectives through ongoing dialogue with all stakeholders; - reviews and assesses ESG-related regulatory documents, final reports and disclosures - including the consolidated non-financial statement prepared by the ESG Strategy Office; - reviews and assesses any reports by the Chief Executive Officer on problems and critical issues concerning sustainability that may have arisen in the course of his work or of which he has otherwise become aware; - assesses the Bank's positioning against sustainability metrics, indices and market benchmarks; - monitors relevant initiatives (forums, associations, study and analysis events) organised at international and domestic level in order to promote and strengthen awareness of sustainability issues, also assessing, on the basis of their relevance and effectiveness, the degree of engagement of the Bank in achieving sustainable development objectives; - monitors initiatives and programmes aimed at disseminating, throughout the Bank's organisational structure, the culture of sustainability and the awareness, on the part of its resources, of the need to pursue sustainable development; - assesses technological, environmental, social, economic, political and geopolitical scenarios and macro-trends that are likely to have a significant impact on society as a whole in the long term and, in turn, on the Bank's corporate purpose and the way it relates to society; - promotes and/or supports initiatives aimed at analysing the scenarios mentioned in the previous point; - reports at least annually to the Board of Directors on the overall activities carried out. <p>The ESG Strategy Office, created in 2021, has specific expertise in sustainability and climate matters. This Office, reporting directly to the Deputy General Manager of BPER Banca, deals with issues related to sustainability, the climate and ensures support for the competent corporate bodies in reaching the sustainable development targets.</p> <p>Details of the core activities carried out by the ESG Strategy Office are reported below:</p> <ul style="list-style-type: none"> • sustainability reporting <ul style="list-style-type: none"> - preparation of the Sustainability Report, with the definition of relevant issues and sustainability indicators to be represented; - training and consulting for Group companies on the issues of sustainability and the relative reporting; - management of the stakeholder engagement process for activities pertaining to the realm of sustainability and preparation of the Sustainability Report; • strategic business and sustainability planning <ul style="list-style-type: none"> - monitors the progress of Business Plan activities that have an ESG impact for the achievement of defined objectives; - preparation of the Sustainability Plan; - management of relevant sustainability projects and identification of strategic ESG targets; • monitoring data and ESG regulations <ul style="list-style-type: none"> - assessing ESG impacts of Group initiatives and supporting Group structures; - monitoring and control of the management of direct and indirect environmental impact; - regulatory monitoring and impact analysis with identification of ESG targets and verification of the progress of activities to achieve them; • management of external relations <ul style="list-style-type: none"> - managing relations with the ECB on climate and environmental risk issues and coordinating cross-sectoral ESG exercises initiated by supervisory bodies (e.g., ECB Climate and Environmental Risk questionnaires); - managing relations and communications with international bodies for adherence to sustainability frameworks (such as PRB and NZBA) and ESG ratings, in cooperation with the Investor Relator;

	<ul style="list-style-type: none"> - retrieval of relevant data and information for clear, transparent and consistent communication of Group policies and actions; • support for Committees and other corporate functions <ul style="list-style-type: none"> - supports the Internal Board Sustainability Committee in promoting and managing the strategy on sustainability issues; - supports the Sustainability Managerial Committee in the operational management of sustainability issues in accordance with the Business Plan targets; - collaboration with all Group structures on ESG issues also through the identification and delivery of training and consultancy services on sustainability issues and reporting; • energy & mobility management <ul style="list-style-type: none"> - energy management activities with the identification of initiatives to reduce direct environmental impacts such as procurement of renewable energy sources and energy savings; - mobility management activities with the identification of initiatives to reduce environmental impacts due to business mobility and employees' home-to-work mobility; - coordination and implementation of actions envisaged by the Business Plan. • ESG Manager: the new ESG policy contains the key figures of the ESG Managers, defined in the structures that are active on ESG issues and who represent their pivotal figures, with the following functions: <ul style="list-style-type: none"> - coordinates and monitors the activities defined to achieve the objectives; - analyses the impacts of ESG issues in his/her structure of operation, for the issues within his/her competence, identifying risks and opportunities; - coordinates relations with the stakeholders he/she comes into contact with on behalf of his/her structure of operation. <p>The ESG Managers are coordinated by the ESG Strategy Office and meet at ESG round-table work groups, assisting the same Office in implementing ESG projects. ESG Managers are present in the Legal Entities BPER Banca, Optima, Sardaleasing, Bibanca, Banco di Sardegna, Finitalia.</p>
g)	<p>Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels</p> <p>The roles and responsibilities of the Board and internal board committees responsible for climate-related issues were described previously.</p> <p>The aforementioned Internal Board Sustainability Committee augments an additional Committee established by the previous Board of Directors in the last months of 2020, which was renamed the ESG Management Committee in 2022, together with the update of the corresponding Regulations. This Committee consists of the Deputy General Manager of the Strategy, Finance & Innovation Area, all the Chiefs of the Parent Company, the Head of Planning & Control Management and the Head of the ESG Strategy Office. The latter, together with the Deputy General Manager of the Strategy, Finance & Innovation Area, coordinates the activities and meetings of the Committee, which normally meets quarterly.</p> <p>In said way, as of today, the ESG evolution of BPER Banca's governance concerns the entire corporate organisation of the Group, starting from the body with strategic supervision function, which avails itself of the support of the Sustainability Committee established internally, continuing with the Managerial Committee and the ESG Strategy Department which, reporting directly to the Deputy General Manager and Head of the Strategy, Finance & Innovation Area, provides support across the board to all the bank's functions in managing ESG issues.</p> <p>The BPER Banca Group's governance was strongly reinforced in 2022 with the Board of Directors' approval of the new "ESG Policy", which clearly and precisely identifies the Group's commitments on sustainability and climate change issues, as well as its management roles and responsibilities. The Policy aims to foster the spread of a culture of sustainability within the Group and to guide the governance, processes, structures and corporate functions, in order to ensure the pursuit of sustainable growth with particular reference to ESG issues and a focus on combating climate change. The Policy has been defined based on the BPER Banca Group's sustainability ambitions and in line with the principles outlined in the Corporate Governance Code of Borsa Italiana, in the documentation of competent international bodies, as well as in the directives issued by the supervisory authorities and regulatory bodies of the European banking sector, first and foremost including the EBA and the ECB. The new ESG policy contains the key figures of the ESG Managers, defined in the structures that are active on ESG issues and who represent their pivotal figures, with the following functions:</p> <ul style="list-style-type: none"> • coordinates and monitors the activities defined to achieve the objectives • analyses the impacts of ESG issues in his/her structure of operation, for the issues within his/her competence, identifying risks and opportunities • coordinates relations with the stakeholders he/she comes into contact with on behalf of his/her structure of operation. <p>There are roughly 30 ESG Managers, coordinated by the ESG Strategy, who meet at ESG round-table work groups, assisting the same Office in implementing ESG projects. ESG Managers are present in the Legal Entities BPER Banca, Optima, Sardaleasing, Bibanca, Banco di Sardegna, Finitalia and BPER Factor.</p> <p>Lastly, it should be pointed out that the Risk Committee, a managerial committee chaired by the Chief Executive Officer, analyses the Risk Management issues within its competence.</p>
h)	<p>Lines of reporting and frequency of reporting relating to environmental risk</p> <p>In order to make the Board and Joint Bodies aware of the exposure to ESG risks and, therefore, to take fully-informed decisions regarding sustainability issues, the BPER Banca Group, in line with the Risk Appetite Framework, has</p>

	strengthened quarterly reporting with indicators relating to climate and environmental risk factors. In addition to what was already highlighted in the governance model in the previous sections, it is important to underline that the issues related to climate and environmental risk are also addressed by the managerial committees (e.g. Risk Committee), in particular for the areas in which existing processes are integrated with Environmental (E) developments.
i)	<p>Alignment of the remuneration policy with institution's environmental risk-related objectives</p> <p>The Group's remuneration policy is aligned with the short- and long-term strategic objectives aimed at creating value for shareholders, employees, customers and all Group stakeholders. The remuneration policy was defined with the aim of ensuring, as always, the correlation and consistency between remuneration, the results achieved, the development guidelines, the sustainability of the initiatives undertaken and sound and prudent risk management, as well as compliance with regulatory requirements.</p> <p>In line with the objectives of the 2022-2025 Business Plan, the "Pay for Sustainable Performance" link was strengthened, with the aim of developing people and creating value for the entire ecosystem in which the BPER Banca Group operates. This was possible thanks to the introduction of systems designed to incentivise the achievement of short and long-term goals in a sustainable manner, through:</p> <ul style="list-style-type: none"> • a long-term incentive plan (2022-2025 LTI Plan), based on BPER Banca shares and linked to the Business Plan targets, in order to support the alignment of the interests of key figures with those of shareholders and all stakeholders; • the adoption of an MBO (Management By Objectives) system aimed at incentivising the achievement of objectives consistent with the strategic guidelines detailed in the Plan. <p>As stated, the targets of the long-term incentive plan are closely linked to the Business Plan objectives through profitability, operational efficiency, credit quality and ESG targets; more specifically, the economic and financial objectives are integrated with the sustainability goals, based on four fundamental guidelines. In particular, the ESG target (weight 15%) is composed of:</p> <ul style="list-style-type: none"> • Sustainable Finance - Green Finance Ceiling (weight 25%); • Energy Transition - Reducing CO2 Emissions (weight 25%); • Diversity and Inclusion – Gender Gaps: less represented gender between Middle Managers and Executives (weight 25%); • "Futuro" Project – Increase of financial education programmes and roll-out of a youth inclusion project (weight 25%). <p>The first two objectives are therefore focussed on environmental risks.</p> <p>The short-term incentive plan (MBO) described in the "2023 Report on the Remuneration Policy and Compensation paid" assigns increasingly greater weight to ESG components among the targets (their weight increases from 15% to 20% in 2023). The ESG component is defined according to a compound metric comprising six targets deemed strategic in the short term as an enabling factor to achieve the ESG targets that can be traced back to Business Plan projects:</p> <ul style="list-style-type: none"> • Assets under management: increase ESG-focused investments; • Green Loan Amount: loans specifically dedicated to investments in the area of sustainability (ESG); • Implementation of BEMS (Building Energy Management System) technology: increase the Bank's branches adoption of solutions designed to monitor and optimise the energy performance of buildings. • Net Zero Banking Alliance: calculation of the carbon footprint of loan and investment portfolios; decarbonisation target setting for 2030 and 2050 for high-emission sectors; implementation of monitoring tools for indirect emissions generated by the company's value chain (Scope 3); • Progress in diversity, equity and inclusion: earlier achievement of the Business Plan intermediate targets for managers and executives; • ESG Rating: maintain at least the current levels in Moody's ESG Solution, S&P ESG Evaluation, CDP. <p>All targets have a positive impact on environmental factors.</p>
Risk management	
j)	<p>Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework</p> <p>To ensure the correct implementation of the main Risk Governance processes (e.g. ICAAP, Recovery), the Group regularly carries out an accurate identification of the risks to which it is or could be exposed, both current and forward-looking. In particular, the Group is gradually incorporating C&E risk factors into the Internal Risk Forecasting and Stress Testing Programme in order to define the characteristics of stress test exercises that are carried out internally and used as part of key risk governance processes. This programme makes it possible to also understand the effects of C&E risks in baseline and adverse scenarios over multiple time horizons, and to carry out simulations of their impact on each existing risk category.</p>
k)	<p>Definitions, methodologies and international standards on which the environmental risk management framework is based</p> <p>The climate and environmental risk to which the BPER Banca Group makes reference is based on international standards and, with particular reference to risk management, the physical and transition risk definitions contained in the Guide on climate and environmental risks published by the European Central Bank (November 2020) are important.</p> <p>The BPER Banca Group has signed up to various international initiatives and programmes that provide the framework which inspires the Group's operations and outlines its policies for the creation of shared long-term value.</p>

	<p>In said context, the Group signed up, in 2021 to the Task Force on Climate-Related Financial Disclosure (“TCFD”) framework in order to highlight, in line with the international standards and rules, the path undertaken to define an effective governance model, a resilient business strategy, state-of-the-art climate risk management processes and short, medium and long-term objectives consistent with the Group's commitments.</p> <p>Moreover, the BPER Banca Group has been part of several international frameworks such as the UN Global Compact since 2017, the Principles for Responsible Banking since 2020, while ARCA Fondi Sgr, a company of the Group, is a signatory of the UN Principles for Responsible Investments. Non-financial reporting also takes account of the SDGs (Sustainable Development Goals) described in the 2030 Agenda of the United Nations to promote the international principles and sustainable development goals promoted by the Paris Agreement. Supplementing these, among the initiatives promoted by the United Nations, in 2022 the BPER Banca Group, recognising the importance of ESG issues and managing the resulting risks, signed up to the Net-Zero Banking Alliance (NZBA), with the goal of aligning its loans and investments portfolio with achievement of the “net zero” objective by 2050, gradually integrating the relevant climate and environmental risks in the risk management framework. Participation in this initiative will allow the Group to improve its management of ESG issues in order to become more efficient, competitive and be a credible and reliable partner of its clients in creating a more sustainable, equitable and inclusive society. In line with the commitment it has undertaken by joining the NZBA, the Group approved a specific “ESG-linked Loan Origination Policy”, which sets out the principles adopted by the Group during the credit assessment. The Policy requires that the BPER Banca Group does not provide financial products or services to counterparties for which violations of human rights, health and safety regulations have been judicially ascertained in relation to both workers and local communities; fundamental labour rights and child and forced labour regulations; or fraud in financial and non-financial reporting, money laundering, corruption, terrorism financing.</p>
l)	<p>Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels</p> <p>Starting from 2021, the Group introduced to its risk identification process (Risk Map) criteria for identifying climate and environmental risk as a sub-risk of the main risks; between the end of 2022 and the start of 2023, following the developments gradually introduced as part of ESG Risk Management projects, the Group developed the analysis of the risk drivers and of the channels for the transmission of climate and environmental risk and how these can have an impact. Based on said analyses, for each risk, methods were developed (granular approach for risks on which the analyses are at more advanced stage, via proxy for slightly less mature areas) with the aim of assessing the extent to which existing risk categories may be affected by climate-related and environmental factors, while also identifying multiple measurement and reporting methods for the exposure to the risk in question.</p> <p>The BPER Banca Group develops credit management policies fully consistently with the Risk Appetite Framework which makes provision, from 2021, for new quantitative metrics aimed at monitoring the physical risk and the transition risk of the credit portfolio. With the objective of measuring the risk deriving from the impacts of natural phenomena, the Group has also conducted specific analyses on the portfolio secured by real estate subject to high physical risk through a mapping of the territory in terms of hydrogeological risk and seismic risk, to assess the concentration of the portfolio secured by real estate in these areas.</p> <p>In sampling counterparties and collateral for submission to the Single and Collateral File Review, the Risk Management Function has supplemented the second level credit control framework with selection criteria that are based on drivers dedicated to the identification of climate-related and environmental (E), social (S) and governance (G) risk factors. The outcome of the analyses carried out will be included in the periodic report of control activities, as part of management reporting.</p> <p>In addition, the analysis in the reporting process was expanded to also include transition risk of properties pledged as collateral, assessing the energy efficiency of each property via the energy performance certificate (EPC).</p>
m)	<p>Activities, commitments and exposures contributing to mitigate environmental risks</p> <p>In order to mitigate the impacts of climate and environmental risks, the BPER Banca Group identifies the sectors and territorial areas which could present highly critical elements in terms of economic and environmental sustainability, by evaluating, at the same time, events which could be a source of opportunity. Said approach also applies to the type of credit pricing: in fact, an add-on is applied for those sectors most exposed to C&E risks, while specific commercial practices are adopted aimed at promoting green products also through the application of more favourable pricing policies than the traditional products (e.g. green mortgage) or through the offering of a series of specific financing products for investments, households and businesses, in the use of renewable energy, energy saving, circular economy and sustainability choices in general.</p>
n)	<p>Implementation of tools for identification, measurement and management of environmental risks</p> <p>The BPER Banca Group considers C&E risk factors as cross-cutting drivers to the existing risks: in fact, the possible consequences of climate and environmental changes are incorporated into the risk drivers assessed in the risk identification and assessment processes at Group and Legal Entity level. To better understand the impact of C&E risk factors, the Group identifies the transmission channels through which these risks may impact the existing risk categories and related sub-risks. These assessments are included in the “Group Risk Map”, which illustrates the relative position of the individual companies with respect to Pillar I and Pillar II risks, both current and prospective. Subsequently, the outcomes of said analysis are gradually included in the main processes of the risk management framework in place (e.g.</p>

	ICAAP, RAF), which form an integral part of corporate management, helping to determine the strategies and current operations of the Group.
o)	<p>Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile</p> <p>The phase of management and mitigation of C&E risks is prior to the Group capital and liquidity adequacy assessment, from a current and forward-looking perspective. In particular, said assessments also take account of C&E risk factors and are included in the ICAAP and ILAAP processes. Both processes are fundamental parts of the risk management framework, which originate from the identification, measurement and management of risks and the associated reporting, the assessment of capital and liquidity adequacy also using risk forecasting and stress testing techniques and are heavily integrated in the corporate governance processes related to strategic planning and the Risk Appetite Framework, as well as in the overall internal control system, also taking into account the evolution of the internal and external conditions in which the Group operates.</p> <p>In particular, the methodologies used ensure consistency between the various risk governance processes; said activities presuppose adequate corporate governance mechanisms, an organisational structure with well-defined lines of responsibility, and effective internal control systems.</p>
p)	<p>Data availability, quality and accuracy, and efforts to improve these aspects</p> <p>As regards the main activities carried out in the ESG domain, note should be taken of the activity relating to the data collection process. In fact, including the centrality that covers the availability of reliable, complete, comparable and sufficiently detailed ESG data to ensure fully-informed management of physical and transition risks, the Group is committed to the data management process, including by establishing constructive dialogue with counterparties and data providers as those supplying the necessary information for measuring ESG risks. In addition, the Group periodically performs a systematic evaluation of the available data, in order to test its robustness and integrity, as well as conducts periodic data gap analyses to identify any information gaps and define plans for their adjustment.</p>
q)	<p>Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits</p> <p>In light of the BPER Banca Group's recent joining of the Net-Zero Banking Alliance (NZBA), the Group defined the "ESG Policy on credit granting", which specifies the principles adopted by the Group in its credit assessment. In fact, credit activity translates to the assessment of customer creditworthiness according to the general principles adopted by the BPER Banca Group to monitor credit risk and, therefore, also risks related to ESG factors; at the same time, Group intends to take the opportunity to direct and support the transition path, with the aim of improving the profile of its portfolio also in terms of "eco-sustainable" exposures, i.e., aligned with the European Taxonomy, as measured by the Green Asset Ratio and Banking Book Alignment Ratio indicators. Therefore, said document includes, inter alia, the general exclusion criteria in terms of financeability at counterparty and/or project level, consistent with the "ESG Policy", the criteria for identifying "sensitive" sectors, and the strategies of support for the transition process and the increasing counterparty alignment with the EU Taxonomy principles.</p> <p>In addition, the Group recently updated the Group Policy for the governance of credit risk, reinforcing and expanding the framework of Key Risk Indicators, drawn up on the basis of the exposure of the individual counterparties to climate and environmental risk factors. In particular, indicators were defined aimed at assessing the exposure to counterparties belonging to sectors subject to high transition risk and the materiality of exposures secured by real estate in geographical areas with elevated physical risk. In addition, as part of second-level controls, the Group has initiated activities aimed at integrating indicators dedicated to climate and environmental risks with particular reference to the methodologies for selecting and evaluating counterparties and the guarantees acquired to support any credit lines granted.</p>
r)	<p>Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework</p> <p>With respect to the initial phase of identification, assessment and measurement of C&E risks, the BPER Banca Group has strengthened its Risk Identification and Assessment process within the Group Risk Map, through the assessment of how climate and environmental risk factors may affect the main risk categories.</p> <p>A summary and non-exhaustive overview is provided below, which factors in the outcomes of the analyses conducted in relation to the identification of the transmission channels:</p> <ul style="list-style-type: none"> • credit risk: the probabilities of the occurrence of extreme events linked to physical risk factors or the effectiveness of energy transition policies may impact risk parameters, not only in the phases following disbursement, but also in the initial phases of counterparty assessment and credit granting; • market risk: the ineffectiveness of energy transition policies or physical risk events may cause changes to investors' expectations and an increase in expected volatility; • operational risk: C&E risks could cause operating losses to materialise, due to the interruption of the Group's ordinary operations and physical damages to its property, branches and data centres; • reputational risk: C&E risks could negatively impact the Group's reputation as a result of negative perceptions by customers, investors, suppliers, the public or the Group's counterparties or as a result of possible decisions and/or statements contrary to supportive climate or environment policies or negative social issues;

	<ul style="list-style-type: none"> liquidity risk: C&E risks may influence the Group's liquidity profile and generate liquidity risk. This situation may occur if depositors decide to withdraw money from their accounts to finance damage repairs; strategic risk: In a context of significant transition policies, non-compliance with diversification processes and/or adaptation to the new directives could jeopardise the viability of the business model and lead to increased strategic risk.
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Table 2: Qualitative information on social risk

The following table shows the information required under Article 449 bis and Article 435(1 and 2) of the CRR.

Row number	Qualitative Information
	Business strategy and processes
a)	<p>Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning</p> <p>The Group's ESG strategy takes concrete form in the ESG Infusion Programme, through which all ESG projects have become an integral and founding part of the new BPER e-volution 2022-2025 Business Plan, designed with the aim of creating long-term shared value by strengthening sustainability issues within the corporate business model.</p> <p>In 2021, BPER Banca signed the Principles for Responsible Banking (PRB) launched in 2019 by UNEP's Financial Initiative with the aim of supporting interventions to foster sustainability in the financial sector.</p> <p>Adherence to the PRB represents a significant milestone with respect to the Group's broader national and international commitments.</p> <p>The first PRB Report was published in March 2023, drafted in accordance with the "Reporting and self-assessment template" published by UNEP FI on 12 October 2022 and approved by BPER Banca's Board of Directors on 9 March 2023 together with the 2022 Sustainability Report and the TCFD 2022 Report.</p> <p>BPER Banca's ESG strategy is consistent with the reference national and international regulatory frameworks, such as the PNRR (National Recovery and Resilience Plan), the Paris Agreement and the Sustainable Development Goals established by the United Nations.</p> <p>This corporate strategy is in line with the sustainability commitments contained in the BPER Banca Group's "ESG Policy". The BPER Banca Group adopts the sustainable development concept in its broadest meaning, which includes environmental, social and economic considerations in the Group's operating and banking activities.</p> <p>As indicated previously, the Bank formalised its strategy for the next few years in the document "2022-2025 Business Plan" (hereinafter also "the Plan"), which maps out the Group's ESG line of development to create long-term shared value. To this end, the Plan identifies concrete actions and objectives to be delivered on all lines of action, including those with a positive social impact listed below:</p> <ul style="list-style-type: none"> Strong community orientation: allocation of Euro 15 million to sustain activities that support communities and local development; Youth initiatives: financial literacy and ambitious nationwide projects that will involve more than 400,000 young users over the Plan period; an advanced training project for the most deserving students is also planned, in collaboration with Università Cattolica del Sacro Cuore ("loans of honour"); Strengthen the service model for Non-Profit Organisations with dedicated products and increase lending; Definition of a Diversity & Inclusion project: unitary vision of the Bank on the issues of DE&I (Diversity, Equity and Inclusion) which impacts on the BoD, Board of Statutory Auditors, Top management, employees and subsidiaries with concrete objectives in terms of gender diversity and equal pay, to be measured annually and reported in the CNFS; Dissemination of the "ESG Culture" and specific training activities: awareness raising and involvement of the entire company population on sustainability issues and upskilling and reskilling actions aimed at over 50% of employees; Initiatives in support of culture and promotion of art and museum heritage; Actions to encourage agile work and life/work balance including via a different management of employment locations (new workplace). <p>The projects with an ESG impact integrated in the Business Plan are monitored quarterly and submitted to the Sustainability Committee.</p> <p>All of these actions and initiatives confirm the strategic importance that the Group attaches to social issues, the management of which translates into consistent and concrete commitments both at governance level and in the day-to-day operations of all of the Company's Functions.</p> <p>The BPER Banca Group takes ESG criteria into consideration in its credit granting activities, adopting an approach aimed at identifying and assessing potential ESG risks (climate and environmental, reputational, operational, etc.) arising from financing in companies operating in controversial sectors, involved in serious events that have led or may lead to negative impacts on the assessment of counterparties, with particular attention to the impacts on creditworthiness analysis; at the same time, it intends to take the opportunity to direct and support the inclusive processes and with a positive social impact. In addition, BPER Banca pays attention to ESG factors also in its investment activities and, in 2022, adopted an appropriate Policy in that regard.</p>

	<p>Regarding positive social impact products, the Group's attention is focused on the development of loans which, in addition to allowing true accessibility with a view to financial inclusion, also have a strongly innovative nature.</p> <p>For example, for the economically disadvantaged, the Group's banks participated in the agreement between the Minister of the Economy and Finance, the Bank of Italy, the Italian Banking Association (ABI), Poste Italiane and Associazione Italiana Istituti di Pagamento e di moneta elettronica (Italian Association of Payment and Electronic Money Institutes) to offer basic current accounts.</p> <p>These products are augmented by initiatives to facilitate access to credit, such as, for example, micro-credit, loans for the purchase of properties belonging to the non-luxury land registry categories, through fixed-rate mortgages and residential leases, mortgages for young people, loans dedicated to SMEs, female entrepreneurs, innovation, etc.</p> <p>BPER Banca, which has always been committed to promoting a social context where everyone has the same opportunities and the same dignity, seized the opportunities presented by the National Recovery and Resilience Plan to promote social inclusion in Italian companies. As part of the "Next Generation EU" programme approved by Italy in 2021, the NRRP aims to pursue several missions, including social inclusion and cohesion. In the aforementioned context, BPER Banca focussed on investments incorporating a "Social" footprint, hence supporting female empowerment and job prospects for young people.</p> <p>In addition, we must also not forget the careful management of controversial sectors like the defence sector, gambling and buying/selling of gold.</p> <p>It is also worth remembering the creation of BPER Bene Comune [BPER for the common good], the set of initiatives for non-profit organisations and Third Sector entities (ETS).</p> <p>The BPER Banca Group banks continued their activities during the year to comply with the SFDR and MiFID II regulations. The Group is implementing its advisory model in order to understand customer preferences on ESG issues, with the aim of making appropriate use of this information in the investment advisory process and related assessment of the suitability of customer proposals and portfolios.</p> <p>The catalogue of UCITS (Undertakings for Collective Investment in Transferable Securities) has seen a significant increase in the number of financial products promoting ESG characteristics or having sustainable investment as their objective, classified under Articles 8 and 9 of the SFDR.</p> <p>In March 2023, the Arca Social Leaders 30 fund was placed on the market, a new product by Arca Fondi SGR dedicated to investments in companies that pay the utmost attention to social issues.</p> <p>As at 30 June 2023, the catalogue contained 954 sustainable funds (as per articles 8 and 9 of the SFDR). Assets under Management relating to sustainable collective investment undertakings were held in customer portfolios for an amount of over Euro 16 billion.</p> <p>The BPER Banca Group companies, in their capacity as financial market participants who provide portfolio management as an investment service, consider the Principal Adverse Impact ("PAI") that their investment decisions may have on sustainability factors, and, in June 2023, they published the consolidated statement on the principal adverse impact on sustainability factors on the Bank's asset management for the period from 1 January 2022 to 31 December 2022.</p> <p>The BPER Banca Group companies consider the principal adverse impact by measuring and monitoring the aggregate negative impact on the sustainability factors of its investments, when it comes to portfolio management.</p> <p>As concerns investments, the BPER Banca Group companies consider the compulsory principal adverse impact indicators and two additional indicators defined by Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 ("SFDR Regulation") on sustainability-related disclosures in the financial services sector, subject to data availability and quality.</p> <p>In the assessment of adverse sustainability impacts, the Group uses the information it receives from specialist infoplayers with long-standing international experience with whom a collaborative relationship was established after thorough due diligence.</p> <p>BPER Banca Group companies have committed to monitoring and assessing the level of the selected indicators, with priority given to the following PAI:</p> <ul style="list-style-type: none"> • PAI 2 - Carbon footprint; • PAI 3 - GHG intensity (greenhouse gas intensity of investee companies); • PAI 5 - Share of consumption and production of non-renewable energies; • PAI 10 - Violations of the UNGC (UN Global Compact) principles and OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises; • PAI 15 - GHG intensity (Sovereigns and Supranationals). <p>With the aim of spreading the culture of sustainability in the field of financial investments, a new training plan was drawn up on ESG topics with different focuses, to train and involve all distribution networks. Also in the area of training, several in-depth meetings on sustainable investment strategies were organised with the support of selected asset managers, including Arca Fondi SGR.</p>
b)	<p>Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes</p> <p>The BPER Banca Group has structured its own route to sustainability through the adoption of an integrated strategy, capable of combining business growth and financial strength with social and environmental sustainability, thereby creating long-term shared value. The sustainability perspective has been fully integrated in the new 2022-2025 Business Plan. In that sense, the Business Plan has identified concrete actions and objectives to be pursued along various lines, putting the focus on social risk, in particular:</p> <ul style="list-style-type: none"> • Strong community orientation: allocation of Euro 15 million to sustain activities that support communities and local development;

	<ul style="list-style-type: none"> • Youth initiatives: financial literacy and ambitious nationwide projects that will involve more than 400 thousand young users over the Plan period; an advanced training project for the most deserving students is also planned, in collaboration with Università Cattolica del Sacro Cuore ("loans of honour"); • Strengthen the service model for Non-Profit Organisations with dedicated products and increase lending; • Definition of a Diversity & Inclusion project: unitary vision of the Bank on the issues of DE&I (Diversity, Equity and Inclusion) which impacts on the BoD, Board of Statutory Auditors, Top management, employees and subsidiaries with concrete objectives in terms of gender diversity and equal pay, to be measured annually and reported in the CNFS; • Dissemination of the "ESG Culture" and specific training activities: awareness raising and involvement of the entire company population on sustainability issues and upskilling and reskilling actions aimed at over 50% of employees; • Initiatives in support of culture and promotion of art and museum heritage; • Actions to encourage agile work and life/work balance including via a different management of employment locations (new workplace). <p>As shown in the 2022-2025 Business Plan, the BPER Banca Group has developed a series of products and services with social objectives. In particular, the BPER Banca Group aims to improve inclusion and accessibility. In order to ensure easier use of the services by people with physical or cognitive disabilities, the Group banks are able to offer visually impaired and blind customers specific tools to carry out financial transactions, bank transfers, mobile phone top-ups and more. In fact, the MSITE (internet banking application for access by mobile devices) provides specific software (so-called screen readers) that "reads" what appears on the monitor or display and describes it through a vocal summary. To allow these customers to be as independent as possible, there is now also an option to see the web pages in a larger format, as well as new functions linked to password management. To increase accessibility for blind people, both the Smart Banking App and the www.bper.it website have been updated in 2022.</p> <p>In addition, in order to guarantee social inclusion, in line with the provisions of the Decree Law Sostegni Bis no. 73, the BPER Banca Group has expanded its offer with mortgage lines dedicated to customers under 36 years of age for the purchase of their first home with a Consap guarantee. A communication campaign and a dedicated section on the www.bper.it website were used to properly inform customers.</p> <p>Lastly, to ensure the financial inclusion needs are met for all customers who have difficulties in accessing traditional credit, the BPER Banca Group Banks have stipulated an important agreement with Ente Nazionale per il Microcredito (National Microcredit Agency) to provide interested customers with the auxiliary services required by law.</p> <p>The agreement stipulated guarantees the management and correct delivery of the auxiliary services listed below:</p> <ul style="list-style-type: none"> • support in defining the development strategy of the financed project and in analysing solutions to improve the performance of the activity; • training in business administration techniques, in terms of accounting, financial and personnel management; • training on the use of the most advanced technologies to increase the business productivity; • support in defining price and sales strategies, through market studies; • help to resolve legal, fiscal and administrative issues, and information on the relevant services available on the market; • support for the identification and diagnosis of any critical aspects of implementation of the financed project. <p>The BPER Banca Group has provided a credit line of Euro 75 million to promote the activity. The target for this initiative comprises micro-enterprises and free-lancers with VAT number, whose loans are aimed at purchasing goods and services related to their business, or paying for the training costs and remuneration of new employees or partners.</p> <p>Through the collaboration with local, national and EU bodies and institutions (e.g. trade associations and confidi - credit guarantee consortia), the Group Banks offer business customers specific solutions in order to facilitate financial inclusion and economic strengthening, thanks to the opportunities provided by the National Recovery and Resilience Plan and the 'Next Generation EU' programme.</p> <p>The Bank offers the following products with a positive social impact to companies: Finanziamenti a PMI (SME loans), Finanziamenti a PMI imprenditoria femminile (female entrepreneur SME loans), Finanziamenti a PMI Crisis (SME crisis loans), Fin a PMI Start UP (SME start-up loans) – Start Up Innovative (Innovative start-ups), Finanziamenti Next e Next Small (Next and Next Small Loans), Mutuo con fondi BEI (mortgage with EIB funds). Finanziamento Sabatini (Sabatini Loan), SACE Supportitalia, Prestito aziendale Fin job and Special Credit.</p> <p>By contrast, in order to support female empowerment and the job prospects of young people, BPER Banca has chosen to focus on 'Fondo Impresa Femminile', with the objective of supporting female entrepreneurs and making it easier to implement the related new projects, "Smart&Start", for the implementation of projects concerning technological innovation and increasing the economic value of the results of public and private research of start-ups, and 'Oltre Nuove Imprese a Tasso Zero', ("Beyond New Zero-rate Enterprises"), to support the creation and development of new enterprises composed predominantly or entirely of young people or women.</p> <p>To counteract the negative effects of the pandemic on the real economy, the Group has maintained its commitment started in 2020 with a series of measures in favour of families and companies with specific products and services, in addition to transposing and implementing the provisions of the relevant Italian Ministerial Decrees and in compliance with the EBA guidelines. The main products envisaged include short-term credit lines with MCC guarantee (Banca del Mezzogiorno-Mediocredito Centrale), Coronavirus Imprese, SACE Covid-19.</p> <p>The BPER Banca Group also offers a wide range of products and services for minors and young people (up to 12 years old and from 13 to 17 years old) and customer insurance policies, through a specific application integrated into its issuing system, through which it systematically assesses the insurance needs and requirements of its customers with the aim of offering solutions consistent with their profile.</p> <p>The other products offered by the BPER Banca Group to its customers include:</p>
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	<ul style="list-style-type: none"> products provided for social purposes for differently-abled people ('prestito senza barriere'), support for families in need to combat expensive bills, condominium fees and family expenses ('Prestito Mini Sostegno famiglie', provided by BiBanca) and, lastly, loans for young university students including 'Futuro Garantito' and 'Prestito d'Onore Università Cattolica di Milano'; the product 'Resto al Sud', targeted at supporting entrepreneurial activities launched in the regions of southern Italy by people between the ages of 18 and 55. <p>Initiatives are also active for the third sector: as indicated previously, with BPER Bene Comune, BPER Banca has renewed its commercial proposal for Third Sector organisations with specific services and products to support their activities and contribute to the progressive sustainable development of the community.</p> <p>These include:</p> <ul style="list-style-type: none"> a wide range of current accounts dedicated to different types of non-profit organisations with two profiles available, Small and Large, according to the organisation's transactional volume in terms of monthly fee and number of transactions included; management of the daily operations of collections and payments through online banking channels; forms of subsidised and secured loans; important partnerships to meet the need for protection of volunteer work, a key driver of civil society, via dedicated insurance policies; solutions for the management of termination indemnities through the supplementary pension fund; a specific proposition for volunteers, employees and members of non-profit organisations. <p>Current accounts for the Third Sector:</p> <ul style="list-style-type: none"> "Third Sector Current Account" for Third Sector Entities listed in the National Single Register of the Third Sector ("Registro Unico Nazionale del Terzo Settore - RUNTS") "Current account for Religious Institutions", reserved for religious institutions such as parishes, dioceses, CARITAS groups, confraternities, diocesan foundations, associations of different religious faiths, etc. "Current account for Social enterprises", dedicated to non-profit organisations registered as companies, listed or not listed in the RUNTS Register, such as social cooperatives, social enterprises, mutual aid societies. This current account is also targeted at Benefit corporations and B-corps, in light of their commitment in social impact reporting; "Non-Profit Current Account" for non-profit entities other than companies and not listed in the RUNTS register (various associations, recognised or not, Foundations, NGOs, amateur sports clubs, <i>Pro Loco</i> associations, trade unions, political parties, etc.).
c)	<p>Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities</p> <p>The BPER Banca Group is committed to the enhancement of its presence in the territories through partnership initiatives, sponsorships and donations; the activities supported favour those areas attributable to the Group's system of values such as welfare, development of cultural realities and support for the younger generations.</p> <p>The attention paid to the social and environmental context of the local areas has promoted its significant partnerships with organisations and associations among which: Global Compact Network Italia, Impronta Etica, Sodalitas Foundation, Foundation for Financial Education and Savings (FEduF), Forum for Sustainable Finance, Sustainability Makers, Association for CSR Valore D, ABI working groups on sustainability, inclusion and combating climate change.</p> <p>Often, when speaking of social initiatives and donations, we tend to simply consider the donations of banks to local organisations engaged in different social areas; however, this does not adequately explain what is actually being done by the BPER Banca Group. For this reason, in 2022 as well, the Group decided to describe and catalogue the several projects implemented by using the Business for Societal Impact (B4SI) framework as reference, which comprehensively describes the commitment to social and environmental projects through three macro categories:</p> <ul style="list-style-type: none"> Donations including contributions to associations and charity with no return on brand; investments in the community that include costs for initiatives with a positive impact on the community and environment; Initiatives in the community with commercial implications, including the costs of communication and of developing services and products that have a positive impact in social or environmental terms (e.g. Marketing costs). <p>As regards the management of controversial sectors, a summary of operations is provided below:</p> <p>Fight against compulsive gambling</p> <p>With regard to operations in the gambling and betting sector, starting from 2013, the BPER Banca Group, with a view to Corporate Social Responsibility in regard to the communities served, has implemented initiatives to inform, prevent and implement measures against the practice of compulsive gambling.</p> <ul style="list-style-type: none"> protecting the social welfare of their customers and their families, preventing addiction from leading to the potential loss of employment and source of income; combating organisations that promote illegal gambling or those that illicitly intervene to financially support compulsive gamblers by involving them in usury rings; informing young people on the most correct ways to manage their money with the aim of seeing a generation grow up more aware and less exposed to the risk of addiction. informing citizens about the risks of compulsive gambling. <p>The Parent Company has instructed the Branches to carefully assess any anomalies identified in the transactions of individual customers, promptly reporting any suspicious ones. Information campaigns for the Group's employees and customers have been implemented, describing the reports on a number of banking transactions that could reveal an</p>

	<p>addiction to gambling, and useful instructions and tips on how branches can approach such a customer and intervene to protect both the customers and their family.</p> <p>BPER Banca has decided to inhibit credit cards issued by the Group for payment transactions at establishments or websites that have been classified in the “gambling” product category. An exception to this are the prepaid cards (useful in terms of “recovery tool” for compulsive gamblers) and the Black Cards, accounting for about 0.1% of the total. Special attention is paid to minors: the PAYUP TEEN prepaid cards have usage blocks for certain categories of expenditure that could be considered risky, such as games and betting, telephone and postal sales, door-to-door sales, alcohol and tobacco, drugs and political organisations. If a minor has a prepaid card that is not PAYUP TEEN, they are subject to checks and, in the event of use in gambling, the payment card is blocked and notifications are sent to parents. The BPER Group has decided to avoid the marketing and promotion to customers of Scratch & Win tickets.</p> <p>Recently, BPER Banca has approved the “ESG Policy on credit granting”, which lists the actions taken to tackle the <i>gap</i>. With this document, the BPER Banca Group is committed to not financing:</p> <ul style="list-style-type: none"> • projects for the purchase, construction, development and expansion of gambling halls; • purchase and production of machines that promote gambling (e.g. slot machines, etc.); • development, dissemination, printed or digital publication and marketing for the promotion of gambling. <p>Weapons policy</p> <p>The relationship between banks and operators in the military sector has been the subject of attention by Italian civil society for some time, particularly by associations that want to avoid Italy and its companies from becoming involved in the production and sale of so-called controversial arms, especially where the counterparties are located in countries subject to international sanctions. For this reason, and in line with the principles of the Code of Ethics, in 2012 the Group initially adopted the “BPER Banca Group Guidelines for regulation of the relationships with defence operators and weapons manufacturers”, today updated as Group Policy. With this Policy, the Group has adopted a self-governance framework that regulates, more stringently than required by current legislation, its presence in this sector.</p> <p>In defining the Policy, the Group sought the correct balance among certain general values, such as:</p> <ul style="list-style-type: none"> • promotion of human rights and peace; • respect for peoples’ and nations’ right to defence and security; • respect for freedom of enterprise and economic initiative (including of arms manufacturers) within the framework of the rules of the law. <p>The Group's Banks and Financial Companies may therefore be included in the Annual Reports prepared by the Presidency of the Council pursuant to Italian Law no. 185/90, albeit within the limits established by the Policy, in order to monitor the risk that the goods or services exported are destined for subjects other than democratic governments or those which violate human rights.</p> <p>The Policy also regulates other types of transactions and cases, such as equity investments, loans, current account or investment relationships. The Parent Company publishes an annual statement highlighting the activities that the BPER Group has carried out with companies that operate in the defence sector, including financing relations. This annual report is published, together with the Policy, on the corporate website https://istituzionale.bper.it/sostenibilita.</p> <p>Lastly, it should be noted that BPER Banca has adopted appropriate procedural safeguards to avoid the risk of financing landmine producers, as required by Italian Law 220 of 9 December 2021.</p> <p>Transactions in Physical Gold</p> <p>Gold trade is among the services the Bank offers customers. BPER Banca only markets gold ingots produced by refineries that have international certifications attesting compliance with due diligence practices with their suppliers and registered on the London Good Delivery list, internationally recognised as the market standard.</p> <p>This ensures that the metal sold is Conflict Free and complies with the regulations and codes of conduct prepared by the main associations in the sector (LBMA, RJC) and international bodies (OECD); it also ensures that the suppliers have the tools to control and evaluate the gold purchasing chains, in order to combat possible forms of crime both of a geopolitical-financial nature (anti- money laundering, corruption, terrorist financing) and related to the abuse of human rights, genocide, the exploitation of child labour or crimes against the environment.</p> <p>Protection of human rights</p> <p>The subject is already covered in the Code of Ethics, in the ESG Policy and is part of the scope of the Organisation Model 2231/01, which is binding for the members of the Corporate Bodies, Top Management, employees, including executives, as well as all those who, even if not part of the BPER Banca Group, operate directly or indirectly on the Companies behalf. Furthermore, in continuity with the activity already undertaken in 2018, in 2022 the BPER Banca Group updated the assessment relating to human rights, which did not reveal any potential human rights violations associated with the impacts generated by the Group.</p> <p>The ESG Policy on credit granting requires that the BPER Banca Group does not provide financial products or services to counterparties for which violations of human rights, health and safety regulations have been judicially ascertained in relation to both workers and local communities; fundamental labour rights and child and forced labour regulations; or fraud in financial and non-financial reporting, money laundering, corruption, terrorism financing.</p> <p>Likewise, the BPER Banca Group changed its method of managing its financial investments, by giving greater weight to the factors that favour sustainable growth, attentive to society and the environment, by approving a specific “Policy on ESG investments in the Management of the Group's Proprietary Portfolio” in December 2022. The resources allocated to investments in companies with the best social, environmental and governance practices have, therefore, increased.</p> <p>For greater details please visit the website: https://istituzionale.bper.it/sostenibilita/il-nostro-impegno/policy.</p> <p>The BPER Group Banca pledges to contribute, firstly, to a sustainable economic development by giving priority, in its investment choices and in the management of its financial portfolio, to businesses that adopt virtuous practices focused on the use of environmentally friendly production methods, on the guarantee of inclusive working conditions that are respectful of human rights and on the implementation of the best corporate governance standards.</p>
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Governance	
d)	<p>Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to:</p> <p>(i) Activities towards the community and society (ii) Employee relationships and labour standards (iii) Customer protection and product responsibility (iv) Human Rights</p> <p>The BPER Banca Group's Board Governance over social issues is assigned to three corporate bodies: the Board of Directors (BoD), the Internal Board Sustainability Committee and the Control and Risk Committee. The BoD defines Group guidelines and strategies relating to sustainability and climate-related issues. The BoD approves the Consolidated Non-Financial Statement (also Sustainability Report), the Business Plan, the Risk Appetite Framework and the risk management policies, integrating ESG and climate elements over time. The BoD includes members with specific ESG expertise. The body meets to discuss sustainability issues at least quarterly (for additional information, see the Report on corporate governance and ownership structures published on the corporate website https://istituzionale.bper.it/governance/documenti). The Board Sustainability Committee supports the Board of Directors' activities in the field of sustainability, with an impact on all the processes, structures and corporate controls through which the Bank ensures the pursuit of sustainable development, with particular reference to environmental, social and governance issues. More specifically, the Committee reviews and assesses:</p> <ul style="list-style-type: none"> the content of the Group's ESG policy and its ability to ensure the achievement of sustainable development objectives through ongoing dialogue with all stakeholders; ESG-related regulatory documents, final reports and disclosures - including the consolidated non-financial statement prepared by the ESG Strategy Office; any reports by the Chief Executive Officer on problems and critical issues concerning sustainability that may have arisen in the course of his work or of which he has otherwise become aware. <p>The Sustainability Committee also has a strategic role with regard to ESG and climate issues, and is responsible for assessing the Bank's positioning within sustainability metrics, indices and market benchmarks, and initiatives and programmes aimed at spreading a culture of sustainability and awareness of the need to pursue sustainable development throughout the Bank's organisational structures. The body meets to discuss sustainability and climate issues at least quarterly. The Internal Board Control and Risk Committee supports the Board of Directors in assessing the ESG elements emphasised in the internal control system, risk objectives ("risk appetite"), tolerance thresholds ("risk tolerance") and strategies for capital and liquidity management, as well as for all relevant risks of the Bank and the BPER Banca Group. In addition, the Control and Risk Committee periodically assesses a number of possible scenarios, including stress scenarios, to determine how the ESG risk profile of the Bank and the BPER Group might react to external and internal events. The body meets to discuss sustainability and climate issues at least quarterly.</p> <p>The BPER Banca Group, in continuity with the activity already undertaken in 2018, updated the assessment relating to human rights in 2022, also taking into consideration the indications deriving from the update of the Global Reporting Initiative Sustainability Reporting Standards.</p> <p>The UN Guiding Principles on Business and Human Rights endorsed in 2011 are the global reference standard on safeguarding human rights in the context of business activities, and specify the appropriate conduct of governments and businesses in order to prevent and address the impact of business activities on human rights. While the duty of the state is, on the one hand, to protect human rights, companies have a duty to respect them and must strengthen access to appropriate and effective remedies for victims of abuse. The principles state that through their activities, companies can generate different human rights impacts: positive, such as offering innovative services that improve people's quality of life; or negative, such as the exploitation of workers or the forced displacement of people or entire communities. In addition, companies may be indirectly involved in violations committed by other companies or states.</p> <p>The subject of Human Rights is already covered in the Code of Ethics and undated on 22 June 2023, is part of the scope of the Organisation Model 231/01, and is binding for the members of the Corporate Bodies, Top Management, employees, including executives, as well as all those who, even if not part of the BPER Banca Group, operate directly or indirectly on the Companies behalf.</p> <p>The BPER Banca Group undertakes to promote and respect the universally recognised human rights as set out in the Universal Declaration of Human Rights, through the adoption of an ESG Policy, approved on 24 November 2022.</p> <p>The assessment was carried out by identifying the fundamental principles of protection of human rights connected to the BPER Banca Group's activities and the analysis of potential human rights violations connected to the Group's value chain by both mapping the corporate controls in place and involving the Group's corporate functions in order to assess the associated risk level.</p>
e)	<p>Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body</p> <p>The sustainability/ESG strategic lines and policies are approved by the Board of Directors, with the support of the Control and Risk Committee and the Sustainability Committee, taking account of the objectives of the solid and sustainable creation and distribution of value for all stakeholders. More information on the Committees in place can be found in Table 1 - Qualitative information on environmental risk letter f) of this chapter.</p>
f)	<p>Lines of reporting and frequency of reporting relating to social risk</p>

	<p>In order to make the Board and Joint Bodies aware of the exposure to ESG risks and, therefore, to take fully-informed decisions regarding sustainability issues, the BPER Banca Group, in line with the Risk Appetite Framework, is strengthening activities aimed at integrating reporting in the respective policies. It is important to underline that the issues related to climate and environmental risk are also addressed by the managerial committees (e.g. Risk Committee), in particular for the areas in which existing processes are integrated with Social (S) developments. Listed below are the main issues discussed:</p> <p>The ESG problems we are currently facing are unprecedented and require action from all parties involved, in all types of organisations. For this reason, the BPER Banca Group has undertaken engagement activities with its suppliers since 2019. From 2019 to 2021, in order to bolster its responsible approach in the supply chain, the BPER Banca Group implemented an engagement project that included an evaluation system realised through a documentary audit, after which the individual supplier received an ESG rating free of charge. After the pilot engagement phase (2019-2021 Business Plan) was completed, the entire procurement process was revised from an ESG perspective, with the aim of selecting both suppliers and purchased products. The Green Procurement project included in the 2022-2025 Business Plan, concerning the integration of ESG criteria in the procurement and supplier management processes, was developed starting from the need to rationalise corporate purchasing and consumption.</p> <p>Customer satisfaction is a strategic factor of competition in the market, one of the main levers of the system for planning and monitoring the quality of services. This principle has spawned a need for the construction of a system to monitor quality perceived by customers across all customer segments and the various points of the bank-customer relationship. Since 2019, the BPER Banca Group has implemented a new customer listening system, which provides for continuous monitoring system of the entire customer base: the metric chosen is the Net Promoter Score (NPS), an indicator that measures the difference between the percentage of "promoters" (customers who would recommend the bank) and the percentage of "detractors".</p> <p>The BPER Banca Group's commitment to the communities with which it enters into relations starts from the concept, also expressed in the Code of Ethics, that <i>"BPER Banca aims to be a bank that creates value for the social context in which it operates, acting in accordance with purposes that are not exclusively profit-oriented"</i>. This commitment is articulated into concrete projects for the social development of the territories and in donations decided upon and disbursed according to a logic of inclusion and support. The initiatives described below are an example of this:</p> <ul style="list-style-type: none"> • the "United for Ukraine" initiative saw the BPER Banca Group donate Euro 1 million to the Italian Red Cross for its assistance and support activities for the Ukrainian population; • the initiative "United for Le Marche" saw the BPER Banca Group launch a fundraising campaign open to customers and all Group employees to support organisations, bodies and associations engaged in dealing with the emergency of citizens and businesses hit hard by the floods of September 2022. Funds totalling more than Euro 200,000 were disbursed, which will be donated to various worthy initiatives in the area in agreement with the affected municipalities; • throughout the week preceding the International Day for the Elimination of Violence against Women (25 November), BPER Banca invited its customers to make a donation to "D.i.Re", the national anti-violence network run by women's organisations. The Bank matched every customer donation on the digital channels, thereby doubling the total amount collected with its own contribution. The initiative raised funds totalling Euro 200,000, which were fully donated to the "D.i.Re" Association. <p>The Group's wide-ranging engagement in the community focuses on different areas of intervention, including financial education. More than 69 thousand young people were involved in this area in 2022. Some of the projects defined:</p> <ul style="list-style-type: none"> • "Un passo verso il futuro" (A step towards the future): an educational path on a web platform to raise young people's awareness of a broader concept of finance that, in addition to the more purely economic notions, includes the themes of ethics, sustainability and saving the planet's resources. The project deals with topics such as circular economy, the responsible use of money, saving regarded as a store of value, as well as highly topical and more complex issues that may be of interest to older students, such as sustainable finance, cryptocurrency or the SDGs; • The GRANDE! project: through the combination of "economics and art", the teaching of financial education is carried out through the presentation of works of art, the story of the lives of the artists who created them, and anecdotes or details that are useful in explaining the concepts of economics to children; • "B-education: idee che valgono" [ideas that count] is an important and innovative national financial and sustainability education project conceived by BPER Banca with the involvement of several Italian universities. This project is included in the Bank's 2022-2025 Business Plan and sees the active participation of important partners at national level. In March 2023, the project saw the involvement of more than 1,500 Bachelor's and Master's students belonging to different departments of approximately 35 Italian universities. This is a deliberately multidisciplinary project that aims to break the stereotype that associates financial education skills with purely economic degree courses. • Donne al Quadrato: BPER Banca has signed up to the project "Donne al Quadrato: Pianificazione Finanziaria e Previdenziale" [Women Squared: Financial Planning and Retirement Planning] created by Global Thinking Foundation, a non-profit foundation established in 2016 to spread financial and digital education with the aim of countering economic violence and promoting social inclusion projects for the most vulnerable. "Donne al Quadrato" is a training course for women with the aim of developing economic, insurance and social security skills to be able to make economic and financial choices in a conscious, independent and sustainable way. Between October and November 2022, a cycle of six digital lectures was organised in which the concepts of risk, return and diversification were examined by describing the main financial instruments. In addition, in-depth studies were carried out on the gender gap in financial education, preventing economic violence, and insurance risk management and pension planning. <p>As part of the ethical management of controversial sectors, the BPER Banca Group develops initiatives with a positive social impact such as Lotta al Gioco d'Azzardo Patologico (Fight against compulsive gambling).</p> <p>The Parent Company has instructed the Branches to carefully assess any anomalies identified in the transactions of individual customers, promptly reporting any suspicious ones. Information campaigns for the Group's employees and</p>
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	<p>customers have been implemented, describing the reports on a number of banking transactions that could reveal an addiction to gambling, and useful instructions and tips on how branches can approach such a customer and intervene to protect both the customer and their family.</p> <p>The Bank has also produced a "Compulsive Gamblers and Banking Services" handbook with the aim of supporting the family members of compulsive gamblers, suggesting some simple monitoring and intervention actions related to the use of banking services.</p> <p>As part of the implementation and development programme for sustainable finance legislation, on 28 November 2022 the final go-ahead was given by the European Council to the Corporate Sustainability Reporting Directive (CSRD).</p> <p>In this regard, in cooperation with the Catholic University of Piacenza, through its Regional Offices and various local trade associations (e.g. Chambers of Commerce and/or Confindustria), BPER Banca planned ten events as part of a national Roadshow (two took place in 2022, three in the first half of 2023 and five are planned by the end of the year) aimed at informing and educating SME customers and prospects on the topic of sustainability and the related opportunities for reporting their ESG performance.</p> <p>This project has a pathway that aims to engage SMEs by explaining the opportunities in embarking on the path of sustainability and properly reporting on their ESG performance. After an initial assessment phase on companies (conducted by the Catholic University of Piacenza through the administration of special questionnaires that will lead to a dedicated study), the project envisages ten physical events in the territory and for the companies themselves.</p> <p>The BPER Banca Group has defined a multi-year plan, relating to business continuity, of progressive adaptation with project milestones in line with prudential expectations, and such as to ensure internal consistency with other actions defined in the ESG area, in order to support the construction of a coherent framework at Group level.</p> <p>Throughout 2022 and in the first half of 2023, the BPER Banca Group maintained its commitment to protecting and safeguarding the personal data it holds, whether these relate to its customers, employees or any other type of data subject. With this in mind, constant attention was paid to protecting the confidentiality, integrity and availability of personal data, maintaining a constant commitment to security issues. In particular, a system of controls was defined based on organisational measures and operating procedures that comply with the regulatory principles of privacy by design and privacy by default; based on the principle of accountability under article 5 of the GDPR, this system is applied to all the companies belonging to the BPER Banca Group.</p>
g)	<p>Alignment of the remuneration policy with institution's social risk-related objectives</p> <p>The Group's remuneration policy is aligned with the short- and long-term strategic objectives aimed at creating value for shareholders, employees, customers and all Group stakeholders. The remuneration policy was defined with the aim of ensuring, as always, the correlation and consistency between remuneration, the results achieved, the development guidelines, the sustainability of the initiatives undertaken and sound and prudent risk management, as well as compliance with regulatory requirements.</p> <p>In line with the objectives of the 2022-2025 Business Plan, the "Pay for Sustainable Performance" link was strengthened, with the aim of developing people and creating value for the entire ecosystem in which the BPER Banca Group operates. This was possible thanks to the systems designed to incentivise the achievement of short and long-term goals in a sustainable manner, through:</p> <ul style="list-style-type: none"> • a long-term incentive plan (2022-2025 LTI Plan), based on BPER Banca shares and linked to the Business Plan targets, in order to support the alignment of the interests of key figures with those of shareholders and all stakeholders; • the adoption of an MBO (Management By Objectives) system aimed at incentivising the achievement of objectives consistent with the strategic guidelines detailed in the Plan. <p>As stated, the targets of the long-term incentive plan are closely linked to the Business Plan objectives through profitability, operational efficiency, credit quality and ESG targets; more specifically, the economic and financial objectives are integrated with the sustainability goals, based on four fundamental guidelines. In particular, the ESG target (weight 15%) is composed of:</p> <ul style="list-style-type: none"> • Sustainable Finance - Green Finance Ceiling (weight 25%); • Energy Transition - Reducing CO2 Emissions (weight 25%); • Diversity and Inclusion – Gender Gaps: less represented gender between Middle Managers and Executives (weight 25%); • "Futuro" Project – Increase of financial education programmes and roll-out of a youth inclusion project (weight 25%). <p>The third and fourth objectives are therefore focussed on social risks.</p> <p>The short-term incentive plan (MBO) described in the "2023 Report on the Remuneration Policy and Compensation paid" assigns increasingly greater weight to ESG components among the targets (their weight increases from 15% to 20% in 2023). The ESG component is defined according to a compound metric comprising six targets deemed strategic in the short term as an enabling factor to achieve ESG targets that can be traced back to Business Plan projects:</p> <ul style="list-style-type: none"> • Asset sunder management: increase ESG-focused investments; • Green Loan Amount: loans specifically dedicated to investments in the area of sustainability (ESG); • Implementation of BEMS (Building Energy Management System) technology: increase the Bank's branches adoption of solutions designed to monitor and optimise the energy performance of buildings; • Net Zero Banking Alliance: calculation of the carbon footprint of loan and investment portfolios; decarbonisation target setting for 2030 and 2050 for high-emission sectors; implementation of monitoring tools for indirect emissions generated by the company's value chain (Scope 3); • Progress in diversity, equity and inclusion: earlier achievement of Business Plan intermediate targets for managers and executives;

	<ul style="list-style-type: none"> • ESG Rating: maintain at least the current levels in Moody's ESG Solution, S&P ESG Evaluation, CDP. Targets 1, 2 and 5 have a positive impact on the social context.
Risk management	
h)	Definitions, methodologies and international standards on which the social risk management framework is based <p>The BPER Banca Group defines social risk on the basis of international standards and, more specifically, reference is made to the provisions contained in the "EBA Report on Management and Supervision of ESG Risks for Credit Institutions and Investment Firms" guidelines (EBA/REP/2021/18).</p>
i)	Processes to identify, measure and monitor activities and exposures (and collateral, where applicable) sensitive to social risk, covering relevant transmission channels <p>Starting from 2021, the Group introduced to its risk identification process (Risk Map) criteria for identifying social risk as a sub-risk of the main risks; between the end of 2022 and the start of 2023, following the developments gradually introduced as part of ESG Risk Management projects, the Group developed the analysis of the risk drivers and of the channels for the transmission of social risk and how these can have an impact. Based on said analysis, for operational and reputational risk, methods were developed to measure, manage and monitor social risk factors.</p> <p>In this context, the competent corporate structures are responsible for the ongoing implementation of the macro process of operational and reputational risk management and, in compliance with this process, they must:</p> <ul style="list-style-type: none"> • identify operational and reputational risk, in line with previously defined identification and classification models; • detect operational and reputational risk through their economic impact via the Loss Data Collection and Reputational Data Collection processes; • assess potential operational risk through the Risk Self Assessment process and potential reputational risk through the Reputational Risk Self Assessment process; • measure operational risk with the aim of calculating the capital requirement to cover the risk in question (regulatory purposes) and of quantifying risk exposure by developing and implementing an internal model for operational measurement (operational management purposes) • manage operational risk in relation to the company's business as usual through the preparation and implementation of corrective actions; • regularly monitor operational and reputational risk, including by means of specific exposure indicators, while at the same time promoting the reporting of the exposure profile to the risk in question through appropriate reporting tools. <p>Furthermore, as concerns credit risk management, in sampling counterparties and collateral to be submitted to Single and Collateral File Review, the BPER Banca Group incorporated the second level credit control framework by adopting selection criteria based on drivers dedicated to the identification of climate-related and environmental (E), social (S) and governance (G) risk factors. The outcome of the analyses carried out will be included in the periodic report of control activities, as part of management reporting.</p>
j)	Activities, commitments and assets contributing to mitigate social risk <p>Through the evaluation activities of Reputational Data Collection, Reputational Risk Self-Assessment and the monitoring of specific KRIs, the reputational risk management framework enables the Group to identify and, if necessary, mitigate any critical issues in the Social domain.</p>
k)	Implementation of tools for identification and management of social risk <p>The BPER Banca Group considers the social risk factor as a specific component of ESG risks, and, for this reason, it is incorporated into the risk drivers assessed in the risk identification and assessment processes at Group and Legal Entity level. To said end, based on the transmission channels identified, the Group identifies the materiality of the impact of the social risk factor as a sub-component of operational risk. The materiality assessments are incorporated in the "Group Risk Map", which illustrates the relative position of the individual companies with respect to Pillar I and Pillar II risks, both current and prospective. Subsequently, the outcomes of said analysis are gradually included in the main processes of the risk management framework in place (e.g. ICAAP, RAF), which form an integral part of corporate management, helping to determine the strategies and current operations of the Group.</p> <p>With specific reference to the operational and reputational risk management frameworks, the Group has defined the microeconomic and macroeconomic transmission channels, whereby Social risk factors (e.g. relations with employees and customers, social inclusion, etc.) can translate into operating losses and reputational risks; this specification has made it possible to update the mapping of operational and reputational risk scenarios to Social factors, which are being analysed with the aim of assessing the adequacy of controls and identifying any necessary action to prevent and mitigate exposure to the risks identified.</p>
l)	Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits <p>The processes for monitoring and reporting represents a set of activities aimed at the analysis and periodical reporting of the evolution of the exposure to operational and reputational risk, including social factors, with a view to identifying and</p>

	describing the changes observed in the dynamics of the risk in question in terms of number and impacts, as well as the risk mitigation or risk surveillance enhancement interventions implemented for the risk levels observed. As part of periodic reporting on operational and reputational risks, the results of indicator assessment and monitoring are accounted for, with specific indicators concerning social aspects, the aim being to inform the relevant corporate functions about any breaches of the thresholds set for the implementation of the actions required to contain and reduce risk levels.
m)	<p>Description of the link (transmission channels) between social risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework</p> <p>Consistently with the ESG Policy, as part of the process of identification of operational and reputational risks, the Group has defined microeconomic and macroeconomic transmission channels, whereby Social risk factors can translate into reputational risks for the BPER Banca Group.</p> <p>For example, possible impacts were identified in terms of:</p> <ul style="list-style-type: none"> • Possible operational losses related to events attributable to injuries or occupational diseases occurred during operating activities due to non-compliance with the relevant regulations in the field of employee benefits; • possible operational losses attributable to lawsuits filed by employees for matters concerning remuneration, indemnities and employment relationship.

Table 3: Qualitative information on governance risk

The following table shows the information required under Article 449 bis and Article 435(1 and 2) of the CRR.

Row number	Qualitative Information
	Governance
a)	<p>Institution's integration in their governance arrangements of the governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics</p> <p>The process of definition, preparation, implementation and approval of the strategic guidelines and policies in the ESG area incorporates different figures, in particular:</p> <ul style="list-style-type: none"> • Board of Directors: defines Group guidelines and strategies with regard to ESG issues, and approves the Consolidated Non-Financial Statement, Business Plan, Risk Appetite Framework and Risk Governance Policies; • Chief Executive Officer: implements, within the scope of his/her delegated powers, the strategic guidelines and the Plan and oversees the operational activities, actions to be implemented and monitored related to sustainability, with the support of the ESG Strategy Office and the ESG Management Committee; • Sustainability Committee: performs support functions for the Board of Directors' ESG activities, reviews the ESG Policy and the CNFS, evaluates the bank's positioning in sustainability benchmarks, monitors relevant initiatives and assesses scenarios and macro trends; • ESG Management Committee: facilitates the coordination of corporate functions and supports the Chief Executive Officer in the management of ESG issues, monitors the positioning of the BPER Group with respect to sustainability and the 17 UN goals (SDGs) and, lastly, promotes and manages the ESG strategy and sustainability issues; • Deputy General Manager of the Strategy, Finance & Innovation Area: manages the implementation of the strategic guidelines and the Sustainability Plan approved by the Board of Directors and the sustainability-related operational activities of the ESG Strategy Office; • ESG Strategy Office: has the priority tasks of drawing up the Sustainability Report, defining the relevant issues and sustainability indicators to be disclosed, contributing to drafting the Business Plan with regard to projects impacting ESG and climate change issues, and drafting the Sustainability Plan. The Office also supports the Sustainability Committee in promoting and managing the strategy on ESG issues and the Sustainability Management Committee in the operational management of ESG and climate change issues. To do so, the ESG Strategy Office assesses the ESG impacts of the Group's initiatives, including through stakeholder engagement activities, and manages Energy and Mobility Management activities. The Office is also responsible for managing the relationship with ESG rating agencies and relations with the ECB with regard to climate and environmental risk issues within its remit (e.g. disclosure, organisational structures, ESG Strategy), coordinating the cross-sectoral ESG exercises initiated by supervisory bodies (e.g., ECB Climate and Environmental Risk questionnaires). <p>The BPER Banca Group banks continued their activities during the year to comply with the SFDR and MiFID II regulations. The Group is implementing its advisory model in order to understand customer preferences on ESG issues, with the aim of making appropriate use of this information in the investment advisory process and related assessment of the suitability of customer proposals and portfolios.</p> <p>The catalogue of Collective investment undertakings increased its number of financial products promoting ESG characteristics (environmental, social and governance), or with sustainable investment objectives, classified pursuant to articles 8 and 9 of SFDR Regulation.</p> <p>As at 30 June 2023, the catalogue contained 954 sustainable funds (articles 8 and 9 of SFDR). Assets under Management relating to sustainable collective investment undertakings held in the customer portfolio exceeded Euro 16 billion.</p>

	<p>The BPER Banca Group companies, in their capacity as financial market participants who provide portfolio management as an investment service, consider the Principal Adverse Impact ("PAI") that their investment decisions may have on sustainability factors, and, in June 2023, they published the consolidated statement on the principal adverse impact on sustainability factors on the Bank's asset management for the period from 1 January 2022 to 31 December 2022.</p> <p>The BPER Banca Group companies consider the main adverse effects measuring and monitoring the aggregated negative effects on investments sustainability factors, in relation to the portfolio management service.</p> <p>As concerns investments, the BPER Banca Group companies consider the mandatory principal adverse impact indicators and two additional indicators defined by Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 ("SFDR Regulation") on sustainability-related disclosures in the financial services sector, subject to data availability and quality.</p> <p>In the assessment of adverse sustainability impacts, the Group uses the information it receives from specialist infoprovers with long-standing international experience with whom a collaborative relationship was established after thorough due diligence.</p> <p>BPER Banca Group companies have committed to monitoring and assessing the level of the selected indicators, with priority given to the following PAIs:</p> <ul style="list-style-type: none"> • PAI 2 - carbon footprint; • PAI 3 - GHG intensity (greenhouse gas intensity of investee companies); • PAI 5 - Share of consumption and production of non-renewable energies; • PAI 10 - PAI 10 - Violations of the UNGC (UN Global Compact) principles and OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises; • PAI 15 - GHG intensity (Sovereigns and Supranationals). <p>With the aim of spreading the culture of sustainability in the field of financial investments, a new education plan was drawn up on ESG topics with different focuses, to train and involve all distribution networks. Also in the area of training, several in-depth meetings on sustainable investment strategies were organised with the support of selected asset managers, including Arca Fondi SGR.</p>
b)	<p>Institution's accounting of the counterparty's highest governance body's role in non-financial reporting</p> <p>Over the last few years, the BPER Banca Group has structured its own route to sustainability through the adoption of an integrated strategy, capable of combining business growth and financial strength with social and environmental sustainability. In that regard, the approval of the "ESG Policy" by BPER Banca's Board of Directors on 24 November 2022 was significant, which further strengthened governance of ESG issues for the pursuit of sustainable success.</p> <p>On 14 October 2021, the Board of Directors established the Board-internal Sustainability Committee, which was assigned a support role in the Board's sustainability activities and, therefore, in tackling Climate Change, with reverberations on all processes, structures and company controls through which the Bank guarantees the pursuit of sustainable development, with particular reference to environmental, social and governance themes, in compliance with Principle I of the Code of Corporate Governance and the principles drawn up by the competent international bodies.</p> <p>As at today's date, the Sustainability Committee consists of the Chair of BPER Banca, Flavia Mazzarella, who acts as Chair of the Committee, and the directors Riccardo Barbieri (non-executive director) and Elisa Valeriani (non-executive and independent director).</p> <p>The aforementioned Internal Board Committee augments an additional Committee established by the previous Board of Directors in the last months of 2020, which was renamed the ESG Management Committee in 2022, together with the update of the corresponding Regulations. This Committee consists of the Deputy General Manager of the Strategy, Finance & Innovation Area, all the Chiefs of the Parent Company, the Head of Planning & Control Management and the Head of the ESG Strategy. Office. The latter, together with the Deputy General Manager of the Strategy, Finance & Innovation Area, coordinates the activities and meetings of the Committee, which normally meets quarterly.</p> <p>In said way, as of today, the ESG evolution of BPER Banca's governance concerns the entire corporate organisation of the Group, starting from the body with strategic supervision function, which avails itself of the support of the Sustainability Committee established internally, continuing with the Managerial Committee and the ESG Strategy Department which, reporting directly to the Board, provides support across the board to all the bank's functions in managing ESG issues.</p> <p>The new ESG policy contains the key roles of the ESG Managers, defined in the structures that are active on ESG issues and who represent their pivotal figures, with the following functions:</p> <ul style="list-style-type: none"> • coordinates and monitors the activities defined to achieve the objectives; • analyses the impacts of ESG issues in his/her structure of operation, for the issues within his/her competence, identifying risks and opportunities; • coordinates relations with the stakeholders he/she comes into contact with on behalf of his/her structure of operation. <p>The ESG Managers are coordinated by the ESG Strategy Office and meet at ESG round-table work groups, assisting the same Office in implementing ESG projects. There are about 30 ESG Managers, also present in the Legal Entities Optima, Sardaleasing, Bibanca, Banco di Sardegna and Finitalia.</p> <p>The ESG Strategy Office is active in the main national and European round-table working groups: the Head of the Function represents BPER Banca in various working groups on sustainability (ABI, Global Compact, Impronta Etica, Sustainable Finance Forum), is a member of the Board of Directors of FEDuF (Fondazione per l'educazione finanziaria e il risparmio - Foundation for Financial Education and Savings), and lastly a member of the EBF Chief Sustainability Officer Roundtable.</p> <p>A summary of ESG roles and responsibilities based on the current governance structure is shown below: For further details, please refer to the "ESG Policy" and the Report on Corporate Governance and Ownership Structure 2022 on the institutional website https://istituzionale.bper.it/governance/documenti.</p> <ul style="list-style-type: none"> • Board of Directors: defines Group guidelines and strategies with regard to ESG issues, and approves the Consolidated Non-Financial Statement, Business Plan, Risk Appetite Framework and Risk Governance Policies;

	<ul style="list-style-type: none"> • Chief Executive Officer: implements, within the scope of his/her delegated powers, the strategic guidelines and the Plan and oversees the operational activities, actions to be implemented and monitored related to sustainability, with the support of the ESG Strategy Office and the ESG Management Committee; • Sustainability Committee: performs support functions for the Board of Directors' ESG activities, reviews the ESG Policy and the CNFS, evaluates the bank's positioning in sustainability benchmarks, monitors relevant initiatives and assesses scenarios and macro trends; • ESG Management Committee: facilitates the coordination of corporate functions and supports the Chief Executive Officer in the management of ESG issues, monitors the positioning of the BPER Banca Group with respect to sustainability and the 17 UN goals (SDGs) and, lastly, promotes and manages the ESG strategy and sustainability issues; • Deputy General Manager of the Strategy, Finance & Innovation Area: manages the implementation of the strategic guidelines and the Sustainability Plan approved by the Board of Directors and the sustainability-related operational activities of the ESG Strategy Office; • ESG Strategy Office: has the priority tasks of drawing up the Sustainability Report, defining the relevant issues and sustainability indicators to be disclosed, contributing to drafting the Business Plan with regard to projects impacting ESG and climate change issues, and drafting the Sustainability Plan. The Office also supports the Sustainability Committee in promoting and managing the strategy on ESG issues and the Sustainability Management Committee in the operational management of ESG and climate change issues. To do so, the ESG Strategy Office assesses the ESG impacts of the Group's initiatives, including through stakeholder engagement activities, and manages Energy and Mobility Management activities. The Office is also responsible for managing the relationship with ESG rating agencies and relations with the ECB with regard to climate and environmental risk issues within its remit (e.g. disclosure, organisational structures, ESG Strategy), coordinating the cross-sectoral ESG exercises initiated by supervisory bodies (e.g., ECB Climate and Environmental Risk questionnaires). <p>The activity of preparing the Consolidated Non-Financial Statement has been governed by internal Regulations since 2019. In early 2022, the Regulations were updated and the related Operating Instructions were drafted.</p> <p>The attention paid to the management of sustainability/Climate Change issues is confirmed by the appointment of an Energy Manager and a Mobility Manager, both of whom work in the ESG Strategy Office.</p> <p>At Group level, it is important to highlight that all the companies included in the consolidated scope have a CSR Contact Person who collaborates with the ESG Strategy Office in the preparation of the Group Sustainability Report and in the management of activities on sustainability/Climate Change issues.</p>
c)	<p>Institution's integration in governance arrangements of the governance performance of their counterparties including:</p> <ul style="list-style-type: none"> (i) Ethical considerations (ii) Strategy and risk management (iii) Inclusiveness (iv) Transparency (v) Management of conflict of interest (vi) Internal communication on critical concerns <p>In particular, in application of the principles of compliance with minimum safeguards on human rights, financing will exclude counterparties -and all businesses within their same scope of consolidation- that, either during the initial assessment or periodic review, are proven to be subject to legal proceedings initiated by competent Authorities, in any jurisdiction, concerning fraud in financial and non-financial reporting, money laundering, corruption and terrorist financing.</p> <p>The ESG problems we are currently facing are unprecedented and require action from all parties involved, in all types of organisations. For this reason, the BPER Banca Group has undertaken engagement activities with its suppliers since 2019. For sustainable growth in line with the 2030 Agenda and the Sustainable Development Goals, it is crucial to look at the entire value and supply chain.</p> <p>Working with suppliers who share the same values is of great impact both for the business and for achieving sustainability goals, not only from an environmental point of view, but also from a social, governance and economic one. In order to strengthen the responsible approach in the supply chain, in cooperation with the ABC Consortium, from 2019 to 2021 the BPER Banca Group implemented a supplier engagement project in order to assign a Sustainability Rating to the Group's top 200 suppliers. The pilot project included an evaluation system carried out through a documentary audit, after which the individual supplier received an ESG rating free of charge.</p> <p>After the pilot engagement phase (2019-2021 Business Plan) of the first 200 suppliers was completed, today the entire procurement process has been revised from an ESG perspective, with the aim of selecting both suppliers and purchased products. The Green Procurement project included in the 2022-2025 Business Plan, concerning the integration of ESG criteria in the procurement and supplier management processes, was developed starting from the need to rationalise corporate purchasing and consumption. To fulfil this objective, the BPER Banca Group aims to carefully select its purchases according to Italian and European Minimum Environmental Criteria.</p> <p>Specifically, the project includes four main phases:</p> <ul style="list-style-type: none"> • analysis of existing regulations and comparison between BPER Banca and MEC categories; • clustering of BPER Banca categories not covered by MEC and assignment of ESG criteria not present in regulations; • elaboration of an excel file including all the analyses performed and details of the regulations and certifications associated with MEC; • definition along the different stages of the procurement process (qualification, monitoring, tendering, contracting) of the different usage scenarios of the identified ABC/Synergy and MEC questionnaires.

	Risk management
d)	<p>Institution's integration in risk management arrangements the governance performance governance of counterparties including:</p> <ul style="list-style-type: none"> (i) Ethical considerations (ii) Strategy and risk management (iii) Inclusiveness (iv) Transparency (v) Management of conflict of interest (vi) Internal communication on critical concerns <p>Conflicts of interest In terms of management of conflicts of interest, the BPER Banca Group has adopted the following internal regulations:</p> <ul style="list-style-type: none"> • "Group Policy for the governance of the risk of non-compliance concerning conflicts of interest with related parties and risk activities with associated persons" (published on the company website, https://istituzionale.bper.it/governance/documenti); • "Group Regulations on the process of managing Significant Interests of Corporate Officers"; • "Rules for Verification of the Independence Requirement of Directors" of BPER Banca, also endorsed by the Board of Statutory Auditors; • "Group Policy on governance of non-compliance risk in terms of conflict of interest in the provision of investment and ancillary services"; • "Internal Governance Code of the BPER Group"; • "Group Regulations on the management process of Internal Dealing (Market Abuse directive) published on the company website https://istituzionale.bper.it/internal-dealing. <p>In addition, the BPER Banca Group has a Related Parties Committee which operates in accordance with the laws, regulations and other legislation in force concerning related parties and associated persons. For more detailed information on intercompany transactions and transactions with related parties during the first half of 2023, please refer to the relevant section of the half-year consolidated Report as at 30 June 2023 and the specific section of the Company's website https://istituzionale.bper.it/governance/operazioni-con-parti-correlate.</p> <p>Insurance The 2022-2025 Business Plan envisages the evolution towards a multi-specialist, capital-light business model capable of enhancing the group's national scale, product factories and specialised distribution channels, thanks not least to a profound technological and digital transformation. The Plan is structured into 5 project tracks and 3 cross-cutting levers which will make it possible to significantly increase profitability while improving efficiency and productivity as compared to market best practice.</p> <p>Among the cross-cutting levers, concrete actions have been identified for the theme of "ESG Infusion", to be pursued crosswise in all lines of action, with precise targets in terms of reducing environmental impacts, supporting customers in their climate and energy transition, and finally focusing on inclusion, diversity and the weaker sections of society, with the aim of creating shared value. The new Plan has traced the Group's line of development in ESG with the aim of creating long-term shared value by focusing on sustainability issues as part of the corporate business model. Building on its international commitments (as a signatory of the Principles for Responsible Banking and the Net Zero Banking Alliance), the Group intends to improve its leadership in the management of ESG issues in order to become more efficient, competitive and be a credible and reliable partner for its clients in creating a more sustainable, equitable and inclusive society. To this end, the Plan identifies concrete Governance actions and objectives to be delivered, including in particular:</p> <ul style="list-style-type: none"> • incorporating ESG targets in Management's long-term incentive system with KPIs weighing 15% of the total; • redesigning the internal Organisational Model to define roles and responsibilities in ESG. <p>Code of Ethics The Code of Ethics was last updated on 22 June 2023 to provide increasingly complete and effective control, in keeping with the company's approach. The Parent Company and the other companies in the BPER Banca Group that have adopted a Code of Ethics intend to:</p> <ul style="list-style-type: none"> • communicate the company's rights, duties and responsibilities to all parties with whom it forges relations (customers, employees and/or external staff, shareholders, suppliers, Public Authorities, Supervisory Bodies and Institutions) • indicate the ethical standards and the rules of conduct on which all its decisions are based; • request that management and employees adopt conduct that is consistent with the company's ethical principles; • contribute to implementing the Social Responsibility policy of the BPER Banca Group, minimising the risk of external rules being infringed and reputational issues. <p>The aforementioned Code, which is supported by the "Internal Governance Code" of Group employees, conforms to the principles indicated in the "Guidelines of the Italian Banking Association (ABI) for the adoption of Organisational Models on the administrative liability of banks", adopted in February 2004 and subsequent updates, and is inspired by the principles of sustainability indicated by international bodies and institutions such as the European Union, the Organisation for Economic Co-operation and Development and the United Nations, undertaking to promote and respect universally recognised human rights, as set out in the Universal Declaration of Human Rights. The document is binding for shareholders, the members of Corporate Bodies, Top Management, employees, including executives, as well as all of those who, even if not part of the company, operate directly or indirectly on the Group's behalf (for example, financial agents, financial advisors, external workers under any title, consultants, suppliers). In addition to being sent to each director, statutory auditor, employee or collaborator upon appointment, employment or the start of the relationship, respectively, the Code of Ethics is normally published on the company's website and can also</p>

	<p>be downloaded from its corporate intranet, with the aim of making it easily accessible to all its (internal and external) recipients, so that the values and principles contained therein are known and applied.</p> <p>To promote its full application, the Code of Ethics can be the subject of specific dissemination campaigns to customers and other stakeholders, and there is a specific course within the annual training plan for employees.</p> <p>Italian Legislative Decree no. 231 of 8 June 2001 aimed to bring Italian legislation in line with international conventions, introducing a system of administrative liability for legal persons into Italian law - essentially comparable to criminal liability - under which the body is liable for offences committed in its interest or for its advantage by a senior or subordinate person.</p> <p>As at 31 December 2022, the following companies of the BPER Banca Group had their own Organisation and Management Model pursuant to Italian Legislative Decree 231/01: BPER Banca, Banco di Sardegna, Bibanca, Banca Cesare Ponti, Carige Reoco, Nadia, Sardaleasing, BPER Factor, BPER Credit Management, Finitalia, Optima SIM and Arca Fondi SGR.</p> <p>The creation of an OMM is not a legal obligation; however, many companies of the BPER Banca Group, motivated by the Parent Company in the pursuit of fairness and transparency in the conduct of business and operations, decided to proceed with the adoption of the Model in order to protect their own image and that of Partners and Shareholders.</p> <p>Adoption of the Model pursues the following fundamental objectives:</p> <ul style="list-style-type: none"> • to inform the addressees of the Model itself and to make the same aware of the correct conduct required and the need to comply with internal and external regulations • to effectively prevent the commission of the offences referred to in Italian Legislative Decree 231/01 • to concretely implement the values declared in the respective Code of Ethics, which represents the first and most important prevention protocol against the commission of any offence. <p>Consequently, from an organisational perspective, said Companies believe that adopting the Model can also contribute to boosting the effectiveness and efficiency of corporate transactions in achieving the Company's strategies, improving competitiveness in the domestic and international market, as well as the internal work environment.</p> <p>The Model and the provisions contained in or referred to in the Model, limited to their specific scope and the relations entertained with the reference companies are binding for shareholders, the members of Corporate Bodies, Top Management, employees, including executives, as well as all of those who, even if not part of the Company, operate directly or indirectly on the company's behalf (for example, financial agents, financial advisors, external workers under any title, consultants, suppliers).</p> <p>The Companies that adopted the Organisational and Management Model also appointed their own Supervisory Body (pursuant to articles 6 and 7 of Legislative Decree 231/01), to constantly supervise the appropriateness and effectiveness of the Model and its compliance, as well as propose its amendment and update, where necessary; said Body is able to perform its duties in an autonomous and independent manner, as well as with the appropriate expertise and professionalism, and operates according to its own statute which forms an integral part of the Organisational and Management Model.</p> <p>In order to involve employees in the constant updating of the Organisation and Management Model and collect any proposals for changes and implementation of the contents thereof, BPER Banca and the main Group companies have developed an internal IT procedure through which the business units are called upon to collaborate in a proactive manner and report any organisational changes involving them, as well as any new, potentially sensitive areas pursuant to Italian Legislative Decree 231/01 and the amendments or additions to be made to the relevant prevention protocols. This interrelation achieves highly satisfactory results and sees the active involvement - with reference to BPER Banca - of more than 90% of the business units that are recipients of the specific content of the Model.</p> <p>The recipients of the Group's Organisation and Management Models are required to report to the Supervisory Board any violations of the OMM or Code of Ethics or, more in general, the provisions of Italian Legislative Decree 231/01 of which they become aware, according to the reporting channels prepared for this purpose by the individual Group companies.</p> <p>Risk management</p> <p>As part of the operational and reputational risk management frameworks, the BPER Banca Group defines the Governance risk on the basis of international standards and, more specifically, reference is made to the concepts included in the Eba Report On Management And Supervision Of ESG Risks For Credit Institutions And Investment Firms" (EBA/REP/2021/18) guidelines.</p> <p>As part of the operational and reputational risk management framework, the Group has defined microeconomic and macroeconomic transmission channels, through which Governance risk factors (e.g. Shareholders rights, inclusion of C&E policies, remuneration policies) can translate to reputational risks; this specification allowed the mapping of operational and reputational risk scenarios to Governance factors to be updated.</p> <p>In the context described, the competent corporate structures are responsible for the ongoing execution of the operational and reputational risk management macro-process, and, in accordance with this process, they must:</p> <ul style="list-style-type: none"> • Identify the operational and reputational risk, in line with the defined identification and classification models; • Assess the operational and reputational risks, with the respective economic impact through the Loss Data Collection and Reputational Data processes; • Evaluate, with a potential approach, the operational risk by means of the Risk Self Assessment process and the reputational risk by means of the Reputational Risk Self Assessment process; • Measure the operational risk with the aim of calculating the capital requirement to cover the risk in question (regulatory purposes) and quantifying market risk exposure, by developing and using for operational purposes an internal model (management purposes); • Manage the operational risk related to the ordinary business activity through the preparation and implementation of remedial actions; • regularly monitor operational and reputational risk, also with the assistance of specific exposure indicators, while promoting the reporting of the risk exposure profile in question through adequate reporting tools.
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Template 1: Banking book - Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

	a	b	c	d	e	f	g	h
	Gross carrying amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
Sector/Subsector		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12 (2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures
1 Exposures towards sectors that highly contribute to climate change*	35,413,117	292,753		4,659,597	1,578,855	(1,383,490)	(221,077)	(1,052,921)
2 A - Agriculture, forestry and fishing	1,057,774	-		120,140	41,836	(38,136)	(7,736)	(27,544)
3 B - Mining and quarrying	73,633	1,441		8,133	1,350	(1,490)	(235)	(994)
4 B.05 - Mining of coal and lignite	-	-		-	-	-	-	-
5 B.06 - Extraction of crude petroleum and natural gas	3	3		-	-	-	-	-
6 B.07 - Mining of metal ores	-	-		-	-	-	-	-
7 B.08 - Other mining and quarrying	63,311	282		7,137	1,350	(1,465)	(221)	(994)
8 B.09 - Mining support service activities	10,319	1,156		996	-	(25)	(14)	-
9 C - Manufacturing	13,814,508	163,301		1,476,847	349,273	(342,563)	(51,689)	(262,021)
10 C.10 - Manufacture of food products	2,154,012	-		241,043	72,008	(68,827)	(6,413)	(56,832)
11 C.11 - Manufacture of beverages	293,585	-		28,571	4,596	(6,302)	(1,416)	(3,970)
12 C.12 - Manufacture of tobacco products	448	-		321	127	(67)	(5)	(61)
13 C.13 - Manufacture of textiles	330,137	-		82,210	15,223	(15,404)	(3,343)	(11,248)
14 C.14 - Manufacture of wearing apparel	286,500	-		68,277	12,886	(12,852)	(3,074)	(8,899)
15 C.15 - Manufacture of leather and related products	190,779	-		37,924	14,743	(10,825)	(2,031)	(8,257)
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	257,553	-		17,682	17,090	(13,454)	(481)	(12,349)
17 C.17 - Manufacture of paper and paper products	317,045	-		35,184	2,488	(3,457)	(570)	(2,300)
18 C.18 - Printing and reproduction of recorded media	148,408	-		36,312	4,578	(3,908)	(1,023)	(2,542)

(continued)

Template 1: Banking book - Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

		i	j	k	l	m	n	o	p
Sector/Subsector		GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Weighted average maturity	
			Of which scope 3 financed emissions						
1	Exposures towards sectors that highly contribute to climate change*			25,610,252	6,654,285	2,937,075	211,505	3.89	
2	A - Agriculture, forestry and fishing			628,975	236,089	186,667	6,043	5.24	
3	B - Mining and quarrying			62,205	9,620	1,696	112	2.87	
4	B.05 - Mining of coal and lignite			-	-	-	-	-	
5	B.06 - Extraction of crude petroleum and natural gas			3	-	-	-	-	
6	B.07 - Mining of metal ores			-	-	-	-	-	
7	B.08 - Other mining and quarrying			52,857	8,646	1,696	112	3.06	
8	B.09 - Mining support service activities			9,345	974	-	-	1.70	
9	C - Manufacturing			11,746,451	1,764,266	285,627	18,164	2.69	
10	C.10 - Manufacture of food products			1,810,923	259,378	77,596	6,115	2.47	
11	C.11 - Manufacture of beverages			204,972	83,822	4,698	93	3.47	
12	C.12 - Manufacture of tobacco products			447	-	-	1	0.09	
13	C.13 - Manufacture of textiles			267,216	60,597	1,838	486	2.51	
14	C.14 - Manufacture of wearing apparel			256,306	22,446	7,375	373	2.32	
15	C.15 - Manufacture of leather and related products			175,687	11,648	2,987	457	2.17	
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials			189,535	61,345	5,960	713	3.28	
17	C.17 - Manufacture of paper and paper products			247,600	67,002	2,293	150	2.94	
18	C.18 - Printing and reproduction of recorded media			123,805	20,686	3,524	393	2.75	

(continued)

Template 1: Banking book - Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

		a	b	c	d	e	f	g	h
		Gross carrying amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
Sector/Subsector			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12 (2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures
19	C.19 - Manufacture of coke and refined petroleum products	194,161	162,869		9,184	2,176	(3,397)	(1,873)	(1,470)
20	C.20 - Manufacture of chemicals and chemical products	621,702	305		29,659	6,908	(7,891)	(1,015)	(5,748)
21	C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations	560,458	-		12,071	775	(1,048)	(155)	(741)
22	C.22 - Manufacture of rubber products	818,027	-		91,918	14,167	(15,657)	(2,525)	(11,448)
23	C.23 - Manufacture of other non-metallic mineral products	666,654	127		39,664	37,587	(34,581)	(1,414)	(31,856)
24	C.24 - Manufacture of basic metals	875,391	-		37,256	10,879	(11,303)	(1,047)	(9,309)
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	1,949,672	-		190,866	70,381	(61,313)	(5,722)	(51,005)
26	C.26 - Manufacture of computer, electronic and optical products	274,792	-		32,906	6,743	(8,609)	(2,243)	(6,004)
27	C.27 - Manufacture of electrical equipment	438,203	-		34,399	7,528	(7,498)	(898)	(5,341)
28	C.28 - Manufacture of machinery and equipment n.e.c.	1,792,836	-		153,221	21,616	(23,685)	(5,414)	(14,019)
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	296,912	-		59,154	1,155	(3,832)	(2,434)	(976)
30	C.30 - Manufacture of other transport equipment	489,869	-		170,250	1,549	(7,765)	(6,112)	(1,176)
31	C.31 - Manufacture of furniture	225,593	-		16,956	9,113	(6,681)	(415)	(5,412)
32	C.32 - Other manufacturing	271,034	-		24,975	4,310	(4,944)	(1,038)	(3,563)
33	C.33 - Repair and installation of machinery and equipment	360,737	-		26,844	10,647	(9,263)	(1,028)	(7,495)
34	D - Electricity, gas, steam and air conditioning supply	882,375	109,598		75,423	51,070	(39,564)	(5,608)	(29,248)
35	D35.1 - Electric power generation, transmission and distribution	679,638	-		66,134	36,382	(33,987)	(5,510)	(24,594)
36	D35.11 - Production of electricity	522,415	-		53,026	22,645	(25,717)	(5,221)	(16,755)
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	197,710	109,082		8,773	14,574	(5,475)	(51)	(4,605)

(continued)

Template 1: Banking book - Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

		i	j	k	l	m	n	o	p
Sector/Subsector		GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Weighted average maturity
		Of which scope 3 financed emissions							
19	C.19 - Manufacture of coke and refined petroleum products				177,809	14,414	1,937	1	2.00
20	C.20 - Manufacture of chemicals and chemical products				540,666	71,542	9,359	135	2.63
21	C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations				285,354	275,101	-	3	4.48
22	C.22 - Manufacture of rubber products				700,683	96,092	20,767	485	2.68
23	C.23 - Manufacture of other non-metallic mineral products				575,679	71,373	18,997	605	3.07
24	C.24 - Manufacture of basic metals				845,090	25,499	4,376	426	1.69
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment				1,646,514	244,308	55,167	3,683	2.88
26	C.26 - Manufacture of computer, electronic and optical products				245,990	27,122	1,248	432	2.26
27	C.27 - Manufacture of electrical equipment				364,702	65,621	7,502	378	2.39
28	C.28 - Manufacture of machinery and equipment n.e.c.				1,570,926	183,582	37,349	979	2.85
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers				285,737	8,952	2,111	112	2.23
30	C.30 - Manufacture of other transport equipment				475,093	10,630	4,009	137	2.67
31	C.31 - Manufacture of furniture				200,963	19,275	4,752	603	2.58
32	C.32 - Other manufacturing				241,020	24,253	5,402	359	2.27
33	C.33 - Repair and installation of machinery and equipment				313,734	39,578	6,380	1,045	2.68
34	D - Electricity, gas, steam and air conditioning supply				536,283	295,361	43,434	7,297	4.42
35	D35.1 - Electric power generation, transmission and distribution				372,056	269,785	31,003	6,794	4.96
36	D35.11 - Production of electricity				250,910	242,307	29,198	-	5.74
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains				160,253	24,525	12,431	501	2.60

(continued)

Template 1: Banking book - Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

	a	b	c	d	e	f	g	h
						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
Sector/Subsector	Gross carrying amount							
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12 (2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures
38 D35.3 - Steam and air conditioning supply	5,027	516		516	114	(102)	(47)	(49)
39 E - Water supply; sewerage, waste management and remediation activities	769,500	-		59,410	12,359	(13,731)	(1,645)	(10,203)
40 F - Construction	3,444,118	7,154		552,386	294,293	(268,192)	(36,444)	(212,996)
41 F.41 - Construction of buildings	1,934,483	2,401		386,613	218,422	(195,569)	(30,026)	(154,816)
42 F.42 - Civil engineering	506,053	4,753		54,145	32,776	(32,620)	(1,981)	(27,319)
43 F.43 - Specialised construction activities	1,003,582	-		111,628	43,095	(40,003)	(4,437)	(30,861)
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	7,590,920	11,239		820,960	244,902	(191,065)	(23,376)	(151,539)
45 H - Transportation and storage	1,385,332	20		303,576	57,292	(66,849)	(24,540)	(36,193)
46 H.49 - Land transport and transport via pipelines	760,118	-		181,323	31,201	(28,015)	(9,563)	(15,383)
47 H.50 - Water transport	105,518	-		18,250	277	(2,774)	(1,657)	(180)
48 H.51 - Air transport	1,690	-		258	-	(23)	-	-
49 H.52 - Warehousing and support activities for transportation	493,691	20		102,838	25,194	(35,555)	(13,285)	(20,228)
50 H.53 - Postal and courier activities	24,315	-		907	620	(482)	(35)	(402)
51 I - Accommodation and food service activities	2,012,259	-		431,655	175,068	(118,176)	(14,563)	(96,013)
52 L - Real estate activities	4,382,698	-		811,067	351,412	(303,724)	(55,241)	(226,170)
53 Exposures towards sectors other than those that highly contribute to climate change*	8,011,370	-		763,529	189,956	(177,433)	(34,760)	(122,421)
54 K - Financial and insurance activities	249,643	-		206	80	(342)	(27)	(38)
55 Exposures to other sectors (NACE codes J, M - U)	7,761,727	-		763,323	189,876	(177,091)	(34,733)	(122,383)
56 Total	43,424,487	292,753		5,423,126	1,768,811	(1,560,923)	(255,837)	(1,175,342)

(continued)

Template 1: Banking book - Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

		i	j	k	l	m	n	o	p
Sector/Subsector		GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Weighted average maturity	
		Of which scope 3 financed emissions							
38	D35.3 - Steam and air conditioning supply			3,974	1,051	-	2	3.44	
39	E - Water supply; sewerage, waste management and remediation activities			535,892	177,880	55,130	598	4.19	
40	F - Construction			2,303,232	693,162	353,617	94,107	4.72	
41	F.41 - Construction of buildings			1,164,615	390,213	322,948	56,707	5.61	
42	F.42 - Civil engineering			428,061	48,096	3,094	26,802	2.96	
43	F.43 - Specialised construction activities			710,556	254,853	27,575	10,598	3.90	
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles			6,296,407	997,041	270,017	27,455	2.68	
45	H - Transportation and storage			1,038,149	254,863	77,117	15,203	4.04	
46	H.49 - Land transport and transport via pipelines			618,388	111,596	23,449	6,685	3.64	
47	H.50 - Water transport			68,597	29,595	7,295	31	4.81	
48	H.51 - Air transport			585	1,067	-	38	5.67	
49	H.52 - Warehousing and support activities for transportation			326,860	112,246	46,181	8,404	4.61	
50	H.53 - Postal and courier activities			23,719	359	192	45	1.40	
51	I - Accommodation and food service activities			969,889	551,435	468,843	22,092	6.74	
52	L - Real estate activities			1,492,769	1,674,568	1,194,927	20,434	7.25	
53	Exposures towards sectors other than those that highly contribute to climate change*			6,058,876	1,389,408	473,215	89,871	3.82	
54	K - Financial and insurance activities			221,408	27,408	466	361	1.53	
55	Exposures to other sectors (NACE codes J, M - U)			5,837,468	1,362,000	472,749	89,510	3.89	
56	Total			31,669,128	8,043,693	3,410,290	301,376	3.87	

* In accordance with the Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

Model 1 aims to represent the exposures to disaggregated non-financial companies with reference to the sectors of economic activity most exposed to risks connected with climate transition.

The perimeter of generation of the model includes exposures to non-financial companies present in the Banking Book and classified as loans and advances, debt securities and equity instruments, excluding financial assets held for trading or financial assets held for sale.

The model shows, at NACE (Statistical classification of economic activities in the European Community) level, the gross value of the exposure and the provisions, with details relating to the classification by exposure stage and maturity.

In addition, details are provided relating to the companies excluded from the EU Paris-aligned benchmarks (art. 12, paragraph 1, letters d) to g), and art. 12, paragraph 2 of Regulation (EU) 2020/1818, including in particular:

- d) companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard

coal and lignite;

- e) companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
- f) companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
- g) companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO₂ e/kWh.

The identification of said companies was determined primarily on the basis of information on the nature of the revenues obtained by appropriately hired external suppliers.

The Group evaluates the transition risk, understood as the economic-financial impact incurred during the process of transition to a sustainable economy, on climate scenarios derived from temperature increase forecasts in the coming years. The analyses are developed by taking into account the sector segmentation in terms of the GHG emission reduction targets, by estimating the potential impacts on the individual company. For further details on transition risk, please refer to the BPER Banca Group's TCFD 2022 Report.

Column C of the template is not filled in given that, as required by Implementing Regulation (EU) 2022/2453, “*entities start disclosing said information with first disclosure reference date as of 31 December 2023, for exposures included in the numerator of the green asset ratio, GAR. The entities can start to publish said information in 2025, with the first reference date for the disclosure as at 31 December 2024, for exposures included in the numerator of the banking book taxonomy alignment ratio (BTAR) but not in the numerator of the GAR*”.

Details relating to the greenhouse gas emissions of entities required by Template 1 (columns i, j, k) will be included in the Pillar 3 Public Disclosure from 30 June 2024, as required by Regulation (EU) 2022/2453.

Template 2: Banking book - Indicators of potential climate change transition risk: loans collateralised by immovable property - Energy efficiency of the collateral

		a	b	c	d	e	f	g
		Total gross carrying amount						
Counterparty sector		Level of energy efficiency (EP score in kWh/m ² of collateral)						
		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	
1	Total EU area	40,259,965	3,943,813	12,905,174	9,591,247	5,220,113	3,346,739	945,599
2	Of which Loans collateralised by commercial immovable property	9,203,357	501,585	952,200	3,195,082	1,688,965	968,794	263,724
3	Of which Loans collateralised by residential immovable property	30,830,643	3,411,607	11,895,471	6,394,590	3,531,008	2,377,860	678,099
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	225,965	30,621	57,503	1,575	140	85	3,776
5	Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	28,247,956	2,129,166	10,362,955	7,825,964	4,320,355	2,999,596	609,920
6	Total non-EU area	-	-	-	-	-	-	-
7	Of which Loans collateralised by commercial immovable property	-	-	-	-	-	-	-
8	Of which Loans collateralised by residential immovable property	-	-	-	-	-	-	-
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-
10	Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	-	-	-	-	-	-	-

(continued)

Template 2: Banking book - Indicators of potential climate change transition risk: loans collateralised by immovable property - Energy efficiency of the collateral

Counterparty sector		h	i	j	k	l	m	n	o	p	
		Total gross carrying amount								Without EPC label of collateral	Of which estimated level of energy efficiency (EP score in kWh/m² of collateral)
		Level of energy efficiency (EPC label of collateral)									
		A	B	C	D	E	F	G			
1	Total EU area	905,619	500,998	536,181	850,411	1,174,442	1,396,713	2,339,901	32,555,700	0.87	
	Of which Loans collateralised by commercial immovable property	100,659	62,020	119,547	156,154	192,201	201,385	429,457	7,941,934	0.79	
2	Of which Loans collateralised by residential immovable property	776,585	397,615	406,305	691,201	973,074	1,194,874	1,909,953	24,481,036	0.90	
3	Of which Collateral obtained by taking possession: residential and commercial immovable properties	28,375	41,363	10,329	3,056	9,167	454	491	132,730	0.00	
4	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated								28,247,956	1.00	
5											
6	Total non-EU area	-	-	-	-	-	-	-	-	-	
	Of which Loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	
7	Of which Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	
8	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	
9	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated								-	-	
10											

The perimeter of Template 2 includes exposures relating to loans secured by commercial and residential real estate and enforced real estate collateral.

The Template disaggregates the exposures in terms of energy performance certificate (EPC) and consumption in kWh/m², and based on the geographical area in which the collateral is located, divided into EU or non-EU areas.

Details are also provided, in the appropriate sections of the template, relating to exposures for which the level of energy

consumption in kWh/m2 is estimated.

For the purpose of providing input to Template 2, the BPER Banca Group made use of the support of external providers to obtain details on the level of energy efficiency in the event in which these were not present in the Group's information systems. Said information was punctually obtained where possible or, alternatively, using the appropriate estimates that take account, among the other variables, of the location, the use and the year of construction of the real estate guarantee.

Template 3 "Banking book - Indicators of potential transition risk connected to climate change: alignment metrics" is not shown as the first reference date for the disclosure is 30 June 2024.

Template 4: Banking book - Indicators of potential climate change transition risk: exposures to top 20 carbon-intensive firms

	a	b	c	d	e
	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate) (*)	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	89,761	0.069%		0.452	3

*For counterparties among the top 20 carbon emitting companies in the world

The BPER Banca Group identified, in its portfolio, the presence of companies belonging to the corporate groups of companies classified among the Top Polluters in the World.

Companies with the highest level of global emissions, in terms of tonnes of CO₂/year emitted and entities belonging to one of the companies recognised as the "Top 20 Polluters" are defined as the Top 20 Polluters in the World.

The BPER Banca Group targets specialised external data providers for the acquisition of the list of counterparties identified as the "Top 20 Polluters" in the world, as well as the most up-to-date levels of greenhouse gas emissions (scope 1 and 2) at Group level. The emissions levels used may be exact (obtained from public disclosures) or estimated.

The exposure was measured through the comparison with the list provided by the Climate Accountability Institute (2018), by taking account both carbon and methane emissions.

Column c of the template, intended to indicate the gross aggregate carrying amount of eco-sustainable exposures which contribute to the objective of mitigation of climate change, is not filled in given that, as required by Implementing Regulation (EU) 2022/2453 entities start to publish said information with the first reference date for the disclosure as at 31 December 2023.

Template 5: Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk

	a	b	c	d	e	f	g	h
	Gross carrying amount							
	of which exposures sensitive to impact from climate change physical events							
Italy	Breakdown by maturity bucket						of which exposures sensitive to impact from chronic climate change events	
	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Weighted average maturity			
1	A - Agriculture, forestry and fishing	1,057,774	142,554	48,918	52,592	1,699	5.58	110,987
2	B - Mining and quarrying	73,633	8,678	59	851	-	5.92	4,119
3	C - Manufacturing	13,790,426	2,056,027	354,849	77,502	245	3.02	374,480
4	D - Electricity, gas, steam and air conditioning supply	882,296	146,530	34,805	10,348	-	4.27	51,751
5	E - Water supply; sewerage, waste management and remediation activities	769,500	36,453	10,517	1,877	-	4.06	29,924
6	F - Construction	3,444,112	338,208	119,301	95,918	33,229	6.83	227,168
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	7,576,927	1,199,142	282,130	81,472	-	3.19	523,143
8	H - Transportation and storage	1,362,665	140,014	56,263	16,189	1,346	4.92	57,776
9	L - Real estate activities	4,381,917	365,395	505,952	327,035	5,020	8.82	572,326
10	Loans collateralised by residential immovable property	30,729,743	242,983	644,639	2,134,289	1,366,885	16.36	448,679
11	Loans collateralised by commercial immovable property	9,179,409	255,153	453,267	512,034	55,506	9.54	225,583
12	Reposessed collaterals	225,965	-	-	-	-	-	-
13	Other relevant sectors	8,327,344	748,133	402,398	312,174	37,397	6.70	790,441

(continued)

Template 5: Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk

	a	i	j	k	l	m	n	o
	Gross carrying amount							
	of which exposures sensitive to impact from climate change physical events							
Italy	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
						Of which Stage 2 exposures	Of which non-performing exposures	
1	A - Agriculture, forestry and fishing	133,067	1,709	41,577	9,903	(12,071)	(4,555)	(6,721)
2	B - Mining and quarrying	5,469	-	1,581	247	(356)	(90)	(200)
3	C - Manufacturing	2,113,676	467	265,883	54,659	(57,556)	(8,439)	(44,292)
4	D - Electricity, gas, steam and air conditioning supply	139,932	-	10,140	17,810	(12,334)	(310)	(11,635)
5	E - Water supply; sewerage, waste management and remediation activities	18,712	211	6,314	1,777	(1,245)	(255)	(923)
6	F - Construction	351,226	8,262	102,548	44,306	(43,105)	(8,294)	(30,789)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	1,038,671	930	180,936	33,556	(28,139)	(6,340)	(17,914)
8	H - Transportation and storage	155,919	117	41,334	7,760	(11,241)	(3,838)	(6,658)
9	L - Real estate activities	614,549	16,527	196,916	67,362	(76,999)	(14,551)	(37,588)
10	Loans collateralised by residential immovable property	3,803,719	136,398	550,949	69,197	(65,371)	(30,974)	(28,522)
11	Loans collateralised by commercial immovable property	1,010,506	39,871	244,788	84,046	(117,581)	(31,232)	(57,451)
12	Reposessed collaterals	-	-	-	-	-	-	-
13	Other relevant sectors	701,858	7,803	270,046	72,179	(63,163)	(14,617)	(42,877)

Template 5: Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk

	a	b	c	d	e	f	g	h
	Gross carrying amount							
	of which exposures sensitive to impact from climate change physical events							
Residual geographical variable	Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events		
	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Weighted average maturity			
1 A - Agriculture, forestry and fishing	-	-	-	-	-	-	-	-
2 B - Mining and quarrying	-	-	-	-	-	-	-	-
3 C - Manufacturing	24,082	-	-	-	-	-	-	-
4 D - Electricity, gas, steam and air conditioning supply	79	-	-	-	-	-	-	-
5 E - Water supply; sewerage, waste management and remediation activities	-	-	-	-	-	-	-	-
6 F - Construction	6	-	-	-	-	-	-	-
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	13,993	-	-	-	-	-	-	-
8 H - Transportation and storage	22,667	-	-	-	-	-	-	-
9 L - Real estate activities	781	-	42	-	-	5.59	-	-
10 Loans collateralised by residential immovable property	100,900	1,003	3,559	10,500	2,374	14.35	3,980	-
11 Loans collateralised by commercial immovable property	23,948	96	25	345	-	13.84	-	-
12 Repossessed collaterals	-	-	-	-	-	-	-	-
13 Other relevant sectors	1,696,285	-	-	-	-	-	-	-

(continued)

Template 5: Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk

	a	i	j	k	l	m	n	o
	Gross carrying amount							
	of which exposures sensitive to impact from climate change physical events							
Residual geographical variable	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
					Of which Stage 2 exposures	Of which non-performing exposures		
1 A - Agriculture, forestry and fishing	-	-	-	-	-	-	-	-
2 B - Mining and quarrying	-	-	-	-	-	-	-	-
3 C - Manufacturing	-	-	-	-	-	-	-	-
4 D - Electricity, gas, steam and air conditioning supply	-	-	-	-	-	-	-	-
5 E - Water supply; sewerage, waste management and remediation activities	-	-	-	-	-	-	-	-
6 F - Construction	-	-	-	-	-	-	-	-
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	-	-	-	-	-	-	-	-
8 H - Transportation and storage	-	-	-	-	-	-	-	-
9 L - Real estate activities	42	-	-	-	-	-	-	-
10 Loans collateralised by residential immovable property	13,042	414	3,505	376	(445)	(284)	(126)	
11 Loans collateralised by commercial immovable property	466	-	-	69	(48)	-	(48)	
12 Repossessed collaterals	-	-	-	-	-	-	-	
13 Other relevant sectors	-	-	-	-	-	-	-	

This template provides information on the exposures of the banking book, including loans and advances, debt securities and equity instruments not held for trading and held for sale to non-financial companies, on loans secured by real estate and on real estate collateral recovered, exposed to chronic and acute climate-related hazards, with a distribution by sector of economic activity (NACE classification) and geographical location of the activity of the counterparty or the collateral, for the sectors and geographical areas subject to acute and chronic events related to climate change.

Consistent with Implementing Regulation (EU) 2022/2453, the prudential information connected with environmental risks relating to sensitive exposures are published in Template 5, in particular:

- column h includes the gross carrying value of exposures sensitive to the impact of chronic events linked to climate change, including hazards connected with gradual changes in meteorological and climate conditions and that may have an impact on economic production and productivity;
- column i includes the gross carrying value of exposures sensitive to the impact of acute events linked to climate change, including hazards that may cause sudden damages to property, the interruption of the supply chain and depreciation of activities.
- column j shows the gross book value of exposures sensitive to impact both from chronic and acute climate change events.

The assessment of the physical risk events taken into consideration are differentiated by the business sectors of the companies and loans secured by real estate based on the specific features that characterise each type of exposure.

The BPER Banca Group assesses physical risk, understood as the degree of exposure of a business or a building to natural hazards (floods, earthquakes, landslides, extreme wind, drought, etc.) depending on the area and the effects of climate change expected in the future. The analyses are carried out by assessing the geographical vulnerability of the individual address of the production site/building based on the hazard map linked to a scale of each phenomenon analysed. For further details on physical risks, please refer to the BPER Banca Group's TCFD 2022 Report.

Templates 6 “Summary of Key Performance Indicators (KPIs) on taxonomy-aligned exposures”, 7 “Mitigation actions: assets for calculation of the GAR” and 8 “GAR (%)” are not presented as the first reference date for the disclosure is set for 31 December 2023, in line with the first reference date for the GAR disclosure pursuant to Delegated Regulation (EU) 2021/2178.

Templates 9 “BTAR: “Mitigation actions” and in particular Templates 9.1 “Mitigation actions: assets for calculation of the BTAR”, 9.2 “% of the BTAR” and 9.3 “Summary table - % of the BTAR” are not presented as the first reference date for the disclosure is set for 31 December 2024.

Template 10 - Other climate change mitigating actions that are not covered in Regulation (EU) 2020/852

a	b	c	d	e	f
Type of financial instrument	Type of counterparty	Gross carrying amount	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions
1	Financial corporations	761,861	Yes	No	Securities identified as green bonds and bonds with sustainability-linked coupon are shown
2	Non-financial corporations	246,617	Yes	No	
3	Of which Loans collateralised by commercial immovable property	-	-	-	
4	Other counterparties	92,257	Yes	No	Securities identified as green bonds and bonds with sustainability-linked coupon are shown
5	Financial corporations	164,009	Yes	No	Loans specifically identified by the Bank as climate-related transactions and/or with a positive environmental impact (for example Green loans, SACE green, life for energy, etc.) are primarily shown
6	Non-financial corporations	710,148	Yes	No	
7	Of which Loans collateralised by commercial immovable property	38,122	Yes	No	
8	Households	269,867	Yes	No	Loans disbursed to private customers for the purchase or renovation of properties in energy class A or B are primarily shown
9	Of which Loans collateralised by residential immovable property	132,557	Yes	No	
10	Of which building renovation loans	48,195	Yes	No	
11	Other counterparties	-	-	-	-

Template 10 includes exposures to customers with the objective of supporting climate change adaptation and mitigation objectives classified as green, but without considering whether said products are European taxonomy aligned or not, including the GAR metrics, in application from December 2023, and BTAR metrics, in application from December 2024.

The BPER Banca Group identified the “Green” bond transactions subject to the perimeter of this Template 10 through the information provided by infoproviders.

More specifically, the perimeter includes bonds and loans issued by banking book counterparties, both Financial and non-Financial corporations, excluding Held for Sale and Held for Trading. The purposes of these loans reported include investments in the circular economy and renewable energies and for the purchase of eco-sustainable homes.

The financial instruments included in the Template - bonds and loans - help to mitigate the transition risks deriving from climate change, where the transition risk is linked to a more sustainable and low carbon emissions economy.

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

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 reports, 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, 18 September 2023

Signed by
Piero Luigi Montani
Chief Executive Officer

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

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

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 2023 - Pillar 3" agrees with the underlying accounting entries, records and documentation.

Modena, 18 September 2023

Signed by

Marco Bonfatti

The Manager responsible for preparing the
Company's financial reports