

# Green Covered Bond Issuance

## Investor Presentation

September 2023



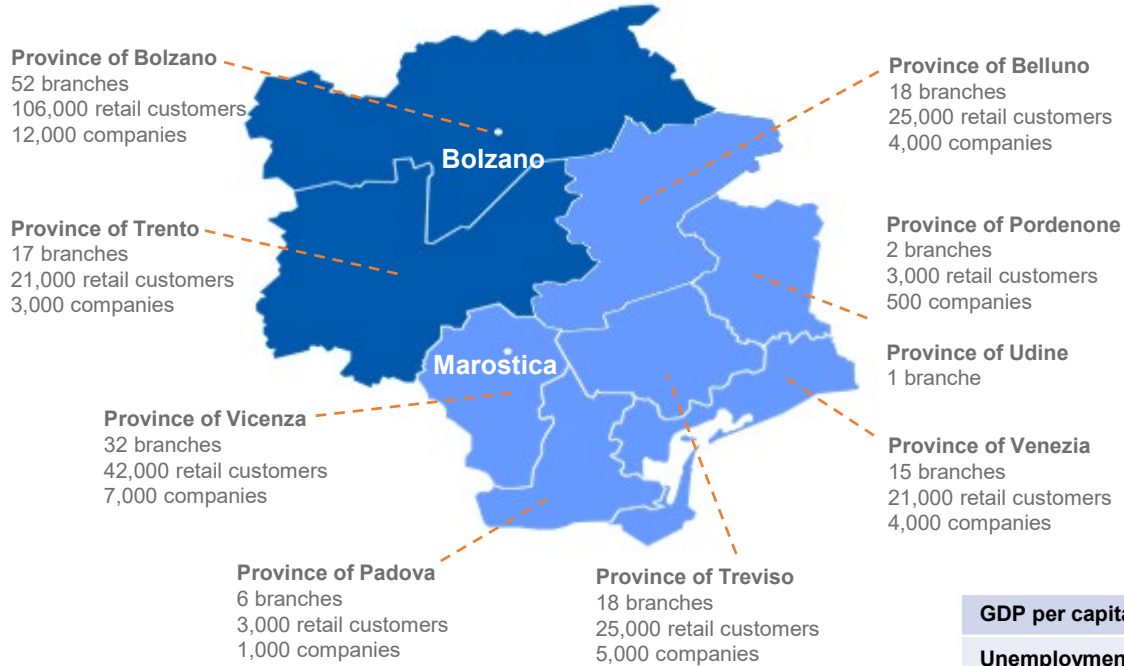
# Agenda

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- 01 **Volksbank at a glance**
- 02 Volksbank Financials
- 03 Volksbank OBG Programme & Cover Pool
- 04 The Mortgage Business
- 05 Green Bond Framework
- 06 Potential Transaction
- 07 Contacts

# 01 Volksbank is an important player in north-eastern Italy

Volksbank's home regions have traditionally **higher GDP pro-capita and lower levels of unemployment** than the country average



~282,000

Number of customers  
(as of 30/06/2023)

161

Number of branches  
(as of 30/06/2023)



	Province of Bolzano	Region of Veneto	Republic of Italy
<b>GDP per capita (2021)</b>	48,044 EUR	33,834 EUR	30,136 EUR
<b>Unemployment rate (2022)</b>	2.3%	4.3%	8.2%



# 01 Volksbank - Credit Highlights



Unique exposure to one of the wealthiest and growth regions in Italy



Focus on very well diversified retail and SME business in the target area



Strong focus on innovation in terms of a true omni-channel approach, focusing on the relationship with customers and the territory



Profitable, sustainable growth with solid capital ratios



Strong commitment to sustainability with a holistic approach

# 01 Volksbank – Key Performance Indicators



## Profitability (EUR mn)

### Profit after Tax

53,486  
as of 30.06.2023

+69.5% Y-o-Y

### Interest Margin

140,097  
as of 30.06.2023

+ 39.3% Y-o-Y

### Core Revenues

190,240  
as of 30.06.2023

+ 26.1% Y-o-Y



## Balance Sheet (EUR mn)

### Loans

7,449  
as of 30.06.2023

7,442  
as of 31.12.2022

### Deposits from customers

8,400  
as of 30.06.2023

8,300  
as of 31.12.2022

### Assets in Total

12,050  
as of 30.06.2023

12,957  
as of 31.12.2022



## Key Indicators

### RoTE

13.1%\*\*  
as of 30.06.2023





9.4%\*  
as of 31.12.2022

### Cost-to-Income Ratio

47%  
as of 30.06.2023

51.4%  
as of 31.12.2022

# 01 Ratings of Volksbank & Bolzano/Veneto Regions

	Volksbank		Province of Bolzano	Region of Veneto	Republic of Italy			
	Long-Term Rating	Outlook	Long-Term Rating	Outlook	Long-Term Rating	Outlook		
	<b>BB+</b>	<b>Positive</b>	<i>N.R.</i>	<i>N.R.</i>	<i>N.R.</i>	<i>N.R.</i>	BBB	Stable
	<b>BB+</b>	<b>Stable</b>	A-	Stable	BBB	Stable	BBB	Stable
	<b>BBB (low)</b>	<b>Stable</b>	<i>N.R.</i>	<i>N.R.</i>	<i>N.R.</i>	<i>N.R.</i>	BBB (high)	Stable
	<i>N.R.</i>	<i>N.R.</i>	Baa1	Negative	Baa3	Negative	Baa3	Negative

Source: Rating agencies as of 14 September 2023

# 01 History, Ownership, Member Structure & Governance



- Volksbank transformed in a joint-stock company in 2016 following the italian „popolari reform“
- Volksbank is an issuer of financial instruments that are widely distributed among the public
- The Volksbank stock is quoted at Vorvel Sim S.p.A. (former Hi-MTF, Equity Auction segment) since 2017 with moderate liquidity

# 01 We facilitate sustainable regional development

- As a **retail and commercial bank** based in South Tyrol, Trentino and Veneto, Volksbank manages a client portfolio of more than **282.000 customers (246k private and 36k business)** with a typical universal banking profile
- Volksbank specialises in the retail sector and in the financing of solid companies in its target customer base

Client Segments	Key Focus
<b>Private (retail)</b>	<ul style="list-style-type: none"><li>▪ Housing Mortgage, realise “the housing dream”</li><li>▪ Finance Energy efficiency requalification</li><li>▪ Wealth Management, Insurance and Pension plans</li></ul>
<b>Corporate</b>	<ul style="list-style-type: none"><li>▪ Primary focus on SMEs</li><li>▪ Sectoral expertise, especially tourism, food/agriculture, mechanical engineering/metalworking industry, real estate</li></ul>



# 01 Volksbank - Recent Awards



**German Institute of Quality and Finance  
Service Winner Regional Banks of Veneto  
and South Tyrol**

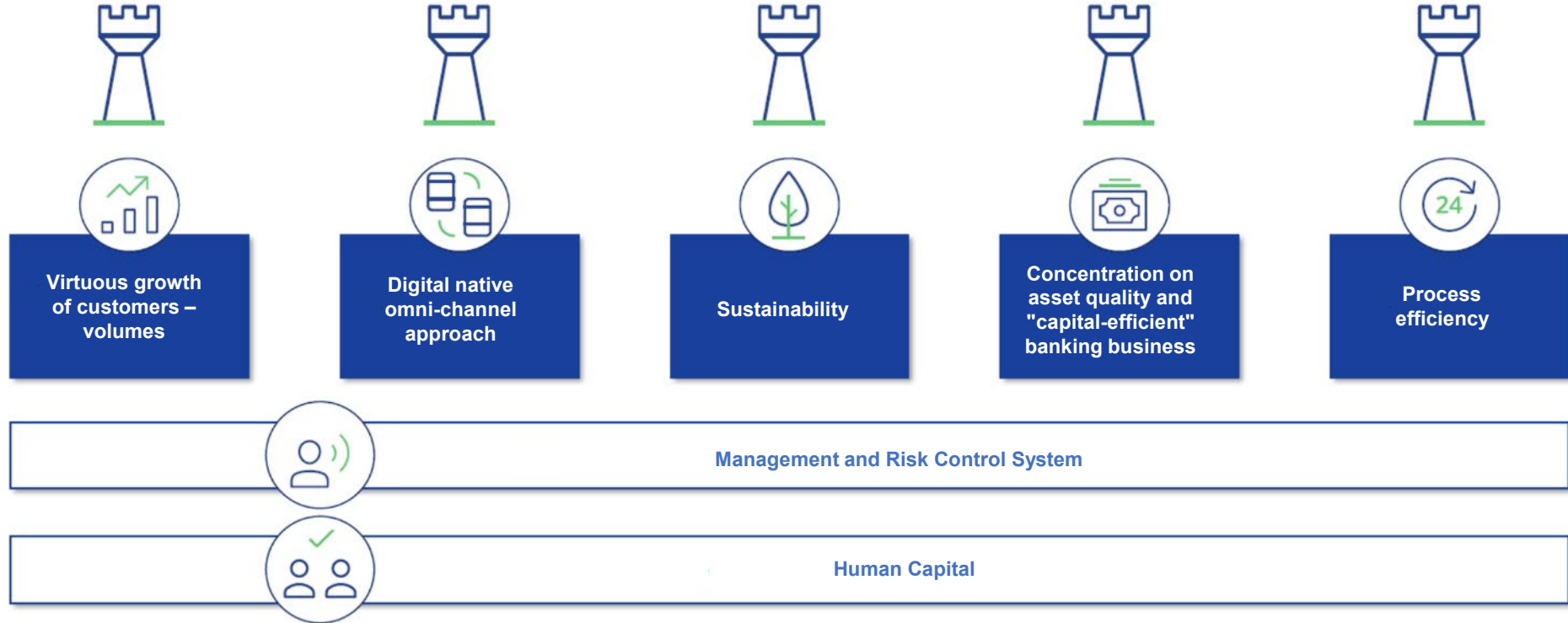


**German Institute of Quality and Finance  
Service Winner Regional Banks of Veneto**

## Recent ESG Awards



# 01 Pillars of the strategic plan – initiatives well on track



# Agenda

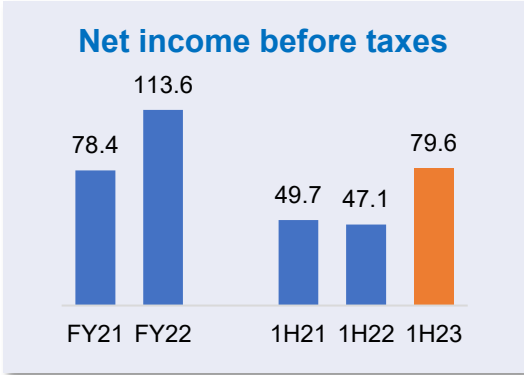
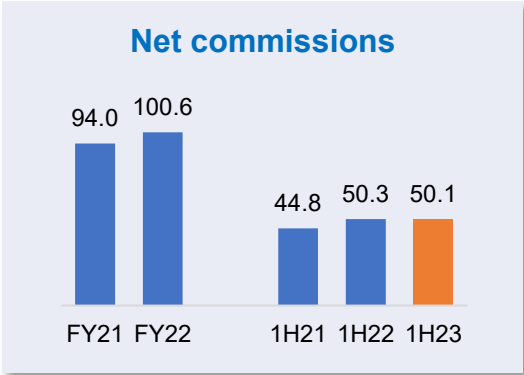
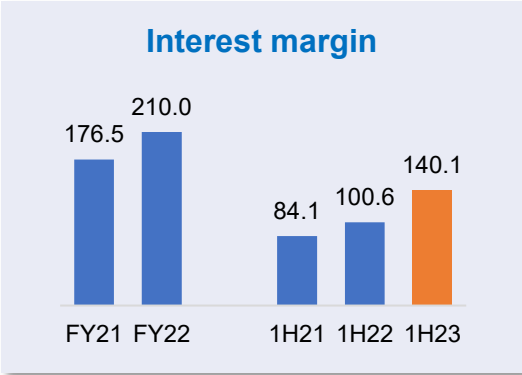
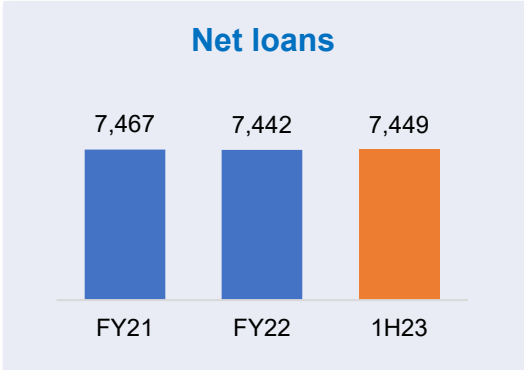
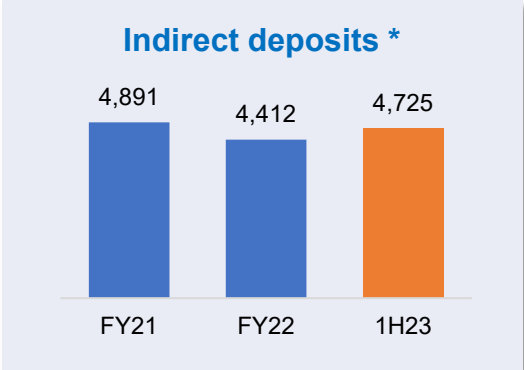
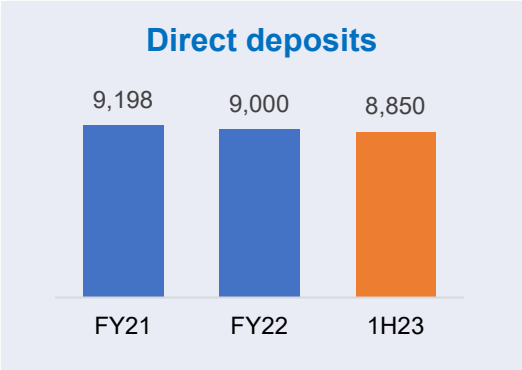
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## 02 Overview of the synthetic profit and loss account (as of 1H23)

EUR m	1H23	1H22	Δ abs.	Δ %
Net interest income	140,097	100,561	39,536	39.3%
Net commissions	50,142	50,330	-187	-0.40%
<b>Core revenues</b>	<b>190,240</b>	<b>150,891</b>	<b>39,349</b>	<b>26.1%</b>
Financial income	1,510	8,779	-7,269	-82.8%
<b>Net income from banking activities</b>	<b>191,750</b>	<b>159,670</b>	<b>32,080</b>	<b>20.1%</b>
Operating expenses	-103,097	-91,826	-11,271	12.3%
<b>Net operating profit (loss)</b>	<b>88,652</b>	<b>67,844</b>	<b>20,808</b>	<b>30.7%</b>
Net losses for credit risk	-10,338	-21,969	11,630	-52.9%
Other components	1,320	1,253	68	5.4%
<b>Net income (loss) before taxes</b>	<b>79,634</b>	<b>47,128</b>	<b>32,506</b>	<b>69.0%</b>
Income taxes	-26,147	-15,567	-10,580	68.0%
<b>Net income (loss) for the period</b>	<b>53,486</b>	<b>31,560</b>	<b>21,926</b>	<b>69.5%</b>

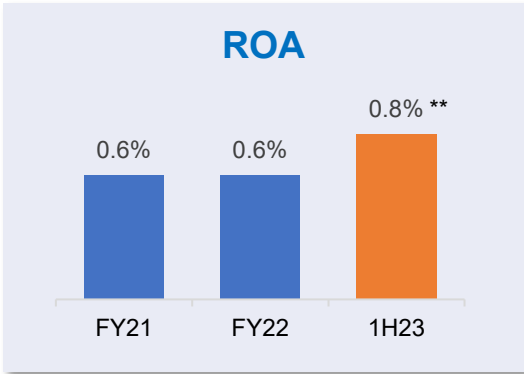
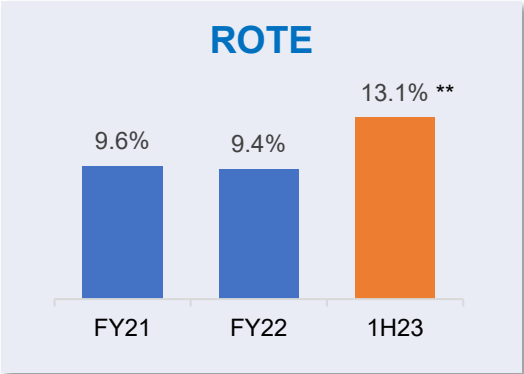
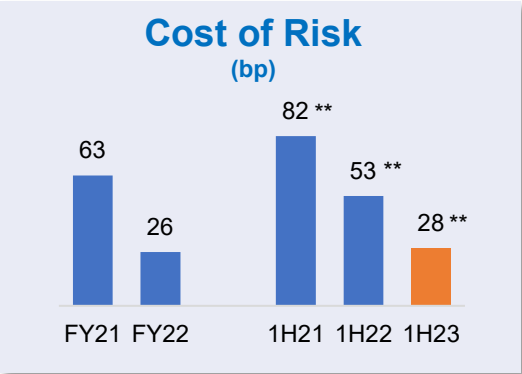
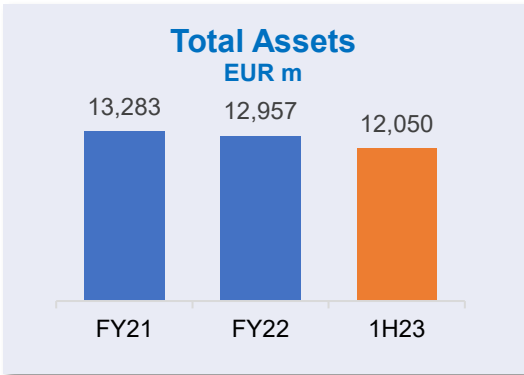
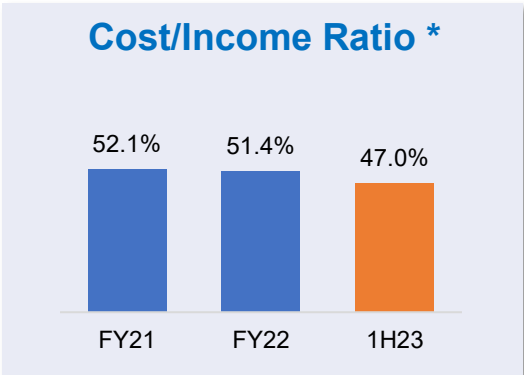
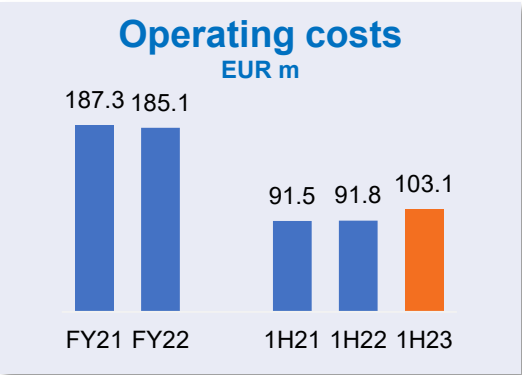
# 02 Solid business and financial performance (EUR m)



\* Volksbank shares excluded



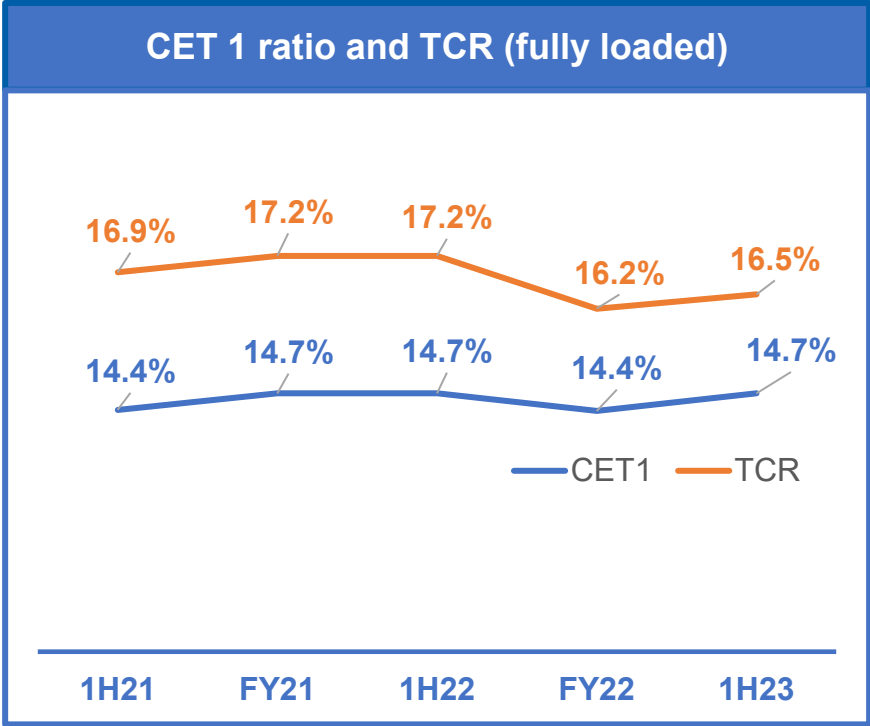
# 02 Improving cost structure and profitability



\* based on the reclassified Income statement  
 \*\* annualized



# 02 Capital position significantly improved



**Capitalisation level confirmed as solid:**

- CET 1 Ratio at 14.9% (phased-in) / 14.7% (fully loaded)
- Total Capital Ratio at 16.7% (phased-in) / 16.5% (fully loaded)

**Current SREP overall capital requirements (incl. Pillar II guidance)**

CET1 ratio	8.80%
Tier1 ratio	10.60%
Total capital ratio	13.00%

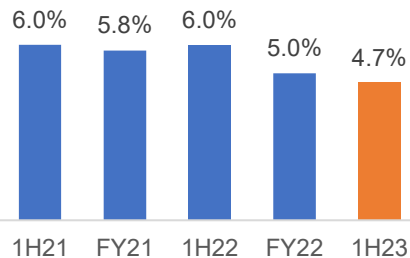
**Capital Ratios significantly above SREP requirements**

**MREL add-on: 2.50%**

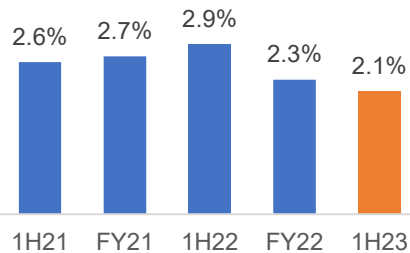


## 02 NPL ratio with decreasing trend

### NPL RATIO (GROSS)



### NPL RATIO (NET)

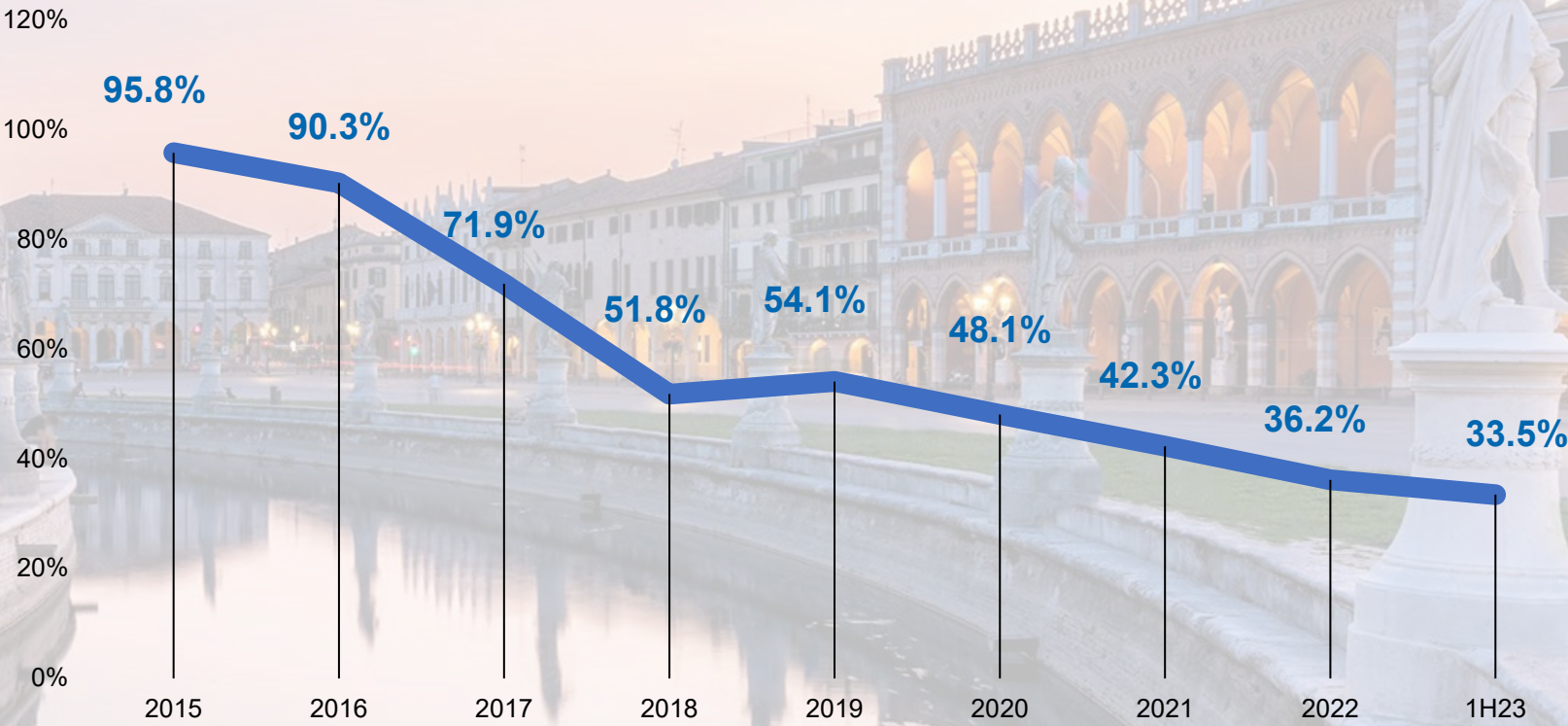


### COVERAGE RATIOS

	1H21	FY21	1H22	FY22	1H23
<b>Performing Loans</b>	<b>1.2%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>1.1%</b>	<b>1.3%</b>
- stage 1	0.6%	0.6%	0.5%	0.8%	0.8%
- stage 2	5.8%	5.8%	4.7%	3.6%	5.0%
<b>NPL</b>	<b>58.0%</b>	<b>54.0%</b>	<b>53.4%</b>	<b>56.3%</b>	<b>57.3%</b>
<i>Past due loans</i>	27.4%	26.7%	28.6%	30.0%	27.6%
<i>UTP loans</i>	42.4%	40.6%	40.9%	44.8%	46.0%
<i>Bad loans</i>	68.7%	67.8%	69.4%	70.7%	72.5%



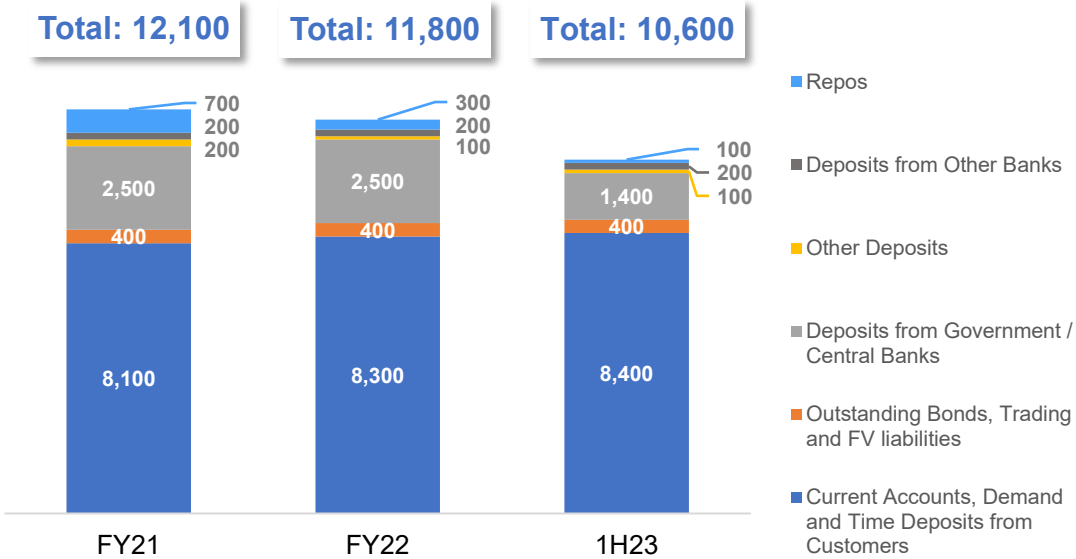
# 02 Texas ratio at a sound level of 33.5%



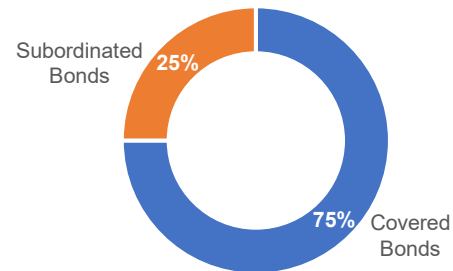
$$\text{Texas ratio} = \frac{\text{Net non performing loans}}{\text{Tangible equity}}$$

# 02 Stable funding and liquidity position

## Funding Mix \*



## Outstanding Bonds



Issuance	Amount	Maturity
Oct 2019 Cov Bonds	300mn	Oct 2026
Sep 2022 Tier 2	70mn	Sep 2032 Call Option Sep 2027
Oct 2018 Tier 2	25mn	Oct 2028 Call Option Oct 2023
Aug 2017 Tier 2	5mn	Aug 2029

Very solid liquidity position (30/06/2023): **LCR at 241%** and **NSFR at 130%** both much higher than the 100% target envisaged by Basel III

\*EUR mn, rounded to the nearest 100m



# Diversification in capital markets while maintaining solid retail funding



- ✓ Sustainable growth in retail deposit base
- ✓ OBG Programme - Retail Mortgage Covered Bonds („OBG“)
- ✓ Continue to use ABS as a funding tool for SME loans
- ✓ Balanced utilisation of institutional funding in terms of sources and expiration dates and gradual substitution of ECB funding
- ✓ Capital optimization via issuance of Tier 2 instruments as well as synthetic securitizations of SME loans
- ✓ Newly dedicated Green Bond Framework to further enhance the ESG commitment



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# 03 Covered Bond Programme

MAIN TERMS	
<b>Issuer</b>	Volksbank - Banca Popolare dell'Alto Adige S.p.A.
<b>Seller</b>	Volksbank - Banca Popolare dell'Alto Adige S.p.A.
<b>Programme Size</b>	EUR 3,000,000,000
<b>Programme Structure</b>	Soft-bullet with 12 months of maturity extension
<b>Guarantor</b>	VOBA CB S.r.l.
<b>Cover Pool</b>	Italian prime, first economic lien residential mortgages originated by the Seller
<b>Segregation of collateral</b>	Collateral sold to the Guarantor for the benefit of OBG holders and other secured parties in the context of the programme
<b>Contractual Asset %</b>	88%
<b>Committed Asset %</b>	79%
<b>Listing</b>	Luxembourg
<b>Overcollateralization</b>	The statutory tests are run quarterly to ensure sufficient programme support
<b>Governing Law</b>	Italian Law
<b>Programme</b>	18 September 2023



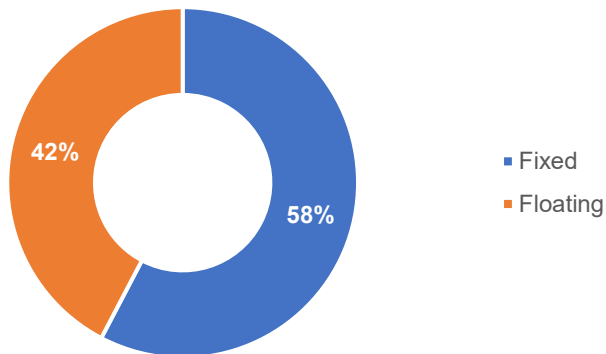
# 03 Covered Pool – Overview

MAIN PARAMETERS	
<b>Total outstanding</b>	€ 738,549,114
<b>Total number of loans</b>	7,349
<b>Average loan amount</b>	€ 100k
<b>Weighted Average cLTV</b>	40.70%
<b>Weighted Average oLTV</b>	54.58%
<b>Weighted average seasoning (months)</b>	69
<b>Weighted Average time to maturity (months)</b>	181
<b>Property Occupancy:</b>	
- First Home	94.3%
- Second Home	5.3%
- Other	0.4%
<b>Fixed Rate loans</b>	58%
<b>Floating rate loans</b>	42%
<b>WA spread for floating rate loans</b>	1.56%
<b>WA interest rate for fixed rate loans</b>	2.01%



# 03 Covered Pool – Breakdown by Interest Rate and Region

Break Down by Interest rate Type



	€/mln	%	Number of Loans	%
<b>Fixed</b>	426	58%	3,658	50%
<b>Floating</b>	313	42%	3,691	50%
<b>Total</b>	<b>739</b>	<b>100.00%</b>	<b>7349</b>	<b>100%</b>

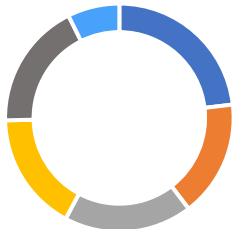
Break Down by Region

Region	Outstanding	%
Trentino Alto Adige	499,434,140.55	67.62%
Veneto	219,088,518.93	29.66%
Friuli Venezia Giulia	14,263,553.45	1.93%
Lombardia	3,271,512.65	0.44%
Sardegna	564,895.61	0.08%
Toscana	331,543.78	0.04%
Puglia	213,305.23	0.03%
Campania	149,653.48	0.02%
Lazio	148,732.32	0.02%
Liguria	46,206.32	0.01%
Sicilia	36,421.13	0.00%
Emilia Romagna	30,368.58	0.00%
Other	970,262.10	0.13%
<b>Total</b>	<b>738,549,114.13</b>	<b>100.00%</b>

# 03 Covered Pool – Break Down by LTV

## Break Down by Original LTV

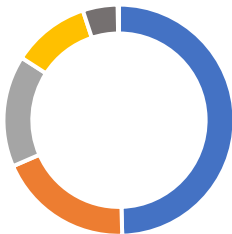
- 0% - 40%
- 40% - 50%
- 50% - 60%
- 60% - 70%
- 70% - 80%
- > 80%



Range	Outstanding	%
0% - 40%	170,869,518.12	23.14%
40% - 50%	121,737,085.17	16.48%
50% - 60%	134,225,603.22	18.17%
60% - 70%	124,605,899.73	16.87%
70% - 80%	132,792,656.68	17.98%
> 80%	54,318,351.21	7.35%
<b>Total</b>	<b>738,549,114.13</b>	<b>100%</b>

## Break Down by Current LTV (unindexed)

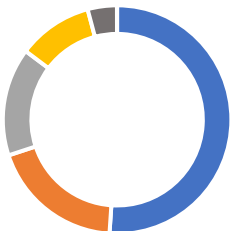
- 0% - 40%
- 40% - 50%
- 50% - 60%
- 60% - 70%
- 70% - 80%
- > 80%



Range	Outstanding	%
0% - 40%	365,949,140.16	49.55%
40% - 50%	139,848,662.04	19.94%
50% - 60%	115,133,178.08	15.59%
60% - 70%	80,215,517.20	10.86%
70% - 80%	36,169,468.58	4.90%
> 80%	1,233,148.07	0.17%
<b>Total</b>	<b>738,549,114.13</b>	<b>100.00%</b>

## Break Down by Current LTV (indexed)

- 0% - 40%
- 40% - 50%
- 50% - 60%
- 60% - 70%
- 70% - 80%
- > 80%



Range	Outstanding	%
0% - 40%	377,132,665.06	51.06%
40% - 50%	139,471,414.96	18.88%
50% - 60%	112,962,507.10	15.30%
60% - 70%	78,276,786.97	10.60%
70% - 80%	30,578,096.01	4.14%
> 80%	127,644.03	0.02%
<b>Total</b>	<b>738,549,114.13</b>	<b>100.00%</b>

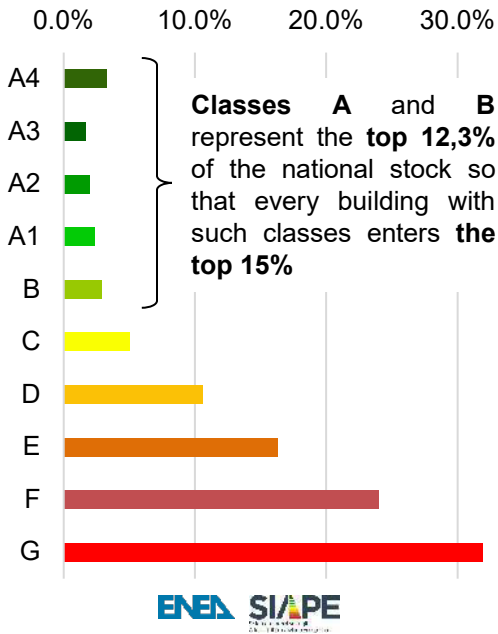




# 03 Implementation of the green criteria for the covered bond

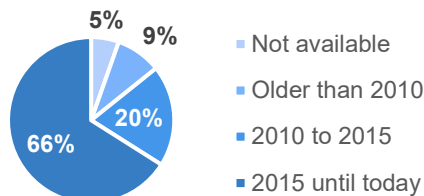
## Practical implications of the guidelines provided by the Framework

### Distribution of Energy Performance Certificate (EPC) for the Italian building stock

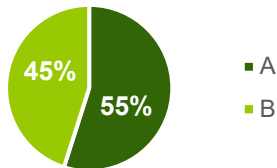


### Composition of the Green Cover Pool (ca. EUR 293mn)

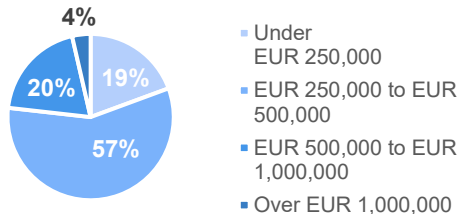
#### By building year



#### By EPC

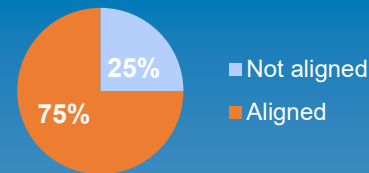


#### By asset value



### EU Taxonomy alignment

Even if the selection criteria defined in the framework are not formally aligned to the EU Taxonomy Technical Screening Criteria of the activity 7.6 Acquisition and ownership of buildings,



75% of the buildings satisfy the EU Taxonomy following criteria:

- ▶ For buildings built before December 2020, the building is within the **top 15% of the national building stock** expressed as operational Primary Energy Demand (PED)



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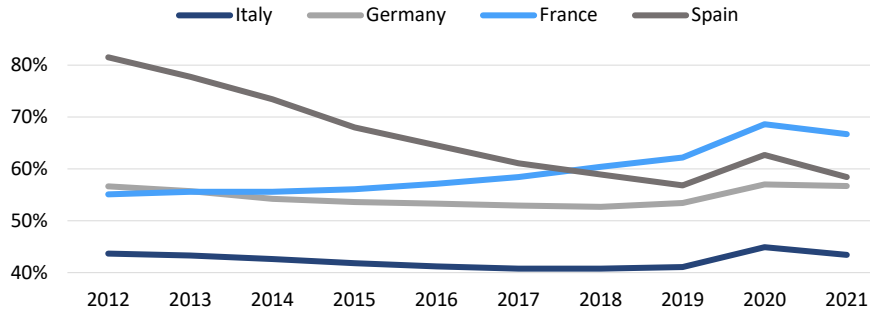
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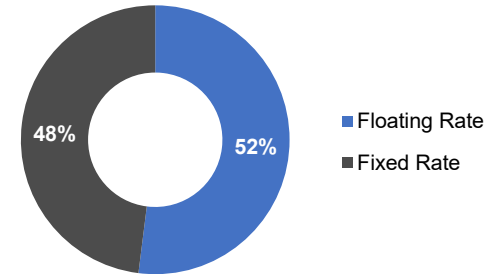
# Italy show a stable and healthy picture

## Residential Market & Household Debt Overview

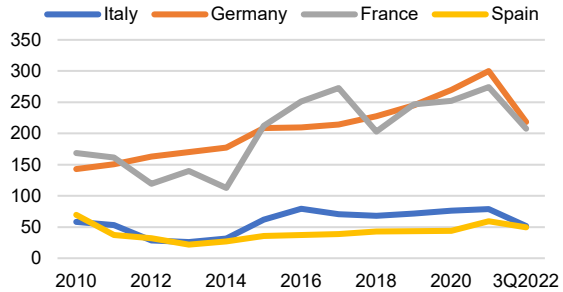
Household debt in % of GDP  
2021



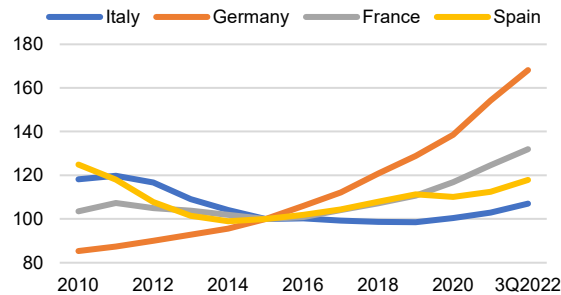
Floating / Fixed Rate split in Italian New Loans  
2Q 2022



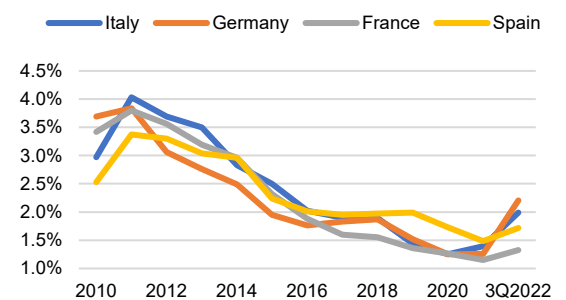
Gross Residential Loans  
(EURbn)



Nominal House Price Indices (2010-2022)  
(2015=100)



Representative Interest Rates on New Residential Loan  
(Annual average based on monthly figures, %)



Sources: Hypostat 2022, European Mortgage Federation, Eurostat



# 04 Origination, Underwriting, Servicing

## Sales Force

- All mortgages are originated through the branch channel since Volksbank does not rely on external brokers to originate new loans
- No mortgages are originated by Banca Popolare di Marostica before its incorporation into Volksbank's branches
- Solid Know Your Customer process in place

## Underwriting

- Centralized underwriting process: more than 90% of mortgages are underwritten at central services level, through a robust "four eyes principle"
- The authority to approve a mortgage loan depends mainly on the amount requested, the term of the loan and the Loan to Value of the loan (< 80%)
- Use of in-house credit rating model used for borrower assessment as part of the underwriting criteria, with Rating ≤7 (PD 1,75%, Rating span 1-15) eligible for the approval

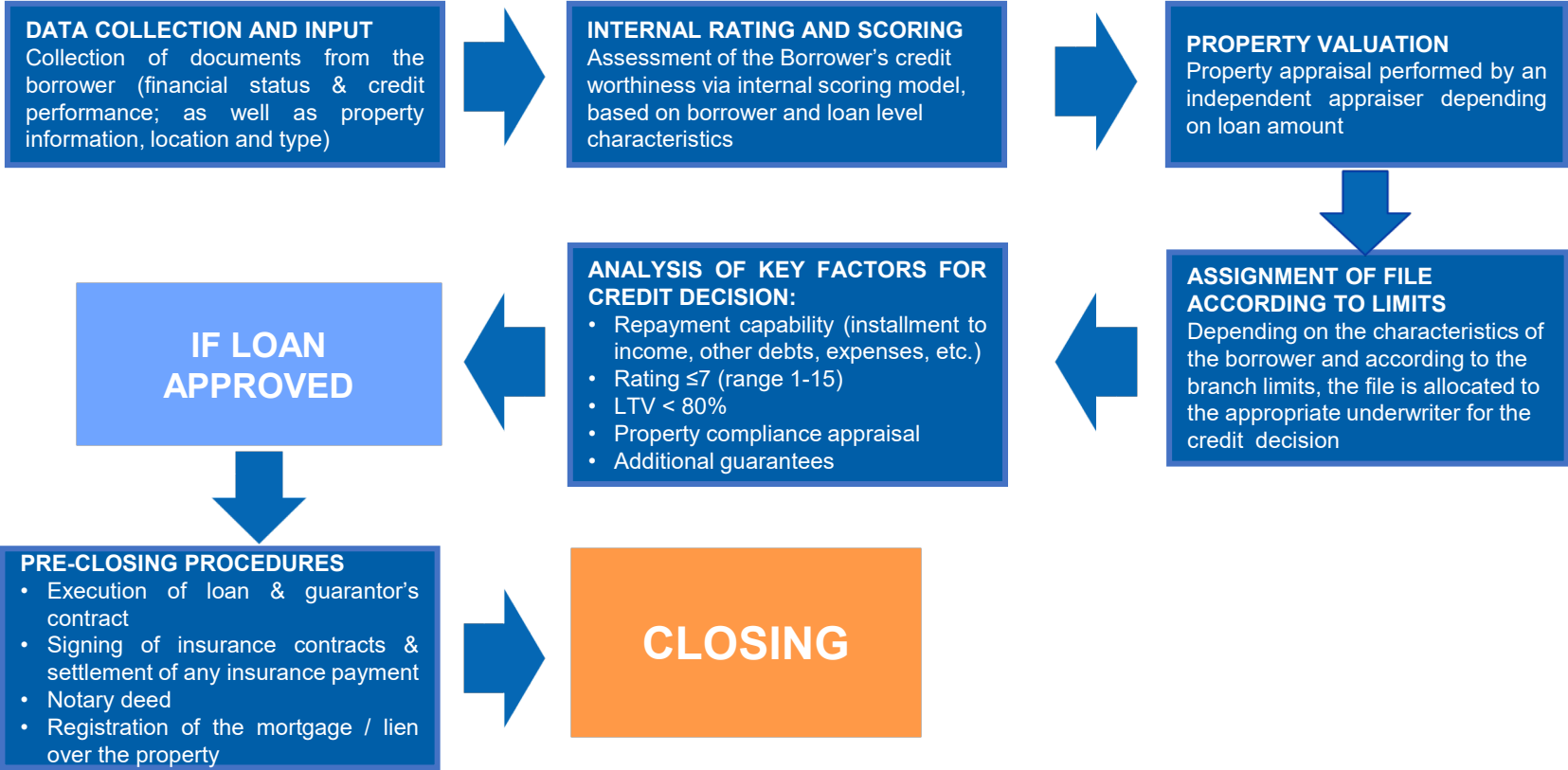
## Property Valuation

- Full valuations are made through third party appraisals, performed by Kroll Real Estate Advisory Group (REAG), Prelios, Crif and Abaco through outsourcing contracts.
- All valuations are subject to back testing for sound proofing and annual checks performed by Nomisma through their database of price evolution in the different cities

## Servicing

- Volksbank performs all of the servicing activities of the mortgage loan portfolios subject to securitisation
- Collection strategies are in place to achieve the quickest and most effective recovery
- The majority of loans pay through direct debit, thus reducing delinquency (early detection of over due) and allowing for more proactive servicing of the loans

# 04 The Underwriting procedure



# 04 Real Estate Valuation

## Real Estate Valuation

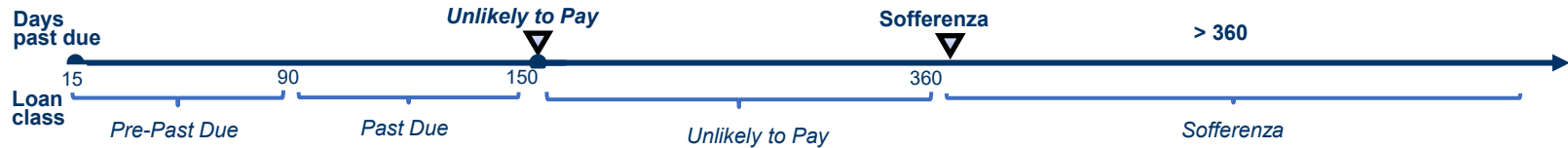
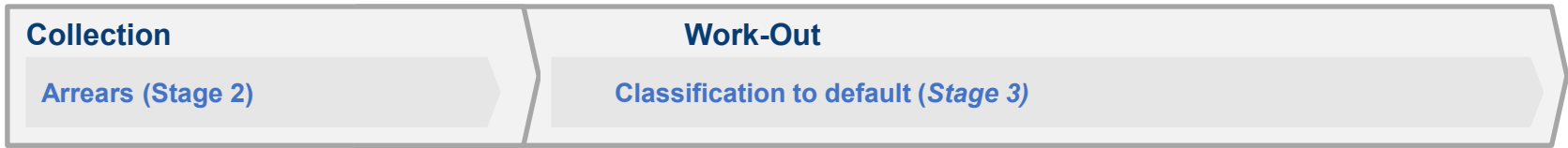
- The real estate valuation method applied by BPAA is differentiated based on the loan originated amount and the real estate property type

	Criteria	Valuation Method
<b>Group A</b>	<ul style="list-style-type: none"> <li>Residential property, land with value &lt;=50% of the residential property, retail and small commercial properties and offices; and</li> <li>Original loan amount &lt;= Euro 400k</li> </ul>	<ul style="list-style-type: none"> <li>Based on the property data provided by the branch (ie. construction year, location, status, etc.) and the Nomisma real estate index, the internal property data system computes a desktop appraisal of the property. Such system is compliant to the Basel II requirements</li> <li>The Internal Appraisal Department ("IAD") verifies the documentation provided, the validity of the legal title and the appraisal value within 2 working days</li> <li>Detailed real estate on site appraisals are carried out annually by IAD on a sample of properties selected by the Risk Management department</li> <li>External appraisals provided by the borrower can be accepted is provided by a qualified CTU (<i>Consulente Tecnico d'Ufficio</i>) and the property value &lt;= Euro 400k</li> <li>Indicative timing for the process is between 5 and 8 working days</li> </ul>
<b>Group B</b>	<ul style="list-style-type: none"> <li>Residential property or offices with original loan amount &gt; Euro 400k and commercial properties with limited size depending on the relevant cadastral category (ranging from 500sqm for retail properties; 750sqm for artisans' lab, garage, sport centers, etc.; 1,000sqm for warehouse and 2,500sqm large industrial and commercial buildings)</li> </ul>	<ul style="list-style-type: none"> <li>REAG or other qualified external appraisers are appointed by the IAD and perform an onsite appraisal of the property</li> <li>Indicative timing for the process is between 10 and 15 working days</li> </ul>
<b>Group C</b>	<ul style="list-style-type: none"> <li>All remaining properties</li> </ul>	

## Monitoring

- Each property value is updated on annual basis based on the updated Nomisma real estate index
- In case the annual average property value increases of more than 10% or an individual property value increases more than 25%.
- In case of loan with an origination amount > Euro 3mln, an onsite appraisal is performed by IAD or external appraisers appointed by IAD every 3 years

# 04 Overview of the Recovery Process



## Management of unpaid installments

- After 15 days from the date the instalment is due and unpaid, the borrower is contacted by BPAA's branches to analyse the financial situation and require the immediate payment of any outstanding amount
- All credit competences move to the Workout Department which manages the file together with the sales network, providing its dedicated expertise in managing underperforming loans
- Expected loss is calculated based on rating (typically 5% pre-past due and 25% Past Due)

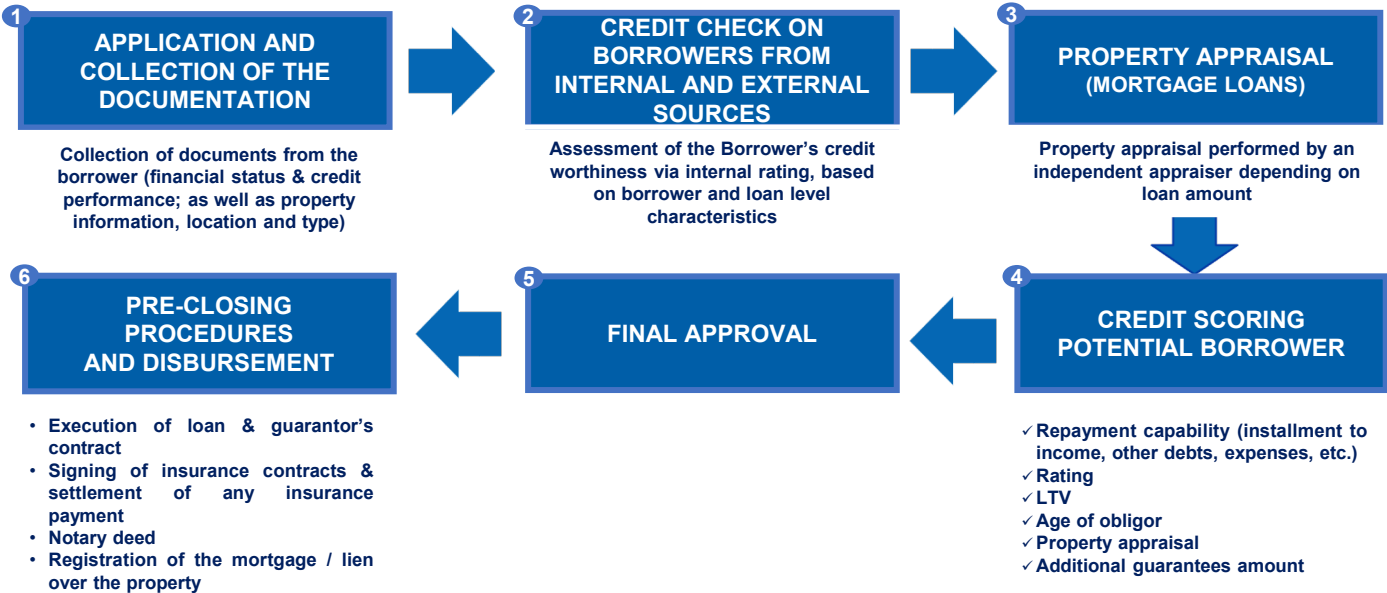
## Management of workout positions

- During the Unlikely to pay, the loan contract remains in force and efforts are made to reduce the arrears (and therefore the EAD of the file) as well as to increase - when possible and useful - the guarantee package (LGD of the file)
- Expected loss is measured individually based on the guarantee package and through a work-out appraisal which includes the value of the real estate under a stress selling scenario
- If the instalment remains unpaid, the BPAA branch sends out a request for the loan to be forfeited and classified as "Sofferenza", starting the legal procedures
- The Legal Department receives the file and assigns it to an NPL manager, advising on the legal actions to be implemented
- The Legal Departments examines any judicial or extra-judicial agreement, assesses any proposal received from the branch and submits any decision to the ICC or any other relevant internal body



# 05 The origination and underwriting procedure

- The loan origination procedure begins at branch level with a preliminary analysis by the relevant BPAA employees who:
  - collect the data and relevant documentation
  - review and check the data and documentation provided by the proposed borrower in order to assess the relevant creditworthiness and capacity to repay the loan
- If the loan is secured by a mortgage, a first lien mortgage on the property is typically required as credit support of the loan. The mortgage amount is normally equal to 150% of the loan amount and a property appraisal valuation is always required
- Additional guarantees can also be required to further mitigate credit risk



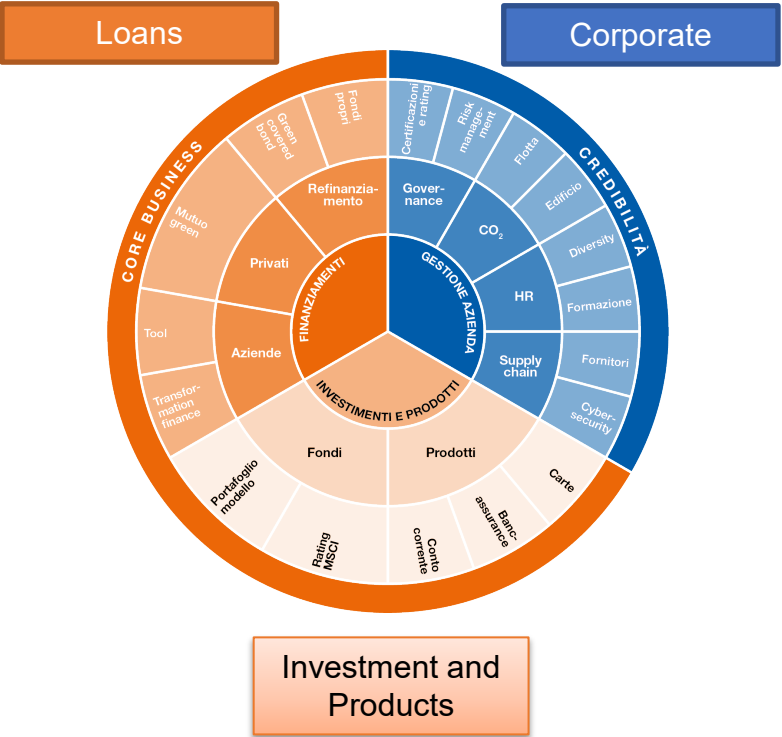


# Agenda

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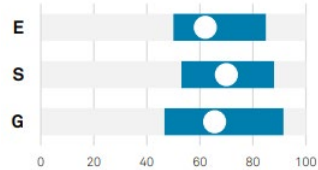
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# 05 Holistic approach to sustainability / ESG evaluation



A path once again certified by the S&P Global rating agency: we improved our rating through a focus on the environmental section.

**ESG Profile Score**  
67 /100



Il Sole 24 Ore e Statista  
Leader della sostenibilità 2023



Corriere della Sera e Statista  
Aziende più attente al clima 2023




Banca Popolare dell'Alto Adige  
IGI COMPANY 2022  
ETICANEWS Integrated Governance Index - IGI Company 2022



# 05 Key elements of the Green Bond Framework

## Use of Proceeds

Eligible Categories	Eligibility criteria	European Environmental Objective	SDGs
Green buildings	<p>Construction or acquisition of commercial or residential green buildings which meet at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>The building meets a recognised environmental standard such as: LEED gold or higher, or BREEAM very good or higher</li> <li>Buildings with Energy Performance Certificate (EPC) class 'A' or 'B'</li> </ul>	Climate Change Mitigation	

## Project Evaluation and Selection

### The Product Committee

- Includes the **CEO** and **senior management representatives** from Finance, Commercial, Lending, Operations, Risk, Compliance and other relevant departments
- Assesses and select the **Eligible Green Loans**, supervises the implementation of the rules defined in the **Management of Proceeds** and monitors market practices to maintain the document aligned
- Ensures **all assets financed** by Volksbank comply with the relevant **internal lending procedures** and **applicable law**

### Volksbank ESG Credit Framework

- Document that defines the **main guidelines** for the granting of **«sustainable» credits**
- Activities related to **arms production, child labour exploitation** and **gambling** are **blacklisted**

## Reporting

Volksbank will make available a Green Bond **Allocation Report**

In addition, an **Impact Report** about the expected environmental impact of the green cover pool will be made available. Below examples of possible KPIs:

- The breakdown of the pool by EPC certification level
- Annual energy savings in MWh/GWh
- Annual GHG emissions reduced/avoided in tonnes of CO<sub>2</sub>eq




Such reporting will initially be issued the earliest one year after the issuance of the first bond and then annually until maturity and it will be subject to an **external independent post-issuance verification**



<b>Sustainable Fitch Second-Party Opinion</b>	Good
<b>Framework Type</b>	Green
<b>Alignment</b>	ICMA Green Bond Principles 2021

### Issuance Highlights

➤ “Sustainable Fitch considers Banca Popolare dell'Alto Adige S.p.A.'s (Volksbank) green bond framework to be aligned with the ICMA Green Bond Principles 2021. The framework includes all the relevant pillars recommended by the ICMA, including the use of proceeds, the process for project evaluation and selection, and the management of the proceeds and reporting.”

<b>Relevant Sustainable Development Goals</b>		<b>7.3</b> By 2030, double the global rate of improvement in energy efficiency
		<b>11.3</b> By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries
		<b>13.2</b> Integrate climate change measures into national policies, strategies and planning

<b>Use of Proceeds</b>	Eligible Projects	Excellent (Covered Bond)
	Other information	Good (Other issuances)
<b>Project Evaluation and Selection</b>		Average
<b>Management of Proceeds</b>		Good
<b>Reporting</b>		Good

- “We assess the overall eligibility criteria to allow for the inclusion of a wide range of assets with varying environmental impact, as the criteria do not include quantitative energy performance standards or make reference to the construction year of buildings.”
- “The issuer has defined a procedure to select eligible projects and assesses its loan portfolio with the help of an ESG evaluation tool, which we positively consider [...]”
- “In line with general market practice, the issuer will allocate eligible green loans to a separate register which provides a satisfactory tracking of the proceeds’ allocation.”
- “It is positive [...] that Volksbank has fully committed to reporting the allocation and impact on an annual basis until the bond's maturity. This is considered best practice.”



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## 06 Potential Green New Issuance

Indicative Terms and Conditions	
<b>Issuer</b>	Volksbank - Banca Popolare dell'Alto Adige S.p.A.
<b>Instrument</b>	Obbligazioni Bancarie Garantite (Mortgage) European Covered Bond Premium
<b>Expected Issue Rating</b>	[AA] by Fitch
<b>Tenor</b>	5-year (soft bullet)
<b>Amount</b>	EUR sub-benchmark size
<b>Coupon</b>	Fixed [ • ] %, annual Act/Act (ICMA), following unadjusted
<b>Use of Proceeds</b>	To finance or refinance eligible green mortgage loans as set out in the Issuer's Green Bond Framework
<b>Documentation</b>	Euro 3,000,000,000 Covered Bond (Obbligazioni Bancarie Garantite) Programme, dated 18 September 2023
<b>Form of Notes</b>	Bearer
<b>Listing</b>	Luxembourg
<b>Governing Law</b>	Italian Law
<b>Denominations</b>	EUR 100K + 1K
<b>Joint Lead Managers</b>	Erste Group Bank AG, LBBW, Raiffeisen Bank International AG, UniCredit

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# Annex



# Balance Sheet - reclassified (1)

Assets (amounts in thousands of Euro)	30/06/2023	31/12/2022
Loans to banks	238,935	1,067,357
Loans to customers	7,463,970	7,457,332
<i>a) Loans to customers measured at amortised cost</i>	7,449,667	7,442,401
<i>b) Loans to customers valued at FVOCI and with FV in the income statement</i>	14,303	14,931
Financial assets designated at AC an not classed as loans	2,862,883	2,985,146
Financial assets designated at FV through profit or loss	56,114	88,966
Financial assets designated at FVOCI	742,469	729,539
Investments	4,321	4,339
Tangible and intangible assets	160,668	160,784
- <i>assets owned</i>	140,206	140,686
- <i>rights of use</i>	20,462	20,089
Tax assets	114,480	138,188
Non-current assets and groups of assets held for sale	3,650	4,849
Other assets	402,599	319,991
<b>Total assets</b>	<b>12,050,089</b>	<b>12,956,491</b>

# Balance Sheet – reclassified (2)

<b>Liabilities and shareholders' equity</b> (amounts in thousands of Euro)	<b>30/06/2023</b>	<b>31/12/2022</b>
Due to banks at amortised cost	1,603,582	2,628,754
Due to customers at amortised cost and securities issued	8,998,326	9,159,272
Financial liabilities held for trading	107	384
Financial liabilities designated at fair value	-	-
Tax liabilities	23,438	29,920
Liabilities associated with assets held for sale	-	-
Other liabilities	507,248	240,397
Provisions for risks and charges	38,932	36,717
- of which: commitment and guarantees issued	7,860	9,829
Share capital	201,994	201,994
Reserves	639,987	595,373
Valuation reserves	(17,009)	(11,847)
Equity instruments	-	-
Profit (Loss) for the period (+/-)	53,486	75,527
<b>Total liabilities and shareholders' equity</b>	<b>12,050,091</b>	<b>12,956,491</b>

# Income Statement - reclassified

Reclassified Income Statement Items (amounts in thousands of Euro)	30/06/2023	30/06/2022
Interest margin	140,097	100,561
Net fee and commission income	50,142	50,330
<b>First margin</b>	<b>190,239</b>	<b>150,891</b>
Net financial result	1,440	10,175
Other operating income/expenses	(1,754)	(1,441)
<b>Other operating income</b>	<b>(314)</b>	<b>8,734</b>
<b>Net operating income</b>	<b>189,925</b>	<b>159,625</b>
Personell expenses	(56,815)	(52,408)
Administrative expenses	(25,954)	(22,664)
Net profit (loss) from tangible and intangible assets	(7,978)	(6,327)
<b>Operating costs</b>	<b>(90,747)</b>	<b>(81,399)</b>
<b>Operating profit (loss)</b>	<b>99,178</b>	<b>78,226</b>
Net adjustments to loans to customers	(7,399)	(19,853)
Adjustments to other assets and liabilities	(99)	(2,585)
Profit (loss) on disposal of participations and investments	519	(109)
Contributions and charges relating to the banking system	(7,620)	(7,274)
Net allocations to provisions for risks and charges	(4,946)	(1,279)
<b>Profit (loss) on continuing operations</b>	<b>79,633</b>	<b>47,126</b>
Income taxes	(26,147)	(15,567)
<b>Profit (loss) for the period</b>	<b>53,486</b>	<b>31,559</b>

# Disclaimer

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